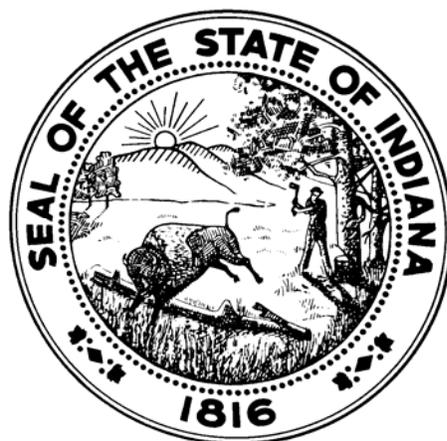


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

ANNUAL FINANCIAL REPORT

2006

JACKSON COUNTY, INDIANA



FILED

09/11/2007

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Debra F. Eggeman	01-01-05 to 12-31-08
Treasurer	Kathy Hohenstreiter	01-01-06 to 12-31-08
Clerk	Sarah L. Benter	01-01-03 to 02-24-08
Sheriff	Jerry Hounshel Mark Larhman	01-01-03 to 12-31-06 01-01-07 to 12-31-10
Recorder	Richard Nehrt Tracy Hubbard	01-01-03 to 12-31-06 01-01-07 to 12-31-10
President of the Board of County Commissioners	Gary Darlage	01-01-06 to 12-31-07
President of the County Council	Richard A. Brackemyre Charles Murphy	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 JACKSON COUNTY, INDIANA

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

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

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

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

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

In accordance with Government Auditing Standards, we have also issued a report dated August 2, 2007, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

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

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

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Combining Schedules, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, 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.

STATE BOARD OF ACCOUNTS

August 2, 2007



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

TO: THE OFFICIALS OF JACKSON COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jackson County (County), as of and for the year ended December 31, 2006, which collectively comprise the County's basic financial statements and have issued our report thereon dated August 2, 2007. The opinions to the financial statements were qualified due to the omission of the component units of Jackson County which would result in incomplete presentation. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management in a separate letter dated June 20, 2007.

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

STATE BOARD OF ACCOUNTS

August 2, 2007

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

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>			<u>Net (Disbursement) Receipt and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Primary government:					
Governmental activities:					
General government	\$ 8,683,950	\$ 1,252,286	\$ 396,213	\$ 5,489	\$ (7,029,962)
Public safety	7,055,553	3,000,011	802,853	33,150	(3,219,539)
Highways and streets	3,183,844	-	3,315,565	-	131,721
Health and welfare	445,272	185,376	465,717	-	205,821
Culture and recreation	21,433	-	14,794	-	(6,639)
Urban redevelopment	25,000	-	25,000	-	-
Debt service	530,000	-	-	-	(530,000)
Interest on long-term debt	528,388	-	-	-	(528,388)
Capital outlay	273,024	-	-	-	(273,024)
Total primary government	\$ 20,746,464	\$ 4,437,673	\$ 5,020,142	\$ 38,639	(11,250,010)
General receipts:					
Property taxes					6,102,723
Other local taxes					5,654,099
Interest earnings					663,016
Grants and contributions not restricted to specific programs					300
Unrestricted intergovernmental receipts					356,435
Riverboat revenue sharing					114,032
Loan proceeds					1,100,000
Insurance proceeds					20,000
Other operating receipts					<u>562,178</u>
Total general receipts					14,572,783
Change in net assets					3,322,773
Net assets - beginning					8,060,471
Net assets - ending					\$ <u>11,383,244</u>
<u>Assets</u>					
Cash and investments					\$ 430,924
Restricted assets:					
Cash and investments					<u>10,952,320</u>
Total assets					\$ <u>11,383,244</u>
<u>Net Assets</u>					
Restricted for:					
General government					\$ 1,356,989
Public safety					2,033,417
Highways and streets					4,639,056
Health and welfare					1,566,864
Culture and recreation					62,579
Capital outlay					1,293,415
Unrestricted					<u>430,924</u>
Total net assets					\$ <u>11,383,244</u>

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

JACKSON 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	Family and Children Fund	Cumulative Bridge Fund	Economic Development Income Tax Fund	Other Governmental Funds	Totals
Receipts:							
Taxes	\$ 5,631,535	\$ -	\$ 1,778,484	\$ 415,735	\$ 2,585,801	\$ 1,454,498	\$ 11,866,053
Intergovernmental	664,875	2,765,840	336,770	155,353	-	1,497,180	5,420,018
Charges for services	1,228,043	-	-	-	-	2,570,994	3,799,037
Other	557,093	17,184	254,962	154,285	-	261,970	1,245,494
Total receipts	8,081,546	2,783,024	2,370,216	725,373	2,585,801	5,784,642	22,330,602
Disbursements:							
General government	3,938,471	-	-	-	1,687,326	1,027,254	6,653,051
Public safety	3,042,700	-	-	-	829,222	3,184,281	7,056,203
Highways and streets	-	2,204,436	-	574,308	-	405,100	3,183,844
Health and welfare	-	-	1,586,704	-	-	445,272	2,031,976
Culture and recreation	-	-	-	-	-	21,433	21,433
Urban redevelopment and housing	-	-	-	-	-	25,000	25,000
Debt service:							
Principal	-	-	-	-	530,000	-	530,000
Interest	-	-	-	-	528,388	-	528,388
Capital outlay	-	-	-	-	-	273,024	273,024
Total disbursements	6,981,171	2,204,436	1,586,704	574,308	3,574,936	5,381,364	20,302,919
Excess (deficiency) of receipts over disbursements	1,100,375	578,588	783,512	151,065	(989,135)	403,278	2,027,683
Other financing sources (uses):							
Loan proceeds	-	-	-	-	-	1,100,000	1,100,000
Transfers in	-	-	-	-	-	348,792	348,792
Transfers out	(7,500)	-	-	-	-	(341,292)	(348,792)
Total other financing sources (uses)	(7,500)	-	-	-	-	1,107,500	1,100,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,092,875	578,588	783,512	151,065	(989,135)	1,510,778	3,127,683
Cash and investment fund balance - beginning	(644,385)	449,817	551,304	2,331,525	1,306,944	4,095,287	8,090,492
Cash and investment fund balance - ending	\$ 448,490	\$ 1,028,405	\$ 1,334,816	\$ 2,482,590	\$ 317,809	\$ 5,606,065	11,218,175
Amounts reported for governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis are different because:							
Internal services funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.							
							165,069
Net assets of governmental activities							\$ 11,383,244
Cash and Investment Assets - December 31							
Cash and investments	\$ 448,490	\$ -	\$ -	\$ -	\$ -	\$ (17,566)	\$ 430,924
Restricted assets:							
Cash and investments	-	1,028,405	1,334,816	2,482,590	317,809	5,623,631	10,787,251
Total cash and investment assets - December 31	\$ 448,490	\$ 1,028,405	\$ 1,334,816	\$ 2,482,590	\$ 317,809	\$ 5,606,065	\$ 11,218,175
Cash and Investment Fund Balance - December 31							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,191,920	\$ 1,191,920
Public safety	-	-	-	-	-	2,033,417	2,033,417
Highways and streets	-	1,028,405	-	2,482,590	-	1,128,061	4,639,056
Health and welfare	-	-	1,334,816	-	-	232,048	1,566,864
Culture and recreation	-	-	-	-	-	62,579	62,579
Capital outlay	-	-	-	-	317,809	975,606	1,293,415
Unrestricted	448,490	-	-	-	-	(17,566)	430,924
Total cash and investment fund balance - December 31	\$ 448,490	\$ 1,028,405	\$ 1,334,816	\$ 2,482,590	\$ 317,809	\$ 5,606,065	\$ 11,218,175

