

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

ANNUAL FINANCIAL REPORT

2007

JAY COUNTY, INDIANA



**FILED**

05/29/2008



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards .....	3-4
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 .....	5-6
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets – Cash and Investment Basis .....	7
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Governmental Funds .....	8
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds .....	9
Notes to Financial Statements .....	10-20
Required Supplementary Information:	
Schedules of Funding Progress .....	21
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds.....	22-32
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Agency Funds.....	33-38
Schedule of Capital Assets.....	39
Schedule of Long-Term Debt .....	40
Other Report .....	41
Supplemental Audit of Federal Awards:	
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.....	44-45
Schedule of Expenditures of Federal Awards .....	46
Note to Schedule of Expenditures of Federal Awards.....	47
Schedule of Findings and Questioned Costs .....	48
Auditee Prepared Schedule:	
Summary Schedule of Prior Audit Findings .....	49
Exit Conference.....	50

### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Freda Corwin Nancy J. Culy	01-01-04 to 12-31-07 01-01-08 to 12-31-10
Treasurer	Robin Alberson	12-01-06 to 12-31-08
Clerk	Jane Ann Runyon	01-01-05 to 12-31-08
Sheriff	Larry R. Newton	01-01-07 to 12-31-10
Recorder	Betty St. Myers	01-01-04 to 12-31-10
President of the Board of County Commissioners	Milo M. Miller, Jr.	01-01-07 to 12-31-08
President of the County Council	Marilyn Coleman	01-01-07 to 12-31-08



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

TO: THE OFFICIALS OF JAY COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jay County (County), as of and for the year ended December 31, 2007, 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, 2007, 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 May 5, 2008, 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 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 them.

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

May 5, 2008



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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 JAY COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jay County (County), as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements and have issued our report thereon dated May 5, 2008. The opinions to the financial statements were qualified due to the omission of component units. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

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.

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

May 5, 2008

JAY COUNTY  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For The Year Ended December 31, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Net Receipts (Disbursements) and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Primary government:				
Governmental activities:				
General government	\$ 4,037,400	\$ 762,935	\$ 1,133,025	\$ (2,141,440)
Public safety	2,858,441	243,536	372,974	(2,241,931)
Highways and streets	4,225,613	34,423	2,788,652	(1,402,538)
Health and welfare	2,468,926	328,019	143,968	(1,996,939)
Economic development	1,060,595	-	96,000	(964,595)
Storm water drainage	644,566	-	43,519	(601,047)
	<u>\$ 15,295,541</u>	<u>\$ 1,368,913</u>	<u>\$ 4,578,138</u>	<u>(9,348,490)</u>
Total primary government				
General receipts:				
				5,059,898
				1,939,120
				984,638
				1,170,432
				1,122,539
				769,490
				218,054
				11,264,171
				<u>11,264,171</u>
				1,915,681
				<u>11,122,832</u>
				<u>\$ 13,038,513</u>
 <u>Assets</u>				
				<u>\$ 13,038,513</u>
 <u>Net Assets</u>				
				<u>\$ 13,038,516</u>

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

JAY COUNTY  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For The Year Ended December 31, 2007

	General	Highway	Cumulative Bridge	Other Governmental Funds	Totals
<b>Receipts:</b>					
Taxes	\$ 4,397,373	\$ 103,314	\$ 450,102	\$ 2,216,654	\$ 7,167,443
Special assessments	-	-	-	1,170,432	1,170,432
Licenses and permits	89,265	-	-	33,943	123,208
Intergovernmental	655,337	2,641,643	93,161	2,004,210	5,394,351
Charges for services	374,595	34,423	-	518,450	927,468
Fines and forfeits	124,459	-	-	193,778	318,237
Other	607,053	87,801	-	292,690	987,544
<b>Total receipts</b>	<b>6,248,082</b>	<b>2,867,181</b>	<b>543,263</b>	<b>6,430,157</b>	<b>16,088,683</b>
<b>Disbursements:</b>					
General government	3,009,606	-	-	1,027,794	4,037,400
Public safety	2,145,377	-	-	713,064	2,858,441
Highways and streets	-	2,921,608	542,406	761,599	4,225,613
Health and welfare	536,656	-	-	1,932,270	2,468,926
Economic development	141,500	-	-	919,095	1,060,595
Storm water drainage	199,979	-	-	444,587	644,566
<b>Total disbursements</b>	<b>6,033,118</b>	<b>2,921,608</b>	<b>542,406</b>	<b>5,798,409</b>	<b>15,295,541</b>
Excess (deficiency) of receipts over disbursements	214,964	(54,427)	857	631,748	793,142
<b>Other financing sources (uses):</b>					
Bond proceeds	-	-	-	1,122,539	1,122,539
Transfers in	278	-	-	485,619	485,897
Transfers out	(238,856)	-	-	(247,041)	(485,897)
<b>Total other financing sources (uses)</b>	<b>(238,578)</b>	<b>-</b>	<b>-</b>	<b>1,361,117</b>	<b>1,122,539</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(23,614)	(54,427)	857	1,992,865	1,915,681
Cash and investment fund balance - beginning	1,814,200	1,698,003	1,537,516	6,073,113	11,122,832
Cash and investment fund balance - ending	<u>\$ 1,790,586</u>	<u>\$ 1,643,576</u>	<u>\$ 1,538,373</u>	<u>\$ 8,065,978</u>	<u>\$ 13,038,513</u>
<b>Cash and Investment Assets - December 31</b>					
Cash and investments	<u>\$ 1,790,586</u>	<u>\$ 1,643,576</u>	<u>\$ 1,538,373</u>	<u>\$ 8,065,978</u>	<u>\$ 13,038,513</u>
<b>Cash and Investment Fund Balance - December 31</b>					
Unrestricted	<u>\$ 1,790,586</u>	<u>\$ 1,643,576</u>	<u>\$ 1,538,373</u>	<u>\$ 8,065,978</u>	<u>\$ 13,038,513</u>

