

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

ANNUAL FINANCIAL REPORT

2008

JAY COUNTY, INDIANA



**FILED**

09/30/2009



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Nancy J. Culy	01-01-08 to 12-31-10
Treasurer	Robin Alberson	12-31-06 to 12-31-12
Clerk	Jane Ann Runyon Ellen Coats	01-01-05 to 12-31-08 01-01-09 to 12-31-12
Sheriff	Larry R. Newton, Jr.	01-01-07 to 12-31-10
Recorder	Betty St. Myers	01-01-04 to 12-31-10
President of the Board of County Commissioners	Milo M. Miller, Jr.	01-01-08 to 12-31-09
President of the County Council	Marilyn Coleman Gerald Kirby	01-01-08 to 12-31-08 01-01-09 to 12-31-09



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF JAY COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jay County (County), as of and for the year ended December 31, 2008, which collectively comprise the County's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

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

In our opinion, except that the omission of the component units of the County referred to in the preceding paragraph results in incomplete presentation, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2008, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated August 17, 2009, 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, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. 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

August 17, 2009



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

TO: THE OFFICIALS OF JAY COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jay County (County), as of and for the year ended December 31, 2008, which collectively comprise the County's basic financial statements and have issued our report thereon dated August 17, 2009. The opinion on the financial statements was qualified due to omission of component units. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

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

Compliance and Other Matters

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

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

STATE BOARD OF ACCOUNTS

August 17, 2009

JAY COUNTY  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For The Year Ended December 31, 2008

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>			<u>Net Receipts (Disbursements and Changes in Net Assets)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary government:					
Governmental activities:					
General government	\$ 6,799,919	\$ 602,187	\$ 28,996	\$ -	\$ (6,168,736)
Public safety	4,183,170	971,020	137,499	422,963	(2,651,688)
Highways and streets	3,987,618	619,918	1,813,566	198,833	(1,355,301)
Health and welfare	1,400,866	307,532	199,847	-	(893,487)
Economic development	1,420,667	-	-	24,000	(1,396,667)
	<u>\$ 17,792,240</u>	<u>\$ 2,500,657</u>	<u>\$ 2,179,908</u>	<u>\$ 645,796</u>	<u>(12,465,879)</u>
Total primary government					
General receipts:					
Property taxes					5,181,854
Income taxes					1,736,177
Intergovernmental					1,434,749
Other local sources					852,268
Grants and contributions not restricted to specific programs					2,313,092
Investment earnings					<u>452,298</u>
Total general receipts					<u>11,970,438</u>
Change in net assets					(495,441)
Net assets - beginning					<u>13,038,513</u>
Net assets - ending					<u>\$ 12,543,072</u>
<u>Assets</u>					
Cash and investments					\$ 6,721,913
Restricted assets:					
Cash and investments					<u>5,821,159</u>
Total assets					<u>\$ 12,543,072</u>
<u>Net Assets</u>					
Restricted for:					
General government					\$ 512,463
Public safety					478,813
Highways and streets					1,254,797
Health and welfare					955,848
Capital outlay					2,619,238
Unrestricted					<u>6,721,913</u>
Total net assets					<u>\$ 12,543,072</u>

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

JAY COUNTY  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For The Year Ended December 31, 2008

	General	Highway	Cumulative Bridge	Other Governmental Funds	Totals
<b>Receipts:</b>					
Taxes	\$ 4,603,674	\$ 69,183	\$ 482,824	\$ 2,013,252	\$ 7,168,933
Special assessments	4,719	-	-	1,093,714	1,098,433
Licenses and permits	36,510	5,650	-	76,628	118,788
Intergovernmental	639,770	2,047,394	83,299	3,803,082	6,573,545
Charges for services	429,348	78,382	-	464,125	971,855
Fines and forfeits	98,180	-	-	209,678	307,858
Other	690,029	28,056	-	339,302	1,057,387
<b>Total receipts</b>	<b>6,502,230</b>	<b>2,228,665</b>	<b>566,123</b>	<b>7,999,781</b>	<b>17,296,799</b>
<b>Disbursements:</b>					
General government	4,802,327	-	-	1,711,880	6,514,207
Public safety	1,747,962	-	-	1,746,225	3,494,187
Highways and streets	-	2,528,370	25,962	113,551	2,667,883
Health and welfare	390,057	-	-	1,010,809	1,400,866
Economic development	-	-	-	1,255,709	1,255,709
Capital outlay:					
General government	70,667	-	-	215,045	285,712
Public safety	45,482	-	-	643,501	688,983
Highways and streets	-	193,072	393,299	733,364	1,319,735
Economic development	-	-	-	164,958	164,958
<b>Total disbursements</b>	<b>7,056,495</b>	<b>2,721,442</b>	<b>419,261</b>	<b>7,595,042</b>	<b>17,792,240</b>
Excess (deficiency) of receipts over disbursements	(554,265)	(492,777)	146,862	404,739	(495,441)
<b>Other financing sources (uses):</b>					
Transfers in	1,774,974	-	700,000	1,459,178	3,934,152
Transfers out	(1,842,499)	-	(700,000)	(1,391,653)	(3,934,152)
<b>Total other financing sources (uses)</b>	<b>(67,525)</b>	<b>-</b>	<b>-</b>	<b>67,525</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(621,790)	(492,777)	146,862	472,264	(495,441)
Cash and investment fund balance - beginning	1,790,586	1,643,576	1,538,373	8,065,978	13,038,513
Cash and investment fund balance - ending	<u>\$ 1,168,796</u>	<u>\$ 1,150,799</u>	<u>\$ 1,685,235</u>	<u>\$ 8,538,242</u>	<u>\$ 12,543,072</u>
<b><u>Cash and Investment Assets - Ending</u></b>					
Cash and investments	\$ 1,168,796	\$ -	\$ -	\$ 5,553,117	\$ 6,721,913
Restricted assets:					
Cash and investments	-	1,150,799	1,685,235	2,985,125	5,821,159
<b>Total cash and investment assets - ending</b>	<b><u>\$ 1,168,796</u></b>	<b><u>\$ 1,150,799</u></b>	<b><u>\$ 1,685,235</u></b>	<b><u>\$ 8,538,242</u></b>	<b><u>\$ 12,543,072</u></b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>					
Restricted for:					
General government	\$ -	\$ -	\$ -	\$ 512,463	\$ 512,463
Public safety	-	-	-	478,813	478,813
Highways and streets	-	1,150,799	-	103,998	1,254,797
Health and welfare	-	-	-	955,848	955,848
Capital outlay	-	-	1,685,235	934,003	2,619,238
Unrestricted	1,168,796	-	-	5,553,117	6,721,913
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ 1,168,796</u></b>	<b><u>\$ 1,150,799</u></b>	<b><u>\$ 1,685,235</u></b>	<b><u>\$ 8,538,242</u></b>	<b><u>\$ 12,543,072</u></b>