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

JACKSON COUNTY
 STATEMENT OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 PROPRIETARY FUND
 As of and for the Year Ended December 31, 2006

	<u>Internal Service Fund</u>
Operating receipts:	
Insurance proceeds	\$ 638,635
Operating disbursements:	
Insurance claims and premiums	<u>443,545</u>
Excess of operating receipts over operating disbursements	195,090
Cash and investment fund balance - beginning	<u>(30,021)</u>
Cash and investment fund balance - ending	<u>\$ 165,069</u>
<u>Cash and Investment Assets - December 31</u>	
Restricted assets:	
Cash and investments - December 31	<u>\$ 165,069</u>
<u>Cash and Investment Fund Balance - December 31</u>	
Restricted for:	
General Government	<u>\$ 165,069</u>

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

JACKSON 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 Fund	Agency Funds
Additions:			
Contributions:			
Employer	\$ 274,171	\$ -	\$ -
Plan members	9,557	-	-
Total contributions	283,728	-	-
Investment earnings:			
Net increase in fair value of investments	81,762	-	-
Interest	50,330	-	-
Total investment earnings	132,092	-	-
Agency fund additions	-	-	111,161,590
Total additions	415,820	-	111,161,590
Deductions:			
Benefits	81,021	-	-
Refunds of contributions	36,393	-	-
Administrative and general	185,886	-	-
Agency fund deductions	-	-	109,767,218
Total deductions	303,300	-	109,767,218
Excess of total additions over total deductions	112,520	-	1,394,372
Cash and investment fund balance - beginning	2,085,235	19,706	2,500,430
Cash and investment fund balance - ending	\$ 2,197,755	\$ 19,706	\$ 3,894,802

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

JACKSON COUNTY
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The County was established under the laws of the State of Indiana. The County operates under a Council-Commissioner form of government and provides the following services: public safety (police and ambulance), 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: Jackson County

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

The Jackson County Schneck Memorial Hospital and Jackson County Solid Waste Management District, discretely presented component units have been omitted from these financial statements. Accordingly, the financial statements do not include the data of all of the County's component units necessary to fairly present the financial position of the County.

Related Organizations

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

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other 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.

JACKSON COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 accounts for the County Highway Department receipts and disbursements.

The family and children fund accounts for the Office of Family and Children receipts and disbursements.

The cumulative bridge fund accounts for bridge construction and repair receipts and disbursements.

The economic development income tax fund accounts for receipts for CEDIT taxes and disbursements to other governmental units, county lease payments and jail and juvenile detention center operational expenses.

Additionally, the County reports the following fund types:

The internal service fund accounts for medical insurance provided to other departments on a cost-reimbursement basis.

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

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

Agency funds account for assets held by the County and County Departments as agents for others and serves 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, proprietary 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.

JACKSON COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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 enterprise 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.

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.

JACKSON COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

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

Government-Wide Financial Statements

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

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

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

JACKSON COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

B. 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
Local Road and Street	\$ 405,100

These disbursements were funded by state distributions available in the fund.

C. Cash and Investment Balance Deficits

At December 31, 2006, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

Fund	2006
Community Corrections	\$ 3,064
Deferral Program	1,395
Community Corrections Adult	13,107

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

JACKSON COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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. At December 31, 2006, the bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

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

Investment Type	Sheriff's Retirement and Benefit Pension Plans
U.S. treasuries and securities	\$ 188,262
U.S. agencies	91,653
Mutual funds	128,540
Corporate stock	1,436,228
Corporate bonds	160,498
Total	\$ 2,005,181

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

JACKSON COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

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

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

Investment Custodial Credit Risk

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

The Sheriff's Merit Board has not adopted an investment policy for custodial credit risk for investments. At December 31, 2006, the Sheriff's Retirement and Benefit Pension Plans held investments in U.S. Treasuries and Securities, U.S. Agencies, Mutual Funds, Corporate Stock, and Corporate Bonds in the amount of \$2,005,181. Of these investments, all are held by the investment's counterparty, not in the name of the Sheriff's Pension Plan.

Interest Rate Risk

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

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

Sheriff's Retirement and Benefit Pension Plans:

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
U.S. treasuries and securities	\$ -	\$ 111,963	\$ 76,299
U.S. agencies	-	20,458	71,195
Corporate bonds	-	17,968	142,530
Totals	<u>\$ -</u>	<u>\$ 150,389</u>	<u>\$ 290,024</u>

JACKSON COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Credit Risk

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

Sheriff's Retirement and Benefit Pension Plans:

Standard and Poor's Rating	Moody's Rating	Corporate Bonds	U.S. Treasuries and Securities	U.S. Agencies
AAA	Aaa	\$ 24,106	\$ 188,262	\$ 91,653
AA	Aa	60,357	-	-
A	A	68,774	-	-
BBB	Baa	7,261	-	-
Totals		<u>\$ 160,498</u>	<u>\$ 188,262</u>	<u>\$ 91,653</u>

Concentration of Credit Risk

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

The Sheriff's Merit Board has not adopted a policy for the concentration of credit risk. More than 5% of the Sheriff's Retirement and Benefit investments are in U.S. Treasuries and Securities, U.S. Agencies, Mutual Funds, Corporate Stock, and Corporate Bonds. These investments represent 9%, 5%, 6%, 72% and 8%, respectively, of the total investments.

