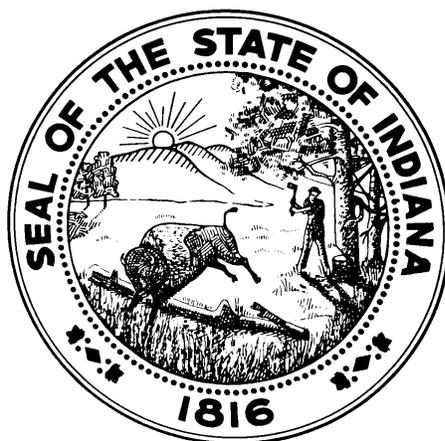


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

ANNUAL FINANCIAL REPORT

2006

JEFFERSON COUNTY, INDIANA



FILED

12/12/2007

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Sandra J. Shelton	01-01-03 to 12-31-10
Treasurer	Betty J. Brawner	01-01-05 to 12-31-08
Clerk	Martha Jane Shimfessel Kim Smith	01-01-03 to 12-31-06 01-01-07 to 12-31-10
Sheriff	Charles W. Andrews	01-01-03 to 12-31-10
Recorder	Mary Francis O'Conner	01-01-05 to 12-31-08
President of the Board of County Commissioners	Michael Frazier Julie Berry	01-01-06 to 12-31-06 01-01-07 to 12-31-07
President of the County Council	David J. Craig	01-01-06 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 JEFFERSON COUNTY, INDIANA

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

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

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

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

In accordance with Government Auditing Standards, we have also issued a report dated November 5, 2007, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

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

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

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

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

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

STATE BOARD OF ACCOUNTS

November 5, 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 JEFFERSON COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jefferson 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 November 5, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management in separate letters dated November 5, 2007.

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

November 5, 2007

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

<u>Functions/Programs</u>	Program Receipts				Net (Disbursement) Receipt and Changes in Net Assets
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ 4,156,867	\$ 168,520	\$ 199,353	\$ -	\$ (3,788,994)
Public safety	2,357,655	448,010	490,124	-	(1,419,521)
Highways and streets	2,350,990	-	331,843	-	(2,019,147)
Sanitation	192,117	220	-	-	(191,897)
Economic development	72,500	-	-	-	(72,500)
Culture and recreation	389,280	-	-	-	(389,280)
Health and welfare	4,859,017	1,415	2,139,153	-	(2,718,449)
Urban redevelopment	5,073	-	-	-	(5,073)
Debt service	280,000	-	-	-	(280,000)
Capital outlay	2,716,208	-	-	36,040	(2,680,168)
Total governmental activities	\$ 17,379,707	\$ 618,165	\$ 3,160,473	\$ 36,040	(13,565,029)
General receipts:					
Property taxes					8,375,217
Other local sources					1,998,720
Net intergovernmental receipts (disbursements)					1,506,622
Grants and contributions not restricted to specific programs					888,803
Unrestricted investment earnings					686,417
Special items:					
Riverboat revenue sharing					656,620
Gaming taxes					199,514
Other operating receipts					102,903
Total general receipts, special items, and other operating receipts					14,414,816
Change in net assets					849,787
Net assets - beginning					12,414,568
Net assets - ending					\$ 13,264,355
<u>Assets</u>					
Cash and investments					\$ 2,123,750
Restricted assets:					
Cash and investments					11,140,605
Total assets					\$ 13,264,355
<u>Net Assets</u>					
Restricted for:					
General government					\$ 1,193,767
Public safety					880,080
Highway and streets					2,221,728
Sanitation					2,644
Health and welfare					1,398,133
Culture and recreation					19,883
Urban development					231,593
Capital outlay					5,192,777
Unrestricted					2,123,750
Total net assets					\$ 13,264,355