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

JAY COUNTY  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For The Year Ended December 31, 2008

	Pension Trust Fund	Private-Purpose Trust Fund	Agency Funds
Additions:			
Contributions:			
Employer	\$ 146,422	\$ -	
Plan members	13,000	-	
Total contributions	159,422	-	
Investment earnings:			
Interest	25,225	-	
Dividends	22,389	-	
Total investment earnings	47,614	-	
Less realized loss on sale of investments	(53,947)	-	
Less investment disbursements	(150)	-	
Net investment earnings	(6,483)	-	
Total additions	152,939	-	
Deductions:			
Benefits	42,120	-	
Administrative and general	36,616	-	
Total deductions	78,736	-	
Excess of total additions over total deductions	74,203	-	
Cash and investment fund balance - beginning	1,627,392	22,822	
Cash and investment fund balance - ending	\$ 1,701,595	\$ 22,822	\$ 1,205,387

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

JAY COUNTY  
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

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, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the County has not established any enterprise funds.

The County reports the following major governmental funds:

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

The highway fund accounts for the financial resources to be used for the maintenance of County roads.

The cumulative bridge fund accounts for financial resources to be used for building and repairing bridges in the County.

JAY COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Additionally, the County reports the following fund types:

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

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the County in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to December 31 of the year collected.

JAY COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

3. Capital Assets

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

4. Long-Term Debt

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

5. Equity Classification

Government-Wide Statements

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

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

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

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (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.

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.

JAY COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Fund Financial Statements

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

Government-Wide Financial Statements

Interfund activity and balances are eliminated or reclassified in the government-wide financial statements.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

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

B. Disbursements in Excess of Appropriations

For the year ended December 31, 2008, disbursements exceeded approved budgeted appropriations by \$27,230 in the Property Reassessment Fund and by \$85,804 in the Local Road and Street Fund. These excess disbursements were the result of failing to reduce the budgets for amounts not approved by the Indiana Department of Local Government Finance.

C. Cash and Investment Balance Deficit

At December 31, 2008, the victim assistance grant fund reported a \$5,009 deficit in cash and investments, which is a violation of the Uniform Compliance Guidelines and state statute. The deficit arose due to a delay in receiving grant money from the State.

JAY COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The County does not have a deposit policy for custodial credit risk.

At December 31, 2008, all of the County's deposit 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

As of December 31, 2008, the County and the Sheriff's Retirement and Benefit Plan had the following investments:

Investment Type	Sheriff's Retirement and Benefit Pension Plans
U.S. treasuries and securities	\$ 308,801
U.S. agencies	158,263
Mutual funds	176,832
Corporate stock	609,660
Corporate bonds	125,177
Total	\$ 1,378,733

Statutory Authorization for Investments

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

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the

JAY COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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. Neither the County nor the Sheriff's Merit Board has a formal investment policy for custodial credit risk for investments.

The above investments of the County and the Sheriff's Retirement and Benefit Pension Plans were exposed to custodial credit risks because they were held by the counterparty, or the counterparty's trust department or agent, not in the government's name:

Sheriff's Retirement and Benefit Pension Plans:

Investment Type	2008	
	In the Government's Name	Not in the Government's Name
U.S. treasuries and securities	\$ -	\$ 308,801
U.S. agencies	-	158,263
Mutual funds	-	176,832
Corporate stock	-	609,660
Corporate bonds	-	125,177
Totals	<u>\$ -</u>	<u>\$ 1,378,733</u>

JAY COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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. Neither the County nor the Sheriff's Merit Board has a formal investment policy for interest rate risk for investments.

Sheriff's Retirement and Benefit Pension Plans:

Investment Type	Investment Maturities (in Years)			
	Less Than 1	1-2	More Than 2	Information Unavailable
U.S. treasuries and securities	\$ 15,428	\$ 111,667	\$ 181,706	\$ -
U.S. agencies	-	73,094	85,169	-
Mutual funds	-	-	-	176,832
Totals	<u>\$ 15,428</u>	<u>\$ 184,761</u>	<u>\$ 266,875</u>	<u>\$ 176,832</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. Neither the County nor the Sheriff's Merit Board has a formal investment policy for credit risk for investments.

Sheriff's Retirement and Benefit Pension Plans:

Standard and Poor's Rating	Mutual Funds	Corporate Bonds	Government Sponsored Enterprise
AAA	\$ -	\$ 18,298	\$ 158,263
AA	-	9,408	-
A	-	92,773	-
BBB	-	4,698	-
Unrated	176,832	-	-
Totals	<u>\$ 176,832</u>	<u>\$ 125,177</u>	<u>\$ 158,263</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. United States of America government and United States of America governmental agency securities are exempt from this policy requirement. Neither the County nor the Sheriff's Merit Board has a policy for the concentration of credit risk. However, no single issuer accounts for over 5% of total investments.

JAY COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Foreign Currency Risk

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

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2008, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2008</u>
General Fund	Cumulative Bridge Fund	\$ 700,000
	Other governmental funds	1,142,499
Cumulative Bridge Fund	General Fund	700,000
Other governmental funds	General Fund	1,074,974
	Other governmental funds	<u>316,679</u>
Total		<u>\$ 3,934,152</u>

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

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; natural disasters; errors and omissions; natural disasters; and job related illnesses or injuries to employees.

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

Job Related Illnesses or Injuries to Employees

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

JAY COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

B. Administration of Welfare Programs

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

C. Subsequent Events

On June 29, 2009, the County authorized a \$10,000,000 bond issuance for the purpose of expanding and remodeling the jail. On July 20, 2009, the County awarded the related construction project for \$7,320,300.

