

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

ANNUAL FINANCIAL REPORT

2007

HENRY COUNTY, INDIANA



FILED

09/26/2008

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Linda S. Ratcliff	01-01-07 to 12-31-10
Treasurer	Debra Walker	01-01-07 to 12-31-10
Clerk	Patricia French	01-01-07 to 12-31-10
Sheriff	Bruce (Butch) Baker	01-01-07 to 12-31-10
Recorder	Susie Hufford	01-01-07 to 12-31-10
President of the Board of County Commissioners	Philip J. Estridge	01-01-07 to 12-31-08
President of the County Council	Robert L. Veach	01-01-07 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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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 FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF HENRY COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Henry 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, the business-type activities, the aggregate discretely presented component units, 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 July 23, 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, 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

July 23, 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 HENRY COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Henry 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 July 23, 2008. The opinion on the financial statements was qualified due to the omission of component units which results in incomplete presentation. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We identified deficiencies in internal control over financial reporting that are required to be reported under Government Auditing Standards that we consider significant deficiencies which are described in the accompanying Schedule of Findings and Questioned Costs as item 2007-1.

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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2007-1.

We noted certain matters that we reported to management in a separate letter dated July 23, 2008.

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

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

STATE BOARD OF ACCOUNTS

July 23, 2008

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

Functions/Programs	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	Business-Type Activities	Totals
Primary government:							
Governmental activities:							
General government	\$ 12,241,850	\$ 544,988	\$ 285,871	\$ -	\$ (11,410,991)	\$ -	\$ (11,410,991)
Public safety	10,075,294	4,305,840	-	-	(5,769,454)	-	(5,769,454)
Highways and streets	5,819,361	-	2,957,407	461,232	(2,400,722)	-	(2,400,722)
Health and welfare	5,926,179	1,516,525	746,208	-	(3,663,446)	-	(3,663,446)
Economic development	3,152,293	17,455	-	-	(3,134,838)	-	(3,134,838)
Culture and recreation	213,676	325,632	-	-	111,956	-	111,956
Urban redevelopment and housing	1,128	25,133	-	-	24,005	-	24,005
Principal and interest on indebtedness	474,805	-	-	-	(474,805)	-	(474,805)
Total governmental activities	<u>37,904,586</u>	<u>6,735,573</u>	<u>3,989,486</u>	<u>461,232</u>	<u>(26,718,295)</u>	<u>-</u>	<u>(26,718,295)</u>
Business-type activities:							
Health insurance reserve	-	-	-	-	-	(202,643)	(202,643)
Total primary government	<u>\$ 37,904,586</u>	<u>\$ 6,735,573</u>	<u>\$ 3,989,486</u>	<u>\$ 461,232</u>	<u>(26,718,295)</u>	<u>(202,643)</u>	<u>(26,920,938)</u>
General receipts:							
Property taxes					13,367,937	-	13,367,937
Income taxes					4,187,324	-	4,187,324
Intergovernmental					4,727,266	-	4,727,266
Other local sources					2,642,355	-	2,642,355
Investment earnings					804,955	-	804,955
Total general receipts					<u>25,729,837</u>	<u>-</u>	<u>25,729,837</u>
Change in net assets					(988,458)	(202,643)	(1,191,101)
Net assets - beginning					<u>12,598,913</u>	<u>1,251,605</u>	<u>13,850,518</u>
Net assets - ending					<u>\$ 11,610,455</u>	<u>\$ 1,048,962</u>	<u>\$ 12,659,417</u>
<u>Assets</u>							
Cash and investments					\$ 8,081,191	\$ -	\$ 8,081,191
Restricted assets:							
Cash and investments					3,529,264	1,048,962	4,578,226
Total assets					<u>\$ 11,610,455</u>	<u>\$ 1,048,962</u>	<u>\$ 12,659,417</u>
<u>Net Assets</u>							
Restricted for:							
Public safety					\$ 287,310	\$ -	\$ 287,310
Highways and streets					660,332	-	660,332
Health and welfare					1,972,876	-	1,972,876
Debt service					26,640	-	26,640
Capital outlay					582,106	-	582,106
Other purposes					-	1,048,962	1,048,962
Unrestricted					8,081,191	-	8,081,191
Total net assets					<u>\$ 11,610,455</u>	<u>\$ 1,048,962</u>	<u>\$ 12,659,417</u>

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

HENRY 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	Family and Children	Food And Beverage Debt Service	Other Governmental Funds	Totals
Receipts:					
Taxes	\$ 8,985,319	\$ 1,145,960	\$ 453,094	\$ 6,970,888	\$ 17,555,261
Licenses and permits	68,183	-	-	88,417	156,600
Intergovernmental	1,121,486	140,423	-	7,916,075	9,177,984
Charges for services	750,711	-	-	4,719,728	5,470,439
Fines and forfeits	599,203	-	-	509,331	1,108,534
Other	1,014,071	136,815	70,089	794,266	2,015,241
Total receipts	12,538,973	1,423,198	523,183	20,998,705	35,484,059
Disbursements:					
General government	7,507,155	-	-	4,035,318	11,542,473
Public safety	4,611,453	-	-	5,233,079	9,844,532
Highways and streets	-	-	-	4,040,565	4,040,565
Health and welfare	143,536	4,310,202	-	1,469,023	5,922,761
Economic development	-	-	3,750	403,423	407,173
Culture and recreation	-	-	-	213,676	213,676
Urban redevelopment and housing	-	-	-	1,128	1,128
Debt service:					
Principal	10,725	-	155,000	96,000	261,725
Interest	-	-	99,095	113,985	213,080
Capital outlay:					
General government	22,705	-	-	676,672	699,377
Public safety	154,029	-	-	76,733	230,762
Highways and streets	-	-	-	1,778,796	1,778,796
Health and welfare	-	-	-	3,418	3,418
Economic development	-	-	96,186	2,648,934	2,745,120
Total disbursements	12,449,603	4,310,202	354,031	20,790,750	37,904,586
Excess (deficiency) of receipts over disbursements	89,370	(2,887,004)	169,152	207,955	(2,420,527)
Other financing sources (uses):					
Transfers in	-	-	-	1,166,929	1,166,929
Transfers out	-	(59,032)	-	(1,107,897)	(1,166,929)
Other receipts	85,487	1,173,374	-	173,208	1,432,069
Total other financing sources	85,487	1,114,342	-	232,240	1,432,069
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	174,857	(1,772,662)	169,152	440,195	(988,458)
Cash and investment fund balance - beginning	1,094,499	3,724,403	1,310,800	6,469,211	12,598,913
Cash and investment fund balance - ending	<u>\$ 1,269,356</u>	<u>\$ 1,951,741</u>	<u>\$ 1,479,952</u>	<u>\$ 6,909,406</u>	11,610,455
Amounts reported for governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis are different because: Internal services funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.					
					<u>1,048,962</u>
Net assets of governmental activities					<u>\$ 12,659,417</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ 1,269,356	\$ -	\$ 1,479,952	\$ 5,331,883	\$ 8,081,191
Restricted assets:					
Cash and investments	-	1,951,741	-	1,577,523	3,529,264
Total cash and investment assets - ending	<u>\$ 1,269,356</u>	<u>\$ 1,951,741</u>	<u>\$ 1,479,952</u>	<u>\$ 6,909,406</u>	<u>\$ 11,610,455</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Public safety	\$ -	\$ -	\$ -	\$ 287,310	\$ 287,310
Highways and streets	-	-	-	660,332	660,332
Health and welfare	-	1,951,741	-	21,135	1,972,876
Debt service	-	-	-	26,640	26,640
Capital outlay	-	-	-	582,106	582,106
Unrestricted	1,269,356	-	1,479,952	5,331,883	8,081,191
Total cash and investment fund balance - ending	<u>\$ 1,269,356</u>	<u>\$ 1,951,741</u>	<u>\$ 1,479,952</u>	<u>\$ 6,909,406</u>	<u>\$ 11,610,455</u>