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

JEFFERSON 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	Cumulative Courthouse	County Highway	Cumulative Bridge	County Family and Children	Other Governmental Funds	Totals
Receipts:							
Taxes	\$ 3,810,254	\$ 267,930	\$ -	\$ 770,052	\$ 2,800,546	\$ 2,725,155	\$ 10,373,937
Intergovernmental	533,045	-	2,144,512	36,040	1,352,380	2,562,475	6,628,452
Charges for services	359,669	-	-	-	-	258,496	618,165
Other	1,677,520	-	-	-	-	603	1,678,123
Total receipts	6,380,488	267,930	2,144,512	806,092	4,152,926	5,546,729	19,298,677
Disbursements:							
General government	3,777,507	-	-	-	-	379,360	4,156,867
Public safety	1,630,017	-	-	-	-	727,638	2,357,655
Highways and streets	12,400	-	1,623,095	-	-	715,495	2,350,990
Sanitation	191,534	-	-	-	-	583	192,117
Health and welfare	28,250	-	-	-	3,947,134	883,633	4,859,017
Culture and recreation	389,280	-	-	-	-	-	389,280
Urban redevelopment	-	-	-	-	-	5,073	5,073
Economic development	12,500	-	-	-	-	60,000	72,500
Debt service:							
Interest	-	-	-	-	-	280,000	280,000
Capital outlay	-	245,915	-	958,795	-	1,511,498	2,716,208
Total disbursements	6,041,488	245,915	1,623,095	958,795	3,947,134	4,563,280	17,379,707
Excess (deficiency) of receipts over disbursements	339,000	22,015	521,417	(152,703)	205,792	983,449	1,918,970
Other financing uses:							
Intergovernmental transfers	-	-	-	-	-	(1,069,183)	(1,069,183)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	339,000	22,015	521,417	(152,703)	205,792	(85,734)	849,787
Cash and investment fund balance - beginning	767,249	2,152,727	1,252,888	1,921,924	496,263	5,823,517	12,414,568
Cash and investment fund balance - ending	<u>\$ 1,106,249</u>	<u>\$ 2,174,742</u>	<u>\$ 1,774,305</u>	<u>\$ 1,769,221</u>	<u>\$ 702,055</u>	<u>\$ 5,737,783</u>	<u>\$ 13,264,355</u>
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	\$ 1,106,249	\$ -	\$ -	\$ -	\$ -	\$ 1,017,501	\$ 2,123,750
Restricted assets:							
Cash and investments	-	2,174,742	1,774,305	1,769,221	702,055	4,720,282	11,140,605
Total cash and investment assets - December 31	<u>\$ 1,106,249</u>	<u>\$ 2,174,742</u>	<u>\$ 1,774,305</u>	<u>\$ 1,769,221</u>	<u>\$ 702,055</u>	<u>\$ 5,737,783</u>	<u>\$ 13,264,355</u>
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,193,767	\$ 1,193,767
Public safety	-	-	-	-	-	880,080	880,080
Highways and streets	-	-	1,774,305	-	-	447,423	2,221,728
Sanitation	-	-	-	-	-	2,644	2,644
Health and welfare	-	-	-	-	702,055	696,078	1,398,133
Culture and recreation	-	-	-	-	-	19,883	19,883
Urban redevelopment	-	-	-	-	-	231,593	231,593
Capital outlay	-	2,174,742	-	1,769,221	-	1,248,814	5,192,777
Unrestricted	1,106,249	-	-	-	-	1,017,501	2,123,750
Total cash and investment fund balance - December 31	<u>\$ 1,106,249</u>	<u>\$ 2,174,742</u>	<u>\$ 1,774,305</u>	<u>\$ 1,769,221</u>	<u>\$ 702,055</u>	<u>\$ 5,737,783</u>	<u>\$ 13,264,355</u>

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

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

	Sheriff's Pension Trust Funds	Congressional Principal Trust Funds	Agency Funds
Additions:			
Contributions:			
Employer	\$ 83,067	\$ -	\$ -
Plan members	14,073	-	-
Other	3,290	-	-
Total contributions	100,430	-	-
Investment earnings:			
Dividends	73,695	-	-
Agency fund additions	-	-	84,839,123
Total additions	174,125	-	84,839,123
Deductions:			
Benefits	119,731	-	-
Refunds of contributions	18,967	-	-
Administrative and general	15,240	-	-
Agency fund deductions	-	-	83,661,586
Total deductions	153,938	-	83,661,586
Excess of total additions over total deductions	20,187	-	1,177,537
Cash and investment fund balance - beginning	2,196,837	33,053	1,845,878
Cash and investment fund balance - ending	\$ 2,217,024	\$ 33,053	\$ 3,023,415

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

JEFFERSON COUNTY
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

Primary Government: Jefferson County

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

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

Fund Financial Statements

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

The County reports the following major governmental funds:

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

The cumulative courthouse fund is for the construction, remodeling and repair of the county courthouse.

The county highway fund accounts for construction and maintenance, through state support, of the county's roadway system.

JEFFERSON COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

Additionally, the County reports the following fund types:

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

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

JEFFERSON COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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.

JEFFERSON COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

JEFFERSON COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

B. Disbursements in Excess of Appropriations

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

Fund	Amount
County Health	\$ 65,898
County Drug Free Community	38,182
Supplemental Juvenile	
Probation Services	2,634
Pretrial Diversion	9,604
Local Emergency Planning and	
Right to Know	8,612
Cumulative Courthouse	15,915
Cumulative Jail	63,444
Riverboat - MIDCOR	60,000
Casino - Revenue	119,513
Clerk's Record Perpetuation	3,259
Riverboat - General	119,205
Total	\$ 506,266

These disbursements were funded by available cash balances from other County funds.

III. Detailed Notes on All Funds

Deposits and Investments

1. Deposits

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

JEFFERSON COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Investments

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

Investment Type	Sheriff's Retirement and Benefit Pension Plans
Mutual funds	\$ <u>2,089,490</u>

Investment Policies

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

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

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

JEFFERSON 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; and natural disasters.