Foreign Currency Risk

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

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

B. Interfund Transfers

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

Transfer From	Transfer To	2006
General Fund	Other governmental	\$ 7,500
Other governmental	Other governmental	<u>341,292</u>
Total		<u>\$ 348,792</u>

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

JACKSON 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; 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.

Medical Benefits to Employees

The County has chosen to establish a risk financing fund for risks associated with medical benefits. The risk financing fund is accounted for in the Self-Insurance Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$60,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Interfund premiums are paid into the fund by all affected funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon an overall premium percentage which is applied to each affected fund and are reported as quasi-external interfund transactions.

Job Related Illness and Injuries

During 2002, the County joined a public entity risk pool, the Indiana Public Employer's Plan, Inc., currently operating as a common risk management and insurance program for member governmental entities. This risk pool was formed in 1989 for the purpose of providing a medium for the funding and administration of workers compensation claims. The County pays an annual premium to the risk pool for its job related illness and injuries coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event.

B. Holding Corporation

The County has entered into a capital lease with Jackson County Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County.

C. Subsequent Event

The County issued \$1,589,184 in General Obligation Bonds in 2007 for equipment purchases.

D. Postemployment Benefits

In addition to the pension benefits described below, the County provides postemployment medical benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the County on or after attaining age 55 with at least 20 years of service. Currently, 7 retirees meet these eligibility requirements. The County and retirees provide 74% and 26%, respectively, of these postemployment benefits. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended December 31, 2006, disbursements of \$12,264 were recognized for postemployment benefits.

JACKSON COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. Administration of Welfare Programs

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

F. Pension Plans

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

1. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

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

JACKSON COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. County Police Retirement Plan

Plan Description

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

Funding Policy and Annual Pension Cost

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

3. County Police Benefit Plan

Plan Description

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

Funding Policy and Annual Pension Cost

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

Actuarial Information for the Above Plans

	PERF	County Police Retirement Plan	County Police Benefit Plan
Annual required contribution	\$ 359,965	\$ 188,243	\$ 3,931
Interest on net pension obligation	(34,550)	2,697	-
Adjustment to annual required contribution	<u>39,373</u>	<u>(4,517)</u>	<u>-</u>
Annual pension cost	364,788	186,423	3,931
Contributions made	<u>278,883</u>	<u>177,945</u>	<u>3,931</u>
Increase in net pension obligation	85,905	8,478	-
Net pension obligation, beginning of year	<u>(476,553)</u>	<u>38,528</u>	<u>-</u>
Net pension obligation, end of year	<u>\$ (390,648)</u>	<u>\$ 47,006</u>	<u>\$ -</u>

JACKSON COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

	PERF	County Police Retirement Plan	County Police Benefit Plan
Contribution rates:			
County	5%	24%	.5%
Plan members	3%	6%	6%
Actuarial valuation date	07-01-06	01-01-07	01-01-07
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed
Amortization period	40 years	40 years	40 years
Amortization period (from date)	07-01-97	12-31-97	12-31-97
Asset valuation method	4 year smoothed market	4 year smoothed market	4 year smoothed market

Actuarial Assumptions

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

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-04	\$ 200,012	156%	\$ (445,552)
	06-30-05	271,827	111%	(476,553)
	06-30-06	364,788	103%	(390,648)
County Police Retirement Plan	12-31-04	180,121	123%	32,868
	12-31-05	174,148	96%	38,528
	12-31-06	186,423	95%	47,006
County Police Benefit Plan	12-31-04	3,527	100%	-
	12-31-05	3,527	100%	-
	12-31-06	3,931	100%	-

JACKSON COUNTY
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over AAL (Unfunded) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-04	\$ 4,068,867	\$ 3,983,576	\$ 85,291	102%	\$ 5,658,855	2%
07-01-05	4,308,916	4,910,996	(602,080)	88%	6,180,767	(10%)
07-01-06	4,535,372	4,855,456	(320,084)	93%	5,721,384	(6%)

County Police Retirement Pension 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	\$ 1,405,472	\$ 1,405,472	-	100%	\$ 655,979	0%
01-01-03	1,374,736	1,374,736	-	100%	679,769	0%
01-01-04	1,478,834	1,478,834	-	100%	764,972	0%
01-01-05	1,731,263	1,731,263	-	100%	808,029	0%
01-01-06	1,939,035	1,939,035	-	100%	771,030	0%
01-01-07	2,178,380	2,178,380	-	100%	732,608	0%

JACKSON 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

	County Health	Probation Administration Fee Juvenile	Probation Administration Fee Adult	Property Reassessment 2005	Supplemental Public Defender Services	Emergency Response Services	Accident Report
Receipts:							
Taxes	\$ 249,155	\$ -	\$ -	\$ 71,707	\$ -	\$ 333,762	\$ -
Intergovernmental	2,968	-	-	-	-	-	-
Charges for services	158,982	1,846	35,737	-	15,614	1,476,990	7,624
Other	861	-	-	6,015	-	1,227	-
Total receipts	411,966	1,846	35,737	77,722	15,614	1,811,979	7,624
Disbursements:							
General government	-	-	-	107,946	-	-	-
Public safety	-	1,500	28,000	-	-	1,440,204	7,354
Highways and streets	-	-	-	-	-	-	-
Health and welfare	399,187	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total disbursements	399,187	1,500	28,000	107,946	-	1,440,204	7,354
Excess (deficiency) of receipts over disbursements	12,779	346	7,737	(30,224)	15,614	371,775	270
Other financing sources (uses):							
Loan proceeds	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	12,779	346	7,737	(30,224)	15,614	371,775	270
Cash and investment fund balance - beginning	94,463	3,335	41,716	278,281	13,994	270,427	5,096
Cash and investment fund balance - ending	\$ 107,242	\$ 3,681	\$ 49,453	\$ 248,057	\$ 29,608	\$ 642,202	\$ 5,366
Cash and Investment Assets - December 31							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	107,242	3,681	49,453	248,057	29,608	642,202	5,366
Total cash and investment assets - December 31	\$ 107,242	\$ 3,681	\$ 49,453	\$ 248,057	\$ 29,608	\$ 642,202	\$ 5,366
Cash and Investment Fund Balance - December 31							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ 248,057	\$ -	\$ -	\$ -
Public safety	-	3,681	49,453	-	29,608	642,202	5,366
Highways and streets	-	-	-	-	-	-	-
Health and welfare	107,242	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 107,242	\$ 3,681	\$ 49,453	\$ 248,057	\$ 29,608	\$ 642,202	\$ 5,366