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

JAY COUNTY  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For The Year Ended December 31, 2007

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Employer	\$ 140,703	\$ -	\$ -
Plan members	<u>12,043</u>	<u>-</u>	<u>-</u>
Total contributions	<u>152,746</u>	<u>-</u>	<u>-</u>
Investment earnings:			
Realized gain on sale of investments	70,321	-	-
Interest	16,263	-	-
Dividends	<u>27,058</u>	<u>-</u>	<u>-</u>
Total investment earnings	<u>113,642</u>	<u>-</u>	<u>-</u>
Agency fund additions	<u>-</u>	<u>-</u>	<u>32,954,293</u>
Total additions	<u>266,388</u>	<u>-</u>	<u>32,954,293</u>
Deductions:			
Benefits	42,120	-	-
Administrative and general	34,045	-	-
Agency fund deductions	<u>-</u>	<u>-</u>	<u>32,646,812</u>
Total deductions	<u>76,165</u>	<u>-</u>	<u>32,646,812</u>
Excess of total additions over total deductions	190,223	-	307,481
Cash and investment fund balance - beginning	<u>1,437,169</u>	<u>22,822</u>	<u>1,228,713</u>
Cash and investment fund balance - ending	<u>\$ 1,627,392</u>	<u>\$ 22,822</u>	<u>\$ 1,536,194</u>

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

JAY COUNTY  
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The County was established under the laws of the State of Indiana. The County operates under a Council-Commissioner form of government and provides the following services: public safety (police), 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 County only. In determining the financial reporting entity, the County complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

The Jay County Hospital and the Jay County Solid Waste Management District have been omitted from the reporting entity. Accordingly, the financial statements do not include the data of all of the County's component units necessary to fairly present the financial position of the County.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. The County has no business-type activities, which 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 or other proprietary funds.

The County reports the following major governmental funds:

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

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

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

JAY COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Additionally, the County reports the following fund types:

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

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

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

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, 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.

The effect of interfund activity has been eliminated from the government-wide financial statements.

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Capital Assets

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

3. Long-Term Debt

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

JAY COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

4. Equity Classification

Government-Wide Statements

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

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

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

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

Program Receipts

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

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

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

JAY COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Government-Wide Financial Statements

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

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

Budgetary Information

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

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

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

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

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

JAY COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13. The Sheriff's Merit Board has not established an investment policy for the Sheriff's Retirement and Benefit Pension Plan. As of December 31, 2007, the County had the following investments:

Investment Type	Sheriff's Retirement and Benefit Pension Plans
U.S. treasuries and securities	\$ 228,090
U.S. agencies	135,009
Mutual funds	91,447
Corporate stock	1,039,751
Corporate bonds	71,521
Total	\$ 1,565,818

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,

JAY COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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, 2007, the Sheriff's Retirement and Benefit Pension Plans held investments in United States Treasury bonds, corporate stocks and bonds, mutual funds and federal agency bonds in the amount of \$1,565,818. All of these investments were 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	Information Unavailable
U.S. treasuries and securities	\$ -	\$ 89,145	\$ 138,945	\$ -
U.S. agencies	14,915	-	120,094	-
Corporate stock	1,039,751	-	-	-
Corporate bonds	-	6,705	64,816	-
Mutual funds	-	-	-	91,447
Totals	<u>\$ 1,054,666</u>	<u>\$ 95,850</u>	<u>\$ 323,855</u>	<u>\$ 91,447</u>

JAY COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Credit Risk

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

Sheriff's Retirement and Benefit Pension Plans:

<u>Standard and Poor's Rating</u>	<u>Mutual Funds</u>	<u>Corporate Bonds</u>	<u>Government Sponsored Enterprise</u>
AAA	\$ -	\$ 6,705	\$ 135,009
AA-	-	6,261	-
A+	-	5,845	-
A	-	26,605	-
BBB-	-	4,987	-
Unrated	<u>91,447</u>	<u>21,118</u>	<u>-</u>
Totals	<u>\$ 91,447</u>	<u>\$ 71,521</u>	<u>\$ 135,009</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. However, no single issuer accounts for over 5% of their investments.

Foreign Currency Risk

Neither the County nor the Sheriff's Merit Board has a formal policy in regards to foreign currency risk. However, there are no investments in foreign currency.

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2007, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2007</u>
General Fund	Other governmental funds	\$ 238,856
Other governmental funds	General Fund	278
	Other governmental funds	<u>246,763</u>
Total		<u>\$ 485,897</u>

The County typically uses transfers to set aside revenues for future needs and to reimburse funds for specific expenditures.

JAY COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

IV. Other Information

A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; 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 Injuries to Employees

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

B. Administration of Welfare Programs

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

C. Pension Plans

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:

JAY COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

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 (Indiana Code 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.