D. Pension Plans

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

1. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

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

JAY COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

2. County Police Retirement Plan

Plan Description

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

Funding Policy and Annual Pension Cost

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

3. County Police Benefit Plan

Plan Description

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

Funding Policy and Annual Pension Cost

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

JAY COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Actuarial Information for the Above Plans

	PERF	County Police Retirement Plan	County Police Benefit Plan
Annual required contribution	\$ 229,480	\$ 109,212	\$ 5,238
Interest on net pension obligation	4,371	(478)	-
Adjustment to annual required contribution	(4,981)	738	-
Annual pension cost	228,870	109,472	5,238
Contributions made	205,740	141,184	5,238
Increase (decrease) in net pension obligation	23,130	(31,712)	-
Net pension obligation, beginning of year	60,284	(6,829)	-
Net pension obligation, end of year	\$ 83,414	\$ (38,541)	\$ -

	PERF	County Police Retirement Plan	County Police Benefit Plan
Contribution rates:			
County	6.75%	N/A	N/A
Plan members	3%	6%	6%
Actuarial valuation date	07-01-07	01-01-09	01-01-09
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	30 years	30 years	30 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

N/A = Not available

JAY COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Actuarial Assumptions	PERF	County Police Retirement Plan	County Police Benefit Plan
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	06-30-05	\$ 173,446	96%	\$ 16,651
	06-30-06	233,074	81%	60,284
	06-30-07	228,870	90%	83,414
County Police Retirement Plan	12-31-05	117,497	106%	18,343
	12-31-06	117,302	115%	10,909
	12-31-07	109,472	129%	(6,829)
County Police Benefit Plan	12-31-05	7,525	100%	-
	12-31-06	5,663	100%	-
	12-31-07	5,238	100%	-

JAY COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-05	\$ 3,113,687	\$ 3,945,162	\$ (831,475)	79%	\$ 3,419,390	(24%)
07-01-06	3,623,712	4,074,882	(451,170)	89%	3,389,672	(13%)
07-01-07	3,925,075	4,258,147	(333,072)	92%	3,567,524	(9%)

County Police Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-04	\$ 923,046	\$ 1,221,582	\$ (298,536)	76%	\$ 394,963	(76%)
01-01-05	1,047,588	1,326,700	(279,112)	79%	400,944	(70%)
01-01-06	1,234,272	1,534,156	(299,884)	80%	409,143	(73%)
01-01-07	1,432,777	1,715,005	(282,228)	84%	396,075	(71%)
01-01-08	1,660,986	2,114,554	(453,568)	79%	411,362	(110%)
01-01-09	1,696,589	2,314,918	(618,329)	73%	414,282	(149%)

County Police Benefit Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-04	\$ 53,716	\$ 53,716	\$ -	100%	\$ 394,963	0%
01-01-05	59,456	59,456	-	100%	400,944	0%
01-01-06	70,862	70,862	-	100%	409,143	0%
01-01-07	84,446	84,446	-	100%	396,075	0%
01-01-08	95,871	95,871	-	100%	411,362	0%
01-01-09	85,403	85,403	-	100%	414,282	0%

JAY COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008

	Local Road and Street	Accident Report	Firearms Training	Health	Emergency Medical Services	Clerk's Records Perpetuation
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ 164,965	\$ 490,123	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	36,062	-	-
Intergovernmental	198,833	-	-	15,020	47,307	-
Charges for services	-	1,140	7,680	-	299,289	-
Fines and forfeits	-	-	-	-	-	3,847
Other	-	-	-	95	47	-
<b>Total receipts</b>	<b>198,833</b>	<b>1,140</b>	<b>7,680</b>	<b>216,142</b>	<b>836,766</b>	<b>3,847</b>
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	885,360	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	195,621	-	-
Economic development	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	2,984	-	11,201	-
Highways and streets	264,094	-	-	-	-	-
Economic development	-	-	-	-	-	-
<b>Total disbursements</b>	<b>264,094</b>	<b>-</b>	<b>2,984</b>	<b>195,621</b>	<b>896,561</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	(65,261)	1,140	4,696	20,521	(59,795)	3,847
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(3,416)	(35,076)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,416)</b>	<b>(35,076)</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(65,261)	1,140	4,696	17,105	(94,871)	3,847
Cash and investment fund balance - beginning	169,259	7,527	4,766	121,379	402,449	16,655
Cash and investment fund balance - ending	\$ 103,998	\$ 8,667	\$ 9,462	\$ 138,484	\$ 307,578	\$ 20,502
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 307,578	\$ -
Restricted assets:						
Cash and investments	103,998	8,667	9,462	138,484	-	20,502
<b>Total cash and investment assets - ending</b>	<b>\$ 103,998</b>	<b>\$ 8,667</b>	<b>\$ 9,462</b>	<b>\$ 138,484</b>	<b>\$ 307,578</b>	<b>\$ 20,502</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,502
Public safety	-	8,667	9,462	-	-	-
Highways and streets	103,998	-	-	-	-	-
Health and welfare	-	-	-	138,484	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	307,578	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 103,998</b>	<b>\$ 8,667</b>	<b>\$ 9,462</b>	<b>\$ 138,484</b>	<b>\$ 307,578</b>	<b>\$ 20,502</b>

JAY COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Electronic Map Generation	Deferral Program	Emergency Telephone System	Drug Free Community	Drainage Maintenance	Emergency Planning/ Right to Know
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	173,307	-	378,871	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	88,472	-	-	5,120
Charges for services	158	-	-	-	-	-
Fines and forfeits	-	15,991	-	14,331	-	-
Other	-	-	-	-	-	209
<b>Total receipts</b>	<b>158</b>	<b>15,991</b>	<b>261,779</b>	<b>14,331</b>	<b>378,871</b>	<b>5,329</b>
Disbursements:						
General government	-	-	-	-	391,892	-
Public safety	-	17,540	297,136	12,300	-	5,535
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	850	29,621	-	-	878
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>18,390</b>	<b>326,757</b>	<b>12,300</b>	<b>391,892</b>	<b>6,413</b>
Excess (deficiency) of receipts over disbursements	158	(2,399)	(64,978)	2,031	(13,021)	(1,084)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(1,796)	(4,500)	(174,524)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(1,796)</b>	<b>(4,500)</b>	<b>(174,524)</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	158	(2,399)	(66,774)	(2,469)	(187,545)	(1,084)
Cash and investment fund balance - beginning	3,530	33,911	330,641	16,830	743,838	10,794
Cash and investment fund balance - ending	<u>\$ 3,688</u>	<u>\$ 31,512</u>	<u>\$ 263,867</u>	<u>\$ 14,361</u>	<u>\$ 556,293</u>	<u>\$ 9,710</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 3,688	\$ 31,512	\$ -	\$ -	\$ 556,293	\$ 9,710
Restricted assets:						
Cash and investments	-	-	263,867	14,361	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 3,688</u>	<u>\$ 31,512</u>	<u>\$ 263,867</u>	<u>\$ 14,361</u>	<u>\$ 556,293</u>	<u>\$ 9,710</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	263,867	14,361	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	3,688	31,512	-	-	556,293	9,710
<b>Total cash and investment fund balance - ending</b>	<u>\$ 3,688</u>	<u>\$ 31,512</u>	<u>\$ 263,867</u>	<u>\$ 14,361</u>	<u>\$ 556,293</u>	<u>\$ 9,710</u>