JACKSON 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)

	Firearms Training	Wildlife Refuge	County Misdemeanant Fund	Jackson County Convention and Recreation	County User Fee	Covered Bridge	Emergency Planning and Right to Know
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ 289,518	\$ -	\$ -	\$ -
Intergovernmental	-	54,105	51,979	-	2,500	-	6,423
Charges for services	10,900	-	-	-	-	-	-
Other	-	-	-	13,670	-	413	1,092
Total receipts	10,900	54,105	51,979	303,188	2,500	413	7,515
Disbursements:							
General government	-	54,105	-	246,317	-	-	-
Public safety	6,847	-	51,979	-	165,779	-	15,676
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total disbursements	6,847	54,105	51,979	246,317	165,779	-	15,676
Excess (deficiency) of receipts over disbursements	4,053	-	-	56,871	(163,279)	413	(8,161)
Other financing sources (uses):							
Loan proceeds	-	-	-	-	-	-	-
Transfers in	-	-	-	-	206,471	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	206,471	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,053	-	-	56,871	43,192	413	(8,161)
Cash and investment fund balance - beginning	3,497	-	50,150	445,753	3,832	10,059	47,670
Cash and investment fund balance - ending	<u>\$ 7,550</u>	<u>\$ -</u>	<u>\$ 50,150</u>	<u>\$ 502,624</u>	<u>\$ 47,024</u>	<u>\$ 10,472</u>	<u>\$ 39,509</u>
Cash and Investment Assets - December 31							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	7,550	-	50,150	502,624	47,024	10,472	39,509
Total cash and investment assets - December 31	<u>\$ 7,550</u>	<u>\$ -</u>	<u>\$ 50,150</u>	<u>\$ 502,624</u>	<u>\$ 47,024</u>	<u>\$ 10,472</u>	<u>\$ 39,509</u>
Cash and Investment Fund Balance - December 31							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ 502,624	\$ -	\$ -	\$ -
Public safety	7,550	-	50,150	-	47,024	-	39,509
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	10,472	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 7,550</u>	<u>\$ -</u>	<u>\$ 50,150</u>	<u>\$ 502,624</u>	<u>\$ 47,024</u>	<u>\$ 10,472</u>	<u>\$ 39,509</u>

JACKSON 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)

	IV-D Impact	Local Health Maintenance	Local Road and Street	Jackson County Emergency Telephone	Community Corrections Program Income	County Assessor's Copy Fees	Disaster Relief
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	20,000	394,326	499,535	-	-	-
Charges for services	-	-	-	-	138,290	-	-
Other	4	-	9,626	9,709	-	-	-
Total receipts	4	20,000	403,952	509,244	138,290	-	-
Disbursements:							
General government	835	-	-	-	-	119	-
Public safety	-	-	-	427,807	127,536	-	-
Highways and streets	-	-	405,100	-	-	-	-
Health and welfare	-	20,000	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total disbursements	835	20,000	405,100	427,807	127,536	119	-
Excess (deficiency) of receipts over disbursements	(831)	-	(1,148)	81,437	10,754	(119)	-
Other financing sources (uses):							
Loan proceeds	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(831)	-	(1,148)	81,437	10,754	(119)	-
Cash and investment fund balance - beginning	24,820	-	79,448	615,388	21,374	3,699	2,690
Cash and investment fund balance - ending	\$ 23,989	\$ -	\$ 78,300	\$ 696,825	\$ 32,128	\$ 3,580	\$ 2,690
Cash and Investment Assets - December 31							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	23,989	-	78,300	696,825	32,128	3,580	2,690
Total cash and investment assets - December 31	\$ 23,989	\$ -	\$ 78,300	\$ 696,825	\$ 32,128	\$ 3,580	\$ 2,690
Cash and Investment Fund Balance - December 31							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,580	\$ 2,690
Public safety	23,989	-	-	696,825	32,128	-	-
Highways and streets	-	-	78,300	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 23,989	\$ -	\$ 78,300	\$ 696,825	\$ 32,128	\$ 3,580	\$ 2,690

JACKSON 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)

	Bell's Ford Covered Bridge	Auditor's Plat Book	County Sales Disclosure Fee Fund	Recorder's Records Perpetuation	Surveyor's Corner Perpetuation	Child Advocacy	Tobacco Settlement
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,250	-	-	-	-	-	13,139
Charges for services	-	7,201	5,845	70,667	9,900	-	26,394
Other	1,663	-	-	-	-	-	-
Total receipts	<u>2,913</u>	<u>7,201</u>	<u>5,845</u>	<u>70,667</u>	<u>9,900</u>	<u>-</u>	<u>39,533</u>
Disbursements:							
General government	-	27,030	24,457	53,282	12,631	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	26,085
Culture and recreation	20,000	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total disbursements	<u>20,000</u>	<u>27,030</u>	<u>24,457</u>	<u>53,282</u>	<u>12,631</u>	<u>-</u>	<u>26,085</u>
Excess (deficiency) of receipts over disbursements	<u>(17,087)</u>	<u>(19,829)</u>	<u>(18,612)</u>	<u>17,385</u>	<u>(2,731)</u>	<u>-</u>	<u>13,448</u>
Other financing sources (uses):							
Loan proceeds	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(17,087)</u>	<u>(19,829)</u>	<u>(18,612)</u>	<u>17,385</u>	<u>(2,731)</u>	<u>-</u>	<u>13,448</u>
Cash and investment fund balance - beginning	<u>47,916</u>	<u>35,071</u>	<u>22,055</u>	<u>54,587</u>	<u>33,386</u>	<u>100</u>	<u>38,013</u>
Cash and investment fund balance - ending	<u>\$ 30,829</u>	<u>\$ 15,242</u>	<u>\$ 3,443</u>	<u>\$ 71,972</u>	<u>\$ 30,655</u>	<u>\$ 100</u>	<u>\$ 51,461</u>
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	<u>30,829</u>	<u>15,242</u>	<u>3,443</u>	<u>71,972</u>	<u>30,655</u>	<u>100</u>	<u>51,461</u>
Total cash and investment assets - December 31	<u>\$ 30,829</u>	<u>\$ 15,242</u>	<u>\$ 3,443</u>	<u>\$ 71,972</u>	<u>\$ 30,655</u>	<u>\$ 100</u>	<u>\$ 51,461</u>
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
General government	\$ -	\$ 15,242	\$ 3,443	\$ 71,972	\$ 30,655	\$ -	\$ -
Public safety	-	-	-	-	-	100	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	51,461
Culture and recreation	30,829	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash and investment fund balance - December 31	<u>\$ 30,829</u>	<u>\$ 15,242</u>	<u>\$ 3,443</u>	<u>\$ 71,972</u>	<u>\$ 30,655</u>	<u>\$ 100</u>	<u>\$ 51,461</u>