HENRY COUNTY
STATEMENT OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUNDS
As of and for the Year Ended December 31, 2007

	Internal Service Funds
Operating receipts:	
Miscellaneous	\$ 3,450,550
Operating disbursements:	
Miscellaneous disbursements	3,653,193
Deficiency of receipts over disbursements	(202,643)
Cash and investment fund balance - beginning	1,251,605
Cash and investment fund balance - ending	\$ 1,048,962
<u>Cash and Investment Assets - December 31</u>	
Restricted assets:	
Cash and investments	\$ 1,048,962
<u>Cash and Investment Fund Balance - December 31</u>	
Restricted for:	
Other purposes	\$ 1,048,962

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

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

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Employer	\$ 254,000	\$ -	\$ -
Plan members	75,607	-	-
Total contributions	<u>329,607</u>	-	-
Investment earnings:			
Interest	324,573	-	-
Total investment earnings	324,573	-	-
Less investment disbursements	(8,645)	-	-
Net investment earnings	<u>315,928</u>	-	-
Agency fund additions	-	-	135,263,465
Total additions	<u>645,535</u>	-	<u>135,263,465</u>
Deductions:			
Benefits	100,543	-	-
Refunds of contributions	2,837	-	-
Administrative and general	83,392	-	-
Agency fund deductions	-	-	133,947,803
Total deductions	<u>186,772</u>	-	<u>133,947,803</u>
Excess of total additions over total deductions	458,763	-	1,315,662
Cash and investment fund balance - beginning	<u>3,502,306</u>	<u>21,969</u>	<u>2,542,499</u>
Cash and investment fund balance - ending	<u>\$ 3,961,069</u>	<u>\$ 21,969</u>	<u>\$ 3,858,161</u>

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

HENRY COUNTY
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

Primary Government:	Henry County
Blended Component Unit:	Henry County Hospital Three Rivers Solid Waste Management District

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

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

Related Organizations

The County's officials are also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. The County appoints the board members of the Henry County Alcoholic Beverage Board, New Castle-Henry County Aviation Commission, South Henry Regional Waste Water District, Spiceland Township Library Board, and New Castle-Henry County Public Library Board.

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.

HENRY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

The County reports the following major governmental funds:

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

The family and children fund accounts for financial resources used in the aid of needy individuals and families.

The food and beverage debt service fund accounts for the revenues of the Henry County Food and Beverage Tax that is used to pay the debt service requirements of bonds issued to finance the construction, renovation, and improvements of certain tourism and economic development projects in the County.

Additionally, the County reports the following fund types:

The internal service fund accounts for a self-funded health insurance program which is provided to other departments on a cost-reimbursement basis.

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

Agency funds account for assets held by the County as an agent for the state, other local governmental units in Henry County, and companies providing employment benefits to the employees of the County.

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

HENRY 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.

HENRY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Operating Receipts and Disbursements

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

Government-Wide Financial Statements

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

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

II. Stewardship, Compliance and Accountability

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

HENRY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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. Balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

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

Investment Type	Sheriffs Retirement and Benefit Pension Plans
U.S. treasuries and securities	\$ 349,177
U.S. agencies	295,853
Corporate Bonds	402,713
Total	\$ 1,047,743

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

HENRY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 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. At December 31, 2007, the County held no 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 Mutual Funds, Corporate Stocks, U.S. Treasuries and Securities, and Corporate Bonds in the amount of \$3,800,399. Of these investments none are held by the investment's counterparty, not in the name of the Sheriff's Pension Plan.

Interest Rate Risk

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

HENRY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Sheriff's Retirement and Benefit Pension Plans:

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
U.S. treasuries and securities	\$ -	\$ 78,799	\$ 270,378
U.S. agencies	-	64,307	231,546
Corporate Bonds	2,035	210,392	190,286
Totals	<u>\$ 2,035</u>	<u>\$ 353,498</u>	<u>\$ 692,210</u>

Credit Risk

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

Sheriff's Retirement and Benefit Pension Plans:

Standard and Poor's Rating	Corporate Bonds	Government Sponsored Enterprise
AAA	\$ 25,169	\$ 295,853
AA+	11,818	-
A+	75,358	-
AA	56,070	-
AA-	77,212	-
A	78,057	-
BBB+	33,322	-
BBB	16,562	-
B	14,541	-
Unrated	14,604	-
Totals	<u>\$ 402,713</u>	<u>\$ 295,853</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.

HENRY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

The Sheriff's Merit Board has not adopted a policy for the concentration of credit risk. More than 5% of the Sheriff's Retirement and Benefit investments are in mutual funds, corporate stock, and corporate bonds. These investments represent 0%, 72%, and 11%, respectively, of the total investments.

Foreign Currency Risk

Neither the County nor the Sheriff's Merit Board have adopted a formal policy in regards to foreign currency risk. There are no foreign currencies or foreign investments maintained or controlled as of the financial statement date.

B. Interfund Transfers

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

Transfer From	Transfer To	2007
Family and Children Fund	Other governmental funds	\$ 59,032
Other governmental funds	Other governmental funds	1,107,897
Total		\$ 1,166,929

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

C. Reclassifications

The following funds were combined in the prior report with the Tax Distribution Fund but are reported separately in the current report. The balances of these funds at December 31, 2006, which were included in the Tax Distribution Fund, were as follows:

Fund	Balance as Reported December 31, 2006
Mortgage Fee	\$ 458
Sales Disclosure Fees	404
Training Assessment	101
Probation Interstate Fee	75
Infraction Judgments	8,912
Special Death Benefit	575
Overweight Vehicle Fines	460

HENRY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

IV. Other Information

A. Risk Management

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

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

The County has chosen to establish a risk financing fund for risks associated with medical benefits to employees, retirees and dependents. The risk financing fund is accounted for in the Health Insurance Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$50,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Interfund premiums are paid into the fund by all affected funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon an overall premium percentage which is applied to each affected fund and are reported as quasi-external interfund transactions.

During 1998, the County joined with other governmental entities in the Indiana Public Employer's Plan, a public entity risk pool currently operating as a common risk management and insurance program for 740 member governmental entities. This risk pool was formed in 1989. The purpose of the risk pool is to provide a medium for the funding and administration of job related illness or injury to employees. The County pays an annual premium to the risk pool for its job related illness or injury to employees 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. The risk pool obtains independent coverage for insured events in excess of the \$1,000,000 limit.

B. Holding Corporations

The County has entered into a capital lease with the Henry County Government Center Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related party of the County. Lease payments during the year totaled \$685,000.

The County has entered into a capital lease with the Henry County Juvenile Center Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related party of the County. Lease payments during the year totaled \$305,000.

C. Postemployment Benefits

In addition to the pension benefits described below, the County provides postemployment health insurance benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the County on or after attaining age 55 with at least 12 years of service. Currently, 30 retirees meet these eligibility requirements. The County and retirees provide 50% to 90% and 50% to 10%,

HENRY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

respectively, of these postemployment benefits. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. Disbursements for postemployment benefits cannot be reasonably estimated.

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.

E. Pension Plans

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

1. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

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

HENRY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

(IC 36-8-10-12) for full-time police officers. The plan provides retirement, death, and disability benefits to plan members and beneficiaries. The trustee issues a publicly available financial report that includes financial statements and required supplementary information of the plan. The report may be obtained by contacting the county sheriff.