JAY COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Actuarial Information for the Above Plans

	PERF	County Police Retirement Plan	County Police Benefit Plan
Annual required contribution	\$ 233,243	\$ 117,717	\$ 5,663
Interest on net pension obligation	1,207	764	-
Adjustment to annual required contribution	(1,376)	(1,179)	-
Annual pension cost	233,074	117,302	5,663
Contributions made	189,441	135,040	5,663
Increase (decrease) in net pension obligation	43,633	(17,738)	-
Net pension obligation, beginning of year	16,651	10,909	-
Net pension obligation, end of year	\$ 60,284	\$ (6,829)	\$ -

	PERF	County Police Retirement Plan	County Police Benefit Plan
Contribution rates:			
County	6.25%	30%	3%
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%

JAY COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Three Year Trend Information

	<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
PERF	06-30-04	\$ 169,166	75%	\$ 9,315
	06-30-05	173,446	96%	16,651
	06-30-06	233,074	81%	60,284
County Police Retirement Plan	12-31-04	110,844	108%	27,633
	12-31-05	117,497	106%	18,373
	12-31-06	117,302	115%	10,909
County Police Benefit Plan	12-31-04	8,524	100%	-
	12-31-05	7,525	100%	-
	12-31-06	5,663	100%	-

JAY COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-04	\$ 2,980,320	\$ 3,291,779	\$ (311,459)	91%	\$ 3,197,229	(10%)
07-01-05	3,113,687	3,945,162	(831,475)	79%	3,419,390	(24%)
07-01-06	3,623,712	4,074,882	(451,170)	89%	3,389,672	(13%)

County Police Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-03	\$ 800,324	\$ 1,105,569	\$ (305,245)	72%	\$ 396,973	(77%)
01-01-04	923,046	1,221,582	(298,536)	76%	394,963	(76%)
01-01-05	1,047,588	1,326,700	(279,112)	79%	400,944	(70%)
01-01-06	1,234,272	1,534,156	(299,884)	80%	409,143	(73%)
01-01-07	1,432,777	1,715,005	(282,228)	84%	396,075	(71%)
01-01-08	1,660,986	2,114,554	(453,568)	79%	411,362	(110%)

County Police Benefit 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)
01-01-03	\$ 47,394	\$ 47,394	\$ -	100%	\$ 396,973	0%
01-01-04	53,716	53,716	-	100%	394,963	0%
01-01-05	59,456	59,456	-	100%	400,944	0%
01-01-06	70,862	70,862	-	100%	409,143	0%
01-01-07	84,446	84,446	-	100%	396,075	0%
01-01-08	95,871	95,871	-	100%	411,362	0%

JAY COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2007

	Excess Levy	Surveyor's Corner Perpetuation	Property Reassessment	Clerk's Record Retention	Administrative Fee	Recorder's Records Perpetuation	Redacting Fee
Receipts:							
Taxes	\$ -	\$ -	\$ 85,519	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	7,958	-	-	-	-
Charges for services	-	5,070	-	-	-	32,717	8,462
Fines and forfeits	-	-	-	3,752	7,279	-	-
Other	-	-	13,411	-	-	1,968	-
<b>Total receipts</b>	<b>-</b>	<b>5,070</b>	<b>106,888</b>	<b>3,752</b>	<b>7,279</b>	<b>34,685</b>	<b>8,462</b>
Disbursements:							
General government	-	-	101,955	-	-	19,440	14,100
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Storm water drainage	-	2,257	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>2,257</b>	<b>101,955</b>	<b>-</b>	<b>-</b>	<b>19,440</b>	<b>14,100</b>
Excess (deficiency) of receipts over disbursements	-	2,813	4,933	3,752	7,279	15,245	(5,638)
Other financing sources (uses):							
Bond proceeds	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	2,813	4,933	3,752	7,279	15,245	(5,638)
Cash and investment fund balance - beginning	7,662	29,892	322,205	12,903	38,357	137,346	8,288
Cash and investment fund balance - ending	<u>\$ 7,662</u>	<u>\$ 32,705</u>	<u>\$ 327,138</u>	<u>\$ 16,655</u>	<u>\$ 45,636</u>	<u>\$ 152,591</u>	<u>\$ 2,650</u>
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	<u>\$ 7,662</u>	<u>\$ 32,705</u>	<u>\$ 327,138</u>	<u>\$ 16,655</u>	<u>\$ 45,636</u>	<u>\$ 152,591</u>	<u>\$ 2,650</u>
<b>Cash and Investment Fund Balance - December 31</b>							
Unrestricted	<u>\$ 7,662</u>	<u>\$ 32,705</u>	<u>\$ 327,138</u>	<u>\$ 16,655</u>	<u>\$ 45,636</u>	<u>\$ 152,591</u>	<u>\$ 2,650</u>

JAY COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2007  
 (Continued)