JACKSON 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)

	JCSD Education and Crime Prevention	Alternative Dispute Resolution	Legal Fees PPJ	Prosecutor's IV-D	County Law Enforcement Continuing Education	Prosecutor's Victim Assistance
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	38,709
Charges for services	725	5,060	-	-	645	-
Other	4,240	-	259	-	-	-
Total receipts	4,965	5,060	259	-	645	38,709
Disbursements:						
General government	-	-	-	-	-	-
Public safety	7,812	-	259	-	616	38,954
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total disbursements	7,812	-	259	-	616	38,954
Excess (deficiency) of receipts over disbursements	(2,847)	5,060	-	-	29	(245)
Other financing sources (uses):						
Loan proceeds	-	-	-	-	-	-
Transfers in	-	-	-	-	111	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	111	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,847)	5,060	-	-	140	(245)
Cash and investment fund balance - beginning	5,674	6,580	5	24	240	9,749
Cash and investment fund balance - ending	<u>\$ 2,827</u>	<u>\$ 11,640</u>	<u>\$ 5</u>	<u>\$ 24</u>	<u>\$ 380</u>	<u>\$ 9,504</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	2,827	11,640	5	24	380	9,504
Total cash and investment assets - December 31	<u>\$ 2,827</u>	<u>\$ 11,640</u>	<u>\$ 5</u>	<u>\$ 24</u>	<u>\$ 380</u>	<u>\$ 9,504</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	2,827	11,640	5	24	380	9,504
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 2,827</u>	<u>\$ 11,640</u>	<u>\$ 5</u>	<u>\$ 24</u>	<u>\$ 380</u>	<u>\$ 9,504</u>

JACKSON 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)

	Jackson County Sheriff Forfeiture	Juvenile Home Kids to Camp	Shieldstown Covered Bridge	Medora Covered Bridge	County Drug Free Community	Supplemental Adult Probation Services
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	1,250	8,354	-	-
Charges for services	-	-	-	-	61,115	175,745
Other	-	-	591	100	-	-
Total receipts	-	-	1,841	8,454	61,115	175,745
Disbursements:						
General government	-	-	-	-	-	-
Public safety	458	150	-	-	38,517	154,616
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total disbursements	458	150	-	-	38,517	154,616
Excess (deficiency) of receipts over disbursements	(458)	(150)	1,841	8,454	22,598	21,129
Other financing sources (uses):						
Loan proceeds	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(458)	(150)	1,841	8,454	22,598	21,129
Cash and investment fund balance - beginning	458	1,292	11,913	(4,836)	37,527	61,406
Cash and investment fund balance - ending	\$ -	\$ 1,142	\$ 13,754	\$ 3,618	\$ 60,125	\$ 82,535
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	1,142	13,754	3,618	60,125	82,535
Total cash and investment assets - December 31	\$ -	\$ 1,142	\$ 13,754	\$ 3,618	\$ 60,125	\$ 82,535
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
General government	\$ -	\$ 1,142	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	60,125	82,535
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	13,754	3,618	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ -	\$ 1,142	\$ 13,754	\$ 3,618	\$ 60,125	\$ 82,535

JACKSON 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)

	Treasurer's Returned Check Fee	Supplemental Juvenile Probation Services	Bioterrorism	Drainage Maintenance	Federal Grant Area II	Bell's Ford Covered Bridge Grant
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ 83,517	\$ -	\$ -
Intergovernmental	-	-	44,693	-	-	3,940
Charges for services	225	8,955	-	-	-	-
Other	-	-	6	-	-	-
Total receipts	225	8,955	44,699	83,517	-	3,940
Disbursements:						
General government	2,118	-	-	86,331	-	-
Public safety	-	6,201	44,709	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	1,433
Urban redevelopment and housing	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total disbursements	2,118	6,201	44,709	86,331	-	1,433
Excess (deficiency) of receipts over disbursements	(1,893)	2,754	(10)	(2,814)	-	2,507
Other financing sources (uses):						
Loan proceeds	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(1,400)	-	-
Total other financing sources (uses)	-	-	-	(1,400)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,893)	2,754	(10)	(4,214)	-	2,507
Cash and investment fund balance - beginning	1,918	4,052	6,802	217,789	13,103	1,399
Cash and investment fund balance - ending	<u>\$ 25</u>	<u>\$ 6,806</u>	<u>\$ 6,792</u>	<u>\$ 213,575</u>	<u>\$ 13,103</u>	<u>\$ 3,906</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	25	6,806	6,792	213,575	13,103	3,906
Total cash and investment assets - December 31	<u>\$ 25</u>	<u>\$ 6,806</u>	<u>\$ 6,792</u>	<u>\$ 213,575</u>	<u>\$ 13,103</u>	<u>\$ 3,906</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
General government	\$ 25	\$ -	\$ -	\$ 213,575	\$ 13,103	\$ -
Public safety	-	6,806	6,792	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	3,906
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 25</u>	<u>\$ 6,806</u>	<u>\$ 6,792</u>	<u>\$ 213,575</u>	<u>\$ 13,103</u>	<u>\$ 3,906</u>