Funding Policy and Annual Pension Cost

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

3. County Police Benefit Plan

Plan Description

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

Funding Policy and Annual Pension Cost

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

Actuarial Information for the Above Plans

	<u>PERF</u>	<u>County Police Retirement Plan</u>	<u>County Police Benefit Plan</u>
Annual required contribution	\$ 465,991	\$ 195,899	\$ 67,690
Interest on net pension obligation	(29,796)	7,817	-
Adjustment to annual required contribution	33,954	(12,072)	-
	<u>470,149</u>	<u>191,644</u>	<u>67,690</u>
Annual pension cost	470,149	191,644	67,690
Contributions made	452,902	186,310	67,690
	<u>17,247</u>	<u>5,334</u>	<u>-</u>
Increase in net pension obligation	17,247	5,334	-
Net pension obligation, beginning of year	(410,973)	111,666	-
	<u>\$ (393,726)</u>	<u>\$ 117,000</u>	<u>\$ -</u>
Net pension obligation, end of year	\$ (393,726)	\$ 117,000	\$ -

HENRY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

	PERF	County Police Retirement Plan	County Police Benefit Plan
Contribution rates:			
County	6.25%	15.7%	5.8%
Plan members	3%	6%	6%
Actuarial valuation date	07-01-06	01-01-07	01-01-07
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed
Amortization period	40 years	40 years	40 years
Amortization period (from date)	07-01-97	12-31-97	12-31-97
Asset valuation method	4 year smoothed market	4 year smoothed market	4 year smoothed market

Actuarial Assumptions

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

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-04	\$ 316,091	130%	\$ (314,316)
	06-30-05	366,020	137%	(410,973)
	06-30-06	470,149	124%	(393,726)
County Police				
Retirement Plan	12-31-05	189,488	90.9%	94,308
	12-31-06	203,923	87.4%	111,666
	12-31-07	191,644	95.1%	117,000
County Police				
Benefit Plan	12-31-05	43,413	100%	-
	12-31-06	44,311	100%	-
	12-31-07	67,690	100%	-

HENRY 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	\$ 5,568,906	\$ 6,300,634	\$ (731,728)	88%	\$ 6,718,127	(11%)
07-01-05	5,912,220	7,376,997	(1,464,777)	80%	7,329,075	(20%)
07-01-06	6,729,048	7,931,292	(1,202,244)	85%	7,564,192	(16%)

Sheriff 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	\$ 2,115,199	\$ 2,204,579	\$ (89,380)	96%	\$ 1,015,359	(9%)
01-01-04	2,294,648	2,406,955	(112,307)	95%	1,057,108	(11%)
01-01-05	2,506,650	2,626,793	(120,143)	95%	1,062,254	(11%)
01-01-06	2,883,256	3,008,479	(125,223)	96%	1,129,565	(11%)
01-01-07	3,320,872	3,453,271	(132,399)	96%	1,151,768	(11%)
01-01-08	3,812,038	4,198,936	(386,898)	91%	1,161,848	(33%)

Sheriff's Benefit 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)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-03	\$ 249,901	\$ 249,901	\$ -	100%	\$ 1,015,359	N/A
01-01-04	262,749	262,749	-	100%	1,057,108	N/A
01-01-05	281,590	281,590	-	100%	1,062,254	N/A
01-01-06	316,075	316,075	-	100%	1,129,565	N/A
01-01-07	342,632	342,632	-	100%	1,151,768	N/A
01-01-08	384,476	384,476	-	100%	1,161,848	N/A

N/A = Not applicable

HENRY 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

	Local Road and Street	Accident Report	Firearms Training	Health	Alcohol and Drug Services	Sheriff's Critical Care Unit	Donations
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ 385,311	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	88,417	-	-	-
Intergovernmental	498,569	-	-	46,538	-	-	-
Charges for services	-	2,861	17,730	-	-	1,161,040	-
Fines and forfeits	-	-	-	-	31,475	-	-
Other	15,330	-	-	15	-	3,085	28,551
Total receipts	513,899	2,861	17,730	520,281	31,475	1,164,125	28,551
Disbursements:							
General government	-	-	-	-	-	-	30,948
Public safety	-	2,061	11,205	-	30,569	1,163,550	-
Highways and streets	52,011	-	-	-	-	-	-
Health and welfare	-	-	-	584,692	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	427,983	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Total disbursements	479,994	2,061	11,205	584,692	30,569	1,163,550	30,948
Excess (deficiency) of receipts over disbursements	33,905	800	6,525	(64,411)	906	575	(2,397)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	5,089	-
Total other financing sources (uses)	-	-	-	-	-	5,089	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	33,905	800	6,525	(64,411)	906	5,664	(2,397)
Cash and investment fund balance - beginning	25,429	852	12,423	85,546	-	185,671	11,043
Cash and investment fund balance - ending	\$ 59,334	\$ 1,652	\$ 18,948	\$ 21,135	\$ 906	\$ 191,335	\$ 8,646
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 1,652	\$ 18,948	\$ -	\$ 906	\$ 191,335	\$ 8,646
Restricted assets:							
Cash and investments	59,334	-	-	21,135	-	-	-
Total cash and investment assets - ending	\$ 59,334	\$ 1,652	\$ 18,948	\$ 21,135	\$ 906	\$ 191,335	\$ 8,646
Cash and Investment Fund Balance - Ending							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	59,334	-	-	-	-	-	-
Health and welfare	-	-	-	21,135	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	-	1,652	18,948	-	906	191,335	8,646
Total cash and investment fund balance - ending	\$ 59,334	\$ 1,652	\$ 18,948	\$ 21,135	\$ 906	\$ 191,335	\$ 8,646

HENRY 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)

	Law Enforcement Continuing Education	Motor Vehicle Inspection	Clerk's Record Perpetuation	Electronic Map Generation	Emergency Telephone System	Drug Free Community	Drainage Maintenance
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	226,651	-	-
Charges for services	-	1,252	-	1,406	706,670	-	-
Fines and forfeits	2,669	-	9,400	-	-	61,525	-
Other	-	-	-	-	11,475	-	102,656
Total receipts	2,669	1,252	9,400	1,406	944,796	61,525	102,656
Disbursements:							
General government	-	-	-	-	-	-	203,840
Public safety	2,282	-	-	-	744,743	59,736	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	73,697	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Total disbursements	2,282	-	-	-	818,440	59,736	203,840
Excess (deficiency) of receipts over disbursements	387	1,252	9,400	1,406	126,356	1,789	(101,184)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	300,000
Transfers out	-	-	-	-	-	-	(300,000)
Other receipts	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	387	1,252	9,400	1,406	126,356	1,789	(101,184)
Cash and investment fund balance - beginning	5,091	132	30,925	1,336	160,954	53,456	533,663
Cash and investment fund balance - ending	<u>\$ 5,478</u>	<u>\$ 1,384</u>	<u>\$ 40,325</u>	<u>\$ 2,742</u>	<u>\$ 287,310</u>	<u>\$ 55,245</u>	<u>\$ 432,479</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 5,478	\$ 1,384	\$ 40,325	\$ 2,742	\$ -	\$ 55,245	\$ 432,479
Restricted assets:							
Cash and investments	-	-	-	-	287,310	-	-
Total cash and investment assets - ending	\$ 5,478	\$ 1,384	\$ 40,325	\$ 2,742	\$ 287,310	\$ 55,245	\$ 432,479
Cash and Investment Fund Balance - Ending							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 287,310	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	5,478	1,384	40,325	2,742	-	55,245	432,479
Total cash and investment fund balance - ending	\$ 5,478	\$ 1,384	\$ 40,325	\$ 2,742	\$ 287,310	\$ 55,245	\$ 432,479