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

Job Related Illnesses or Injury to Employee

During 1991, the County joined together with other governmental entities to form the Indiana Public Employees' Plan, Inc., a public entity risk pool currently operating as a common risk management and insurance program for 376 member governmental entities. This risk pool was formed in 1989. The purpose of the risk pool is to provide a medium for the funding and administration of workers compensation claims. The County pays an annual premium to the risk pool for its employees. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event.

B. Related Party Transactions

During the period in which financial statements are presented, the county had transactions with Michael Frazier, County Commissioner, in relation to Frazier-Morris Construction, in which Mr. Frazier is an owner, in the amount of \$15,785.

C. Holding Corporation

The County has entered into a capital lease with Jefferson 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 government. Lease payments during the year totaled \$280,000.

D. Administration of Welfare Programs

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

JEFFERSON COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. Pension Plans

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

a. Public Employees' Retirement Fund

Plan Description

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

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.

b. County Police Retirement Plan

Plan Description

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

JEFFERSON COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy and Annual Pension Cost

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

c. County Police Benefit Plan

Plan Description

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

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	\$ 220,713	\$ 81,796	\$ 1,271
Interest on net pension obligation	(12,155)	(7,018)	-
Adjustment to annual required contribution	13,852	16,092	-
Annual pension cost	222,410	90,870	1,271
Contributions made	169,795	85,086	1,271
Increase in net pension obligation	52,615	5,784	-
Net pension obligation, beginning of year	(167,657)	(100,255)	-
Net pension obligation, end of year	\$ (115,042)	\$ (94,471)	\$ -

JEFFERSON COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

	PERF	County Police Retirement Plan	County Police Benefit Plan
Contribution rates:			
County	5.25%	18%	0%
Plan members	3%	6%	6%
Actuarial valuation date	07-01-07	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	\$ 121,924	126%	\$ (169,303)
	06-30-05	165,010	99%	(167,657)
	06-30-06	222,410	103%	(115,042)
County Police Retirement Plan	12-31-04	118,221	100%	(110,233)
	12-31-05	130,102	100%	(100,255)
	12-31-06	90,870	104%	(94,471)
County Police Benefit Plan	12-31-04	1,325	100%	-
	12-31-05	2,271	100%	-
	12-31-06	1,271	100%	-

JEFFERSON COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-04	\$ 2,728,213	\$ 2,972,992	\$ (244,779)	92%	\$ 3,088,668	(8%)
07-01-05	2,857,437	3,584,389	(726,952)	80%	3,254,698	(22%)
07-01-06	3,331,794	3,458,696	(126,902)	96%	3,462,777	(4%)

County Sheriff's Retirement Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-02	\$ 2,058,077	\$ 2,058,077	\$ -	100%	\$ 423,500	0%
01-01-03	1,984,228	1,984,228	-	100%	398,258	0%
01-01-04	1,978,146	1,978,146	-	100%	434,982	0%
01-01-05	2,045,815	2,045,815	-	100%	441,803	0%
01-01-06	2,202,173	2,202,173	-	100%	455,796	0%
01-01-07	2,360,208	2,360,208	-	100%	465,512	0%

JEFFERSON 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

	Election and Registration	Cemetery Board Donation	Reassessment	Cornerstone Society	Cumulative Voting Machine	Prosecutor IV-D Incentive
Receipts:						
Taxes	\$ 106,903	\$ -	\$ 115,879	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	2,033	11,824
Charges for services	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	106,903	-	115,879	-	2,033	11,824
Disbursements:						
General government	107,355	-	128,872	-	-	-
Public safety	-	-	-	-	-	10,771
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	1,200	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Interest	-	-	-	-	-	-
Capital outlay:						
Total disbursements	107,355	1,200	128,872	-	-	10,771
Excess (deficiency) of receipts over disbursements	(452)	(1,200)	(12,993)	-	2,033	1,053
Other financing sources (uses):						
Intergovernmental transfers	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(452)	(1,200)	(12,993)	-	2,033	1,053
Cash and investment fund balance - beginning	137,719	11,776	371,832	1,402	437,284	18,930
Cash and investment fund balance - ending	\$ 137,267	\$ 10,576	\$ 358,839	\$ 1,402	\$ 439,317	\$ 19,983
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	137,267	10,576	358,839	1,402	439,317	19,983
Total cash and investment assets - December 31	\$ 137,267	\$ 10,576	\$ 358,839	\$ 1,402	\$ 439,317	\$ 19,983
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
General government	\$ 137,267	\$ -	\$ 358,839	\$ -	\$ 439,317	\$ -
Public safety	-	-	-	-	-	19,983
Highway and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	10,576	-	1,402	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 137,267	\$ 10,576	\$ 358,839	\$ 1,402	\$ 439,317	\$ 19,983

JEFFERSON 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)

