

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

ANNUAL FINANCIAL REPORT

2010

HENRY COUNTY, INDIANA



FILED

08/17/2011

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Linda S. Ratcliff Patricia A. French	01-01-07 to 12-31-10 01-01-11 to 12-31-14
Treasurer	Debra Walker Gene Bundy	01-01-07 to 12-31-10 01-01-11 to 12-31-14
Clerk	Patricia A. French Debra Walker	01-01-07 to 12-31-10 01-01-11 to 12-31-14
Sheriff	Bruce (Butch) Baker	01-01-07 to 12-31-14
Recorder	Susan Hufford	01-01-07 to 12-31-14
President of the Board of County Commissioners	Kim L. Cronk	01-01-10 to 12-31-11
President of the County Council	Nate LaMar	01-01-10 to 12-31-11



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 HENRY COUNTY, INDIANA

We have audited the accompanying financial statement of Henry County (County), for the year ended December 31, 2010. This financial statement is 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 statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 1, the County prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting noted above is a different basis than that used in the prior year.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the County for the year ended December 31, 2010, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated May 17, 2011, 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 integral part of 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 an opinion on the County's financial statement. 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 financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Included in the financial statement are the receipts and disbursements activity from emergency telephone system fees (IC 36-8-16) and enhanced wireless emergency telephone fees (IC 36-8-16.5). In accordance with Indiana Code 36-8-16-14 and Indiana Code 36-8-16.5-41 these fees have been subject to an annual audit performed by the State Board of Accounts and, in our opinion, are fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. The Combining Schedule(s) of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the financial statement. The Combining Schedule(s) of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, 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 financial statement and, accordingly, we express no opinion on them.

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

STATE BOARD OF ACCOUNTS

May 17, 2011



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

TO: THE OFFICIALS OF HENRY COUNTY, INDIANA

We have audited the financial statement of Henry County (County), for the year ended December 31, 2010, and have issued our report thereon dated May 17, 2011. 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 statement, 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 deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statement is 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.

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)

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

STATE BOARD OF ACCOUNTS

May 17, 2011

FINANCIAL STATEMENT(S)

HENRY COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2010

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	\$ 97,050	\$ 12,070,540	\$ 11,434,132	\$ 733,458
Local Road And Street	109,123	419,720	397,173	131,670
Accident Report	161	1,249	1,177	233
Firearms Training	39,699	18,476	31,299	26,876
Health	1,763	612,892	576,299	38,356
Alcohol And Drug Services	13,712	32,269	25,905	20,076
Emergency Medical Services/Ambulance	145,812	1,367,373	1,464,980	48,205
Donations	14,415	17,198	16,099	15,514
Law Enforcement Continuing Ed	1,847	2,646	1,661	2,832
Motor Vehicle Inspection	1,730	1,365	2,493	602
Clerk's Records Perpetuation	18,241	10,005	5,650	22,596
Electronic Map Generation	2,189	138	214	2,113
Emergency Telephone System	108,920	275,637	355,856	28,701
Drug Free Community	53,727	53,367	53,726	53,368
Drainage Maintenance	200,382	358,095	250,743	307,734
Emergency Planning/Right To Know	25,471	-	3,360	22,111
Convention And Tourism	1,150	58,855	60,005	-
Highway	416,872	2,205,537	2,167,355	455,054
Property Reassessment	7,676	217,632	221,398	3,910
Prosecutor Title Iv-D #1	19,085	-	-	19,085
Juvenile Probation Service	114,687	14,211	28,840	100,058
Adult Probation Services	59,206	150,351	167,784	41,773
Criminal Justice - Federal	112,680	135,141	88,027	159,794
Recorder's Records Perpetuation	52,170	64,743	48,172	68,741
User Fee	3,010	3,116	6,126	-
Health Maintenance	44,260	89,987	55,519	78,728
Comm Corrections - Home Detention	36,065	301,587	323,570	14,082
Pretrial Diversion	52,243	49,309	20,212	81,340
Court Appointed Special Advocate	29,928	84,462	70,522	43,868
Plat Book	38,097	9,958	36,791	11,264
Misdemeanant	16,076	34,384	29,480	20,980
Supplemental Public Defender Svc	605	6,365	5,610	1,360
Surveyor's Corner Perpetuation	21,929	8,765	-	30,694
Jury Pay	28,861	11,203	14,768	25,296
Park Donation	5,789	2,949	6,345	2,393
H1N1 Vaccine Grant	410	95,120	47,738	47,792
Naccho Health Grant	17	4,999	4,441	575
Rainy Day	853,825	495,981	923,861	425,945
Inmate Medical	4,453	5,160	-	9,613
Sheriff's Commissary	54,324	206,959	186,351	74,932
Community Corrections	878,077	255,663	227,942	905,798
Dare	12,941	16,137	16,795	12,283
Tobacco Settlement	12,154	30,471	25,464	17,161
Identification Security Protection	25,685	14,224	-	39,909
Collection Agency Fees	228	3,508	3,507	229
Prosecutor Title Iv-D #2	75,939	33,013	20,893	88,059
Clerk Title Iv-D #2	129,301	21,943	141,611	9,633
Drug Task Force	3,420	4,035	2,149	5,306
Redevelopment Commission	55,499	82,039	88,297	49,241
Wheel Tax Fund	400	99,847	99,987	260
Surtax Fund	-	1,121,404	1,121,404	-
Assessor Sales Disclosure Fund	21,549	5,315	13,499	13,365
Co Police Pension Trust	2,350	-	-	2,350
Adventure Program Fee Fund	30,971	-	-	30,971
Community Transition Program	17,220	23,589	11,297	29,512
Youth Center Fund	148,831	576,422	725,253	-
Henry Co Youth League	-	2,000	-	2,000
Youth Center Food Program	24,192	22,766	45,694	1,264
Lohut Fund	38,075	934,608	872,202	100,481
Bio-Terrorism-Health Dept	708	14,349	14,610	447
Safe Kids Fund	1,483	2,340	2,560	1,263
Health Dept Donation Fund	76	3	71	8
Haz-Mat Fund	6,232	-	283	5,949
Haz-Mat Response Team Grant	105	-	-	105
Memorial Park Fund	9,227	561,835	539,128	31,934
Golf Course General Fund	129,113	261,481	262,457	128,137
Alter. Dispute Resolution-Sup I	29,607	6,518	3,722	32,403
Child Advocacy Fund	1,350	400	-	1,750
Airport Projects Fund	26,547	58,479	76,761	8,265
Drug Force Forfeiture	25,119	-	10,523	14,596
Probation Incentive Grant	1,582	-	-	1,582
Federal Share-Iv-D Distribution	-	43,146	43,146	-
Family Court Project Fund	3,519	13,000	10,144	6,375
Family Court Grant	1,150	-	-	1,150
Young Women Program/Just Us	12,649	-	8,363	4,286
Lep Sub-Grant	69	-	-	69