HENRY 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 Planning/ Right to Know	Convention and Tourism	Highway	Property Reassessment	Prosecutor Title IV-D	Juvenile Probation Service
Receipts:						
Taxes	\$ -	\$ 119,410	\$ -	\$ 183,039	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	8,165	-	2,920,070	22,055	-	-
Charges for services	-	-	63,578	-	-	16,407
Fines and forfeits	-	-	-	-	-	5,340
Other	-	-	10,387	4,019	-	-
Total receipts	8,165	119,410	2,994,035	209,113	-	21,747
Disbursements:						
General government	-	-	-	270,281	-	-
Public safety	3,905	-	-	-	6,087	9,849
Highways and streets	-	-	2,869,935	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	95,252	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	28,930	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	219,077	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Total disbursements	3,905	95,252	3,089,012	299,211	6,087	9,849
Excess (deficiency) of receipts over disbursements	<u>4,260</u>	<u>24,158</u>	<u>(94,977)</u>	<u>(90,098)</u>	<u>(6,087)</u>	<u>11,898</u>
Other financing sources (uses):						
Transfers in	-	-	300,000	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	48,057	-	-	-
Total other financing sources (uses)	-	-	348,057	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,260	24,158	253,080	(90,098)	(6,087)	11,898
Cash and investment fund balance - beginning	<u>15,784</u>	<u>19,419</u>	<u>347,918</u>	<u>184,509</u>	<u>25,772</u>	<u>89,930</u>
Cash and investment fund balance - ending	<u>\$ 20,044</u>	<u>\$ 43,577</u>	<u>\$ 600,998</u>	<u>\$ 94,411</u>	<u>\$ 19,685</u>	<u>\$ 101,828</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 20,044	\$ 43,577	\$ -	\$ 94,411	\$ 19,685	\$ 101,828
Restricted assets:						
Cash and investments	-	-	600,998	-	-	-
Total cash and investment assets - ending	\$ 20,044	\$ 43,577	\$ 600,998	\$ 94,411	\$ 19,685	\$ 101,828
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	600,998	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	20,044	43,577	-	94,411	19,685	101,828
Total cash and investment fund balance - ending	\$ 20,044	\$ 43,577	\$ 600,998	\$ 94,411	\$ 19,685	\$ 101,828

HENRY 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)

	Adult Probation Service	Drug Task Force Grant	Recorder's Record Perpetuation	County User Fee	Health Maintenance	Community Corrections Home Detention
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	99,557	-	-	41,424	338,186
Charges for services	100,067	-	59,565	-	-	-
Fines and forfeits	11,668	-	-	2,214	-	-
Other	7,971	14,798	2,531	-	-	-
Total receipts	119,706	114,355	62,096	2,214	41,424	338,186
Disbursements:						
General government	-	-	62,179	2,672	-	-
Public safety	88,074	150,252	-	-	-	320,637
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	63,099	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Total disbursements	88,074	150,252	62,179	2,672	63,099	320,637
Excess (deficiency) of receipts over disbursements	<u>31,632</u>	<u>(35,897)</u>	<u>(83)</u>	<u>(458)</u>	<u>(21,675)</u>	<u>17,549</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	30,000
Transfers out	-	-	-	-	-	(30,000)
Other receipts	-	56,000	-	-	31,703	-
Total other financing sources (uses)	-	56,000	-	-	31,703	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	31,632	20,103	(83)	(458)	10,028	17,549
Cash and investment fund balance - beginning	49,940	67,945	98,442	2,174	23,230	5,488
Cash and investment fund balance - ending	<u>\$ 81,572</u>	<u>\$ 88,048</u>	<u>\$ 98,359</u>	<u>\$ 1,716</u>	<u>\$ 33,258</u>	<u>\$ 23,037</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 81,572	\$ 88,048	\$ 98,359	\$ 1,716	\$ 33,258	\$ 23,037
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 81,572	\$ 88,048	\$ 98,359	\$ 1,716	\$ 33,258	\$ 23,037
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	81,572	88,048	98,359	1,716	33,258	23,037
Total cash and investment fund balance - ending	\$ 81,572	\$ 88,048	\$ 98,359	\$ 1,716	\$ 33,258	\$ 23,037

HENRY 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)

	Pretrial Diversion	Court Appointed Special Advocate	Plat Book	Misdemeanant	Supplemental Public Defender Service	Surveyor's Corner Perpetuation
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	5,553	-	34,378	-	-
Charges for services	-	-	12,097	-	-	11,306
Fines and forfeits	38,015	-	-	-	15,851	-
Other	598	-	-	-	-	-
Total receipts	38,613	5,553	12,097	34,378	15,851	11,306
Disbursements:						
General government	-	11,185	20,700	-	-	-
Public safety	48,692	-	-	33,834	10,865	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	3,036	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Total disbursements	51,728	11,185	20,700	33,834	10,865	-
Excess (deficiency) of receipts over disbursements	<u>(13,115)</u>	<u>(5,632)</u>	<u>(8,603)</u>	<u>544</u>	<u>4,986</u>	<u>11,306</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	<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	(13,115)	(5,632)	(8,603)	544	4,986	11,306
Cash and investment fund balance - beginning	22,281	20,942	67,098	10,987	924	19,018
Cash and investment fund balance - ending	<u>\$ 9,166</u>	<u>\$ 15,310</u>	<u>\$ 58,495</u>	<u>\$ 11,531</u>	<u>\$ 5,910</u>	<u>\$ 30,324</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 9,166	\$ 15,310	\$ 58,495	\$ 11,531	\$ 5,910	\$ 30,324
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 9,166</u>	<u>\$ 15,310</u>	<u>\$ 58,495</u>	<u>\$ 11,531</u>	<u>\$ 5,910</u>	<u>\$ 30,324</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	9,166	15,310	58,495	11,531	5,910	30,324
Total cash and investment fund balance - ending	<u>\$ 9,166</u>	<u>\$ 15,310</u>	<u>\$ 58,495</u>	<u>\$ 11,531</u>	<u>\$ 5,910</u>	<u>\$ 30,324</u>

HENRY 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)

	Jury Pay	Park Donation	Inmate Medical	Sheriff's Commissary	Community Corrections	Drug Abuse Resistance Education
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	646	3,583	240,877	-	-
Fines and forfeits	11,569	-	-	-	312,625	-
Other	168	5,130	-	282	-	9,080
Total receipts	11,737	5,776	3,583	241,159	312,625	9,080
Disbursements:						
General government	21,149	-	-	-	-	-
Public safety	-	-	-	212,659	189,598	7,948
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	3,341	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Total disbursements	21,149	3,341	-	212,659	189,598	7,948
Excess (deficiency) of receipts over disbursements	(9,412)	2,435	3,583	28,500	123,027	1,132
Other financing sources (uses):						
Transfers in	-	-	-	-	30,000	-
Transfers out	-	-	-	-	(30,000)	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(9,412)	2,435	3,583	28,500	123,027	1,132
Cash and investment fund balance - beginning	49,511	2,248	3,840	43,256	599,818	1,890
Cash and investment fund balance - ending	<u>\$ 40,099</u>	<u>\$ 4,683</u>	<u>\$ 7,423</u>	<u>\$ 71,756</u>	<u>\$ 722,845</u>	<u>\$ 3,022</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 40,099	\$ 4,683	\$ 7,423	\$ 71,756	\$ 722,845	\$ 3,022
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 40,099	\$ 4,683	\$ 7,423	\$ 71,756	\$ 722,845	\$ 3,022
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	40,099	4,683	7,423	71,756	722,845	3,022
Total cash and investment fund balance - ending	\$ 40,099	\$ 4,683	\$ 7,423	\$ 71,756	\$ 722,845	\$ 3,022

HENRY 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 Settlement	Identification Security Protection	Children's Psych Res Treatment Service	Homeland Security	Food and Beverage Tax	Collection Agency Fees
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	26,497	-	-	11,250	-	-
Charges for services	-	16,272	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	2,574	-	-	-	453,094	716
Total receipts	29,071	16,272	-	11,250	453,094	716
Disbursements:						
General government	-	-	-	-	453,094	688
Public safety	-	5,798	-	11,250	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	25,184	-	110,068	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	3,418	-	-	-	-	-
Economic development	-	-	-	-	-	-
Total disbursements	28,602	5,798	110,068	11,250	453,094	688
Excess (deficiency) of receipts over disbursements	469	10,474	(110,068)	-	-	28
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	469	10,474	(110,068)	-	-	28
Cash and investment fund balance - beginning	29,362	15,602	482,616	-	-	-
Cash and investment fund balance - ending	<u>\$ 29,831</u>	<u>\$ 26,076</u>	<u>\$ 372,548</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 29,831	\$ 26,076	\$ 372,548	\$ -	\$ -	\$ 28
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 29,831</u>	<u>\$ 26,076</u>	<u>\$ 372,548</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	29,831	26,076	372,548	-	-	28
Total cash and investment fund balance - ending	<u>\$ 29,831</u>	<u>\$ 26,076</u>	<u>\$ 372,548</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28</u>