	Plat Book	Electronic Map Generation	Redevelopment District Capital	Convention and Tourism	Sales Disclosure	Cannabis/ Marijuana Eradication	Health Insurance
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ 52,679	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	96,000	-	-	-	-
Charges for services	6,950	540	80,668	-	2,840	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	127,173	-	-	-	925
<b>Total receipts</b>	<b>6,950</b>	<b>540</b>	<b>303,841</b>	<b>52,679</b>	<b>2,840</b>	<b>-</b>	<b>925</b>
Disbursements:							
General government	-	-	-	-	4,353	-	32,358
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Economic development	-	-	556,773	50,019	-	-	-
Storm water drainage	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>556,773</b>	<b>50,019</b>	<b>4,353</b>	<b>-</b>	<b>32,358</b>
Excess (deficiency) of receipts over disbursements	6,950	540	(252,932)	2,660	(1,513)	-	(31,433)
Other financing sources (uses):							
Bond proceeds	-	-	1,017,332	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>1,017,332</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	6,950	540	764,400	2,660	(1,513)	-	(31,433)
Cash and investment fund balance - beginning	58,006	2,990	-	50,019	4,325	829	32,159
Cash and investment fund balance - ending	<u>\$ 64,956</u>	<u>\$ 3,530</u>	<u>\$ 764,400</u>	<u>\$ 52,679</u>	<u>\$ 2,812</u>	<u>\$ 829</u>	<u>\$ 726</u>
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	<u>\$ 64,956</u>	<u>\$ 3,530</u>	<u>\$ 764,400</u>	<u>\$ 52,679</u>	<u>\$ 2,812</u>	<u>\$ 829</u>	<u>\$ 726</u>
<b>Cash and Investment Fund Balance - December 31</b>							
Unrestricted	<u>\$ 64,956</u>	<u>\$ 3,530</u>	<u>\$ 764,400</u>	<u>\$ 52,679</u>	<u>\$ 2,812</u>	<u>\$ 829</u>	<u>\$ 726</u>

JAY COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2007  
 (Continued)

	Retirement Center Donations	Court Appointed Special Advocate	Juvenile Probation Service	Adult Probation Services	Pretrial Diversion	Sex and Violent Offenders	County Forfeiture
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	12
Charges for services	-	-	-	-	-	520	-
Fines and forfeits	-	23,705	1,158	35,815	1,960	-	-
Other	5	-	-	-	-	-	-
<b>Total receipts</b>	<b>5</b>	<b>23,705</b>	<b>1,158</b>	<b>35,815</b>	<b>1,960</b>	<b>520</b>	<b>12</b>
Disbursements:							
General government	-	28,930	-	-	-	-	-
Public safety	-	-	-	5,228	-	37	7,711
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Storm water drainage	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>28,930</b>	<b>-</b>	<b>5,228</b>	<b>-</b>	<b>37</b>	<b>7,711</b>
Excess (deficiency) of receipts over disbursements	5	(5,225)	1,158	30,587	1,960	483	(7,699)
Other financing sources (uses):							
Bond proceeds	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	5	(5,225)	1,158	30,587	1,960	483	(7,699)
Cash and investment fund balance - beginning	128	16,565	7,012	149,694	2,136	-	12,419
Cash and investment fund balance - ending	<u>\$ 133</u>	<u>\$ 11,340</u>	<u>\$ 8,170</u>	<u>\$ 180,281</u>	<u>\$ 4,096</u>	<u>\$ 483</u>	<u>\$ 4,720</u>
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	<u>\$ 133</u>	<u>\$ 11,340</u>	<u>\$ 8,170</u>	<u>\$ 180,281</u>	<u>\$ 4,096</u>	<u>\$ 483</u>	<u>\$ 4,720</u>
<b>Cash and Investment Fund Balance - December 31</b>							
Unrestricted	<u>\$ 133</u>	<u>\$ 11,340</u>	<u>\$ 8,170</u>	<u>\$ 180,281</u>	<u>\$ 4,096</u>	<u>\$ 483</u>	<u>\$ 4,720</u>

JAY COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2007  
 (Continued)

	Extradition	County Corrections	Community Transition Program	Community Corrections - Home Detention	Local Road and Street	Health	Health Maintenance
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 161,286	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	29,513	4,430
Intergovernmental	-	15,647	8,576	1,155	309,840	15,008	41,424
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	1,200	-	-	69,355	-	-	-
Other	-	-	-	1,000	-	-	1,164
<b>Total receipts</b>	<b>1,200</b>	<b>15,647</b>	<b>8,576</b>	<b>71,510</b>	<b>309,840</b>	<b>205,807</b>	<b>47,018</b>
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	-	19,486	9,170	42,141	-	-	-
Highways and streets	-	-	-	-	203,019	-	-
Health and welfare	-	-	-	-	-	190,260	37,871
Economic development	-	-	-	-	-	-	-
Storm water drainage	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>19,486</b>	<b>9,170</b>	<b>42,141</b>	<b>203,019</b>	<b>190,260</b>	<b>37,871</b>
Excess (deficiency) of receipts over disbursements	1,200	(3,839)	(594)	29,369	106,821	15,547	9,147
Other financing sources (uses):							
Bond proceeds	-	-	-	-	-	-	-
Transfers in	-	-	1,994	1,953	-	-	-
Transfers out	-	-	-	(1,994)	-	(4,266)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>1,994</b>	<b>(41)</b>	<b>-</b>	<b>(4,266)</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,200	(3,839)	1,400	29,328	106,821	11,281	9,147
Cash and investment fund balance - beginning	2,228	23,754	10,243	179,824	62,438	110,098	25,209
Cash and investment fund balance - ending	<u>\$ 3,428</u>	<u>\$ 19,915</u>	<u>\$ 11,643</u>	<u>\$ 209,152</u>	<u>\$ 169,259</u>	<u>\$ 121,379</u>	<u>\$ 34,356</u>
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	<u>\$ 3,428</u>	<u>\$ 19,915</u>	<u>\$ 11,643</u>	<u>\$ 209,152</u>	<u>\$ 169,259</u>	<u>\$ 121,379</u>	<u>\$ 34,356</u>
<b>Cash and Investment Fund Balance - December 31</b>							
Unrestricted	<u>\$ 3,428</u>	<u>\$ 19,915</u>	<u>\$ 11,643</u>	<u>\$ 209,152</u>	<u>\$ 169,259</u>	<u>\$ 121,379</u>	<u>\$ 34,356</u>