The notes to the financial statement(s) is an integral part of this statement.

HENRY COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2010
(Continued)

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Responder Equipment Sub-Grant	136	-	-	136
Shsg-Homeland Security	30	-	-	30
Juvenile Programs-Probation	5,379	-	-	5,379
Sheriff Emergency/Medical	3,836	3,280	-	7,116
Sex & Violent Offender Fund	5,462	3,952	9,259	155
Health Dept Grant Fund	10,756	2,000	12,128	628
Dui Impact Fund	15,261	7,221	4,057	18,425
E-911 City Reimbursement	25,974	188,265	214,030	209
Henry County E-911 Wireless	62,237	193,633	234,996	20,874
Ema Fire Training/Infrastructure	2,942	2,773	5,706	9
Redevelopment Debt Service	672,832	463,257	1,021,861	114,228
Redevelopment Capital Projects	625,183	160,338	108,469	677,052
Treasurer Technology Fund	-	900	-	900
Sup li Supplemental Pd	6,616	15,775	14,540	7,851
Ema Donation Fund	6,956	-	-	6,956
Enhanced Access Fund	-	1,678	-	1,678
Arra Prosecutor Incentive Fund	-	13,589	-	13,589
Health Dept Enforcement Fund	-	1,650	-	1,650
Arra Clerk Incentive Fund	-	75,617	8,684	66,933
Park Community Foundation Grant	-	27,258	16,793	10,465
Hea 1001/2007-2008 Prc&Hmst	-	145,452	145,452	-
Eecbg Grant	-	86,280	86,280	-
Disaster Recovery Grant	-	55,536	55,536	-
Pace Forfeiture Fund	-	30,980	-	30,980
Pace Grant-Cji	-	190,029	187,203	2,826
Jag 10K Grant -Cji	-	7,300	7,300	-
Rural Correctional Grant	-	230,706	221,874	8,832
Ema-Let Gis/07 Grant	-	14,894	3,926	10,968
Ema/Community Foundation Grant	-	1,250	-	1,250
Ema Web Gis #2	-	3,487	-	3,487
Sema Fund	-	3,883	-	3,883
Food And Beverage Debt Service	1,954,115	496,706	264,630	2,186,191
Debt Service - Other	146,536	1,219,646	1,366,182	-
Cumulative Capital Development	230	282,564	245,054	37,740
Cumulative Bridge	592,068	598,464	256,905	933,627
General Drain Improvement	101,076	83,584	146,894	37,766
E-911 Bond Fund	2,975	-	-	2,975
National Road Heritage Trail	-	33,480	25,600	7,880
Self-Insurance	490,800	3,793,468	3,775,410	508,858
Sheriff's Pension	4,220,975	753,252	276,453	4,697,774
Congressional School Principal	21,969	-	-	21,969
City And Town Court Costs	-	10,811	10,811	-
Congressional School Interest	20,060	-	-	20,060
Clerk's Trust	516,283	4,369,854	4,262,458	623,679
Surplus Tax Sale	83,356	121,114	71,719	132,751
Tax Sale Redemption	7,235	235,870	225,157	17,948
Surplus Tax	208,463	60,882	113,846	155,499
State Fines And Forfeitures	5,084	34,730	35,681	4,133
State Sales Disclosure Fee	495	5,315	5,275	535
Overweight Vehicle Fines	-	102	102	-
Recorder	13,812	182,304	170,569	25,547
Sheriff	127	-	-	127
Infraction Judgements	12,930	147,946	148,410	12,466
Inheritance Tax	301,707	1,084,520	1,280,459	105,768
Homestead Credit (Local Option)	81,248	2,116,354	2,052,016	145,586
Treasurer	1,524,326	42,641,655	43,045,174	1,120,807
Probation Department Agency	11,229	171,240	172,384	10,085
Payroll	250,185	7,385,258	7,414,984	220,459
Sheriff's Inmate Trust	11,186	857,622	856,638	12,170
Special Death Benefit	565	5,735	5,845	455
Park And Recreation Agency	50	28,691	28,691	50
Mortgage Fees-State Share	-	3,470	3,470	-
Homestead Credit Rebate	554	-	-	554
Hea 1001-State Hcf Fund	13,845	432,719	423,376	23,188
Tax Distribution	340	40,539,139	40,539,131	348
Common School Trust	1,064	-	-	1,064
Retirement-Under 65	2,753	20,039	20,883	1,909
Medicare Supp Retirement	5,381	20,068	20,446	5,003
Excess Levy Fund	-	32,636	-	32,636
Golf Course Agency	2,016	249,432	249,432	2,016
Food And Beverage	-	497,706	497,058	648
Probation Interstate Fee	-	390	390	-
County Health Department	200	144,529	144,529	200
Totals	\$ 16,581,866	\$ 134,298,557	\$ 134,035,600	\$ 16,844,823

The notes to the financial statement(s) is an integral part of this statement.

HENRY COUNTY
NOTES TO FINANCIAL STATEMENT(S)

Note 1. 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 some or all of 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 accompanying financial statement(s) present(s) the financial information for the County (primary government), and does not include financial information for any of the County's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the County (primary government).

