

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

ANNUAL FINANCIAL REPORT

2005

JAY COUNTY, INDIANA



FILED
7/21/06

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Freda Corwin	01-01-04 to 12-31-07
Treasurer	Frances Milthaler	01-01-05 to 12-31-08
Clerk	Jane Ann Runyon	01-01-05 to 12-31-08
Sheriff	Todd Penrod	01-01-03 to 12-31-06
Recorder	Betty St. Myers	01-01-04 to 12-31-07
President of the Board of County Commissioners	Milo M. Miller, Jr.	01-01-05 to 12-31-06
President of the County Council	Jack E. Houck Marilyn Coleman	01-01-05 to 12-31-05 01-01-06 to 12-31-06



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, and the aggregate remaining fund information of Jay County (County), as of and for the year ended December 31, 2005, 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 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 balances of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2005, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated May 22, 2006, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

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

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

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Combining Schedule of Cash Basis Assets and Fund Balances and Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances – Other Governmental Funds; Combining Schedule of Additions, Deductions, and Changes in Cash Balances – Agency Funds; Schedule of Capital Assets; and Schedule of Long-Term Debt are presented for additional analysis and are not a required part of the basic financial statements. The Combining Schedule of Cash Basis Assets and Fund Balances and Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances – Other Governmental Funds; and Combining Schedule of Additions, Deductions, and Changes in Cash Balances – Agency Funds; have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

May 22, 2006



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING 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 Jay County (County), as of and for the year ended December 31, 2005, and have issued our report thereon dated May 22, 2006. The opinion to the financial statements was qualified due to the omission of component units. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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 grants, 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 that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

STATE BOARD OF ACCOUNTS

May 22, 2006

JAY COUNTY
STATEMENT OF CASH ACTIVITIES AND NET ASSETS - CASH BASIS
For The Year Ended December 31, 2005

Functions/Programs	Disbursements	Program Receipts		Net Receipt (Disbursement and Changes in Net Assets)
		Charges for Services	Operating Grants and Contributions	
Primary government:				
Governmental activities:				
General government	\$ 4,125,909	\$ 150,826	\$ 562,060	\$ (3,413,023)
Public safety	3,483,704	609,412	241,803	(2,632,489)
Highways and streets	3,943,945	470,880	2,537,915	(935,150)
Health and welfare	1,114,184	247,856	385,024	(481,304)
Economic development	2,155,887	-	-	(2,155,887)
Stormwater drainage	639,524	353,171	-	(286,353)
Total primary government	\$ 15,463,153	\$ 1,832,145	\$ 3,726,802	(9,904,206)
General receipts:				
Property taxes				5,202,097
Income taxes				1,805,487
Vehicle excise taxes				427,647
Other taxes				130,915
Unrestricted grants				455,464
Court fines and fees				260,350
Unrestricted interest				339,055
Other general receipts				315,607
Total general receipts				8,936,622
Change in net assets				(967,584)
Net assets - beginning				11,463,239
Net assets - ending				\$ 10,495,655
 <u>Assets</u>				
Cash and cash equivalents				\$ 10,495,655
 <u>Net Assets</u>				
Restricted for:				
Public safety				\$ 1,571,088
Highways and streets				3,190,491
Health and welfare				713,270
Stormwater drainage				1,037,228
Economic development				400,310
Capital outlay				768,151
Other purposes				728,514
Unrestricted				2,086,603
Total net assets				\$ 10,495,655

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

JAY COUNTY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES AND
CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2005