JAY COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Convention and Tourism	Property Reassessment	Prosecutor Title IV-D	Extradition	Juvenile Probation Service	Probation Users Fees
Receipts:						
Taxes	\$ 59,841	\$ 86,908	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	7,914	12,878	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	713	43,162
Other	-	5,475	-	-	-	-
<b>Total receipts</b>	<b>59,841</b>	<b>100,297</b>	<b>12,878</b>	<b>-</b>	<b>713</b>	<b>43,162</b>
Disbursements:						
General government	-	131,243	-	-	-	-
Public safety	-	-	-	-	-	12,910
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	1,260	-	-	-
Economic development	52,679	-	-	-	-	-
Capital outlay:						
General government	-	11,105	-	-	-	-
Public safety	-	-	-	-	-	927
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
<b>Total disbursements</b>	<b>52,679</b>	<b>142,348</b>	<b>1,260</b>	<b>-</b>	<b>-</b>	<b>13,837</b>
Excess (deficiency) of receipts over disbursements	7,162	(42,051)	11,618	-	713	29,325
Other financing sources (uses):						
Transfers in	-	-	-	-	-	45,636
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45,636</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	7,162	(42,051)	11,618	-	713	74,961
Cash and investment fund balance - beginning	52,679	327,138	25,082	3,428	8,170	180,281
Cash and investment fund balance - ending	\$ 59,841	\$ 285,087	\$ 36,700	\$ 3,428	\$ 8,883	\$ 255,242
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 59,841	\$ -	\$ 36,700	\$ 3,428	\$ 8,883	\$ 255,242
Restricted assets:						
Cash and investments	-	285,087	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 59,841</b>	<b>\$ 285,087</b>	<b>\$ 36,700</b>	<b>\$ 3,428</b>	<b>\$ 8,883</b>	<b>\$ 255,242</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
General government	\$ -	\$ 285,087	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	59,841	-	36,700	3,428	8,883	255,242
<b>Total cash and investment fund balance - ending</b>	<b>\$ 59,841</b>	<b>\$ 285,087</b>	<b>\$ 36,700</b>	<b>\$ 3,428</b>	<b>\$ 8,883</b>	<b>\$ 255,242</b>

JAY COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Recorder's Records Perpetuation	Cannabis/ Marijuana Eradication	Family and Children	Health Maintenance	Community Corrections - Home Detention	Pretrial Diversion
Receipts:						
Taxes	\$ -	\$ -	\$ 733,468	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	5,566	-	-
Intergovernmental	-	-	228,396	24,854	-	-
Charges for services	27,786	-	-	-	-	-
Fines and forfeits	-	-	-	-	101,021	3,594
Other	3,099	-	51,497	708	-	-
<b>Total receipts</b>	<b>30,885</b>	<b>-</b>	<b>1,013,361</b>	<b>31,128</b>	<b>101,021</b>	<b>3,594</b>
Disbursements:						
General government	11,731	-	-	-	-	-
Public safety	-	-	-	-	94,611	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	628,450	38,025	-	-
Economic development	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	41,812	-
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
<b>Total disbursements</b>	<b>11,731</b>	<b>-</b>	<b>628,450</b>	<b>38,025</b>	<b>136,423</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	19,154	-	384,911	(6,897)	(35,402)	3,594
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	19,154	-	384,911	(6,897)	(35,402)	3,594
Cash and investment fund balance - beginning	152,591	829	432,453	34,356	209,152	4,096
Cash and investment fund balance - ending	<u>\$ 171,745</u>	<u>\$ 829</u>	<u>\$ 817,364</u>	<u>\$ 27,459</u>	<u>\$ 173,750</u>	<u>\$ 7,690</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ 829	\$ -	\$ 27,459	\$ -	\$ -
Restricted assets:						
Cash and investments	171,745	-	817,364	-	173,750	7,690
<b>Total cash and investment assets - ending</b>	<b>\$ 171,745</b>	<b>\$ 829</b>	<b>\$ 817,364</b>	<b>\$ 27,459</b>	<b>\$ 173,750</b>	<b>\$ 7,690</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
General government	\$ 171,745	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	173,750	7,690
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	817,364	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	829	-	27,459	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 171,745</b>	<b>\$ 829</b>	<b>\$ 817,364</b>	<b>\$ 27,459</b>	<b>\$ 173,750</b>	<b>\$ 7,690</b>

JAY COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Plat Book	Supplemental Public Defender	Clerk Title IV-D	Surveyor's Corner Perpetuation	Sheriff's Continuing Education	Jury Pay
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	8,373	-	-	-
Charges for services	5,725	-	-	4,210	-	-
Fines and forfeits	-	3,757	-	-	975	98
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>5,725</b>	<b>3,757</b>	<b>8,373</b>	<b>4,210</b>	<b>975</b>	<b>98</b>
Disbursements:						
General government	-	3,240	2,192	1,884	-	-
Public safety	-	-	-	-	920	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>3,240</b>	<b>2,192</b>	<b>1,884</b>	<b>920</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	5,725	517	6,181	2,326	55	98
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	5,725	517	6,181	2,326	55	98
Cash and investment fund balance - beginning	64,956	7,120	34,281	32,705	1,279	-
Cash and investment fund balance - ending	\$ 70,681	\$ 7,637	\$ 40,462	\$ 35,031	\$ 1,334	\$ 98
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 70,681	\$ 7,637	\$ 40,462	\$ -	\$ 1,334	\$ -
Restricted assets:						
Cash and investments	-	-	-	35,031	-	98
<b>Total cash and investment assets - ending</b>	<b>\$ 70,681</b>	<b>\$ 7,637</b>	<b>\$ 40,462</b>	<b>\$ 35,031</b>	<b>\$ 1,334</b>	<b>\$ 98</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ 35,031	\$ -	\$ 98
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	70,681	7,637	40,462	-	1,334	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 70,681</b>	<b>\$ 7,637</b>	<b>\$ 40,462</b>	<b>\$ 35,031</b>	<b>\$ 1,334</b>	<b>\$ 98</b>