	Cemetery Board	County Prisoner Reimbursement	County Surveyor's Cornerstone Perpetuation	County Misdemeanant	Solid Waste Management Grant	Juvenile All Weekend Supervision
Receipts:						
Taxes	\$ 7,458	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	6,800	21,605	-	-
Charges for services	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	7,458	-	6,800	21,605	-	-
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	13,596	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	583	-
Health and welfare	7,539	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Interest	-	-	-	-	-	-
Capital outlay:						
-	-	-	-	-	-	-
Total disbursements	7,539	-	-	13,596	583	-
Excess (deficiency) of receipts over disbursements	(81)	-	6,800	8,009	(583)	-
Other financing sources (uses):						
Intergovernmental transfers	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(81)	-	6,800	8,009	(583)	-
Cash and investment fund balance - beginning	16,469	2,400	24,398	80,810	3,227	122
Cash and investment fund balance - ending	<u>\$ 16,388</u>	<u>\$ 2,400</u>	<u>\$ 31,198</u>	<u>\$ 88,819</u>	<u>\$ 2,644</u>	<u>\$ 122</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	16,388	2,400	31,198	88,819	2,644	122
Total cash and investment assets - December 31	<u>\$ 16,388</u>	<u>\$ 2,400</u>	<u>\$ 31,198</u>	<u>\$ 88,819</u>	<u>\$ 2,644</u>	<u>\$ 122</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
General government	\$ -	\$ -	\$ 31,198	\$ -	\$ -	\$ -
Public safety	-	2,400	-	88,819	-	122
Highway and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	2,644	-
Health and welfare	16,388	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 16,388</u>	<u>\$ 2,400</u>	<u>\$ 31,198</u>	<u>\$ 88,819</u>	<u>\$ 2,644</u>	<u>\$ 122</u>

JEFFERSON 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)

	Sheriff's Reserve Unit	JABIG out of School Grant	Seized and Forfeited Property	Community Transportation Program	Riverboat MIDCOR	Riverboat Historic Preservation
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	716	21,005	-	25,440	60,505	60,504
Charges for services	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>716</u>	<u>21,005</u>	<u>-</u>	<u>25,440</u>	<u>60,505</u>	<u>60,504</u>
Disbursements:						
General government	-	-	-	-	-	-
Public safety	948	24,507	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Urban redevelopment	-	-	-	5,073	-	-
Economic development	-	-	-	-	60,000	-
Debt service:						
Interest	-	-	-	-	-	-
Capital outlay:	-	-	-	-	-	-
Total disbursements	<u>948</u>	<u>24,507</u>	<u>-</u>	<u>5,073</u>	<u>60,000</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(232)</u>	<u>(3,502)</u>	<u>-</u>	<u>20,367</u>	<u>505</u>	<u>60,504</u>
Other financing sources (uses):						
Intergovernmental transfers	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(232)	(3,502)	-	20,367	505	60,504
Cash and investment fund balance - beginning	<u>3,641</u>	<u>2,182</u>	<u>4,038</u>	<u>(484)</u>	<u>5,405</u>	<u>171,089</u>
Cash and investment fund balance - ending	<u>\$ 3,409</u>	<u>\$ (1,320)</u>	<u>\$ 4,038</u>	<u>\$ 19,883</u>	<u>\$ 5,910</u>	<u>\$ 231,593</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ -	\$ (1,320)	\$ -	\$ -	\$ 5,910	\$ -
Restricted assets:						
Cash and investments	<u>3,409</u>	<u>-</u>	<u>4,038</u>	<u>19,883</u>	<u>-</u>	<u>231,593</u>
Total cash and investment assets - December 31	<u>\$ 3,409</u>	<u>\$ (1,320)</u>	<u>\$ 4,038</u>	<u>\$ 19,883</u>	<u>\$ 5,910</u>	<u>\$ 231,593</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	3,409	-	4,038	-	-	-
Highway and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	19,883	-	-
Urban redevelopment	-	-	-	-	-	231,593
Capital outlay	-	-	-	-	-	-
Unrestricted	<u>-</u>	<u>(1,320)</u>	<u>-</u>	<u>-</u>	<u>5,910</u>	<u>-</u>
Total cash and investment fund balance - December 31	<u>\$ 3,409</u>	<u>\$ (1,320)</u>	<u>\$ 4,038</u>	<u>\$ 19,883</u>	<u>\$ 5,910</u>	<u>\$ 231,593</u>

JEFFERSON 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)