	General	Highway	Economic Development Income Tax	Cumulative Bridge	Other Governmental Funds	Totals
Receipts:						
Taxes	\$ 4,276,224	\$ 64,011	\$ 631,547	\$ 479,572	\$ 1,660,290	\$ 7,111,644
Special assessments	-	5,025	-	-	801,914	806,939
Intergovernmental	639,399	2,322,968	-	46,269	1,628,133	4,636,769
Charges for services	428,640	17,112	-	-	579,454	1,025,206
Fines and forfeits	85,590	-	-	-	174,762	260,352
Other	383,294	10,336	21,906	-	239,123	654,659
Total receipts	5,813,147	2,419,452	653,453	525,841	5,083,676	14,495,569
Disbursements:						
General government	2,847,709	-	-	-	1,278,200	4,125,909
Public safety	2,026,738	-	-	-	1,456,966	3,483,704
Highways and streets	513,363	2,193,237	-	579,460	657,885	3,943,945
Health and welfare	-	-	-	-	1,114,184	1,114,184
Economic development	122,950	-	1,933,434	-	99,503	2,155,887
Stormwater drainage	217,925	-	-	-	421,599	639,524
Total disbursements	5,728,685	2,193,237	1,933,434	579,460	5,028,337	15,463,153
Excess (deficiency) of revenue over (under) disbursements	84,462	226,215	(1,279,981)	(53,619)	55,339	(967,584)
Other financing sources (uses)						
Transfers in	727,453	-	36,771	-	1,894,462	2,658,686
Transfers out	(1,084,929)	(16,056)	(47,040)	(6,621)	(1,504,040)	(2,658,686)
Total other financing sources (uses)	(357,476)	(16,056)	(10,269)	(6,621)	390,422	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(273,014)	210,159	(1,290,250)	(60,240)	445,761	(967,584)
Cash basis fund balance - beginning	2,052,417	858,805	1,562,336	1,456,536	5,533,145	11,463,239
Cash basis fund balance - ending	<u>\$ 1,779,403</u>	<u>\$ 1,068,964</u>	<u>\$ 272,086</u>	<u>\$ 1,396,296</u>	<u>\$ 5,978,906</u>	<u>\$ 10,495,655</u>
Cash Basis Assets - December 31						
Cash and cash equivalents	<u>\$ 1,779,403</u>	<u>\$ 1,068,964</u>	<u>\$ 272,086</u>	<u>\$ 1,396,296</u>	<u>5,978,906</u>	<u>\$ 10,495,655</u>
Cash Basis Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 1,571,088	\$ 1,571,088
Highways and streets	-	1,068,964	-	1,396,296	725,231	3,190,491
Health and welfare	-	-	-	-	713,270	713,270
Stormwater drainage	-	-	-	-	1,037,228	1,037,228
Economic development	-	-	272,086	-	128,224	400,310
Capital outlay	-	-	-	-	768,151	768,151
Other purposes	-	-	-	-	728,514	728,514
Unrestricted	1,779,403	-	-	-	307,200	2,086,603
Total cash basis fund balance - December 31	<u>\$ 1,779,403</u>	<u>\$ 1,068,964</u>	<u>\$ 272,086</u>	<u>\$ 1,396,296</u>	<u>\$ 5,978,906</u>	<u>\$ 10,495,655</u>

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

JAY COUNTY
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH BALANCES
FIDUCIARY FUNDS
For The Year Ended December 31, 2005

	Pension Trust Fund	Private-Purpose Trust Fund	Agency Funds
Additions:			
Contributions:			
Employer	\$ 128,658	\$ -	\$ -
Plan members	12,066	-	-
Total contributions	140,724	-	-
Investment earnings:			
Net increase in fair value of investments	78,367	-	-
Interest	33,374	-	-
Dividends	4,412	-	-
Total investment earnings	116,153	-	-
Agency fund additions	-	-	54,396,203
Total additions	256,877	-	54,396,203
Deductions:			
Benefits	19,581	-	-
Refunds of contributions	6,215	-	-
Administrative and general	27,904	-	-
Insurance premiums	2,347	-	-
Agency fund deductions	-	-	54,275,554
Total deductions	56,047	-	54,275,554
Excess of total additions over total deductions	200,830	-	120,649
Cash and cash equivalents - beginning	1,090,789	22,822	775,901
Cash and cash equivalents - ending	\$ 1,291,619	\$ 22,822	\$ 896,550

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 and emergency medical service), highways and streets, health welfare and social services, public improvements, planning and zoning, and general administrative services.

The County's financial reporting entity is composed of the County only.

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

The Jay County Hospital and the Jay County Solid Waste Management District have been omitted from 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 Basis display information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

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

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

The economic development income tax fund accounts for activities promoting economic development.

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

JAY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Additionally, the County reports the following fund types:

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

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

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

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash 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 basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

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

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

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

D. Assets and Cash Fund Balances

1. Cash and Cash Equivalents

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less.