JAY COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2007  
 (Continued)

	Tobacco Cessation - Prevention	Family and Children	Child Psychiatric Residential Treatment	General Drain Improvement	Backhoe/Dozer Repair and Replacement	Drainage Maintenance	Wabash Cleanouts
Receipts:							
Taxes	\$ -	\$ 576,131	\$ 37,509	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	340,069	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	17,916	128,374	3,490	43,519	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	77,131	-	6,201	81	-	-
<b>Total receipts</b>	<b>17,916</b>	<b>781,636</b>	<b>40,999</b>	<b>49,720</b>	<b>81</b>	<b>340,069</b>	<b>-</b>
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	11,927	730,032	68,732	-	-	-	-
Economic development	-	-	-	-	-	-	-
Storm water drainage	-	-	-	102,283	50,877	289,170	-
<b>Total disbursements</b>	<b>11,927</b>	<b>730,032</b>	<b>68,732</b>	<b>102,283</b>	<b>50,877</b>	<b>289,170</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	5,989	51,604	(27,733)	(52,563)	(50,796)	50,899	-
Other financing sources (uses):							
Bond proceeds	-	-	-	-	-	-	-
Transfers in	-	-	-	73,742	63,741	-	-
Transfers out	-	-	-	(12,257)	-	(125,226)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61,485</b>	<b>63,741</b>	<b>(125,226)</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	5,989	51,604	(27,733)	8,922	12,945	(74,327)	-
Cash and investment fund balance - beginning	29,230	380,849	235,278	23,857	71,439	818,165	763
Cash and investment fund balance - ending	<u>\$ 35,219</u>	<u>\$ 432,453</u>	<u>\$ 207,545</u>	<u>\$ 32,779</u>	<u>\$ 84,384</u>	<u>\$ 743,838</u>	<u>\$ 763</u>
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	<u>\$ 35,219</u>	<u>\$ 432,453</u>	<u>\$ 207,545</u>	<u>\$ 32,779</u>	<u>\$ 84,384</u>	<u>\$ 743,838</u>	<u>\$ 763</u>
<b>Cash and Investment Fund Balance - December 31</b>							
Unrestricted	<u>\$ 35,219</u>	<u>\$ 432,453</u>	<u>\$ 207,545</u>	<u>\$ 32,779</u>	<u>\$ 84,384</u>	<u>\$ 743,838</u>	<u>\$ 763</u>

JAY COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2007  
 (Continued)

	Clerk IV-D Incentives	Prosecutor Title IV-D	Jury Fee	Ambulance Replacement	VIN Checks	Supplemental Public Defender Services	Inmate Medical
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	3,895	-	-	-	-	-
Charges for services	-	-	-	-	900	-	1,440
Fines and forfeits	-	-	6,692	-	-	3,220	-
Other	-	-	-	-	-	-	-
Total receipts	-	3,895	6,692	-	900	3,220	1,440
Disbursements:							
General government	1,927	-	12,257	-	-	-	-
Public safety	-	7,316	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Storm water drainage	-	-	-	-	-	-	-
Total disbursements	1,927	7,316	12,257	-	-	-	-
Excess (deficiency) of receipts over disbursements	(1,927)	(3,421)	(5,565)	-	900	3,220	1,440
Other financing sources (uses):							
Bond proceeds	-	-	-	-	-	-	-
Transfers in	-	-	-	22,771	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	22,771	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,927)	(3,421)	(5,565)	22,771	900	3,220	1,440
Cash and investment fund balance - beginning	36,208	28,503	25,366	107,107	5,116	3,900	3,935
Cash and investment fund balance - ending	\$ 34,281	\$ 25,082	\$ 19,801	\$ 129,878	\$ 6,016	\$ 7,120	\$ 5,375
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	\$ 34,281	\$ 25,082	\$ 19,801	\$ 129,878	\$ 6,016	\$ 7,120	\$ 5,375
<u>Cash and Investment Fund Balance - December 31</u>							
Unrestricted	\$ 34,281	\$ 25,082	\$ 19,801	\$ 129,878	\$ 6,016	\$ 7,120	\$ 5,375

JAY COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2007  
 (Continued)