JAY COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Rainy Day	Sales Disclosure	Sheriff's Commissary	County Corrections	Community Corrections	Tobacco Settlement
<b>Receipts:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	480,793	-	-	-	43,000	18,083
Charges for services	-	2,305	85,136	15,647	-	-
Fines and forfeits	-	-	-	-	-	-
Other	8,964	-	-	-	-	300
<b>Total receipts</b>	<b>489,757</b>	<b>2,305</b>	<b>85,136</b>	<b>15,647</b>	<b>43,000</b>	<b>18,383</b>
<b>Disbursements:</b>						
General government	219,772	1,286	-	-	-	-
Public safety	-	-	90,461	16,651	77,896	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	15,883
Economic development	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
<b>Total disbursements</b>	<b>219,772</b>	<b>1,286</b>	<b>90,461</b>	<b>16,651</b>	<b>77,896</b>	<b>15,883</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>269,985</b>	<b>1,019</b>	<b>(5,325)</b>	<b>(1,004)</b>	<b>(34,896)</b>	<b>2,500</b>
<b>Other financing sources (uses):</b>						
Transfers in	1,159,623	-	-	-	-	-
Transfers out	(1,000,000)	-	-	-	(1,350)	-
<b>Total other financing sources (uses)</b>	<b>159,623</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,350)</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>429,608</b>	<b>1,019</b>	<b>(5,325)</b>	<b>(1,004)</b>	<b>(36,246)</b>	<b>2,500</b>
<b>Cash and investment fund balance - beginning</b>	<b>762,187</b>	<b>2,812</b>	<b>14,115</b>	<b>19,915</b>	<b>61,830</b>	<b>35,219</b>
<b>Cash and investment fund balance - ending</b>	<b>\$ 1,191,795</b>	<b>\$ 3,831</b>	<b>\$ 8,790</b>	<b>\$ 18,911</b>	<b>\$ 25,584</b>	<b>\$ 37,719</b>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 1,191,795	\$ 3,831	\$ 8,790	\$ 18,911	\$ 25,584	\$ 37,719
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 1,191,795</b>	<b>\$ 3,831</b>	<b>\$ 8,790</b>	<b>\$ 18,911</b>	<b>\$ 25,584</b>	<b>\$ 37,719</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	1,191,795	3,831	8,790	18,911	25,584	37,719
<b>Total cash and investment fund balance - ending</b>	<b>\$ 1,191,795</b>	<b>\$ 3,831</b>	<b>\$ 8,790</b>	<b>\$ 18,911</b>	<b>\$ 25,584</b>	<b>\$ 37,719</b>

JAY COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Operation Pullover	Children's Psychiatric Treatment	Court Interpreters	Probation User Fee - Administrative	Excess Levy	Redacting Fee
<b>Receipts:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	1,555	-	1,500	-	-	-
Charges for services	-	-	-	-	-	6,770
Fines and forfeits	-	-	-	75	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>1,555</b>	<b>-</b>	<b>1,500</b>	<b>75</b>	<b>-</b>	<b>6,770</b>
<b>Disbursements:</b>						
General government	-	-	150	-	-	5,566
Public safety	3,122	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	131,570	-	-	-	-
Economic development	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
<b>Total disbursements</b>	<b>3,122</b>	<b>131,570</b>	<b>150</b>	<b>-</b>	<b>-</b>	<b>5,566</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(1,567)</b>	<b>(131,570)</b>	<b>1,350</b>	<b>75</b>	<b>-</b>	<b>1,204</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(45,636)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(45,636)</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(1,567)</b>	<b>(131,570)</b>	<b>1,350</b>	<b>(45,561)</b>	<b>-</b>	<b>1,204</b>
<b>Cash and investment fund balance - beginning</b>	<b>2,583</b>	<b>207,545</b>	<b>726</b>	<b>45,636</b>	<b>7,662</b>	<b>2,650</b>
<b>Cash and investment fund balance - ending</b>	<b>\$ 1,016</b>	<b>\$ 75,975</b>	<b>\$ 2,076</b>	<b>\$ 75</b>	<b>\$ 7,662</b>	<b>\$ 3,854</b>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ -	\$ 75,975	\$ 2,076	\$ 75	\$ 7,662	\$ 3,854
Restricted assets:						
Cash and investments	1,016	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 1,016</b>	<b>\$ 75,975</b>	<b>\$ 2,076</b>	<b>\$ 75</b>	<b>\$ 7,662</b>	<b>\$ 3,854</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	1,016	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	75,975	2,076	75	7,662	3,854
<b>Total cash and investment fund balance - ending</b>	<b>\$ 1,016</b>	<b>\$ 75,975</b>	<b>\$ 2,076</b>	<b>\$ 75</b>	<b>\$ 7,662</b>	<b>\$ 3,854</b>

JAY COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Health Insurance	County Home Donations	Court ASAA & E	Sex and Violent Offenders Administration	County Forfeiture Fund	Community Transition Program
<b>Receipts:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	23,655
Charges for services	-	-	-	1,655	-	-
Fines and forfeits	-	-	17,320	-	-	-
Other	733	3	-	-	-	-
<b>Total receipts</b>	<u>733</u>	<u>3</u>	<u>17,320</u>	<u>1,655</u>	<u>-</u>	<u>23,655</u>
<b>Disbursements:</b>						
General government	1,459	-	13,980	-	-	-
Public safety	-	-	-	1,938	-	25,657
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	2,000	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
<b>Total disbursements</b>	<u>1,459</u>	<u>-</u>	<u>13,980</u>	<u>1,938</u>	<u>2,000</u>	<u>25,657</u>
Excess (deficiency) of receipts over disbursements	<u>(726)</u>	<u>3</u>	<u>3,340</u>	<u>(283)</u>	<u>(2,000)</u>	<u>(2,002)</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(8,805)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,805)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(726)</u>	<u>3</u>	<u>3,340</u>	<u>(283)</u>	<u>(2,000)</u>	<u>(10,807)</u>
Cash and investment fund balance - beginning	<u>726</u>	<u>133</u>	<u>11,340</u>	<u>483</u>	<u>4,720</u>	<u>11,643</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 136</u>	<u>\$ 14,680</u>	<u>\$ 200</u>	<u>\$ 2,720</u>	<u>\$ 836</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ -	\$ 136	\$ 14,680	\$ 200	\$ 2,720	\$ 836
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ -</u>	<u>\$ 136</u>	<u>\$ 14,680</u>	<u>\$ 200</u>	<u>\$ 2,720</u>	<u>\$ 836</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	136	14,680	200	2,720	836
<b>Total cash and investment fund balance - ending</b>	<u>\$ -</u>	<u>\$ 136</u>	<u>\$ 14,680</u>	<u>\$ 200</u>	<u>\$ 2,720</u>	<u>\$ 836</u>