2. Long-Term Debt

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

JAY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

3. 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 (2) law through constitutional provisions or enabling legislations.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

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

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

Program Receipts

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

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

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

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

JAY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

II. Stewardship, Compliance and Accountability

Budgetary Information

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

On or before August 31, the fiscal officer of the County submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the County receives approval of the Indiana Department of Local Government Finance.

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

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the County'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. At December 31, 2005, the bank balance held at Mainsource Bank in the amount of \$1,289,987 was collateralized with securities held by the pledging financial institution's trust department but not in the depositor-County's name. The remaining bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13. As of December 31, 2005, the County had the following investments:

JAY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Investment Type	Market Value
U.S. treasuries and securities	\$ 224,064
U.S. agencies	105,496
Mutual funds	71,882
Corporate equity	837,066
Corporate bonds	30,346
Total	\$ 1,268,854

Investment Policies

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

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

Additionally, the County may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the County's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The County does not have a formal investment policy for custodial credit risk for investments. At December 31, 2005, the County

JAY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

held investments in corporate stocks and bonds, U.S. Treasury bills and notes, U.S. agencies' bonds, and mutual funds, with a total market value of \$1,325,861. All of these investments were held by the counterparty's trust department but not in the County's name.

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.

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
U.S. treasuries and securities	\$ 70,673	\$ 71,490	\$ 81,901
U.S. agencies	6,954	49,710	48,832
Corporate bonds	8,927	-	21,419
Totals	<u>\$ 86,554</u>	<u>\$ 121,200</u>	<u>\$ 152,152</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.

Standard and Poor's Rating	County's Investments		
	Mutual Funds	Corporate Bonds	Government Sponsored Enterprise
AAA	\$ -	\$ -	\$ 105,496
AA	-	3,921	-
A+	-	15,719	-
Unrated	71,882	10,705	-
Totals	<u>\$ 71,882</u>	<u>\$ 30,345</u>	<u>\$ 105,496</u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

Foreign Currency Risk

The County does not have a formal policy in regards to foreign currency risk. There were no investments in foreign currency.

JAY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2005, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2005</u>
General Fund	Nonmajor Governmental Funds	\$ 1,084,929
Highway Fund	Nonmajor Governmental Funds	16,056
Economic Development Income Tax Fund	Nonmajor Governmental Funds	47,040
Cumulative Bridge Fund	Nonmajor Governmental Funds	6,621
Nonmajor Governmental Funds	General Fund	727,453
Nonmajor Governmental Funds	Economic Development Income Tax Fund	36,771
Nonmajor Governmental Funds	All Others	<u>739,816</u>
Total		<u>\$ 2,658,686</u>

The County typically uses transfers to fund ongoing operating subsidies and to correct posting errors.

IV. Other Information

A. Risk Management

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

B. Administration of Welfare Programs

The County is required to provide certain funding for administrative costs of welfare programs, the Hospital Care for 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.

JAY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Pension Plans

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

1. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

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

2. County Police Retirement Plan

Plan Description

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

JAY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy and Annual Pension Cost

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

3. County Police Benefit Plan

Plan Description

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

Funding Policy and Annual Pension Cost

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

Actuarial Information for the Above Plans

	<u>PERF</u>	<u>County Police Retirement Plan</u>	<u>County Police Benefit Plan</u>
Annual required contribution	\$ 173,541	\$ 111,687	\$ 8,524
Interest on net pension obligation	675	1,934	-
Adjustment to annual required contribution	<u>(770)</u>	<u>(2,777)</u>	<u>-</u>
Annual pension cost	173,446	110,844	8,524
Contributions made	<u>166,110</u>	<u>120,134</u>	<u>8,524</u>
Increase (decrease) in net pension obligation	7,336	(9,290)	-
Net pension obligation, beginning of year	<u>9,315</u>	<u>27,633</u>	<u>-</u>
Net pension obligation, end of year	<u>\$ 16,651</u>	<u>\$ 18,343</u>	<u>\$ -</u>

JAY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

	PERF	County Police Retirement Plan	County Police Benefit Plan
Contribution rates:			
Government	5.25%	30%	3%
Plan members	3%	6%	6%
Actuarial valuation date	07-01-05	01-01-06	01-01-06
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed
Amortization period	40 years	40 years	40 years
Amortization period (from date)	07-01-97	12-31-97	12-31-97
Asset valuation method	4 year smoothed market	4 year smoothed market	4 year smoothed market