HENRY 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)

	Prosecutor Incentive	Clerk Incentive	Redevelopment Commission	Wheel Tax Fund	Surtax Fund	Assessor Sales Disclosure
Receipts:						
Taxes	\$ -	\$ -	\$ 602,979	\$ 98,491	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	2,532	-	1,012,427	-	1,118,619	-
Charges for services	-	-	25,133	-	-	6,515
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	764
Total receipts	2,532	-	1,640,539	98,491	1,118,619	7,279
Disbursements:						
General government	-	2,149	-	98,151	-	3,233
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	1,118,619	-
Health and welfare	13,265	-	-	-	-	-
Economic development	-	-	255,516	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	2,300
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	223,767	-	-	-
Total disbursements	13,265	2,149	479,283	98,151	1,118,619	5,533
Excess (deficiency) of receipts over disbursements	(10,733)	(2,149)	1,161,256	340	-	1,746
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(267,343)	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(267,343)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(10,733)	(2,149)	893,913	340	-	1,746
Cash and investment fund balance - beginning	102,791	99,712	143,722	-	-	16,643
Cash and investment fund balance - ending	<u>\$ 92,058</u>	<u>\$ 97,563</u>	<u>\$ 1,037,635</u>	<u>\$ 340</u>	<u>\$ -</u>	<u>\$ 18,389</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 92,058	\$ 97,563	\$ 1,037,635	\$ 340	\$ -	\$ 18,389
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 92,058</u>	<u>\$ 97,563</u>	<u>\$ 1,037,635</u>	<u>\$ 340</u>	<u>\$ -</u>	<u>\$ 18,389</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	92,058	97,563	1,037,635	340	-	18,389
Total cash and investment fund balance - ending	<u>\$ 92,058</u>	<u>\$ 97,563</u>	<u>\$ 1,037,635</u>	<u>\$ 340</u>	<u>\$ -</u>	<u>\$ 18,389</u>

HENRY 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)

	County Police Pension	Adventure Program Fee	Probation Drug Testing	Youth Center Transportation	Community Transition Program	Youth Center
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	29,094	-
Charges for services	-	-	-	-	-	1,971,120
Fines and forfeits	-	-	-	-	-	-
Other	-	10,000	-	-	-	14,359
	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,359</u>
Total receipts	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>29,094</u>	<u>1,985,479</u>
Disbursements:						
General government	-	-	1,441	-	25,100	-
Public safety	-	-	-	-	-	2,108,943
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>-</u>	<u>-</u>	<u>1,441</u>	<u>-</u>	<u>25,100</u>	<u>2,108,943</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>10,000</u>	<u>(1,441)</u>	<u>-</u>	<u>3,994</u>	<u>(123,464)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	3,534
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,534</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,534</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	10,000	(1,441)	-	3,994	(119,930)
Cash and investment fund balance - beginning	2,350	14,729	1,441	10,011	18,116	476,965
Cash and investment fund balance - ending	<u>\$ 2,350</u>	<u>\$ 24,729</u>	<u>\$ -</u>	<u>\$ 10,011</u>	<u>\$ 22,110</u>	<u>\$ 357,035</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 2,350	\$ 24,729	\$ -	\$ 10,011	\$ 22,110	\$ 357,035
Restricted assets:						
Cash and investments	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash and investment assets - ending	<u>\$ 2,350</u>	<u>\$ 24,729</u>	<u>\$ -</u>	<u>\$ 10,011</u>	<u>\$ 22,110</u>	<u>\$ 357,035</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	2,350	24,729	-	10,011	22,110	357,035
	<u>2,350</u>	<u>24,729</u>	<u>-</u>	<u>10,011</u>	<u>22,110</u>	<u>357,035</u>
Total cash and investment fund balance - ending	<u>\$ 2,350</u>	<u>\$ 24,729</u>	<u>\$ -</u>	<u>\$ 10,011</u>	<u>\$ 22,110</u>	<u>\$ 357,035</u>

HENRY 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)

	Henry County Youth League	Youth Center School Lunch	Lohut Fund	Health BioTerrorism	Needy Meds Program	Safe Kids
Receipts:						
Taxes	\$ -	\$ -	\$ 75,123	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	2,000	53,427	856,168	62,925	-	2,550
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	2,500	162	-	-	-	-
Total receipts	4,500	53,589	931,291	62,925	-	2,550
Disbursements:						
General government	4,500	27,439	-	-	731	5,260
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	60,645	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	637,996	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Total disbursements	4,500	27,439	637,996	60,645	731	5,260
Excess (deficiency) of receipts over disbursements	-	26,150	293,295	2,280	(731)	(2,710)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(300,000)	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(300,000)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	26,150	(6,705)	2,280	(731)	(2,710)
Cash and investment fund balance - beginning	-	58,936	6,705	7,476	731	3,860
Cash and investment fund balance - ending	\$ -	\$ 85,086	\$ -	\$ 9,756	\$ -	\$ 1,150
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 85,086	\$ -	\$ 9,756	\$ -	\$ 1,150
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 85,086	\$ -	\$ 9,756	\$ -	\$ 1,150
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	85,086	-	9,756	-	1,150
Total cash and investment fund balance - ending	\$ -	\$ 85,086	\$ -	\$ 9,756	\$ -	\$ 1,150

HENRY 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)

	Health Donation	Haz-Mat Fund	Haz-Mat Response Team Grant	Memorial Park	Golf Course	Safe at Home
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ 449,605	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	12,342	-	-
Charges for services	-	-	-	30,126	271,477	-
Fines and forfeits	-	-	-	-	-	-
Other	7,757	-	-	-	552	-
Total receipts	7,757	-	-	492,073	272,029	-
Disbursements:						
General government	3,373	-	-	575,015	282,159	-
Public safety	-	-	-	-	-	4,734
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	7,446	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Total disbursements	3,373	-	-	582,461	282,159	4,734
Excess (deficiency) of receipts over disbursements	4,384	-	-	(90,388)	(10,130)	(4,734)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	1,200	-	-	-	-
Total other financing sources (uses)	-	1,200	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,384	1,200	-	(90,388)	(10,130)	(4,734)
Cash and investment fund balance - beginning	1,167	3,548	105	110,628	110,317	4,734
Cash and investment fund balance - ending	<u>\$ 5,551</u>	<u>\$ 4,748</u>	<u>\$ 105</u>	<u>\$ 20,240</u>	<u>\$ 100,187</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 5,551	\$ 4,748	\$ 105	\$ 20,240	\$ 100,187	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 5,551</u>	<u>\$ 4,748</u>	<u>\$ 105</u>	<u>\$ 20,240</u>	<u>\$ 100,187</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	5,551	4,748	105	20,240	100,187	-
Total cash and investment fund balance - ending	<u>\$ 5,551</u>	<u>\$ 4,748</u>	<u>\$ 105</u>	<u>\$ 20,240</u>	<u>\$ 100,187</u>	<u>\$ -</u>

HENRY 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)