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), 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 regulatory 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.

C. Cash and Investments

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

D. Receipts

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts may include, but are not limited to, the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the County.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

HENRY COUNTY
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the County.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees which are comprised mostly of charges for current services.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements may include, but are not limited to, the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the County. It includes all expenditures for the reduction of the principal and interest of the County's general obligation indebtedness.

HENRY COUNTY
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The County may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the County. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the County. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the County submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the County in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

HENRY COUNTY
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the County to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

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

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the County to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the County by recording as a disbursement and replacement items purchased.

Note 6. Pension Plan(s)

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is 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 this 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 members' contributions, set by state statute at 3 percent 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. That 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

HENRY COUNTY
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

B. County Police Retirement Plan

Plan Description

The County Police Retirement Plan 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

The contribution requirements of plan members for the County Police Retirement Plan are established by state statute.

C. County Police Benefit Plan

Plan Description

The County Police Benefit Plan 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

The contribution requirements of plan members for the County Police Benefit Plan are established by state statute.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Henry County's Annual Report(s) can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

HENRY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

	General	Local Road And Street	Accident Report	Firearms Training	Health	Alcohol And Drug Services	Emergency Medical Services/Ambulance
Cash and investments - beginning	\$ 97,050	\$ 109,123	\$ 161	\$ 39,699	\$ 1,763	\$ 13,712	\$ 145,812
Receipts:							
Taxes	5,564,592	-	-	-	478,467	-	-
Licenses and permits	-	-	-	-	83,926	-	-
Intergovernmental	995,195	-	-	-	4,381	-	-
Charges for services	4,551,296	-	1,249	18,476	46,118	-	141,882
Fines and forfeits	308,743	-	-	-	-	32,269	-
Other receipts	650,714	419,720	-	-	-	-	1,225,491
Total receipts	<u>12,070,540</u>	<u>419,720</u>	<u>1,249</u>	<u>18,476</u>	<u>612,892</u>	<u>32,269</u>	<u>1,367,373</u>
Disbursements:							
Personal services	6,962,805	-	-	-	574,244	-	-
Supplies	278,909	-	-	-	-	-	-
Other services and charges	3,666,968	-	-	-	2,055	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	220,274	397,173	-	-	-	-	-
Other disbursements	305,176	-	1,177	31,299	-	25,905	1,464,980
Total disbursements	<u>11,434,132</u>	<u>397,173</u>	<u>1,177</u>	<u>31,299</u>	<u>576,299</u>	<u>25,905</u>	<u>1,464,980</u>
Excess (deficiency) of receipts over disbursements	<u>636,408</u>	<u>22,547</u>	<u>72</u>	<u>(12,823)</u>	<u>36,593</u>	<u>6,364</u>	<u>(97,607)</u>
Cash and investments - ending	<u>\$ 733,458</u>	<u>\$ 131,670</u>	<u>\$ 233</u>	<u>\$ 26,876</u>	<u>\$ 38,356</u>	<u>\$ 20,076</u>	<u>\$ 48,205</u>

HENRY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Donations	Law Enforcement Continuing Ed	Motor Vehicle Inspection	Clerk's Records Perpetuation	Electronic Map Generation	Emergency Telephone System	Drug Free Community
Cash and investments - beginning	\$ 14,415	\$ 1,847	\$ 1,730	\$ 18,241	\$ 2,189	\$ 108,920	\$ 53,727
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	274,373	-
Fines and forfeits	-	1,441	1,365	10,005	-	-	53,367
Other receipts	17,198	1,205	-	-	138	1,264	-
Total receipts	17,198	2,646	1,365	10,005	138	275,637	53,367
Disbursements:							
Personal services	-	-	-	-	-	214,349	-
Supplies	-	-	-	-	-	2,828	-
Other services and charges	-	-	-	-	-	66,797	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	9,382	-
Other disbursements	16,099	1,661	2,493	5,650	214	62,500	53,726
Total disbursements	16,099	1,661	2,493	5,650	214	355,856	53,726
Excess (deficiency) of receipts over disbursements	1,099	985	(1,128)	4,355	(76)	(80,219)	(359)
Cash and investments - ending	\$ 15,514	\$ 2,832	\$ 602	\$ 22,596	\$ 2,113	\$ 28,701	\$ 53,368

HENRY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Drainage Maintenance	Emergency Planning/Right To Know	Convention And Tourism	Highway	Property Reassessment	Prosecutor Title Iv-D #1	Juvenile Probation Service
Cash and investments - beginning	\$ 200,382	\$ 25,471	\$ 1,150	\$ 416,872	\$ 7,676	\$ 19,085	\$ 114,687
Receipts:							
Taxes	-	-	58,855	-	196,855	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	28,878	-	-	2,145,615	20,777	-	-
Charges for services	-	-	-	20,000	-	-	14,211
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	329,217	-	-	39,922	-	-	-
Total receipts	<u>358,095</u>	<u>-</u>	<u>58,855</u>	<u>2,205,537</u>	<u>217,632</u>	<u>-</u>	<u>14,211</u>
Disbursements:							
Personal services	-	-	-	1,534,452	17,357	-	28,340
Supplies	-	-	-	271,570	6,616	-	-
Other services and charges	-	3,360	-	187,067	161,225	-	500
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	174,266	36,200	-	-
Other disbursements	250,743	-	60,005	-	-	-	-
Total disbursements	<u>250,743</u>	<u>3,360</u>	<u>60,005</u>	<u>2,167,355</u>	<u>221,398</u>	<u>-</u>	<u>28,840</u>
Excess (deficiency) of receipts over disbursements	<u>107,352</u>	<u>(3,360)</u>	<u>(1,150)</u>	<u>38,182</u>	<u>(3,766)</u>	<u>-</u>	<u>(14,629)</u>
Cash and investments - ending	<u>\$ 307,734</u>	<u>\$ 22,111</u>	<u>\$ -</u>	<u>\$ 455,054</u>	<u>\$ 3,910</u>	<u>\$ 19,085</u>	<u>\$ 100,058</u>