	Emergency Medical Service	Accident Report	Firearms Training	Drug Free Community	Drug Free	Deferral	Sheriff Continuing Education
Receipts:							
Taxes	\$ 438,099	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	40,765	-	-	-	-	-	-
Charges for services	294,076	1,317	5,225	-	-	-	-
Fines and forfeits	-	-	-	16,764	-	22,200	678
Other	-	-	-	-	1,650	-	-
Total receipts	<u>772,940</u>	<u>1,317</u>	<u>5,225</u>	<u>16,764</u>	<u>1,650</u>	<u>22,200</u>	<u>678</u>
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	-	-	9,353	13,400	-	15,014	3,803
Highways and streets	-	-	-	-	-	-	-
Health and welfare	854,936	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Storm water drainage	-	-	-	-	-	-	-
Total disbursements	<u>854,936</u>	<u>-</u>	<u>9,353</u>	<u>13,400</u>	<u>-</u>	<u>15,014</u>	<u>3,803</u>
Excess (deficiency) of receipts over disbursements	<u>(81,996)</u>	<u>1,317</u>	<u>(4,128)</u>	<u>3,364</u>	<u>1,650</u>	<u>7,186</u>	<u>(3,125)</u>
Other financing sources (uses):							
Bond proceeds	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	(68,003)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(68,003)</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>(149,999)</u>	<u>1,317</u>	<u>(4,128)</u>	<u>3,364</u>	<u>1,650</u>	<u>7,186</u>	<u>(3,125)</u>
Cash and investment fund balance - beginning	<u>552,448</u>	<u>6,210</u>	<u>8,894</u>	<u>13,466</u>	<u>2,760</u>	<u>26,725</u>	<u>4,404</u>
Cash and investment fund balance - ending	<u>\$ 402,449</u>	<u>\$ 7,527</u>	<u>\$ 4,766</u>	<u>\$ 16,830</u>	<u>\$ 4,410</u>	<u>\$ 33,911</u>	<u>\$ 1,279</u>
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	<u>\$ 402,449</u>	<u>\$ 7,527</u>	<u>\$ 4,766</u>	<u>\$ 16,830</u>	<u>\$ 4,410</u>	<u>\$ 33,911</u>	<u>\$ 1,279</u>
<u>Cash and Investment Fund Balance - December 31</u>							
Unrestricted	<u>\$ 402,449</u>	<u>\$ 7,527</u>	<u>\$ 4,766</u>	<u>\$ 16,830</u>	<u>\$ 4,410</u>	<u>\$ 33,911</u>	<u>\$ 1,279</u>

JAY COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2007  
 (Continued)

	Emergency Telephone System	Emergency Planning/ Right to Know	Cumulative Capital Development	Rainy Day	Rainy Day Surplus EDIT	CEDIT Special Revenue	Economic Development Income Tax
Receipts:							
Taxes	\$ -	\$ -	\$ 189,043	\$ -	\$ -	\$ -	\$ 676,388
Special assessments	182,355	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	118,393	4,901	17,591	12,212	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	423	-	-	5,258	-	56,092
<b>Total receipts</b>	<b>300,748</b>	<b>5,324</b>	<b>206,634</b>	<b>12,212</b>	<b>5,258</b>	<b>-</b>	<b>732,480</b>
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	292,634	3,474	-	-	-	-	-
Highways and streets	-	-	195,351	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	12,966	299,337
Storm water drainage	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>292,634</b>	<b>3,474</b>	<b>195,351</b>	<b>-</b>	<b>-</b>	<b>12,966</b>	<b>299,337</b>
Excess (deficiency) of receipts over disbursements	8,114	1,850	11,283	12,212	5,258	(12,966)	433,143
Other financing sources (uses):							
Bond proceeds	-	-	-	-	-	-	-
Transfers in	5,850	-	-	282,504	-	-	-
Transfers out	(278)	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>5,572</b>	<b>-</b>	<b>-</b>	<b>282,504</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	13,686	1,850	11,283	294,716	5,258	(12,966)	433,143
Cash and investment fund balance - beginning	316,955	8,944	103,433	467,471	121,032	12,966	520,104
Cash and investment fund balance - ending	<u>\$ 330,641</u>	<u>\$ 10,794</u>	<u>\$ 114,716</u>	<u>\$ 762,187</u>	<u>\$ 126,290</u>	<u>\$ -</u>	<u>\$ 953,247</u>
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	<u>\$ 330,641</u>	<u>\$ 10,794</u>	<u>\$ 114,716</u>	<u>\$ 762,187</u>	<u>\$ 126,290</u>	<u>\$ -</u>	<u>\$ 953,247</u>
<b>Cash and Investment Fund Balance - December 31</b>							
Unrestricted	<u>\$ 330,641</u>	<u>\$ 10,794</u>	<u>\$ 114,716</u>	<u>\$ 762,187</u>	<u>\$ 126,290</u>	<u>\$ -</u>	<u>\$ 953,247</u>

JAY COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2007  
 (Continued)

	Victim Assistance	CER Team Subgrant	EMA Comp. Planning Grant	Housing Grant	Community Corrections 2006-2007	Community Corrections 2007-2008
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	23,683	11,250	-	38,512	72,283	55,285
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	208
<b>Total receipts</b>	<b>23,683</b>	<b>11,250</b>	<b>-</b>	<b>38,512</b>	<b>72,283</b>	<b>55,493</b>
Disbursements:						
General government	-	-	-	-	-	-
Public safety	22,772	-	543	-	63,018	24,927
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	38,512	-	-
Economic development	-	-	-	-	-	-
Storm water drainage	-	-	-	-	-	-
<b>Total disbursements</b>	<b>22,772</b>	<b>-</b>	<b>543</b>	<b>38,512</b>	<b>63,018</b>	<b>24,927</b>
Excess (deficiency) of receipts over disbursements	911	11,250	(543)	-	9,265	30,566
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Transfers in	-	-	-	-	900	32,164
Transfers out	-	-	-	-	(34,117)	(900)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(33,217)</b>	<b>31,264</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	911	11,250	(543)	-	(23,952)	61,830
Cash and investment fund balance - beginning	11,842	(11,248)	543	-	23,952	-
Cash and investment fund balance - ending	<u>\$ 12,753</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,830</u>
<b>Cash and Investment Assets - December 31</b>						
Cash and investments	<u>\$ 12,753</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,830</u>
<b>Cash and Investment Fund Balance - December 31</b>						
Unrestricted	<u>\$ 12,753</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,830</u>

JAY COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2007  
 (Continued)