JAY COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Backhoe Repair and Replacement	Wabash Cleanout	Jury Fees	Ambulance Replacement	VIN Checks	Medical Care for Inmates
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	880	5,744
Fines and forfeits	-	-	4,794	-	-	-
Other	10	-	-	-	-	-
<b>Total receipts</b>	<b>10</b>	<b>-</b>	<b>4,794</b>	<b>-</b>	<b>880</b>	<b>5,744</b>
Disbursements:						
General government	22,537	929	14,272	-	-	2,959
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Capital outlay:						
General government	47,305	-	-	-	-	-
Public safety	-	-	-	-	3,850	-
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
<b>Total disbursements</b>	<b>69,842</b>	<b>929</b>	<b>14,272</b>	<b>-</b>	<b>3,850</b>	<b>2,959</b>
Excess (deficiency) of receipts over disbursements	(69,832)	(929)	(9,478)	-	(2,970)	2,785
Other financing sources (uses):						
Transfers in	73,460	166	-	16,202	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>73,460</b>	<b>166</b>	<b>-</b>	<b>16,202</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,628	(763)	(9,478)	16,202	(2,970)	2,785
Cash and investment fund balance - beginning	84,384	763	19,801	129,878	6,016	5,375
Cash and investment fund balance - ending	\$ 88,012	\$ -	\$ 10,323	\$ 146,080	\$ 3,046	\$ 8,160
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 88,012	\$ -	\$ 10,323	\$ 146,080	\$ 3,046	\$ 8,160
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 88,012</b>	<b>\$ -</b>	<b>\$ 10,323</b>	<b>\$ 146,080</b>	<b>\$ 3,046</b>	<b>\$ 8,160</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	88,012	-	10,323	146,080	3,046	8,160
<b>Total cash and investment fund balance - ending</b>	<b>\$ 88,012</b>	<b>\$ -</b>	<b>\$ 10,323</b>	<b>\$ 146,080</b>	<b>\$ 3,046</b>	<b>\$ 8,160</b>

JAY COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Drug Free Sheriff	Rainy Day Surplus EDIT	Economic Development Income Tax	Victim Assistance Grant	CER Team Subgrant	Rural Transportation Grant
<b>Receipts:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	719,278	5,921	-	759,429
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	2,977	169,989	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>2,977</b>	<b>889,267</b>	<b>5,921</b>	<b>-</b>	<b>759,429</b>
<b>Disbursements:</b>						
General government	-	-	-	-	-	759,429
Public safety	-	-	-	23,683	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	1,203,030	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	5,675	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
<b>Total disbursements</b>	<b>5,675</b>	<b>-</b>	<b>1,203,030</b>	<b>23,683</b>	<b>-</b>	<b>759,429</b>
Excess (deficiency) of receipts over disbursements	(5,675)	2,977	(313,763)	(17,762)	-	-
<b>Other financing sources (uses):</b>						
Transfers in	4,500	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>4,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,175)	2,977	(313,763)	(17,762)	-	-
Cash and investment fund balance - beginning	4,410	126,290	953,247	12,753	2	4
Cash and investment fund balance - ending	<u>\$ 3,235</u>	<u>\$ 129,267</u>	<u>\$ 639,484</u>	<u>\$ (5,009)</u>	<u>\$ 2</u>	<u>\$ 4</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 3,235	\$ 129,267	\$ 639,484	\$ (5,009)	\$ 2	\$ 4
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 3,235</u>	<u>\$ 129,267</u>	<u>\$ 639,484</u>	<u>\$ (5,009)</u>	<u>\$ 2</u>	<u>\$ 4</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	3,235	129,267	639,484	(5,009)	2	4
<b>Total cash and investment fund balance - ending</b>	<u>\$ 3,235</u>	<u>\$ 129,267</u>	<u>\$ 639,484</u>	<u>\$ (5,009)</u>	<u>\$ 2</u>	<u>\$ 4</u>

JAY COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Bioterrorism Grant	Bulletproof Vests	Homeland Security	Host Fee - Infrastructure	Infrastructure	Homeland Security Grant
<b>Receipts:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	27,077	514,459	-
Licenses and permits	-	-	-	-	35,000	-
Intergovernmental	39,650	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	41,911	-
<b>Total receipts</b>	<b>39,650</b>	<b>-</b>	<b>-</b>	<b>27,077</b>	<b>591,370</b>	<b>-</b>
<b>Disbursements:</b>						
General government	-	-	-	-	-	-
Public safety	37,781	-	-	-	-	-
Highways and streets	-	-	-	-	113,551	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	8,100	-	404	-	-	17,901
Highways and streets	-	-	-	-	469,270	-
Economic development	-	-	-	-	-	-
<b>Total disbursements</b>	<b>45,881</b>	<b>-</b>	<b>404</b>	<b>-</b>	<b>582,821</b>	<b>17,901</b>
Excess (deficiency) of receipts over disbursements	(6,231)	-	(404)	27,077	8,549	(17,901)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	5,000	-
Transfers out	-	-	-	-	(99,221)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(94,221)</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,231)	-	(404)	27,077	(85,672)	(17,901)
Cash and investment fund balance - beginning	18,146	2,915	463	46,794	1,096,296	17,901
Cash and investment fund balance - ending	\$ 11,915	\$ 2,915	\$ 59	\$ 73,871	\$ 1,010,624	\$ -
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 11,915	\$ 2,915	\$ 59	\$ 73,871	\$ 1,010,624	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 11,915</b>	<b>\$ 2,915</b>	<b>\$ 59</b>	<b>\$ 73,871</b>	<b>\$ 1,010,624</b>	<b>\$ -</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	11,915	2,915	59	73,871	1,010,624	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 11,915</b>	<b>\$ 2,915</b>	<b>\$ 59</b>	<b>\$ 73,871</b>	<b>\$ 1,010,624</b>	<b>\$ -</b>