HENRY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Adult Probation Services	Criminal Justice - Federal	Recorder's Records Perpetuation	User Fee	Health Maintenance	Comm Corrections - Home Detention	Pretrial Diversion
Cash and investments - beginning	\$ 59,206	\$ 112,680	\$ 52,170	\$ 3,010	\$ 44,260	\$ 36,065	\$ 52,243
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	75,575	-	-	33,139	301,587	-
Charges for services	150,351	-	56,935	-	56,060	-	49,309
Fines and forfeits	-	-	-	3,116	-	-	-
Other receipts	-	59,566	7,808	-	788	-	-
Total receipts	<u>150,351</u>	<u>135,141</u>	<u>64,743</u>	<u>3,116</u>	<u>89,987</u>	<u>301,587</u>	<u>49,309</u>
Disbursements:							
Personal services	152,856	-	-	-	11,163	-	459
Supplies	-	-	-	-	26,974	-	-
Other services and charges	14,890	-	-	-	17,382	-	19,753
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	38	88,027	48,172	6,126	-	323,570	-
Total disbursements	<u>167,784</u>	<u>88,027</u>	<u>48,172</u>	<u>6,126</u>	<u>55,519</u>	<u>323,570</u>	<u>20,212</u>
Excess (deficiency) of receipts over disbursements	<u>(17,433)</u>	<u>47,114</u>	<u>16,571</u>	<u>(3,010)</u>	<u>34,468</u>	<u>(21,983)</u>	<u>29,097</u>
Cash and investments - ending	<u>\$ 41,773</u>	<u>\$ 159,794</u>	<u>\$ 68,741</u>	<u>\$ -</u>	<u>\$ 78,728</u>	<u>\$ 14,082</u>	<u>\$ 81,340</u>

HENRY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Court Appointed Special Advocate	Plat Book	Misdemeanant	Supplemental Public Defender Svc	Surveyor's Corner Perpetuation	Jury Pay	Park Donation
Cash and investments - beginning	\$ 29,928	\$ 38,097	\$ 16,076	\$ 605	\$ 21,929	\$ 28,861	\$ 5,789
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	50,012	-	34,378	-	-	-	-
Charges for services	-	9,958	-	6,102	8,765	-	-
Fines and forfeits	1,250	-	-	263	-	10,837	-
Other receipts	33,200	-	6	-	-	366	2,949
Total receipts	84,462	9,958	34,384	6,365	8,765	11,203	2,949
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	29,480	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	70,522	36,791	-	5,610	-	14,768	6,345
Total disbursements	70,522	36,791	29,480	5,610	-	14,768	6,345
Excess (deficiency) of receipts over disbursements	13,940	(26,833)	4,904	755	8,765	(3,565)	(3,396)
Cash and investments - ending	\$ 43,868	\$ 11,264	\$ 20,980	\$ 1,360	\$ 30,694	\$ 25,296	\$ 2,393

HENRY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	H1N1 Vaccine Grant	Naccho Health Grant	Rainy Day	Inmate Medical	Sheriff's Commissary	Community Corrections	Dare
Cash and investments - beginning	\$ 410	\$ 17	\$ 853,825	\$ 4,453	\$ 54,324	\$ 878,077	\$ 12,941
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	93,602	4,999	494,196	-	-	-	-
Charges for services	-	-	-	-	206,959	-	-
Fines and forfeits	-	-	-	-	-	255,622	-
Other receipts	1,518	-	1,785	5,160	-	41	16,137
Total receipts	95,120	4,999	495,981	5,160	206,959	255,663	16,137
Disbursements:							
Personal services	-	-	733,988	-	-	-	-
Supplies	-	-	1,132	-	-	-	-
Other services and charges	-	-	155,755	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	32,986	-	-	-	-
Other disbursements	47,738	4,441	-	-	186,351	227,942	16,795
Total disbursements	47,738	4,441	923,861	-	186,351	227,942	16,795
Excess (deficiency) of receipts over disbursements	47,382	558	(427,880)	5,160	20,608	27,721	(658)
Cash and investments - ending	\$ 47,792	\$ 575	\$ 425,945	\$ 9,613	\$ 74,932	\$ 905,798	\$ 12,283

HENRY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Tobacco Settlement	Identification Security Protection	Collection Agency Fees	Prosecutor Title Iv-D #2	Clerk Title Iv-D #2	Drug Task Force	Redevelopment Commission
Cash and investments - beginning	\$ 12,154	\$ 25,685	\$ 228	\$ 75,939	\$ 129,301	\$ 3,420	\$ 55,499
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	26,384	-	-	-	-	-	-
Charges for services	-	-	-	33,013	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	4,087	14,224	3,508	-	21,943	4,035	82,039
Total receipts	<u>30,471</u>	<u>14,224</u>	<u>3,508</u>	<u>33,013</u>	<u>21,943</u>	<u>4,035</u>	<u>82,039</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	3,616	-	-	-	-	-	-
Other services and charges	18,590	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	3,258	-	-	-	-	-	-
Other disbursements	-	-	3,507	20,893	141,611	2,149	88,297
Total disbursements	<u>25,464</u>	<u>-</u>	<u>3,507</u>	<u>20,893</u>	<u>141,611</u>	<u>2,149</u>	<u>88,297</u>
Excess (deficiency) of receipts over disbursements	<u>5,007</u>	<u>14,224</u>	<u>1</u>	<u>12,120</u>	<u>(119,668)</u>	<u>1,886</u>	<u>(6,258)</u>
Cash and investments - ending	<u>\$ 17,161</u>	<u>\$ 39,909</u>	<u>\$ 229</u>	<u>\$ 88,059</u>	<u>\$ 9,633</u>	<u>\$ 5,306</u>	<u>\$ 49,241</u>