	Law Enforcement Federal Forfeiture	Clerk's Record Perpetuation	Riverboat Wagering Revenue Sharing	Probation Administrative Fee	Recorder's Records Perpetuation	Plat Book Maintenance
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	9,932	199,514	-	40,831	-
Charges for services	-	-	-	-	-	441
Other	-	-	-	-	-	-
Total receipts	-	9,932	199,514	-	40,831	441
Disbursements:						
General government	-	11,094	-	-	11,443	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Interest	-	-	-	-	-	-
Capital outlay:	-	-	-	-	-	-
Total disbursements	-	11,094	-	-	11,443	-
Excess (deficiency) of receipts over disbursements	-	(1,162)	199,514	-	29,388	441
Other financing sources (uses):						
Intergovernmental transfers	-	-	(185,495)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(1,162)	14,019	-	29,388	441
Cash and investment fund balance - beginning	1,611	11,969	67,656	2,565	148,675	3,933
Cash and investment fund balance - ending	<u>\$ 1,611</u>	<u>\$ 10,807</u>	<u>\$ 81,675</u>	<u>\$ 2,565</u>	<u>\$ 178,063</u>	<u>\$ 4,374</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ -	\$ -	\$ 81,675	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	1,611	10,807	-	2,565	178,063	4,374
Total cash and investment assets - December 31	<u>\$ 1,611</u>	<u>\$ 10,807</u>	<u>\$ 81,675</u>	<u>\$ 2,565</u>	<u>\$ 178,063</u>	<u>\$ 4,374</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
General government	\$ -	\$ 10,807	\$ -	\$ -	\$ 178,063	\$ 4,374
Public safety	1,611	-	-	2,565	-	-
Highway and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	81,675	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 1,611</u>	<u>\$ 10,807</u>	<u>\$ 81,675</u>	<u>\$ 2,565</u>	<u>\$ 178,063</u>	<u>\$ 4,374</u>

JEFFERSON 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)

	Animal Shelter	Federal Project Highway	Riverboat General	Elizabeth Rhodes Donation	Local Emergency Planning and Right to Know	Guardian Ad Litem
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	38,733	-	535,611	-	4,462	-
Charges for services	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	38,733	-	535,611	-	4,462	-
Disbursements:						
General government	-	-	120,596	-	-	-
Public safety	-	-	-	-	8,612	-
Highways and streets	-	1	498,609	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	28,284	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Interest	-	-	-	-	-	-
Capital outlay:	-	-	-	-	-	-
Total disbursements	28,284	1	619,205	-	8,612	-
Excess (deficiency) of receipts over disbursements	10,449	(1)	(83,594)	-	(4,150)	-
Other financing sources (uses):						
Intergovernmental transfers	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	10,449	(1)	(83,594)	-	(4,150)	-
Cash and investment fund balance - beginning	3,999	109,473	374,577	5,822	23,297	21,534
Cash and investment fund balance - ending	<u>\$ 14,448</u>	<u>\$ 109,472</u>	<u>\$ 290,983</u>	<u>\$ 5,822</u>	<u>\$ 19,147</u>	<u>\$ 21,534</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ -	\$ -	\$ 290,983	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	14,448	109,472	-	5,822	19,147	21,534
Total cash and investment assets - December 31	<u>\$ 14,448</u>	<u>\$ 109,472</u>	<u>\$ 290,983</u>	<u>\$ 5,822</u>	<u>\$ 19,147</u>	<u>\$ 21,534</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,534
Public safety	-	-	-	5,822	19,147	-
Highway and streets	-	109,472	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	14,448	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	290,983	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 14,448</u>	<u>\$ 109,472</u>	<u>\$ 290,983</u>	<u>\$ 5,822</u>	<u>\$ 19,147</u>	<u>\$ 21,534</u>

JEFFERSON 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)

	Jefferson County Sheriff Law Enforcement Continuing Ed.	Jury Pay	Child Advocacy	Deferral Program	Supplemental Juvenile Probation Services	Supplemental Adult Probation Services
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	603	4,123	-	-	5,945	105,267
Charges for services	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	603	4,123	-	-	5,945	105,267
Disbursements:						
General government	-	-	-	-	-	-
Public safety	878	-	-	-	4,134	79,987
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Interest	-	-	-	-	-	-
Capital outlay:	-	-	-	-	-	-
Total disbursements	878	-	-	-	4,134	79,987
Excess (deficiency) of receipts over disbursements	(275)	4,123	-	-	1,811	25,280
Other financing sources (uses):						
Intergovernmental transfers	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(275)	4,123	-	-	1,811	25,280
Cash and investment fund balance - beginning	806	36,350	50	2,998	1,329	192,354
Cash and investment fund balance - ending	\$ 531	\$ 40,473	\$ 50	\$ 2,998	\$ 3,140	\$ 217,634
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	531	40,473	50	2,998	3,140	217,634
Total cash and investment assets - December 31	\$ 531	\$ 40,473	\$ 50	\$ 2,998	\$ 3,140	\$ 217,634
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	531	40,473	-	2,998	3,140	217,634
Highway and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	50	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 531	\$ 40,473	\$ 50	\$ 2,998	\$ 3,140	\$ 217,634

JEFFERSON 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)