JACKSON 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 IV-D After Oct-99	Prosecutor IV-D After Oct-99	Electronic Map Fund	Community Corrections	Juvenile Home Tutoring Grant	Drug Counseling Grant
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	13,103	44,079	-	-	-	4,500
Charges for services	-	-	200	-	-	-
Other	-	40	-	-	-	-
Total receipts	13,103	44,119	200	-	-	4,500
Disbursements:						
General government	21,615	-	-	-	-	-
Public safety	-	43,741	-	25,798	2,584	1,380
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total disbursements	21,615	43,741	-	25,798	2,584	1,380
Excess (deficiency) of receipts over disbursements	(8,512)	378	200	(25,798)	(2,584)	3,120
Other financing sources (uses):						
Loan proceeds	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(8,512)	378	200	(25,798)	(2,584)	3,120
Cash and investment fund balance - beginning	34,956	46,523	-	22,734	5,000	851
Cash and investment fund balance - ending	\$ 26,444	\$ 46,901	\$ 200	\$ (3,064)	\$ 2,416	\$ 3,971
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ (3,064)	\$ -	\$ -
Restricted assets:						
Cash and investments	26,444	46,901	200	-	2,416	3,971
Total cash and investment assets - December 31	\$ 26,444	\$ 46,901	\$ 200	\$ (3,064)	\$ 2,416	\$ 3,971
Cash and Investment Fund Balance - December 31						
Restricted for:						
General government	\$ -	\$ -	\$ 200	\$ -	\$ -	\$ -
Public safety	-	-	-	-	2,416	3,971
Highways and streets	-	-	-	-	-	-
Health and welfare	26,444	46,901	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	(3,064)	-	-
Total cash and investment fund balance - December 31	\$ 26,444	\$ 46,901	\$ 200	\$ (3,064)	\$ 2,416	\$ 3,971

JACKSON 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)

	Guardian Ad Litem/CASA	Clerk's Records Perpetuation	Juvenile Detention Center Grant	User Fees	Pretrial Diversion	Deferral Program
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	4,870	-	-	-	-	-
Charges for services	-	24,810	-	267,857	-	-
Other	-	-	-	-	-	-
Total receipts	4,870	24,810	-	267,857	-	-
Disbursements:						
General government	-	66,322	-	-	-	-
Public safety	9,565	-	-	-	6,091	94,165
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total disbursements	9,565	66,322	-	-	6,091	94,165
Excess (deficiency) of receipts over disbursements	(4,695)	(41,512)	-	267,857	(6,091)	(94,165)
Other financing sources (uses):						
Loan proceeds	-	-	-	-	-	-
Transfers in	-	-	-	-	28,620	46,960
Transfers out	-	-	-	(339,892)	-	-
Total other financing sources (uses)	-	-	-	(339,892)	28,620	46,960
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,695)	(41,512)	-	(72,035)	22,529	(47,205)
Cash and investment fund balance - beginning	4,695	79,919	197	105,435	29,259	45,810
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 38,407</u>	<u>\$ 197</u>	<u>\$ 33,400</u>	<u>\$ 51,788</u>	<u>\$ (1,395)</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,395)
Restricted assets:						
Cash and investments	-	38,407	197	33,400	51,788	-
Total cash and investment assets - December 31	<u>\$ -</u>	<u>\$ 38,407</u>	<u>\$ 197</u>	<u>\$ 33,400</u>	<u>\$ 51,788</u>	<u>\$ (1,395)</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
General government	\$ -	\$ 38,407	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	197	33,400	51,788	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	(1,395)
Total cash and investment fund balance - December 31	<u>\$ -</u>	<u>\$ 38,407</u>	<u>\$ 197</u>	<u>\$ 33,400</u>	<u>\$ 51,788</u>	<u>\$ (1,395)</u>

JACKSON 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)

	Jury Pay	Law Enforcement	Emergency Management Special Appropriation	Rainy Day Fund	Community Corrections Adult	Community Corrections Juvenile
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	44,677	-	55,801	14,992
Charges for services	14,835	-	-	-	-	-
Other	-	-	175	-	98	-
Total receipts	14,835	-	44,852	-	55,899	14,992
Disbursements:						
General government	-	-	-	71,059	-	-
Public safety	18,226	28,762	45,368	-	56,195	30,450
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total disbursements	18,226	28,762	45,368	71,059	56,195	30,450
Excess (deficiency) of receipts over disbursements	(3,391)	(28,762)	(516)	(71,059)	(296)	(15,458)
Other financing sources (uses):						
Loan proceeds	-	-	-	-	-	-
Transfers in	-	57,730	-	7,500	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	57,730	-	7,500	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,391)	28,968	(516)	(63,559)	(296)	(15,458)
Cash and investment fund balance - beginning	19,870	18,260	908	69,768	6,522	15,458
Cash and investment fund balance - ending	\$ 16,479	\$ 47,228	\$ 392	\$ 6,209	\$ 6,226	\$ -
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	16,479	47,228	392	6,209	6,226	-
Total cash and investment assets - December 31	\$ 16,479	\$ 47,228	\$ 392	\$ 6,209	\$ 6,226	\$ -
Cash and Investment Fund Balance - December 31						
Restricted for:						
General government	\$ 16,479	\$ -	\$ -	\$ 6,209	\$ -	\$ -
Public safety	-	47,228	392	-	6,226	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 16,479	\$ 47,228	\$ 392	\$ 6,209	\$ 6,226	\$ -

JACKSON 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)