HENRY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Wheel Tax Fund	Surtax Fund	Assessor Sales Disclosure Fund	Co Police Pension Trust	Adventure Program Fee Fund	Community Transition Program	Youth Center Fund
Cash and investments - beginning	\$ 400	\$ -	\$ 21,549	\$ 2,350	\$ 30,971	\$ 17,220	\$ 148,831
Receipts:							
Taxes	99,847	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	23,589	-
Charges for services	-	-	-	-	-	-	572,952
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	1,121,404	5,315	-	-	-	3,470
Total receipts	99,847	1,121,404	5,315	-	-	23,589	576,422
Disbursements:							
Personal services	-	-	1,288	-	-	-	542,573
Supplies	-	-	2,119	-	-	-	12,582
Other services and charges	-	-	2,368	-	-	7,599	105,834
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	2,300	-	-	763	-
Other disbursements	99,987	1,121,404	5,424	-	-	2,935	64,264
Total disbursements	99,987	1,121,404	13,499	-	-	11,297	725,253
Excess (deficiency) of receipts over disbursements	(140)	-	(8,184)	-	-	12,292	(148,831)
Cash and investments - ending	\$ 260	\$ -	\$ 13,365	\$ 2,350	\$ 30,971	\$ 29,512	\$ -

HENRY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Henry Co Youth League	Youth Center Food Program	Lohut Fund	Bio-Terrorism-Health Dept	Safe Kids Fund	Health Dept Donation Fund	Haz-Mat Fund
Cash and investments - beginning	\$ -	\$ 24,192	\$ 38,075	\$ 708	\$ 1,483	\$ 76	\$ 6,232
Receipts:							
Taxes	-	-	76,510	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	19,714	858,098	14,349	1,800	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	2,000	3,052	-	-	540	3	-
Total receipts	<u>2,000</u>	<u>22,766</u>	<u>934,608</u>	<u>14,349</u>	<u>2,340</u>	<u>3</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	872,202	-	-	-	-
Other disbursements	-	45,694	-	14,610	2,560	71	283
Total disbursements	<u>-</u>	<u>45,694</u>	<u>872,202</u>	<u>14,610</u>	<u>2,560</u>	<u>71</u>	<u>283</u>
Excess (deficiency) of receipts over disbursements	<u>2,000</u>	<u>(22,928)</u>	<u>62,406</u>	<u>(261)</u>	<u>(220)</u>	<u>(68)</u>	<u>(283)</u>
Cash and investments - ending	<u>\$ 2,000</u>	<u>\$ 1,264</u>	<u>\$ 100,481</u>	<u>\$ 447</u>	<u>\$ 1,263</u>	<u>\$ 8</u>	<u>\$ 5,949</u>

HENRY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Haz-Mat Response Team Grant	Memorial Park Fund	Golf Course General Fund	Alter. Dispute Resolution-Sup I	Child Advocacy Fund	Airport Projects Fund	Drug Force Forfeiture
Cash and investments - beginning	\$ 105	\$ 9,227	\$ 129,113	\$ 29,607	\$ 1,350	\$ 26,547	\$ 25,119
Receipts:							
Taxes	-	514,680	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	17,603	-	-	-	58,394	-
Charges for services	-	28,751	261,441	-	-	-	-
Fines and forfeits	-	-	-	6,518	400	-	-
Other receipts	-	801	40	-	-	85	-
Total receipts	-	561,835	261,481	6,518	400	58,479	-
Disbursements:							
Personal services	-	319,529	-	-	-	-	-
Supplies	-	36,348	-	-	-	-	-
Other services and charges	-	170,370	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	12,881	-	-	-	76,761	-
Other disbursements	-	-	262,457	3,722	-	-	10,523
Total disbursements	-	539,128	262,457	3,722	-	76,761	10,523
Excess (deficiency) of receipts over disbursements	-	22,707	(976)	2,796	400	(18,282)	(10,523)
Cash and investments - ending	\$ 105	\$ 31,934	\$ 128,137	\$ 32,403	\$ 1,750	\$ 8,265	\$ 14,596

HENRY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Probation Incentive Grant	Federal Share-iv-D Distribution	Family Court Project Fund	Family Court Grant	Young Women Program/Just Us	Lep Sub-Grant	Responder Equipment Sub-Grant
Cash and investments - beginning	\$ 1,582	\$ -	\$ 3,519	\$ 1,150	\$ 12,649	\$ 69	\$ 136
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	13,000	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	43,146	-	-	-	-	-
Total receipts	-	43,146	13,000	-	-	-	-
Disbursements:							
Personal services	-	-	-	-	5,626	-	-
Supplies	-	-	-	-	2,279	-	-
Other services and charges	-	-	-	-	458	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	43,146	10,144	-	-	-	-
Total disbursements	-	43,146	10,144	-	8,363	-	-
Excess (deficiency) of receipts over disbursements	-	-	2,856	-	(8,363)	-	-
Cash and investments - ending	<u>\$ 1,582</u>	<u>\$ -</u>	<u>\$ 6,375</u>	<u>\$ 1,150</u>	<u>\$ 4,286</u>	<u>\$ 69</u>	<u>\$ 136</u>

HENRY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Shsg-Homeland Security	Juvenile Programs-Probation	Sheriff Emergency/Medical	Sex & Violent Offender Fund	Health Dept Grant Fund	Dui Impact Fund	E-911 City Reimbursement
Cash and investments - beginning	\$ 30	\$ 5,379	\$ 3,836	\$ 5,462	\$ 10,756	\$ 15,261	\$ 25,974
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	3,770	-	7,215	-
Other receipts	-	-	3,280	182	2,000	6	188,265
Total receipts	-	-	3,280	3,952	2,000	7,221	188,265
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	9,259	12,128	4,057	214,030
Total disbursements	-	-	-	9,259	12,128	4,057	214,030
Excess (deficiency) of receipts over disbursements	-	-	3,280	(5,307)	(10,128)	3,164	(25,765)
Cash and investments - ending	\$ 30	\$ 5,379	\$ 7,116	\$ 155	\$ 628	\$ 18,425	\$ 209