	Pretrial Diversion	Supplemental Public Defender	CASA	Victim Assistance	Local Road and Street	County Health
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	20,637	19,597	-	-	306,403	650,295
Charges for services	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>20,637</u>	<u>19,597</u>	<u>-</u>	<u>-</u>	<u>306,403</u>	<u>650,295</u>
Disbursements:						
General government	-	-	-	-	-	-
Public safety	9,604	13,469	-	-	-	-
Highways and streets	-	-	-	-	216,885	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	666,332
Urban redevelopment	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Interest	-	-	-	-	-	-
Capital outlay:	-	-	-	-	-	-
Total disbursements	<u>9,604</u>	<u>13,469</u>	<u>-</u>	<u>-</u>	<u>216,885</u>	<u>666,332</u>
Excess (deficiency) of receipts over disbursements	<u>11,033</u>	<u>6,128</u>	<u>-</u>	<u>-</u>	<u>89,518</u>	<u>(16,037)</u>
Other financing sources (uses):						
Intergovernmental transfers	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	11,033	6,128	-	-	89,518	(16,037)
Cash and investment fund balance - beginning	<u>9,892</u>	<u>5,469</u>	<u>2</u>	<u>4,204</u>	<u>248,433</u>	<u>332,517</u>
Cash and investment fund balance - ending	<u>\$ 20,925</u>	<u>\$ 11,597</u>	<u>\$ 2</u>	<u>\$ 4,204</u>	<u>\$ 337,951</u>	<u>\$ 316,480</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	<u>20,925</u>	<u>11,597</u>	<u>2</u>	<u>4,204</u>	<u>337,951</u>	<u>316,480</u>
Total cash and investment assets - December 31	<u>\$ 20,925</u>	<u>\$ 11,597</u>	<u>\$ 2</u>	<u>\$ 4,204</u>	<u>\$ 337,951</u>	<u>\$ 316,480</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
General government	\$ -	\$ -	\$ 2	\$ -	\$ -	\$ -
Public safety	20,925	11,597	-	4,204	-	-
Highway and streets	-	-	-	-	337,951	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	316,480
Culture and recreation	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 20,925</u>	<u>\$ 11,597</u>	<u>\$ 2</u>	<u>\$ 4,204</u>	<u>\$ 337,951</u>	<u>\$ 316,480</u>

JEFFERSON 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)

	Woman Infants and Children	SEMA Homeland Security	Local Health Maintenance	Children's Psychiatric Residential Treatment	Accident Reports	Firearms Training
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ 191,032	\$ -	\$ -
Intergovernmental	96,539	134,437	33,139	-	-	5,090
Charges for services	-	-	-	-	3,055	-
Other	-	-	-	-	-	-
Total receipts	96,539	134,437	33,139	191,032	3,055	5,090
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	123,718	-	-	4,449	3,225
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	99,100	-	30,647	50,189	-	-
Urban redevelopment	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Interest	-	-	-	-	-	-
Capital outlay:						
Total disbursements	99,100	123,718	30,647	50,189	4,449	3,225
Excess (deficiency) of receipts over disbursements	(2,561)	10,719	2,492	140,843	(1,394)	1,865
Other financing sources (uses):						
Intergovernmental transfers	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,561)	10,719	2,492	140,843	(1,394)	1,865
Cash and investment fund balance - beginning	(1,725)	781	50,400	135,387	2,352	4,629
Cash and investment fund balance - ending	<u>\$ (4,286)</u>	<u>\$ 11,500</u>	<u>\$ 52,892</u>	<u>\$ 276,230</u>	<u>\$ 958</u>	<u>\$ 6,494</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ (4,286)	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	11,500	52,892	276,230	958	6,494
Total cash and investment assets - December 31	\$ (4,286)	\$ 11,500	\$ 52,892	\$ 276,230	\$ 958	\$ 6,494
Cash and Investment Fund Balance - December 31						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	11,500	-	-	958	6,494
Highway and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	52,892	276,230	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	(4,286)	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ (4,286)	\$ 11,500	\$ 52,892	\$ 276,230	\$ 958	\$ 6,494

JEFFERSON 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)

	County Drug Free Community	Emergency Telephone System	Jefferson County Wireless Emergency Telephone	CEDIT	Cumulative Jail	Cumulative Capital Development
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ 1,648,422	\$ 447,902	\$ 207,559
Intergovernmental	36,150	-	92,759	-	-	-
Charges for services	-	206,427	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	36,150	206,427	92,759	1,648,422	447,902	207,559
Disbursements:						
General government	-	-	-	-	-	-
Public safety	38,182	288,289	80,334	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Interest	-	-	-	43,216	236,784	-
Capital outlay:	-	-	-	1,000,000	106,660	404,838
Total disbursements	38,182	288,289	80,334	1,043,216	343,444	404,838
Excess (deficiency) of receipts over disbursements	(2,032)	(81,862)	12,425	605,206	104,458	(197,279)
Other financing sources (uses):						
Intergovernmental transfers	-	-	-	(883,688)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,032)	(81,862)	12,425	(278,482)	104,458	(197,279)
Cash and investment fund balance - beginning	55,054	154,542	191,810	923,021	119,424	1,222,211
Cash and investment fund balance - ending	<u>\$ 53,022</u>	<u>\$ 72,680</u>	<u>\$ 204,235</u>	<u>\$ 644,539</u>	<u>\$ 223,882</u>	<u>\$ 1,024,932</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ 644,539	\$ -	\$ -
Restricted assets:						
Cash and investments	53,022	72,680	204,235	-	223,882	1,024,932
Total cash and investment assets - December 31	<u>\$ 53,022</u>	<u>\$ 72,680</u>	<u>\$ 204,235</u>	<u>\$ 644,539</u>	<u>\$ 223,882</u>	<u>\$ 1,024,932</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	53,022	72,680	204,235	-	-	-
Highway and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Capital outlay	-	-	-	-	223,882	1,024,932
Unrestricted	-	-	-	644,539	-	-
Total cash and investment fund balance - December 31	<u>\$ 53,022</u>	<u>\$ 72,680</u>	<u>\$ 204,235</u>	<u>\$ 644,539</u>	<u>\$ 223,882</u>	<u>\$ 1,024,932</u>