Actuarial Assumptions

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

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-03	\$ 188,998	57%	\$ (33,097)
	06-30-04	169,166	75%	9,315
	06-30-05	173,446	98%	16,651
County Police Retirement Plan	12-31-03	114,155	99%	37,762
	12-31-04	112,126	109%	27,633
	12-31-05	110,844	108%	18,343
County Police Benefit Plan	12-31-03	10,057	100%	0
	12-31-04	9,047	100%	0
	12-31-05	8,524	100%	0

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)
07-01-03	\$ 2,956,466	\$ 3,271,338	\$ (314,872)	90%	\$ 3,169,745	(10%)
07-01-04	2,980,320	3,291,779	(311,459)	91%	3,197,229	(10%)
07-01-05	3,113,687	3,945,162	(831,475)	79%	3,419,390	(24%)

Sheriff's 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)
01-01-01	\$ 681,732	\$ 1,003,760	\$ (322,028)	68%	\$ 372,651	(86%)
01-01-02	730,094	1,038,216	(308,122)	70%	389,294	(79%)
01-01-03	800,324	1,105,569	(305,245)	72%	396,973	(77%)
01-01-04	923,046	1,221,582	(298,536)	76%	394,963	(76%)
01-01-05	1,047,588	1,326,700	(279,112)	79%	400,944	(70%)
01-01-06	1,234,272	1,534,156	(299,884)	80%	409,143	(73%)

JAY COUNTY
 COMBINING SCHEDULE OF CASH BASIS ASSETS AND FUND BALANCES AND
 CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005

	Excess Levy	Surveyor's Corner Perpetuation	Property Reassessment	Clerk's Record Retention	Administrative Fee	Recorder's Records Perpetuation	Plat Book
Receipts:							
Taxes	\$ -	\$ -	\$ 99,085	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	-	-	9,559	-	-	-	-
Charges for services	-	5,040	-	-	-	31,285	5,863
Fines and forfeits	-	-	-	3,836	12,767	-	-
Other	4,674	-	4,987	-	-	-	-
Total receipts	4,674	5,040	113,631	3,836	12,767	31,285	5,863
Disbursements:							
General government	-	-	66,629	3,388	-	17,547	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Stormwater drainage	-	9,422	-	-	-	-	-
Total disbursements	-	9,422	66,629	3,388	-	17,547	-
Excess (deficiency) of revenue over (under) disbursements	4,674	(4,382)	47,002	448	12,767	13,738	5,863
Other financing sources (uses)							
Transfers in	58,592	-	-	-	-	-	-
Transfers out	-	-	(6,687)	-	-	-	-
Total other financing sources (uses)	58,592	-	(6,687)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	63,266	(4,382)	40,315	448	12,767	13,738	5,863
Cash basis fund balance - beginning	-	32,538	291,953	8,745	13,457	122,489	45,035
Cash basis fund balance - ending	<u>\$ 63,266</u>	<u>\$ 28,156</u>	<u>\$ 332,268</u>	<u>\$ 9,193</u>	<u>\$ 26,224</u>	<u>\$ 136,227</u>	<u>\$ 50,898</u>
Cash Basis Assets - December 31							
Cash and cash equivalents	<u>\$ 63,266</u>	<u>\$ 28,156</u>	<u>\$ 332,268</u>	<u>\$ 9,193</u>	<u>\$ 26,224</u>	<u>\$ 136,227</u>	<u>\$ 50,898</u>
Cash Basis Fund Balance - December 31							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Stormwater drainage	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other purposes	-	28,156	332,268	9,193	26,224	136,227	50,898
Unrestricted	63,266	-	-	-	-	-	-
Total cash basis fund balance - December 31	<u>\$ 63,266</u>	<u>\$ 28,156</u>	<u>\$ 332,268</u>	<u>\$ 9,193</u>	<u>\$ 26,224</u>	<u>\$ 136,227</u>	<u>\$ 50,898</u>