HENRY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Henry County E-911 Wireless	Ema Fire Training/Infrastructure	Redevelopment Debt Service	Redevelopment Capital Projects	Treasurer Technology Fund	Sup li Supplemental Pd
Cash and investments - beginning	\$ 62,237	\$ 2,942	\$ 672,832	\$ 625,183	\$ -	\$ 6,616
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	192,268	2,773	-	160,338	-	-
Charges for services	-	-	-	-	900	-
Fines and forfeits	-	-	-	-	-	15,775
Other receipts	1,365	-	463,257	-	-	-
Total receipts	<u>193,633</u>	<u>2,773</u>	<u>463,257</u>	<u>160,338</u>	<u>900</u>	<u>15,775</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	234,996	5,706	1,021,861	108,469	-	14,540
Total disbursements	<u>234,996</u>	<u>5,706</u>	<u>1,021,861</u>	<u>108,469</u>	<u>-</u>	<u>14,540</u>
Excess (deficiency) of receipts over disbursements	<u>(41,363)</u>	<u>(2,933)</u>	<u>(558,604)</u>	<u>51,869</u>	<u>900</u>	<u>1,235</u>
Cash and investments - ending	<u>\$ 20,874</u>	<u>\$ 9</u>	<u>\$ 114,228</u>	<u>\$ 677,052</u>	<u>\$ 900</u>	<u>\$ 7,851</u>

HENRY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Ema Donation Fund	Enhanced Access Fund	Arra Prosecutor Incentive Fund	Health Dept Enforcement Fund	Arra Clerk Incentive Fund	Park Community Foundation Grant
Cash and investments - beginning	\$ 6,956	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	13,589	-	75,617	27,258
Charges for services	-	1,678	-	1,650	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>1,678</u>	<u>13,589</u>	<u>1,650</u>	<u>75,617</u>	<u>27,258</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	8,684	16,793
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,684</u>	<u>16,793</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>1,678</u>	<u>13,589</u>	<u>1,650</u>	<u>66,933</u>	<u>10,465</u>
Cash and investments - ending	<u>\$ 6,956</u>	<u>\$ 1,678</u>	<u>\$ 13,589</u>	<u>\$ 1,650</u>	<u>\$ 66,933</u>	<u>\$ 10,465</u>

HENRY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Hea 1001/2007-2008 Ptrc&Hmst	Eecbg Grant	Disaster Recovery Grant	Pace Forfeiture Fund	Pace Grant-Cji	Jag 10K Grant -Cji
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	145,452	86,280	55,536	-	190,029	7,300
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	30,980	-	-
Total receipts	<u>145,452</u>	<u>86,280</u>	<u>55,536</u>	<u>30,980</u>	<u>190,029</u>	<u>7,300</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	145,452	86,280	55,536	-	187,203	7,300
Total disbursements	<u>145,452</u>	<u>86,280</u>	<u>55,536</u>	<u>-</u>	<u>187,203</u>	<u>7,300</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,980</u>	<u>2,826</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,980</u>	<u>\$ 2,826</u>	<u>\$ -</u>

HENRY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Rural Correctional Grant	Ema-Let Gis/07 Grant	Ema/Community Foundation Grant	Ema Web Gis #2	Sema Fund	Food And Beverage Debt Service
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,954,115
Receipts:						
Taxes	-	-	-	-	-	493,519
Licenses and permits	-	-	-	-	-	-
Intergovernmental	230,706	14,894	1,250	3,487	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	3,883	3,187
Total receipts	<u>230,706</u>	<u>14,894</u>	<u>1,250</u>	<u>3,487</u>	<u>3,883</u>	<u>496,706</u>
Disbursements:						
Personal services	221,292	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	582	3,926	-	-	-	264,630
Total disbursements	<u>221,874</u>	<u>3,926</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>264,630</u>
Excess (deficiency) of receipts over disbursements	<u>8,832</u>	<u>10,968</u>	<u>1,250</u>	<u>3,487</u>	<u>3,883</u>	<u>232,076</u>
Cash and investments - ending	<u>\$ 8,832</u>	<u>\$ 10,968</u>	<u>\$ 1,250</u>	<u>\$ 3,487</u>	<u>\$ 3,883</u>	<u>\$ 2,186,191</u>

HENRY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Debt Service - Other	Cumulative Capital Development	Cumulative Bridge	General Drain Improvement	E-911 Bond Fund	National Road Heritage Trail
Cash and investments - beginning	\$ 146,536	\$ 230	\$ 592,068	\$ 101,076	\$ 2,975	\$ -
Receipts:						
Taxes	1,103,208	224,196	311,688	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	116,438	23,663	286,776	-	-	33,480
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	34,705	-	83,584	-	-
Total receipts	<u>1,219,646</u>	<u>282,564</u>	<u>598,464</u>	<u>83,584</u>	<u>-</u>	<u>33,480</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	245,054	-	-	-	-
Debt service - principal and interest	1,366,182	-	-	-	-	-
Capital outlay	-	-	256,905	-	-	-
Other disbursements	-	-	-	146,894	-	25,600
Total disbursements	<u>1,366,182</u>	<u>245,054</u>	<u>256,905</u>	<u>146,894</u>	<u>-</u>	<u>25,600</u>
Excess (deficiency) of receipts over disbursements	<u>(146,536)</u>	<u>37,510</u>	<u>341,559</u>	<u>(63,310)</u>	<u>-</u>	<u>7,880</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 37,740</u>	<u>\$ 933,627</u>	<u>\$ 37,766</u>	<u>\$ 2,975</u>	<u>\$ 7,880</u>