JEFFERSON 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)

	Andres Memorial Animal Shelter	Jefferson County Animal Shelter	Sheriff's Commissary	County ID. Protection Act	SRI - Tax Sale Cost	Totals
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,725,155
Intergovernmental	-	-	-	11,976	-	2,562,475
Charges for services	-	-	48,573	-	-	258,496
Other	72	471	-	-	60	603
Total receipts	72	471	48,573	11,976	60	5,546,729
Disbursements:						
General government	-	-	-	-	-	379,360
Public safety	-	-	22,935	-	-	727,638
Highways and streets	-	-	-	-	-	715,495
Sanitation	-	-	-	-	-	583
Health and welfare	85	257	-	-	-	883,633
Urban redevelopment	-	-	-	-	-	5,073
Economic development	-	-	-	-	-	60,000
Debt service:						
Interest	-	-	-	-	-	280,000
Capital outlay:	-	-	-	-	-	1,511,498
Total disbursements	85	257	22,935	-	-	4,563,280
Excess (deficiency) of receipts over disbursements	(13)	214	25,638	11,976	60	983,449
Other financing sources (uses):						
Intergovernmental transfers	-	-	-	-	-	(1,069,183)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(13)	214	25,638	11,976	60	(85,734)
Cash and investment fund balance - beginning	1,528	5,883	56,135	-	330	5,823,517
Cash and investment fund balance - ending	<u>\$ 1,515</u>	<u>\$ 6,097</u>	<u>\$ 81,773</u>	<u>\$ 11,976</u>	<u>\$ 390</u>	<u>\$ 5,737,783</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,017,501
Restricted assets:						
Cash and investments	1,515	6,097	81,773	11,976	390	4,720,282
Total cash and investment assets - December 31	<u>\$ 1,515</u>	<u>\$ 6,097</u>	<u>\$ 81,773</u>	<u>\$ 11,976</u>	<u>\$ 390</u>	<u>\$ 5,737,783</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ 11,976	\$ 390	\$ 1,193,767
Public safety	-	-	81,773	-	-	880,080
Highway and streets	-	-	-	-	-	447,423
Sanitation	-	-	-	-	-	2,644
Health and welfare	1,515	6,097	-	-	-	696,078
Culture and recreation	-	-	-	-	-	19,883
Urban redevelopment	-	-	-	-	-	231,593
Capital outlay	-	-	-	-	-	1,248,814
Unrestricted	-	-	-	-	-	1,017,501
Total cash and investment fund balance - December 31	<u>\$ 1,515</u>	<u>\$ 6,097</u>	<u>\$ 81,773</u>	<u>\$ 11,976</u>	<u>\$ 390</u>	<u>\$ 5,737,783</u>

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

	County Treasurer	Clerk of the Circuit Court	County Recorder	County Sheriff	Inmate Trust Fund	County Planning and Zoning
Additions:						
Agency fund additions	\$ 36,625,202	\$ 4,014,365	\$ 152,089	\$ 1,208,962	\$ 48,655	\$ -
Deductions:						
Agency fund deductions	36,704,946	3,836,088	158,179	1,208,962	47,381	-
Excess (deficiency) of total additions over total deductions	(79,744)	178,277	(6,090)	-	1,274	-
Cash and investment fund balance - beginning	651,751	346,850	17,934	-	4,701	100
Cash and investment fund balance - ending	<u>\$ 572,007</u>	<u>\$ 525,127</u>	<u>\$ 11,844</u>	<u>\$ -</u>	<u>\$ 5,975</u>	<u>\$ 100</u>

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

	<u>Tax Sale Redemption</u>	<u>Tax Sale Surplus</u>	<u>State Fines and Forfeitures</u>	<u>Inheritance Tax</u>	<u>Surplus Tax</u>	<u>Congressional Interest</u>
Additions:						
Agency fund additions	\$ 66,958	\$ 1,300	\$ 15,477	\$ 2,399,495	\$ 46,414	\$ 1,862
Deductions:						
Agency fund deductions	<u>85,715</u>	<u>214,587</u>	<u>17,190</u>	<u>960,948</u>	<u>-</u>	<u>2,644</u>
Excess (deficiency) of total additions over total deductions	(18,757)	(213,287)	(1,713)	1,438,547	46,414	(782)
Cash and investment fund balance - beginning	<u>17,996</u>	<u>230,870</u>	<u>3,279</u>	<u>214,489</u>	<u>34,113</u>	<u>23,832</u>
Cash and investment fund balance - ending	<u>\$ (761)</u>	<u>\$ 17,583</u>	<u>\$ 1,566</u>	<u>\$ 1,653,036</u>	<u>\$ 80,527</u>	<u>\$ 23,050</u>