	Alternate Dispute Resolution	Alternate Dispute Resolution Supplemental	Child Advocacy	Airport Projects	Probation Youth Incentive Grant	Just Us for Girls Grant
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	139,940	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	2,750	3,750	-	-	-	-
Other	-	-	-	3,217	1,103	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,217</u>	<u>1,103</u>	<u>-</u>
Total receipts	<u>2,750</u>	<u>3,750</u>	<u>-</u>	<u>143,157</u>	<u>1,103</u>	<u>-</u>
Disbursements:						
General government	990	117	-	-	993	8,357
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	66,818	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,818</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>990</u>	<u>117</u>	<u>-</u>	<u>66,818</u>	<u>993</u>	<u>8,357</u>
Excess (deficiency) of receipts over disbursements	<u>1,760</u>	<u>3,633</u>	<u>-</u>	<u>76,339</u>	<u>110</u>	<u>(8,357)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<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>1,760</u>	<u>3,633</u>	<u>-</u>	<u>76,339</u>	<u>110</u>	<u>(8,357)</u>
Cash and investment fund balance - beginning	<u>7,027</u>	<u>7,913</u>	<u>850</u>	<u>-</u>	<u>347</u>	<u>8,357</u>
Cash and investment fund balance - ending	<u>\$ 8,787</u>	<u>\$ 11,546</u>	<u>\$ 850</u>	<u>\$ 76,339</u>	<u>\$ 457</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 8,787	\$ 11,546	\$ 850	\$ 76,339	\$ 457	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash and investment assets - ending	<u>\$ 8,787</u>	<u>\$ 11,546</u>	<u>\$ 850</u>	<u>\$ 76,339</u>	<u>\$ 457</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	<u>8,787</u>	<u>11,546</u>	<u>850</u>	<u>76,339</u>	<u>457</u>	<u>-</u>
Total cash and investment fund balance - ending	<u>\$ 8,787</u>	<u>\$ 11,546</u>	<u>\$ 850</u>	<u>\$ 76,339</u>	<u>\$ 457</u>	<u>\$ -</u>

HENRY 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)

	Drug Task Force Forfeiture	Probation Incentive Grant	Federal IV-D	Family Court Project	Family Court Grant	Young Women PRG/Just Us
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	2,552	-	26,873	12,500	-	10,000
	<u>2,552</u>	<u>-</u>	<u>26,873</u>	<u>12,500</u>	<u>-</u>	<u>10,000</u>
Total receipts	<u>2,552</u>	<u>-</u>	<u>26,873</u>	<u>12,500</u>	<u>-</u>	<u>10,000</u>
Disbursements:						
General government	-	-	26,873	21,599	-	7,702
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>-</u>	<u>-</u>	<u>26,873</u>	<u>21,599</u>	<u>-</u>	<u>7,702</u>
Excess (deficiency) of receipts over disbursements	<u>2,552</u>	<u>-</u>	<u>-</u>	<u>(9,099)</u>	<u>-</u>	<u>2,298</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<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	2,552	-	-	(9,099)	-	2,298
Cash and investment fund balance - beginning	24,348	1,583	-	19,337	1,150	6,468
Cash and investment fund balance - ending	<u>\$ 26,900</u>	<u>\$ 1,583</u>	<u>\$ -</u>	<u>\$ 10,238</u>	<u>\$ 1,150</u>	<u>\$ 8,766</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 26,900	\$ 1,583	\$ -	\$ 10,238	\$ 1,150	\$ 8,766
Restricted assets:						
Cash and investments	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash and investment assets - ending	<u>\$ 26,900</u>	<u>\$ 1,583</u>	<u>\$ -</u>	<u>\$ 10,238</u>	<u>\$ 1,150</u>	<u>\$ 8,766</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	26,900	1,583	-	10,238	1,150	8,766
	<u>26,900</u>	<u>1,583</u>	<u>-</u>	<u>10,238</u>	<u>1,150</u>	<u>8,766</u>
Total cash and investment fund balance - ending	<u>\$ 26,900</u>	<u>\$ 1,583</u>	<u>\$ -</u>	<u>\$ 10,238</u>	<u>\$ 1,150</u>	<u>\$ 8,766</u>

HENRY 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)

	Lep	First Responder Equipment Sub-Grant	Homeland Security	EMA Border Grant	Juvenile Programs Probation Grant	Sheriff Emergency Medical
Receipts:						
Taxes	\$	-	\$	-	\$	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	65,930	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	170	50
	-----	-----	-----	-----	-----	-----
Total receipts	-	-	-	65,930	170	50
Disbursements:						
General government	-	-	-	65,930	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
	-----	-----	-----	-----	-----	-----
Total disbursements	-	-	-	65,930	-	-
Excess (deficiency) of receipts over disbursements	-----	-----	-----	-----	170	50
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
	-----	-----	-----	-----	-----	-----
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	170	50
Cash and investment fund balance - beginning	69	136	30	-	5,159	-
Cash and investment fund balance - ending	<u>\$ 69</u>	<u>\$ 136</u>	<u>\$ 30</u>	<u>\$ -</u>	<u>\$ 5,329</u>	<u>\$ 50</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 69	\$ 136	\$ 30	\$ -	\$ 5,329	\$ 50
Restricted assets:						
Cash and investments	-	-	-	-	-	-
	-----	-----	-----	-----	-----	-----
Total cash and investment assets - ending	<u>\$ 69</u>	<u>\$ 136</u>	<u>\$ 30</u>	<u>\$ -</u>	<u>\$ 5,329</u>	<u>\$ 50</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	69	136	30	-	5,329	50
	-----	-----	-----	-----	-----	-----
Total cash and investment fund balance - ending	<u>\$ 69</u>	<u>\$ 136</u>	<u>\$ 30</u>	<u>\$ -</u>	<u>\$ 5,329</u>	<u>\$ 50</u>

HENRY 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)

	Sex & Violent Offender Fund	Convention and Tourism Commission	Drug Task Force Cash	Welfare Emergency Loans	Redevelopment Debt Service	County Debt Service
Receipts:						
Taxes	\$ -	\$ 137,703	\$ -	\$ 441,980	\$ 61,738	\$ 1,193,462
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	53,216	-	143,256
Charges for services	-	-	-	-	-	-
Fines and forfeits	480	-	-	-	-	-
Other	-	-	4,902	-	14,671	-
Total receipts	480	137,703	4,902	495,196	76,409	1,336,718
Disbursements:						
General government	-	-	-	-	-	1,363,190
Public safety	38	-	5,770	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	612,070	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	115,083	-	-	-	-
Urban redevelopment and housing	-	-	-	-	1,128	-
Debt service:						
Principal	-	-	-	-	96,000	-
Interest	-	-	-	-	113,985	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Total disbursements	38	115,083	5,770	612,070	211,113	1,363,190
Excess (deficiency) of receipts over disbursements	442	22,620	(868)	(116,874)	(134,704)	(26,472)
Other financing sources (uses):						
Transfers in	-	-	-	59,032	386,514	-
Transfers out	-	-	-	-	(4,375)	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	59,032	382,139	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	442	22,620	(868)	(57,842)	247,435	(26,472)
Cash and investment fund balance - beginning	-	61,901	3,997	65,058	178,385	45,896
Cash and investment fund balance - ending	\$ 442	\$ 84,521	\$ 3,129	\$ 7,216	\$ 425,820	\$ 19,424
Cash and Investment Assets - Ending						
Cash and investments	\$ 442	\$ 84,521	\$ 3,129	\$ -	\$ 425,820	\$ -
Restricted assets:						
Cash and investments	-	-	-	7,216	-	19,424
Total cash and investment assets - ending	\$ 442	\$ 84,521	\$ 3,129	\$ 7,216	\$ 425,820	\$ 19,424
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	7,216	-	19,424
Capital outlay	-	-	-	-	-	-
Unrestricted	442	84,521	3,129	-	425,820	-
Total cash and investment fund balance - ending	\$ 442	\$ 84,521	\$ 3,129	\$ 7,216	\$ 425,820	\$ 19,424

HENRY 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)