HENRY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Self-Insurance	Sheriff's Pension	Congressional School Principal	City And Town Court Costs	Congressional School Interest	Clerk's Trust
Cash and investments - beginning	\$ 490,800	\$ 4,220,975	\$ 21,969	\$ -	\$ 20,060	\$ 516,283
Receipts:						
Taxes	-	376,241	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	9,144	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	3,784,324	377,011	-	10,811	-	4,369,854
Total receipts	<u>3,793,468</u>	<u>753,252</u>	<u>-</u>	<u>10,811</u>	<u>-</u>	<u>4,369,854</u>
Disbursements:						
Personal services	-	146,203	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	119,929	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	3,775,410	10,321	-	10,811	-	4,262,458
Total disbursements	<u>3,775,410</u>	<u>276,453</u>	<u>-</u>	<u>10,811</u>	<u>-</u>	<u>4,262,458</u>
Excess (deficiency) of receipts over disbursements	<u>18,058</u>	<u>476,799</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>107,396</u>
Cash and investments - ending	<u>\$ 508,858</u>	<u>\$ 4,697,774</u>	<u>\$ 21,969</u>	<u>\$ -</u>	<u>\$ 20,060</u>	<u>\$ 623,679</u>

HENRY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Surplus Tax Sale	Tax Sale Redemption	Surplus Tax	State Fines And Forfeitures	State Sales Disclosure Fee	Overweight Vehicle Fines
Cash and investments - beginning	\$ 83,356	\$ 7,235	\$ 208,463	\$ 5,084	\$ 495	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	121,114	235,870	60,882	34,730	5,315	102
Total receipts	<u>121,114</u>	<u>235,870</u>	<u>60,882</u>	<u>34,730</u>	<u>5,315</u>	<u>102</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	71,719	225,157	113,846	35,681	5,275	102
Total disbursements	<u>71,719</u>	<u>225,157</u>	<u>113,846</u>	<u>35,681</u>	<u>5,275</u>	<u>102</u>
Excess (deficiency) of receipts over disbursements	<u>49,395</u>	<u>10,713</u>	<u>(52,964)</u>	<u>(951)</u>	<u>40</u>	<u>-</u>
Cash and investments - ending	<u>\$ 132,751</u>	<u>\$ 17,948</u>	<u>\$ 155,499</u>	<u>\$ 4,133</u>	<u>\$ 535</u>	<u>\$ -</u>

HENRY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Recorder	Sheriff	Infraction Judgements	Inheritance Tax	Homestead Credit (Local Option)	Treasurer
Cash and investments - beginning	\$ 13,812	\$ 127	\$ 12,930	\$ 301,707	\$ 81,248	\$ 1,524,326
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	182,304	-	147,946	1,084,520	2,116,354	42,641,655
Total receipts	<u>182,304</u>	<u>-</u>	<u>147,946</u>	<u>1,084,520</u>	<u>2,116,354</u>	<u>42,641,655</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	170,569	-	148,410	1,280,459	2,052,016	43,045,174
Total disbursements	<u>170,569</u>	<u>-</u>	<u>148,410</u>	<u>1,280,459</u>	<u>2,052,016</u>	<u>43,045,174</u>
Excess (deficiency) of receipts over disbursements	<u>11,735</u>	<u>-</u>	<u>(464)</u>	<u>(195,939)</u>	<u>64,338</u>	<u>(403,519)</u>
Cash and investments - ending	<u>\$ 25,547</u>	<u>\$ 127</u>	<u>\$ 12,466</u>	<u>\$ 105,768</u>	<u>\$ 145,586</u>	<u>\$ 1,120,807</u>

HENRY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Probation Department Agency	Payroll	Sheriff's Inmate Trust	Special Death Benefit	Park And Recreation Agency	Mortgage Fees-State Share
Cash and investments - beginning	\$ 11,229	\$ 250,185	\$ 11,186	\$ 565	\$ 50	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	171,240	7,385,258	857,622	5,735	28,691	3,470
Total receipts	171,240	7,385,258	857,622	5,735	28,691	3,470
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	172,384	7,414,984	856,638	5,845	28,691	3,470
Total disbursements	172,384	7,414,984	856,638	5,845	28,691	3,470
Excess (deficiency) of receipts over disbursements	(1,144)	(29,726)	984	(110)	-	-
Cash and investments - ending	\$ 10,085	\$ 220,459	\$ 12,170	\$ 455	\$ 50	\$ -

HENRY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Homestead Credit Rebate	Hea 1001-State Hcf Fund	Tax Distribution	Common School Trust	Retirement-Under 65	Medicare Supp Retirement
Cash and investments - beginning	\$ 554	\$ 13,845	\$ 340	\$ 1,064	\$ 2,753	\$ 5,381
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	432,719	40,539,139	-	20,039	20,068
Total receipts	-	432,719	40,539,139	-	20,039	20,068
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	423,376	40,539,131	-	20,883	20,446
Total disbursements	-	423,376	40,539,131	-	20,883	20,446
Excess (deficiency) of receipts over disbursements	-	9,343	8	-	(844)	(378)
Cash and investments - ending	<u>\$ 554</u>	<u>\$ 23,188</u>	<u>\$ 348</u>	<u>\$ 1,064</u>	<u>\$ 1,909</u>	<u>\$ 5,003</u>

HENRY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Excess Levy Fund	Golf Course Agency	Food And Beverage	Probation Interstate Fee	County Health Department	Totals
Cash and investments - beginning	\$ -	\$ 2,016	\$ -	\$ -	\$ 200	\$ 16,581,866
Receipts:						
Taxes	-	-	-	-	-	9,498,658
Licenses and permits	-	-	-	-	-	83,926
Intergovernmental	-	-	-	-	-	6,982,399
Charges for services	-	-	-	-	-	6,521,573
Fines and forfeits	-	-	-	-	-	711,956
Other receipts	32,636	249,432	497,706	390	144,529	110,500,045
Total receipts	32,636	249,432	497,706	390	144,529	134,298,557
Disbursements:						
Personal services	-	-	-	-	-	11,466,524
Supplies	-	-	-	-	-	644,973
Other services and charges	-	-	-	-	-	4,995,434
Debt service - principal and interest	-	-	-	-	-	1,366,182
Capital outlay	-	-	-	-	-	2,095,351
Other disbursements	-	249,432	497,058	390	144,529	113,467,136
Total disbursements	-	249,432	497,058	390	144,529	134,035,600
Excess (deficiency) of receipts over disbursements	32,636	-	648	-	-	262,957
Cash and investments - ending	\$ 32,636	\$ 2,016	\$ 648	\$ -	\$ 200	\$ 16,844,823