	Rural Transportation Grant	Bioterrorism PRS-A	Bulletproof Vests	Operation Pullover	Homeland Security	Court Interpreter
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	811,749	46,116	-	3,976	-	750
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>811,749</b>	<b>46,116</b>	<b>-</b>	<b>3,976</b>	<b>-</b>	<b>750</b>
Disbursements:						
General government	811,749	-	-	-	-	725
Public safety	-	51,432	-	2,020	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Storm water drainage	-	-	-	-	-	-
<b>Total disbursements</b>	<b>811,749</b>	<b>51,432</b>	<b>-</b>	<b>2,020</b>	<b>-</b>	<b>725</b>
Excess (deficiency) of receipts over disbursements	-	(5,316)	-	1,956	-	25
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(5,316)	-	1,956	-	25
Cash and investment fund balance - beginning	4	23,462	2,915	627	463	701
Cash and investment fund balance - ending	<u>\$ 4</u>	<u>\$ 18,146</u>	<u>\$ 2,915</u>	<u>\$ 2,583</u>	<u>\$ 463</u>	<u>\$ 726</u>
<b><u>Cash and Investment Assets - December 31</u></b>						
Cash and investments	<u>\$ 4</u>	<u>\$ 18,146</u>	<u>\$ 2,915</u>	<u>\$ 2,583</u>	<u>\$ 463</u>	<u>\$ 726</u>
<b><u>Cash and Investment Fund Balance - December 31</u></b>						
Unrestricted	<u>\$ 4</u>	<u>\$ 18,146</u>	<u>\$ 2,915</u>	<u>\$ 2,583</u>	<u>\$ 463</u>	<u>\$ 726</u>

JAY COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2007  
 (Continued)

	Homeland Security Grant	Host Fee - Infrastructure	Infrastructure	Sheriff's Buy Money	Sheriff's Commissary	Totals
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,216,654
Special assessments	-	28,971	619,037	-	-	1,170,432
Licenses and permits	-	-	-	-	-	33,943
Intergovernmental	53,930	-	-	-	-	2,004,210
Charges for services	-	-	-	-	77,725	518,450
Fines and forfeits	-	-	-	-	-	193,778
Other	-	-	-	-	-	292,690
<b>Total receipts</b>	<b>53,930</b>	<b>28,971</b>	<b>619,037</b>	<b>-</b>	<b>77,725</b>	<b>6,430,157</b>
Disbursements:						
General government	-	-	-	-	-	1,027,794
Public safety	33,951	-	-	-	85,634	713,064
Highways and streets	-	-	363,229	-	-	761,599
Health and welfare	-	-	-	-	-	1,932,270
Economic development	-	-	-	-	-	919,095
Storm water drainage	-	-	-	-	-	444,587
<b>Total disbursements</b>	<b>33,951</b>	<b>-</b>	<b>363,229</b>	<b>-</b>	<b>85,634</b>	<b>5,798,409</b>
Excess (deficiency) of receipts over disbursements	19,979	28,971	255,808	-	(7,909)	631,748
Other financing sources (uses):						
Bond proceeds	-	-	105,207	-	-	1,122,539
Transfers in	-	-	-	-	-	485,619
Transfers out	-	-	-	-	-	(247,041)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>105,207</b>	<b>-</b>	<b>-</b>	<b>1,361,117</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	19,979	28,971	361,015	-	(7,909)	1,992,865
Cash and investment fund balance - beginning	(2,078)	17,823	735,281	4,545	22,024	6,073,113
Cash and investment fund balance - ending	\$ 17,901	\$ 46,794	\$ 1,096,296	\$ 4,545	\$ 14,115	\$ 8,065,978
<b>Cash and Investment Assets - December 31</b>						
Cash and investments	\$ 17,901	\$ 46,794	\$ 1,096,296	\$ 4,545	\$ 14,115	\$ 8,065,978
<b>Cash and Investment Fund Balance - December 31</b>						
Unrestricted	\$ 17,901	\$ 46,794	\$ 1,096,296	\$ 4,545	\$ 14,115	\$ 8,065,978

JAY COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2007

	After Settlement Collections	Interstate Compact	County Wheel Tax	Surplus Tax	Tax Sale Redemption	Surplus Tax Sale	Financial Institutions Tax
Additions:							
Agency fund additions	347,233	162	88,793	21,279	45,729	149,985	122,946
Deductions:							
Agency fund deductions	270,787	162	88,793	23,084	52,657	620,869	122,946
Excess (deficiency) of total additions over total deductions	76,446	-	-	(1,805)	(6,928)	(470,884)	-
Cash and investment fund balance - beginning	270,787	-	-	3,257	6,928	615,951	-
Cash and investment fund balance - ending	<u>\$ 347,233</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,452</u>	<u>\$ -</u>	<u>\$ 145,067</u>	<u>\$ -</u>

JAY COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2007  
 (Continued)

	Commercial Vehicle Excise Tax	Homestead Credit Rebate	County Surtax	Payroll	State Sales Disclosure Fee	Coroners Continuing Education	Mortgage Recording Fee
Additions:							
Agency fund additions	134,940	609,379	290,717	5,180,507	2,855	1,350	3,032
Deductions:							
Agency fund deductions	134,940	-	290,717	5,172,574	2,835	1,233	3,010
Excess (deficiency) of total additions over total deductions	-	609,379	-	7,933	20	117	22
Cash and investment fund balance - beginning	-	-	-	81,422	235	77	203
Cash and investment fund balance - ending	\$ -	\$ 609,379	\$ -	\$ 89,355	\$ 255	\$ 194	\$ 225