	Seatbelt Violations	Child Restraint Violations	Help America Vote Act Grant	Death Benefit Fund	ID Security Protection	Capital Projects Other
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	20,900	675	-	4,895	18,362	-
Other	-	-	-	-	-	47,332
Total receipts	20,900	675	-	4,895	18,362	47,332
Disbursements:						
General government	-	-	175,845	-	-	-
Public safety	-	650	-	6,700	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	97,571
Total disbursements	-	650	175,845	6,700	-	97,571
Excess (deficiency) of receipts over disbursements	20,900	25	(175,845)	(1,805)	18,362	(50,239)
Other financing sources (uses):						
Loan proceeds	-	-	-	-	-	1,100,000
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	1,100,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	20,900	25	(175,845)	(1,805)	18,362	1,049,761
Cash and investment fund balance - beginning	1,950	125	182,000	2,450	-	-
Cash and investment fund balance - ending	\$ 22,850	\$ 150	\$ 6,155	\$ 645	\$ 18,362	\$ 1,049,761
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	22,850	150	6,155	645	18,362	1,049,761
Total cash and investment assets - December 31	\$ 22,850	\$ 150	\$ 6,155	\$ 645	\$ 18,362	\$ 1,049,761
Cash and Investment Fund Balance - December 31						
Restricted for:						
General government	\$ -	\$ -	\$ 6,155	\$ -	\$ 18,362	\$ -
Public safety	22,850	150	-	645	-	-
Highways and streets	-	-	-	-	-	1,049,761
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 22,850	\$ 150	\$ 6,155	\$ 645	\$ 18,362	\$ 1,049,761

JACKSON 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)

	Housing Grant	Community Corrections Adult	Salt Creek/ Owen Twp Fire Dept	Sheriff's Commissary	Juvenile Auxiliary Fund	County Juvenile Home
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	25,000	60,795	86,192	-	-	-
Charges for services	-	-	-	-	-	-
Other	-	-	-	147,053	4,606	12,936
Total receipts	25,000	60,795	86,192	147,053	4,606	12,936
Disbursements:						
General government	-	-	65,510	-	-	-
Public safety	-	73,902	-	157,724	5,233	12,773
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	25,000	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total disbursements	25,000	73,902	65,510	157,724	5,233	12,773
Excess (deficiency) of receipts over disbursements	-	(13,107)	20,682	(10,671)	(627)	163
Other financing sources (uses):						
Loan proceeds	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(13,107)	20,682	(10,671)	(627)	163
Cash and investment fund balance - beginning	-	-	-	43,734	964	1,686
Cash and investment fund balance - ending	\$ -	\$ (13,107)	\$ 20,682	\$ 33,063	\$ 337	\$ 1,849
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ (13,107)	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	20,682	33,063	337	1,849
Total cash and investment assets - December 31	\$ -	\$ (13,107)	\$ 20,682	\$ 33,063	\$ 337	\$ 1,849
Cash and Investment Fund Balance - December 31						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	20,682	33,063	337	1,849
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	(13,107)	-	-	-	-
Total cash and investment fund balance - December 31	\$ -	\$ (13,107)	\$ 20,682	\$ 33,063	\$ 337	\$ 1,849

JACKSON 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)

	Cumulative Jail	Cumulative Courthouse Buildings	Cumulative Capital Development	General Drain Improvement	Courthouse Annex Renovation	Totals
Receipts:						
Taxes	\$ -	\$ -	\$ 426,839	\$ -	\$ -	\$ 1,454,498
Intergovernmental	-	-	-	-	-	1,497,180
Charges for services	-	-	-	-	-	2,570,994
Other	-	-	193	-	61	261,970
Total receipts	-	-	427,032	-	61	5,784,642
Disbursements:						
General government	-	-	-	-	11,732	1,027,254
Public safety	-	-	-	-	-	3,184,281
Highways and streets	-	-	-	-	-	405,100
Health and welfare	-	-	-	-	-	445,272
Culture and recreation	-	-	-	-	-	21,433
Urban redevelopment and housing	-	-	-	-	-	25,000
Capital outlay	-	3,634	150,751	-	21,068	273,024
Total disbursements	-	3,634	150,751	-	32,800	5,381,364
Excess (deficiency) of receipts over disbursements	-	(3,634)	276,281	-	(32,739)	403,278
Other financing sources (uses):						
Loan proceeds	-	-	-	-	-	1,100,000
Transfers in	-	-	-	1,400	-	348,792
Transfers out	-	-	-	-	-	(341,292)
Total other financing sources (uses)	-	-	-	1,400	-	1,107,500
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(3,634)	276,281	1,400	(32,739)	1,510,778
Cash and investment fund balance - beginning	4,205	4,249	677,425	9,178	39,241	4,095,287
Cash and investment fund balance - ending	\$ 4,205	\$ 615	\$ 953,706	\$ 10,578	\$ 6,502	\$ 5,606,065
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (17,566)
Restricted assets:						
Cash and investments	4,205	615	953,706	10,578	6,502	5,623,631
Total cash and investment assets - December 31	\$ 4,205	\$ 615	\$ 953,706	\$ 10,578	\$ 6,502	\$ 5,606,065
Cash and Investment Fund Balance - December 31						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,191,920
Public safety	-	-	-	-	-	2,033,417
Highways and streets	-	-	-	-	-	1,128,061
Health and welfare	-	-	-	-	-	232,048
Culture and recreation	-	-	-	-	-	62,579
Capital outlay	4,205	615	953,706	10,578	6,502	975,606
Unrestricted	-	-	-	-	-	(17,566)
Total cash and investment fund balance - December 31	\$ 4,205	\$ 615	\$ 953,706	\$ 10,578	\$ 6,502	\$ 5,606,065

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

	Sheriff Pension Retirement	Sheriff Pension Benefit	Police Pension	Totals
Additions:				
Contributions:				
Employer	\$ 178,349	\$ 3,527	\$ 92,295	\$ 274,171
Other	1,344	8,213	-	9,557
Total contributions	179,693	11,740	92,295	283,728
Investment receipts:				
Net increase in investments	70,303	11,459	-	81,762
Interest	47,259	3,071	-	50,330
Total investment receipts	117,562	14,530	-	132,092
Total additions	297,255	26,270	92,295	415,820
Deductions:				
Benefits	76,588	4,433	-	81,021
Administrative and general	34,296	2,097	-	36,393
Other	4,010	-	181,876	185,886
Total deductions	114,894	6,530	181,876	303,300
Excess (deficiency) of total additions over total deductions	182,361	19,740	(89,581)	112,520
Cash and investment fund balance - beginning	1,783,895	129,659	171,681	2,085,235
Cash and investment fund balance - ending	\$ 1,966,256	\$ 149,399	\$ 82,100	\$ 2,197,755