	Cumulative Capital Development	Redevelopment Capital	Cumulative Bridge	General Drain Improvement	E-911 Bond Fund	Totals
Receipts:						
Taxes	\$ 303,920	\$ 2,535,459	\$ 382,668	\$ -	\$ -	\$ 6,970,888
Licenses and permits	-	-	-	-	-	88,417
Intergovernmental	36,623	-	46,133	-	-	7,916,075
Charges for services	-	-	-	-	-	4,719,728
Fines and forfeits	-	-	-	-	-	509,331
Other	130	2,784	-	6,760	-	794,266
Total receipts	340,673	2,538,243	428,801	6,760	-	20,998,705
Disbursements:						
General government	380,252	-	-	54,028	-	4,035,318
Public safety	-	-	-	-	-	5,233,079
Highways and streets	-	-	-	-	-	4,040,565
Health and welfare	-	-	-	-	-	1,469,023
Economic development	-	147,907	-	-	-	403,423
Culture and recreation	-	-	-	-	-	213,676
Urban redevelopment and housing	-	-	-	-	-	1,128
Debt service:						
Principal	-	-	-	-	-	96,000
Interest	-	-	-	-	-	113,985
Capital outlay:						
General government	-	-	-	-	-	676,672
Public safety	-	-	-	-	-	76,733
Highways and streets	-	-	1,131,736	-	-	1,778,796
Health and welfare	-	-	-	-	-	3,418
Economic development	-	2,358,349	-	-	-	2,648,934
Total disbursements	380,252	2,506,256	1,131,736	54,028	-	20,790,750
Excess (deficiency) of receipts over disbursements	(39,579)	31,987	(702,935)	(47,268)	-	207,955
Other financing sources (uses):						
Transfers in	-	61,383	-	-	-	1,166,929
Transfers out	-	(176,179)	-	-	-	(1,107,897)
Other receipts	-	-	27,625	-	-	173,208
Total other financing sources (uses)	-	(114,796)	27,625	-	-	232,240
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(39,579)	(82,809)	(675,310)	(47,268)	-	440,195
Cash and investment fund balance - beginning	63,269	154,248	1,073,006	136,549	2,976	6,469,211
Cash and investment fund balance - ending	\$ 23,690	\$ 71,439	\$ 397,696	\$ 89,281	\$ 2,976	\$ 6,909,406
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 2,976	\$ 5,331,883
Restricted assets:						
Cash and investments	23,690	71,439	397,696	89,281	-	1,577,523
Total cash and investment assets - ending	\$ 23,690	\$ 71,439	\$ 397,696	\$ 89,281	\$ 2,976	\$ 6,909,406
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 287,310
Highways and streets	-	-	-	-	-	660,332
Health and welfare	-	-	-	-	-	21,135
Debt service	-	-	-	-	-	26,640
Capital outlay	23,690	71,439	397,696	89,281	-	582,106
Unrestricted	-	-	-	-	2,976	5,331,883
Total cash and investment fund balance - ending	\$ 23,690	\$ 71,439	\$ 397,696	\$ 89,281	\$ 2,976	\$ 6,909,406

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

	City and Town Court Costs	Congressional School Interest	Surplus Tax Sale	Tax Sale Redemption	Surplus Tax	State Fines and Forfeitures
Additions:						
Agency fund additions	\$ 10,286	\$ 1,892	\$ 135	\$ 121,906	\$ 75,090	\$ 43,677
Deductions:						
Agency fund deductions	10,286	-	508,404	130,655	148,444	46,312
Excess (deficiency) of total additions over total deductions	-	1,892	(508,269)	(8,749)	(73,354)	(2,635)
Cash and investment fund balance - beginning	-	18,844	562,850	10,600	205,958	10,216
Cash and investment fund balance - ending	\$ -	\$ 20,736	\$ 54,581	\$ 1,851	\$ 132,604	\$ 7,581

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

	Overweight Vehicle Fines	Infraction Judgments	Sales Disclosure	Mortgage Fee	Probation Interstate Fee	Training Assessment
Additions:						
Agency fund additions	\$ 10,592	\$ 137,569	\$ 5,198	\$ 5,408	\$ 375	\$ 1,308
Deductions:						
Agency fund deductions	10,148	135,061	5,370	5,488	413	1,351
Excess (deficiency) of total additions over total deductions	444	2,508	(172)	(80)	(38)	(43)
Cash and investment fund balance - beginning	459	8,912	404	458	75	101
Cash and investment fund balance - ending	<u>\$ 903</u>	<u>\$ 11,420</u>	<u>\$ 232</u>	<u>\$ 378</u>	<u>\$ 37</u>	<u>\$ 58</u>

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

	Inheritance Tax	Homestead Credit (Local Option)	Payroll	Sheriff's Inmate Trust	Special Death Benefit	Homestead Credit Rebate
Additions:						
Agency fund additions	\$ 761,338	\$ 1,916,516	\$ 7,652,161	\$ 715,944	\$ 7,925	\$ 1,633,352
Deductions:						
Agency fund deductions	914,045	1,883,268	7,602,129	727,780	7,980	-
Excess (deficiency) of total additions over total deductions	(152,707)	33,248	50,032	(11,836)	(55)	1,633,352
Cash and investment fund balance - beginning	284,294	-	203,416	25,580	575	-
Cash and investment fund balance - ending	<u>\$ 131,587</u>	<u>\$ 33,248</u>	<u>\$ 253,448</u>	<u>\$ 13,744</u>	<u>\$ 520</u>	<u>\$ 1,633,352</u>

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

	Tax Distribution	Common School Trust	Retirement Under-65	Medicare Supplemental Retirement	Title III Voting System Reimbursement
Additions:					
Agency fund additions	\$ 55,124,901	\$ -	\$ 14,576	\$ 21,752	\$ 123,906
Deductions:					
Agency fund deductions	55,124,699	-	11,276	22,334	-
Excess (deficiency) of total additions over total deductions	202	-	3,300	(582)	123,906
Cash and investment fund balance - beginning	219	1,064	266	4,934	-
Cash and investment fund balance - ending	<u>\$ 421</u>	<u>\$ 1,064</u>	<u>\$ 3,566</u>	<u>\$ 4,352</u>	<u>\$ 123,906</u>

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

	<u>County Health</u>	<u>County Sheriff</u>	<u>Clerk of the Circuit Court</u>	<u>County Probation</u>	<u>Memorial Park</u>
Additions:					
Agency fund additions	\$ 119,888	\$ 175,149	\$ 5,660,483	\$ 138,311	\$ 30,126
Deductions:					
Agency fund deductions	119,738	175,149	5,783,998	137,036	30,126
Excess (deficiency) of total additions over total deductions	150	-	(123,515)	1,275	-
Cash and investment fund balance - beginning	50	127	715,718	8,557	50
Cash and investment fund balance - ending	<u>\$ 200</u>	<u>\$ 127</u>	<u>\$ 592,203</u>	<u>\$ 9,832</u>	<u>\$ 50</u>

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

	<u>Golf Course</u>	<u>County Recorder</u>	<u>County Treasurer</u>	<u>Welfare Trust</u>	<u>Totals</u>
Additions:					
Agency fund additions	<u>\$ 274,202</u>	<u>\$ 199,171</u>	<u>\$ 60,266,297</u>	<u>\$ 14,031</u>	<u>\$ 135,263,465</u>
Deductions:					
Agency fund deductions	<u>272,029</u>	<u>202,883</u>	<u>59,928,509</u>	<u>2,892</u>	<u>133,947,803</u>
Excess (deficiency) of total additions over total deductions	2,173	(3,712)	337,788	11,139	1,315,662
Cash and investment fund balance - beginning	<u>2,001</u>	<u>17,449</u>	<u>426,042</u>	<u>33,280</u>	<u>2,542,499</u>
Cash and investment fund balance - ending	<u>\$ 4,174</u>	<u>\$ 13,737</u>	<u>\$ 763,830</u>	<u>\$ 44,419</u>	<u>\$ 3,858,161</u>

HENRY 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.