JAY COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2007  
 (Continued)

	Dental Insurance	City and Town Court Costs	Infraction Judgments	Personal Property Assessment	Overweight Vehicle Fines	Welfare Trust	Certified Shares
Additions:							
Agency fund additions	514	3,475	54,579	38,968	436	-	2,024,013
Deductions:							
Agency fund deductions	364	-	53,695	-	436	-	2,024,013
Excess (deficiency) of total additions over total deductions	150	3,475	884	38,968	-	-	-
Cash and investment fund balance - beginning	61	59,605	4,624	-	-	477	-
Cash and investment fund balance - ending	<u>\$ 211</u>	<u>\$ 63,080</u>	<u>\$ 5,508</u>	<u>\$ 38,968</u>	<u>\$ -</u>	<u>\$ 477</u>	<u>\$ -</u>

JAY COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2007  
 (Continued)

	Property Tax Replacement Credit	Education Plate Fee Distribution	User Fee	Congressional School Interest	Inheritance Tax	State Fines and Forfeitures
Additions:						
Agency fund additions	674,671	1,275	666	1,224	759,999	19,421
Deductions:						
Agency fund deductions	674,671	1,275	603	913	703,654	24,602
Excess (deficiency) of total additions over total deductions	-	-	63	311	56,345	(5,181)
Cash and investment fund balance - beginning	-	-	8,177	10,134	83,475	7,544
Cash and investment fund balance - ending	\$ -	\$ -	\$ 8,240	\$ 10,445	\$ 139,820	\$ 2,363

JAY COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2007  
 (Continued)

	Special Death Benefit Fee	Child Restraint Violations	Economic Development Income Tax	Riverboat Revenue Sharing	Tax Distribution	Clerk of the Courts
Additions:						
Agency fund additions	1,975	775	688,600	137,504	18,699,705	1,997,252
Deductions:						
Agency fund deductions	2,860	725	675,956	137,504	18,699,705	2,009,308
Excess (deficiency) of total additions over total deductions	(885)	50	12,644	-	-	(12,056)
Cash and investment fund balance - beginning	1,060	-	-	-	-	62,364
Cash and investment fund balance - ending	<u>\$ 175</u>	<u>\$ 50</u>	<u>\$ 12,644</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,308</u>

JAY COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2007  
 (Continued)

	Prosecuting Attorney	Recorder	Sheriff	Sheriff's Inmate Trust	Retirement Center	Totals
Additions:						
Agency fund additions	15,659	106,539	405,019	76,114	247,003	32,954,293
Deductions:						
Agency fund deductions	15,659	106,539	406,019	76,229	247,475	32,646,812
Excess (deficiency) of total additions over total deductions	-	-	(1,000)	(115)	(472)	307,481
Cash and investment fund balance - beginning	-	50	1,000	1,149	10,133	1,228,713
Cash and investment fund balance - ending	\$ -	\$ 50	\$ -	\$ 1,034	\$ 9,661	\$ 1,536,194

JAY COUNTY  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2007

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 780,685
Buildings	5,128,824
Improvements other than buildings	12,891,539
Machinery and equipment	<u>5,440,986</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 24,242,034</u>

JAY COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2007

The County has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
<b>Governmental Activities:</b>		
Capital leases:		
Bulldozer	\$ 41,082	\$ 21,475
Tractor	42,050	22,138
Excavator	92,972	32,053
Bonds payable:		
Revenue bonds:		
TIF District	1,220,000	54,074
<b>Total governmental activities debt</b>	<b>\$ 1,396,104</b>	<b>\$ 129,740</b>

JAY COUNTY  
OTHER REPORT

The annual report presented herein was prepared in addition to the official report prepared for the County Sheriff.

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: www.in.gov/sboa

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

TO: THE OFFICIALS OF JAY COUNTY, INDIANA

Compliance

We have audited the compliance of the Jay County (County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2007. 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, 2007.

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

May 5, 2008

JAY COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended December 31, 2007

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Indiana Housing and Community Development Authority Community Development Block Grants/State's Program	14.228	HD-005-003	\$ 38,512
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute Crime Victim Assistance	16.575	07VA044	22,649
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Formula Grants for Other Than Urbanized Areas	20.509	1802544O	509,731
Pass-Through Indiana Criminal Justice Institute State and Community Highway Safety	20.600	OP-07-01-01-09	2,020
Total for federal grantor agency			511,751
<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	BPRS 137-2	51,432
Pass-Through Indiana Family and Social Services Administration Child Support Enforcement Prosecuting Attorney Clerk of the Circuit Court Indirect Costs	93.563		57,954 14,310 20,941
Total for program			93,205
Total for federal grantor agency			144,637
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through State Department of Homeland Security Emergency Management Performance Grants	97.042	C44P-8-62A	22,466
Citizens Corps	97.053	FY 2005	543
Total for federal grantor agency			23,009
Total federal awards expended			\$ 740,558

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

JAY COUNTY  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Jay County (County) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

JAY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Qualified

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

Noncompliance material to financial statements noted? no

Federal Awards:

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

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

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
20.509	Formula Grants for Other Than Urbanized Areas

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

JAY COUNTY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

JAY COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on May 5, 2008, with Nancy J. Culy, Auditor; Milo M. Miller, Jr., President of the Board of County Commissioners; and Marilyn Coleman, President of the County Council. Our audit disclosed no material items that warrant comment at this time.