JAY COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Community Corrections 4612	Public Safety	JEMS Base Dunkirk Fire Dept	Portland Redevelopment TIF District	Sheriff Buy Money
<b>Receipts:</b>					
Taxes	\$ -	\$ -	\$ -	\$ 147,237	\$ -
Special assessments	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	55,286	144,140	482,963	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other	-	11,655	11,094	-	-
<b>Total receipts</b>	<b>55,286</b>	<b>155,795</b>	<b>494,057</b>	<b>147,237</b>	<b>-</b>
<b>Disbursements:</b>					
General government	-	-	-	-	-
Public safety	64,694	78,030	-	-	-
Highways and streets	-	-	-	-	-
Health and welfare	-	-	-	-	-
Economic development	-	-	-	-	-
Capital outlay:					
General government	-	-	-	-	-
Public safety	-	-	519,298	-	-
Highways and streets	-	-	-	-	-
Economic development	-	-	-	-	-
<b>Total disbursements</b>	<b>64,694</b>	<b>78,030</b>	<b>519,298</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	(9,408)	77,765	(25,241)	147,237	-
<b>Other financing sources (uses):</b>					
Transfers in	10,154	-	60,000	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>10,154</b>	<b>-</b>	<b>60,000</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	746	77,765	34,759	147,237	-
Cash and investment fund balance - beginning	-	-	-	-	4,545
<b>Cash and investment fund balance - ending</b>	<b>\$ 746</b>	<b>\$ 77,765</b>	<b>\$ 34,759</b>	<b>\$ 147,237</b>	<b>\$ 4,545</b>
<b><u>Cash and Investment Assets - Ending</u></b>					
Cash and investments	\$ 746	\$ 77,765	\$ 34,759	\$ 147,237	\$ 4,545
Restricted assets:					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 746</b>	<b>\$ 77,765</b>	<b>\$ 34,759</b>	<b>\$ 147,237</b>	<b>\$ 4,545</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>					
Restricted for:					
General government	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Health and welfare	-	-	-	-	-
Capital outlay	-	-	-	-	-
Unrestricted	746	77,765	34,759	147,237	4,545
<b>Total cash and investment fund balance - ending</b>	<b>\$ 746</b>	<b>\$ 77,765</b>	<b>\$ 34,759</b>	<b>\$ 147,237</b>	<b>\$ 4,545</b>

JAY COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Operating Levy Freeze LOIT	Cumulative Capital Development	Redevelopment Capital	Cumulative Drainage Improvement	Totals
<b>Receipts:</b>					
Taxes	\$ -	\$ 183,473	\$ 147,237	\$ -	\$ 2,013,252
Special assessments	-	-	-	-	1,093,714
Licenses and permits	-	-	-	-	76,628
Intergovernmental	349,956	16,706	24,000	-	3,803,082
Charges for services	-	-	-	-	464,125
Fines and forfeits	-	-	-	-	209,678
Other	-	-	28,744	1,792	339,302
<b>Total receipts</b>	<b>349,956</b>	<b>200,179</b>	<b>199,981</b>	<b>1,792</b>	<b>7,999,781</b>
<b>Disbursements:</b>					
General government	-	75,000	-	52,359	1,711,880
Public safety	-	-	-	-	1,746,225
Highways and streets	-	-	-	-	113,551
Health and welfare	-	-	-	-	1,010,809
Economic development	-	-	-	-	1,255,709
Capital outlay:					
General government	-	154,635	-	-	215,045
Public safety	-	-	-	-	643,501
Highways and streets	-	-	-	-	733,364
Economic development	-	-	164,958	-	164,958
<b>Total disbursements</b>	<b>-</b>	<b>229,635</b>	<b>164,958</b>	<b>52,359</b>	<b>7,595,042</b>
Excess (deficiency) of receipts over disbursements	349,956	(29,456)	35,023	(50,567)	404,739
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	84,437	1,459,178
Transfers out	-	-	-	(17,329)	(1,391,653)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67,108</b>	<b>67,525</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	349,956	(29,456)	35,023	16,541	472,264
Cash and investment fund balance - beginning	-	114,716	764,400	32,779	8,065,978
Cash and investment fund balance - ending	<u>\$ 349,956</u>	<u>\$ 85,260</u>	<u>\$ 799,423</u>	<u>\$ 49,320</u>	<u>\$ 8,538,242</u>
<b><u>Cash and Investment Assets - Ending</u></b>					
Cash and investments	\$ 349,956	\$ -	\$ -	\$ -	\$ 5,553,117
Restricted assets:					
Cash and investments	-	85,260	799,423	49,320	2,985,125
<b>Total cash and investment assets - ending</b>	<u>\$ 349,956</u>	<u>\$ 85,260</u>	<u>\$ 799,423</u>	<u>\$ 49,320</u>	<u>\$ 8,538,242</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>					
<b>Restricted for:</b>					
General government	\$ -	\$ -	\$ -	\$ -	\$ 512,463
Public safety	-	-	-	-	478,813
Highways and streets	-	-	-	-	103,998
Health and welfare	-	-	-	-	955,848
Capital outlay	-	85,260	799,423	49,320	934,003
Unrestricted	349,956	-	-	-	5,553,117
<b>Total cash and investment fund balance - ending</b>	<u>\$ 349,956</u>	<u>\$ 85,260</u>	<u>\$ 799,423</u>	<u>\$ 49,320</u>	<u>\$ 8,538,242</u>

JAY COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2008

	City and Town Court Courts	Congressional School Interest	Clerk's Trust	Surplus Tax Sale	Tax Sale Redemption	Surplus Tax
Additions:						
Agency fund additions	\$ 3,608	\$ 1,038	\$ 1,927,027	\$ -	\$ 35,589	\$ 162,349
Deductions:						
Agency fund deductions	-	457	1,869,140	121,698	35,589	163,755
Excess (deficiency) of total additions over total deductions	3,608	581	57,887	(121,698)	-	(1,406)
Cash and investment fund balance - beginning	63,080	10,445	50,308	145,067	-	1,452
Cash and investment fund balance - ending	<u>\$ 66,688</u>	<u>\$ 11,026</u>	<u>\$ 108,195</u>	<u>\$ 23,369</u>	<u>\$ -</u>	<u>\$ 46</u>

JAY COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	State Fines and Forfeitures	State Sales Disclosure Fee	Overweight Vehicle Fines	Infraction Judgements	Inheritance Tax	PTRC and Homestead Credit
Additions:						
Agency fund additions	\$ 32,887	\$ 2,305	\$ 1,908	\$ 43,653	\$ 300,749	\$ 720,701
Deductions:						
Agency fund deductions	32,301	2,345	1,606	46,853	401,597	720,701
Excess (deficiency) of total additions over total deductions	586	(40)	302	(3,200)	(100,848)	-
Cash and investment fund balance - beginning	2,363	255	-	5,508	139,820	-
Cash and investment fund balance - ending	<u>\$ 2,949</u>	<u>\$ 215</u>	<u>\$ 302</u>	<u>\$ 2,308</u>	<u>\$ 38,972</u>	<u>\$ -</u>

JAY COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Payroll	Sheriff's Inmate Trust	Insurance - Other	Special Death Benefit	Financial Institution Tax	Wheel Tax
Additions:						
Agency fund additions	\$ 5,551,426	\$ 99,336	\$ 1,263	\$ 2,300	\$ 124,054	\$ 90,978
Deductions:						
Agency fund deductions	5,543,106	99,950	1,442	2,290	124,054	90,378
Excess (deficiency) of total additions over total deductions	8,320	(614)	(179)	10	-	600
Cash and investment fund balance - beginning	89,355	1,034	211	175	-	-
Cash and investment fund balance - ending	<u>\$ 97,675</u>	<u>\$ 420</u>	<u>\$ 32</u>	<u>\$ 185</u>	<u>\$ -</u>	<u>\$ 600</u>