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

	Infraction Judgment	Welfare Trust	Surplus Dog	Education License Plate Fee	Tourism Board - Innkeepers' Tax	Coroner's Education Fund
Additions:						
Agency fund additions	\$ 39,189	\$ 7,670	\$ 1,531	\$ 713	\$ 231,107	\$ 1,810
Deductions:						
Agency fund deductions	40,076	23,984	1,782	1,163	230,957	1,751
Excess (deficiency) of total additions over total deductions	(887)	(16,314)	(251)	(450)	150	59
Cash and investment fund balance - beginning	3,195	35,434	251	827	-	131
Cash and investment fund balance - ending	<u>\$ 2,308</u>	<u>\$ 19,120</u>	<u>\$ -</u>	<u>\$ 377</u>	<u>\$ 150</u>	<u>\$ 190</u>

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

	State Sales Disclosure Fee	City/Town Court Cost	County Ordinance Fee	Interstate Compact Fee	Recorder's Mortgage Fee	User Fees Law Enforcement Continuing Education
Additions:						
Agency fund additions	\$ 4,340	\$ 9,012	\$ -	\$ 600	\$ 5,163	\$ 5,635
Deductions:						
Agency fund deductions	-	12,772	-	600	5,195	3,668
Excess (deficiency) of total additions over total deductions	4,340	(3,760)	-	-	(32)	1,967
Cash and investment fund balance - beginning	2,615	4,413	1,618	-	880	29,497
Cash and investment fund balance - ending	<u>\$ 6,955</u>	<u>\$ 653</u>	<u>\$ 1,618</u>	<u>\$ -</u>	<u>\$ 848</u>	<u>\$ 31,464</u>

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

	<u>Tax Distributions</u>	<u>County Payroll Clearing</u>	<u>County Insurance</u>	<u>Sheriff Pension Trust</u>	<u>Totals</u>
Additions:					
Agency fund additions	\$ 37,507,928	\$ 2,438,160	\$ -	\$ 5,486	\$ 84,839,123
Deductions:					
Agency fund deductions	<u>37,664,730</u>	<u>2,434,978</u>	<u>-</u>	<u>3,290</u>	<u>83,661,586</u>
Excess (deficiency) of total additions over total deductions	(156,802)	3,182	-	2,196	1,177,537
Cash and investment fund balance - beginning	<u>156,802</u>	<u>65,988</u>	<u>(1,688)</u>	<u>-</u>	<u>1,845,878</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 69,170</u>	<u>\$ (1,688)</u>	<u>\$ 2,196</u>	<u>\$ 3,023,415</u>

JEFFERSON COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2006

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

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 178,400
Infrastructure	19,221,587
Buildings	1,957,469
Improvements other than buildings	176,468
Machinery and equipment	<u>2,885,078</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 24,419,002</u>

JEFFERSON COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2006

Description of Asset	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
Volvo Grader Model G720B	\$ 46,668	\$ 22,878
Bonds payable:		
General obligation bonds:		
Jail Renovations	<u>6,275,000</u>	<u>615,000</u>
Total governmental activities long-term debt	<u>\$ 6,321,668</u>	<u>\$ 637,878</u>

JEFFERSON 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 Sheriff
County Commissioners
County Animal Shelter

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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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 JEFFERSON COUNTY, INDIANA

Compliance

We have audited the compliance of the Jefferson 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

November 5, 2007

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

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Pass-Through Indiana Department of Health Special Supplemental Nutrition Program for Woman, Infants, and Children	10.557	FY 05-06 FY 06-07	\$ 75,481 <u>20,570</u>
Total for federal grantor agency			<u>96,051</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Indiana Office of Community and Rural Affairs Community Development Block Grants/State's Program Planning Fund Community Focus Fund	14.228	PL-04-017 CF-05-214	50,000 <u>338,789</u>
Total for federal grantor agency			<u>388,789</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana Family and Social Services Administration Child Support Enforcement Prosecutor's Reimbursement Clerk's Reimbursement Indirect Cost Prosecutor's Incentive Clerk's Incentive	93.563	2006 2006 2006 2006 2006	45,823 21,966 58,141 10,771 <u>11,484</u>
Total for federal grantor agency			<u>148,185</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security Homeland Security Grant Program	97.004	EMPG LETTP SHSP	10,719 46,300 <u>77,418</u>
Total for federal grantor agency			<u>134,437</u>
Total federal awards expended			<u>\$ 767,462</u>

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

JEFFERSON 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 Jefferson 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.

JEFFERSON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	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 Program

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

JEFFERSON COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

JEFFERSON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 5, 2007, with Julie Berry, President of the Board of County Commissioners; David J. Craig, President of the County Council, and Sandra J. Shelton, Auditor. Our audit disclosed no material items that warrant comment at this time.