Henry County
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2010

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

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 267,200
Infrastructure	36,746,315
Buildings	22,651,342
Improvements other than buildings	2,533,396
Machinery and equipment	<u>13,290,648</u>
Total governmental activities, capital assets not being depreciated	<u><u>\$ 75,488,901</u></u>

Henry County
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2010

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Government Center Building	\$ 12,180,000	\$ 1,376,098
Sheriff Vehicles	47,312	39,345
Ambulances	298,757	27,910
Park (John Deere)	28,669	2,500
Highway (Vehicle)	144,937	45,013
Revenue bonds:		
E-911	344,000	180,123
Food & Beverage 2001	990,000	161,000
Refinance Industrial Park	190,000	78,494
Draper Smith	366,000	51,983
Industrial Park (TIF)	1,040,000	101,719
Food & Beverage 2004	610,000	97,446
TS Tech	2,040,311	97,901
Total governmental activities debt	<u>\$ 18,279,986</u>	<u>\$ 2,259,532</u>

HENRY COUNTY
OTHER REPORT(S)

The annual report presented herein was prepared in addition to other official report(s) prepared for the individual County office(s) listed below:

County Commissioners

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF HENRY COUNTY, INDIANA

Compliance

We have audited the compliance of the Henry County (County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2010. 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, 2010.

Internal Control Over Compliance

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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 deficiency in 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 and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

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

STATE BOARD OF ACCOUNTS

May 17, 2011

HENRY COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2010

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Pass-through Indiana Department of Education			
Child Nutrition Cluster			
National School Breakfast Program	10.553	FY 2010	\$ 7,209
National School Lunch Program	10.555	FY 2010	<u>12,505</u>
Total for federal grantor agency			<u>19,714</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Pass-through Indiana Office of Indiana Lieutenant Governor			
CDBG - State Administered Small Cities Program Cluster			
Community Development Block Grants/State's program	14.228	A192-10-DR1A-09-052	<u>55,536</u>
<u>U.S. DEPARTMENT OF INTERIOR</u>			
Pass-through Indiana Department of Natural Resources			
Fish and Wildlife Cluster			
Wildlife Restoration	15.611	2010 award	<u>273</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-through Indiana Department of Indiana Criminal Justice Institute			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	09-DJ-020 2008-DJ-BX-0018 2009-DJ-BX-0049	69,475 7,300 <u>187,203</u>
Total for program			<u>263,978</u>
Recovery Act - Assistance to Rural Law Enforcement to Combat Crime and Drugs Competitive Grant Program	16.810	2009-SD-B9-0082 ARRA	<u>222,456</u>
Total for federal grantor agency			<u>486,434</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-through Indiana Department of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction			
STP-9933	20.205	BR-9933(044)	<u>69,931</u>
Highway Safety Cluster			
Safety Belt Enforcement Grant	20.609	FY 2010	<u>6,100</u>
Direct Grant:			
Airport Improvement Program	20.106	3-18-0061-07 3-18-0061-08 3-18-0061-09	8,452 40,554 <u>18,603</u>
Total for Program			<u>67,609</u>
Total for federal grantor agency			<u>143,640</u>

The accompanying note(s) are an integral part of the Schedule of Expenditures of Federal Awards.

HENRY COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2010
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF ENERGY</u>			
Pass-through Indiana Office of Energy Development Recovery Act - State Energy Program	81.041		<u>86,280</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-through Indiana Department of Health Public Health Emergency Preparedness	93.069	400361010829010	<u>49,256</u>
Centers for Disease Control and Prevention - Investigation and Technical Assistance	93.283	BHP 132-1	<u>10,000</u>
Child Support Enforcement	93.563	A70-1-0531603	173,734
Recovery Act - Child Support Enforcement	93.563		<u>43,146</u>
Total for program			<u>216,880</u>
Pass-through Indiana Family and Social Services Community Services Block Grant Adoption Assistance	93.569	2010 Award	<u>7,500</u>
Pass-through Indiana Department of Health State Court Improvement Program	93.586	2010 Award 2011 Award	10,000 <u>144</u>
Total for program			<u>10,144</u>
National Bioterrorism Hospital Preparedness Program	93.889	2010 Award	<u>4,349</u>
Total for federal grantor agency			<u>298,129</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-through Indiana Department of Homeland Security Homeland Security Cluster Disaster Grants - Public Assistance - (Presidentially Declared Disasters)	97.036	STP-9933	<u>31,732</u>
Emergency Management Performance Grants	97.042	C44-0-283A	<u>13,000</u>
Homeland Security Grant Program	97.067	C44P-9-801A	<u>3,926</u>
Total for federal grantor agency			<u>48,658</u>
Total federal awards expended			<u>\$ 1,138,664</u>

The accompanying note(s) are an integral part of the Schedule of Expenditures of Federal Awards.

HENRY COUNTY
NOTE(S) TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Henry County (County) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Note 2. Subrecipients

Of the federal expenditures presented in the schedule, the County provided federal awards to subrecipients as follows for the year ended December 31, 2010:

Program Title	Federal CFDA Number	2010
Edward Byrne Memorial Justice Assistance Grant Program	16.738	\$ 119,909

HENRY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statements noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
16.738	Edward Byrne Memorial Justice Assistance Grant Program
16.810	Recovery Act - Assistance to Rural Law Enforcement to Combat Crime and Drugs Competitive Grant Program
81.041	Recovery Act - State Energy Program
93.563	Child Support Enforcement

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

HENRY COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable

HENRY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on May 17, 2011, with Kim L. Cronk, President of the Board of County Commissioners; Nate LaMar, President of the County Council; Patricia A. French, Auditor; and Cheryl Scales, Deputy Auditor. Our audit disclosed no material items that warrant comment at this time.