JAY COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Surtax	Child Restraint Violations	Interstate Compact	Certified Shares	Riverboat Tax Distribution	Users Fee Agency
Additions:						
Agency fund additions	\$ 287,817	\$ 200	\$ 225	\$ 2,162,093	\$ 136,790	\$ 733
Deductions:						
Agency fund deductions	287,817	225	225	2,162,093	136,790	603
Excess (deficiency) of total additions over total deductions	-	(25)	-	-	-	130
Cash and investment fund balance - beginning	-	50	-	-	-	8,240
Cash and investment fund balance - ending	\$ -	\$ 25	\$ -	\$ -	\$ -	\$ 8,370

JAY COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Welfare Trust	County Home Welfare Trust	Homestead Credit Rebate	PPAATC	Excess CAGIT & CEDIT
Additions:					
Agency fund additions	\$ 300	\$ 204,517	\$ 7,759	\$ 68,821	\$ 200,392
Deductions:					
Agency fund deductions	613	205,707	610,482	74,322	200,392
Excess (deficiency) of total additions over total deductions	(313)	(1,190)	(602,723)	(5,501)	-
Cash and investment fund balance - beginning	477	9,661	609,379	38,968	-
Cash and investment fund balance - ending	\$ 164	\$ 8,471	\$ 6,656	\$ 33,467	\$ -

JAY COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	HEA 1001-2008 State Homestead	PTRC Operating Levies Portion	Residential PTRC	Portland Redevelopment TIF District	Tax Distribution
Additions:					
Agency fund additions	<u>\$ 1,268,800</u>	<u>\$ 1,770,909</u>	<u>\$ 1,441,397</u>	<u>\$ 415,366</u>	<u>\$ 19,162,772</u>
Deductions:					
Agency fund deductions	<u>760,415</u>	<u>1,770,909</u>	<u>1,408,372</u>	<u>415,366</u>	<u>19,162,772</u>
Excess (deficiency) of total additions over total deductions	508,385	-	33,025	-	-
Cash and investment fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investment fund balance - ending	<u>\$ 508,385</u>	<u>\$ -</u>	<u>\$ 33,025</u>	<u>\$ -</u>	<u>\$ -</u>

JAY COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	<u>After Settlement Collections</u>	<u>Mortgage Recording Fee</u>	<u>CEDIT Homestead Credits</u>	<u>Coroner Education</u>	<u>Commercial Vehicle Excise Tax</u>
Additions:					
Agency fund additions	\$ 238,308	\$ 2,240	\$ 719,278	\$ 1,572	\$ 141,686
Deductions:					
Agency fund deductions	<u>347,233</u>	<u>2,178</u>	<u>718,699</u>	<u>1,481</u>	<u>141,686</u>
Excess (deficiency) of total additions over total deductions	(108,925)	62	579	91	-
Cash and investment fund balance - beginning	<u>347,233</u>	<u>225</u>	<u>12,644</u>	<u>194</u>	<u>-</u>
Cash and investment fund balance - ending	<u>\$ 238,308</u>	<u>\$ 287</u>	<u>\$ 13,223</u>	<u>\$ 285</u>	<u>\$ -</u>

JAY COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Education Plate Fees	Recorder's Cash	Prosecuting Attorney Cash	Sheriff's Cash	Totals
Additions:					
Agency fund additions	\$ 900	\$ 84,438	\$ 9,033	\$ 651,507	\$ 38,079,024
Deductions:					
Agency fund deductions	900	84,438	9,033	649,818	38,409,831
Excess (deficiency) of total additions over total deductions	-	-	-	1,689	(330,807)
Cash and investment fund balance - beginning	-	50	-	-	1,536,194
Cash and investment fund balance - ending	\$ -	\$ 50	\$ -	\$ 1,689	\$ 1,205,387

JAY COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For The Year Ended December 31, 2008

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

	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 780,684
Buildings	5,812,551
Improvements other than buildings	13,552,337
Machinery and equipment	<u>5,515,044</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 25,660,616</u>

JAY COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2008

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:		
Bulldozer	\$ 20,910	\$ 10,738
Tractor	19,912	22,138
Excavator	71,304	25,830
Revenue bonds:		
TIF District	<u>1,220,000</u>	<u>53,188</u>
Total governmental activities debt	<u>\$ 1,332,126</u>	<u>\$ 111,894</u>

JAY COUNTY  
OTHER REPORTS

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

County Auditor  
County Sheriff

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF JAY COUNTY, INDIANA

Compliance

We have audited the compliance of Jay County (County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2008. 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, 2008.

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

STATE BOARD OF ACCOUNTS

August 17, 2009

JAY COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended December 31, 2008

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Indiana Office of Community and Rural Affairs Community Development Block Grants/State's Program	14.228	CF-07-209	\$ <u>479,330</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute Crime Victim Assistance	16.575	07VA200 08VA060	18,674 <u>5,009</u>
Total for federal grantor agency			<u>23,683</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Formula Grants For Other Than Urbanized Areas	20.509	1802644O	<u>759,429</u>
Pass-Through Indiana Criminal Justice Institute State and Community Highway Safety	20.600	OP-08-01-01-08	<u>3,122</u>
Total for federal grantor agency			<u>762,551</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana State Department of Health Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	BPRS 137-2	<u>51,432</u>
Pass-Through Indiana Family and Social Services Administration Child Support Enforcement	93.563		
County Prosecutor's Expenditures			57,006
Circuit Court Clerk's Expenditures			12,530
Collection Incentives			34,276
Earned Indirect Costs			<u>24,004</u>
Total for program			<u>127,816</u>
Total for federal grantor agency			<u>179,248</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Disaster #1766	<u>5,397</u>
Emergency Management Performance Grants	97.042	2007-EM-E7-0028	<u>25,386</u>
Total for federal grantor agency			<u>30,783</u>
Total federal awards expended			<u>\$ 1,475,595</u>

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

JAY COUNTY  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

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

JAY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Qualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted?	no
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Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies 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
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Identification of Major Programs:

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

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

Auditee qualified as low-risk auditee?	yes
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Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

JAY COUNTY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

JAY COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on August 17, 2009, with Nancy J. Culy, Auditor; Milo M. Miller, Jr., President of the Board of County Commissioners; and Gerald Kirby, President of the County Council. Our audit disclosed no material items that warrant comment at this time.