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

	<u>County Treasurer</u>	<u>Tax Sale Redemption</u>	<u>Tax Sale Surplus</u>	<u>State Fees</u>	<u>Inheritance Tax</u>	<u>Surplus Tax</u>	<u>Congressional Interest</u>
Additions:							
Agency fund additions	<u>\$ 47,916,996</u>	<u>\$ 823,128</u>	<u>\$ 802,374</u>	<u>\$ 847,728</u>	<u>\$ 1,058,215</u>	<u>\$ 32,554</u>	<u>\$ 1,064</u>
Deductions:							
Agency fund deductions	<u>47,174,506</u>	<u>823,128</u>	<u>213,227</u>	<u>829,585</u>	<u>1,000,060</u>	<u>96,637</u>	<u>1,183</u>
Excess (deficiency) of total additions over total deductions	742,490	-	589,147	18,143	58,155	(64,083)	(119)
Cash and investment fund balance - beginning	<u>895,765</u>	<u>406</u>	<u>21,939</u>	<u>117,717</u>	<u>185,761</u>	<u>176,608</u>	<u>8,151</u>
Cash and investment fund balance - ending	<u>\$ 1,638,255</u>	<u>\$ 406</u>	<u>\$ 611,086</u>	<u>\$ 135,860</u>	<u>\$ 243,916</u>	<u>\$ 112,525</u>	<u>\$ 8,032</u>

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

	County Sheriff	Tax Distributions	Surplus Dog	County Payroll	Clerk of the Circuit Court	Welfare Trust	County Recorder
Additions:							
Agency fund additions	\$ 705,130	\$ 48,128,186	\$ 1,672	\$ 2,139,541	\$ 5,909,344	\$ 104,847	\$ 226,968
Deductions:							
Agency fund deductions	705,131	48,091,367	2,381	2,057,659	5,976,367	109,784	226,968
Excess (deficiency) of total additions over total deductions	(1)	36,819	(709)	81,882	(67,023)	(4,937)	-
Cash and investment fund balance - beginning	-	-	1,131	64,729	957,961	33,562	50
Cash and investment fund balance - ending	<u>\$ (1)</u>	<u>\$ 36,819</u>	<u>\$ 422</u>	<u>\$ 146,611</u>	<u>\$ 890,938</u>	<u>\$ 28,625</u>	<u>\$ 50</u>

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

	Ambulance Authority Services	County Health Department	Probation Department	City of Seymour Ordinance	Cities/Town Court Costs	Sheriff's Inmate Trust
Additions:						
Agency fund additions	\$ 1,411,805	\$ 162,954	\$ 223,158	\$ 420	\$ 22,077	\$ 201,827
Deductions:						
Agency fund deductions	1,411,805	162,716	223,258	-	28,810	199,599
Excess (deficiency) of total additions over total deductions	-	238	(100)	420	(6,733)	2,228
Cash and investment fund balance - beginning	-	442	100	83	28,811	5,555
Cash and investment fund balance - ending	\$ -	\$ 680	\$ -	\$ 503	\$ 22,078	\$ 7,783

JACKSON 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	Juvenile Inmate Trust	Community Corrections	County Prosecuting Attorney Bad Check	Riverboat Revenue Sharing	Totals
Additions:						
Agency fund additions	\$ 2,213	\$ 1,074	\$ 147,125	\$ 31,077	\$ 260,113	\$ 111,161,590
Deductions:						
Agency fund deductions	2,213	1,072	138,290	31,359	260,113	109,767,218
Excess (deficiency) of total additions over total deductions	-	2	8,835	(282)	-	1,394,372
Cash and investment fund balance - beginning	-	40	-	1,619	-	2,500,430
Cash and investment fund balance - ending	\$ -	\$ 42	\$ 8,835	\$ 1,337	\$ -	\$ 3,894,802

JACKSON COUNTY
OTHER REPORTS

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

County Auditor
County Prosecuting Attorney

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 JACKSON COUNTY, INDIANA

Compliance

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

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

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

Internal Control Over Compliance

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

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

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

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

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

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

STATE BOARD OF ACCOUNTS

August 2, 2007

JACKSON 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 AGRICULTURE</u>			
Pass-Through Indiana Department of Education Child Nutrition Cluster			
School Breakfast Program	10.553		\$ 10,318
National School Lunch Program	10.555		4,127
Special Milk Program for Children	10.556		<u>14,836</u>
Total for federal grantor agency			<u>29,281</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Indiana Office of Rural Affairs Community Development Block Grants/State's Program	14.228	CF-06-112	202,779
Pass-Through Indiana Housing and Community Development Authority Community Development Block Grants/State's Program	14.228	PN-005-003	<u>30,000</u>
Total for federal grantor agency			<u>232,779</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Grant Bulletproof Vest Partnership Program	16.607		<u>6,479</u>
Pass-Through Indiana Criminal Justice Institute Crime Victim Assistance	16.575	05VA049 06VA051	22,896 <u>16,058</u>
Total for program			<u>38,954</u>
Total for federal grantor agency			<u>45,433</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction	20.205	5-67250 Bridge Reinspection STP-9936(19) STP-9936(20)	19,694 3,940 <u>7,104</u>
Total for federal grantor agency			<u>30,738</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana State Department of Health Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	U90/CCU517024-06 U90/CCU517024-07	29,748 <u>14,961</u>
Total for program			<u>44,709</u>
Pass-Through Indiana Department of Child Services Child Support Enforcement Prosecutor Incentives Clerk Incentives Court Incentives Incentives Indirect Costs	93.563		100,140 25,931 73,909 41,721 <u>80,663</u>
Total for program			<u>322,364</u>
Total for federal grantor agency			<u>367,073</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security Homeland Security Cluster			
Homeland Security Grant Program	97.067		
State Homeland Security Program		No. C44P-6-052	46,543
State Homeland Security Program		No. C44P-7-109	11,250
Law Enforcement Terrorism Prevention Program			<u>27,615</u>
Total for cluster			<u>85,408</u>
Pass-Through Indiana Department of Homeland Security Emergency Management Performance Grants	97.042		<u>17,063</u>
Total for federal grantor agency			<u>102,471</u>
Total federal awards expended			<u>\$ 807,775</u>

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

JACKSON 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 Jackson 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.

JACKSON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Qualified

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

Noncompliance material to financial statements noted? no

Federal Awards:

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

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

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

Identification of Major Programs:

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

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

JACKSON COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

JACKSON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 2, 2007, with Debra F. Eggeman, Auditor; Charles Murphy, President of the County Council; and Gary Darlage, President of the Board of County Commissioners.