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	\$ 267,200
Infrastructure	37,034,002
Buildings	24,735,049
Improvements other than buildings	190,171
Machinery and equipment	<u>12,450,819</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 74,677,241</u>

HENRY 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
Governmental Activities:		
Capital leases:		
Government center building	\$ 14,025,000	\$ 715,000
Sheriff vehicles	147,155	31,411
Ambulance	8,507	8,507
Two ambulances	17,969	17,969
Kenworth truck	40,349	32,033
Jail improvements	199,936	63,871
Bonds payable:		
General obligation bonds:		
Family and Children	543,000	543,000
Revenue bonds:		
E-911	807,000	145,000
Food and Beverage 2001	1,245,000	100,000
Refinance Industrial Park	400,000	70,000
Draper/Smith	454,000	28,000
Land for Industrial Park	1,100,000	10,000
Food and Beverage 2004	<u>775,000</u>	<u>65,000</u>
Total governmental activities debt	<u>\$ 19,762,916</u>	<u>\$ 1,829,791</u>

HENRY COUNTY
OTHER REPORTS

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

Park Department
County Council
Board of County Commissioners
County Auditor
County Highway

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 HENRY COUNTY, INDIANA

Compliance

We have audited the compliance of Henry 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, Henry County Council and Henry 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

July 23, 2008

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

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Pass-Through Indiana Department of Education Child Nutrition Cluster School Breakfast Program	10.555		\$ 19,471
National School Lunch Program			<u>27,675</u>
Total for Cluster			<u>47,146</u>
Child and Adult Food Care Program	10.558		7,133
Total for federal grantor agency			<u>54,279</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute Crime Victim Assistance	16.575	05 VA 154	<u>4,734</u>
Byrne Formula Grant	16.579	2006-2007 2007-2008	16,747 <u>38,842</u>
Total for program			<u>55,589</u>
Total for federal grantor agency			<u>60,323</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Airport Improvement Program	20.106	03-18-0061-04	<u>66,818</u>
Pass-Through Indiana Department of Transportation Highway Planning and Construction	20.205	BR-9933-44 BRO-NBIS-533 BRO-NBIS33-042 STP-7433-000	1,494 73,120 15,191 <u>405</u>
Total for program			<u>90,210</u>
Alcohol Traffic Safety and Drunk Driving Prevention	20.601	OP-07-04-01-05	<u>18,500</u>
Total for federal grantor agency			<u>175,528</u>

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

HENRY COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2007
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana Department of Health Centers for Disease Control and Prevention	93.283	BPRS 132-6	<u>60,645</u>
Pass-Through Indiana Department of Child Services Child Support Enforcement Prosecuting Attorney Clerk of the Circuit Court Indirect Costs	93.563		<u>173,454</u> <u>72,004</u> <u>13,265</u>
Total for program			<u>258,723</u>
Total for federal grantor agency			<u>319,368</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Transportation Disaster Grants - Public Assistance	97.036	065-08B32-00	<u>49,022</u>
Pass-Through Indiana Department of Homeland Security Law Enforcement Terrorism Prevention	97.067	ODP-06-LETPP	<u>65,930</u>
State Homeland Security Program	97.073		<u>11,250</u>
Total for federal grantor agency			<u>126,202</u>
Total federal awards expended			<u>\$ 735,700</u>

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

HENRY COUNTY
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

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

HENRY 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?	yes

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
93.563	Child Support Enforcement

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

FINDING 2007-1, INTERNAL CONTROL OVER FINANCIAL MANAGEMENT

Henry County received federal Airport Improvement Program funds for reimbursement of costs which had been previously paid from a Food and Beverage Tax project in amounts totaling \$90,000. The amount of costs which were claimed as the federal share was \$85,500. The \$90,000 Food and Beverage Tax project was a separate but related project. The expenses were for engineering costs provided by two engineering firms. The reimbursement claim forms are prepared by one of the engineering firms. The official who approves the reimbursement request is the president of the New Castle-Henry County Board of Aviation Commissioners. Nobody at the County level reviews the reimbursement requests prior to submission. These funds have not been returned to the awarding agency and remain in the County's Airport Projects Fund. The following schedule demonstrates the payments from Food and Beverage Tax Fund which were claimed as expenses for reimbursement from the Airport Improvement Program:

HENRY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Reimbursement Request	Date of Request	Reimbursement Amount	Amount of Request Previously Paid From Food and Beverage Tax Fund	Date Claims Had Been Previously Paid From the Food and Beverage Tax Fund
#1	03-26-07	\$ 58,401	\$ 56,875	04-06-05, 07-06-05 and 02-22-06
#2	03-26-07	28,277	19,641	04-06-05, 07-06-05
#5	09-24-07	75,691	13,484	11-07-07

Also, Henry County incurred expenses for the airport and requested and received reimbursement. There were significant time delays in payment of vendors upon receipt of the reimbursements. The following schedule details the delays between receipt of and disbursement of funds:

Reimbursement Request	Date of Receipt	Date of Disbursement
#1, #2, and #3	07-10-07	11-06-07
#4	08-10-07	12-26-07

The County has not implemented adequate internal accounting controls to minimize the time between transfer of funds and their disbursement. 31 CFR 205.11 states in part: "(a) A State and Federal Program Agency must minimize the time elapsing between the transfer of funds from the United States Treasury and the State's payout of funds for Federal assistance program purposes, whether the transfer occurs before or after the payout of funds."

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 2)

The requests for reimbursement for expenditures which had previously been paid by the Food and Beverage Tax Fund could have resulted in costs being paid twice to the engineering firms. It has resulted in federal funds being held in the County's bank account and funds ledger for an extended period of time. These reimbursement requests should not have been made.

We recommended that sufficient internal control procedures be established to provide oversight of the grant activity conducted by the New Castle-Henry County Board of Aviation Commissioners. Reimbursement requests should be reviewed and approved by a responsible official prior to submission.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

HENRY COUNTY PROSECUTOR'S OFFICE - CRIMINAL DIVISION

JUSTICE CENTER, SUITE 250
1218 RACE STREET

NEW CASTLE, INDIANA 47362

TELEPHONE: 765 529-4614

TELECOPIER: 765 521-7029



KIT C. DEAN CRANE
PROSECUTOR
53RD JUDICIAL CIRCUIT

JERRY W. MILLER
CHIEF DEPUTY

DEPUTY PROSECUTORS:
JAMES E. MILLIKAN
MICHAEL J. MAHONEY
JOSEPH J. BERGACS
JEREMY BELL

SCOTT PINKERTON
INVESTIGATOR

April 22, 2008

State Board of Accounts
Attn: Kim Wesley, Field Examiner

Re: Summary Schedule of Prior Audit Findings
Reference 2006-1
CFDA # 93.563

Dear Ms. Wesley:

Please reference our proposed corrective plan submitted April 15, 2007 to the State Board of Accounts. Throughout the past year, we have continued to audit and review ISETS cases and update arrearage accounts. We have maintained a list of reviewed cases and made progress in closing accounts that no longer require our services. We have implemented a process of updating the ISETS subaccounts directly after the calculation is completed, in order to maintain up to date arrearage balances within the financial management accounts in the system. We will continue to increase our efficiency in maintaining correct balances for accounts that require our assistance with collections.

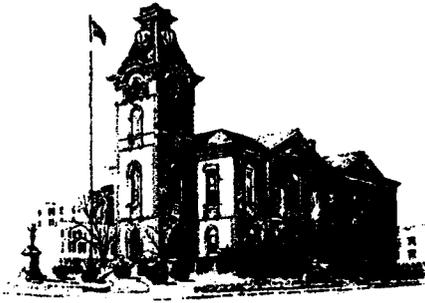
Thank you for the opportunity to give you an update on our progress this year. Please contact our office with any questions you may have about this letter.

Yours very truly,

HENRY COUNTY PROSECUTOR

A handwritten signature in black ink, appearing to read "Kit C. Dean Crane".

Kit C. Dean Crane
Prosecutor



HENRY COUNTY COMMISSIONERS

HENRY COUNTY COURTHOUSE
101 SOUTH MAIN STREET
NEW CASTLE, INDIANA 47362
PHONE 765-529-4705 • FAX (765) 521-7037

Philip J. Estridge

President

pestridge@henryco.net

Larry D. Hale

Vice President

lhale@henryco.net

William D. Cronk

wcronk@henryco.net

CORRECTIVE ACTION PLAN

Finding Number 2007-1

Fiscal Year	2007
Auditee Contact Person	Philip J. Estridge
Title of Contact Person	President, Board of Commissioners of Henry County
Phone Number	765-529-4705

The Board of Commissioners is drafting and will mail a letter to aviation board members suggesting that the board appoint its treasurer grant administrator to oversee grants and claims.

HENRY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 23, 2008, with Larry Hale, County Commissioner.