JAY COUNTY
 COMBINING SCHEDULE OF CASH BASIS ASSETS AND FUND BALANCES AND
 CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Electronic Map Generation	Convention and Tourism	Sales Disclosure	Cannabis/ Marijuana Eradication	Health Insurance	ALS Donations	JEMS Fund Raisers
Receipts:							
Taxes	\$ -	\$ 40,049	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	577	-	3,020	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	-	-	9,511	400	-
Total receipts	<u>577</u>	<u>40,049</u>	<u>3,020</u>	<u>-</u>	<u>9,511</u>	<u>400</u>	<u>-</u>
Disbursements:							
General government	-	-	3,815	-	517,869	-	-
Public safety	-	-	-	-	-	232	1,360
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Economic development	-	39,703	-	-	-	-	-
Stormwater drainage	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>39,703</u>	<u>3,815</u>	<u>-</u>	<u>517,869</u>	<u>232</u>	<u>1,360</u>
Excess (deficiency) of revenue over (under) disbursements	<u>577</u>	<u>346</u>	<u>(795)</u>	<u>-</u>	<u>(508,358)</u>	<u>168</u>	<u>(1,360)</u>
Other financing sources (uses)							
Transfers in	-	-	-	-	898,448	-	-
Transfers out	-	-	-	-	(520,000)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>378,448</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	<u>577</u>	<u>346</u>	<u>(795)</u>	<u>-</u>	<u>(129,910)</u>	<u>168</u>	<u>(1,360)</u>
Cash basis fund balance - beginning	<u>1,835</u>	<u>39,703</u>	<u>6,120</u>	<u>829</u>	<u>170,191</u>	<u>332</u>	<u>1,370</u>
Cash basis fund balance - ending	<u>\$ 2,412</u>	<u>\$ 40,049</u>	<u>\$ 5,325</u>	<u>\$ 829</u>	<u>\$ 40,281</u>	<u>\$ 500</u>	<u>\$ 10</u>
<u>Cash Basis Assets - December 31</u>							
Cash and cash equivalents	<u>\$ 2,412</u>	<u>\$ 40,049</u>	<u>\$ 5,325</u>	<u>\$ 829</u>	<u>\$ 40,281</u>	<u>\$ 500</u>	<u>\$ 10</u>
<u>Cash Basis Fund Balance - December 31</u>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ 829	\$ -	\$ 500	\$ 10
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Stormwater drainage	-	-	-	-	-	-	-
Economic development	-	40,049	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other purposes	2,412	-	5,325	-	40,281	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash basis fund balance - December 31	<u>\$ 2,412</u>	<u>\$ 40,049</u>	<u>\$ 5,325</u>	<u>\$ 829</u>	<u>\$ 40,281</u>	<u>\$ 500</u>	<u>\$ 10</u>

JAY COUNTY
 COMBINING SCHEDULE OF CASH BASIS ASSETS AND FUND BALANCES AND
 CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Retirement Center Donations	Court Appointed Special Advocate	Juvenile Probation Service	Adult Probation Services	Pretrial Diversion	County Forfeiture	Extradition
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	26,674	1,187	36,348	1,226	152	-
Other	187	-	-	-	-	-	-
Total receipts	<u>187</u>	<u>26,674</u>	<u>1,187</u>	<u>36,348</u>	<u>1,226</u>	<u>152</u>	<u>-</u>
Disbursements:							
General government	-	26,065	-	-	-	-	-
Public safety	-	-	-	12,684	325	-	1,392
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Stormwater drainage	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>26,065</u>	<u>-</u>	<u>12,684</u>	<u>325</u>	<u>-</u>	<u>1,392</u>
Excess (deficiency) of revenue over (under) disbursements	<u>187</u>	<u>609</u>	<u>1,187</u>	<u>23,664</u>	<u>901</u>	<u>152</u>	<u>(1,392)</u>
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	<u>187</u>	<u>609</u>	<u>1,187</u>	<u>23,664</u>	<u>901</u>	<u>152</u>	<u>(1,392)</u>
Cash basis fund balance - beginning	<u>8,489</u>	<u>16,576</u>	<u>3,766</u>	<u>103,669</u>	<u>1,676</u>	<u>10,860</u>	<u>3,620</u>
Cash basis fund balance - ending	<u>\$ 8,676</u>	<u>\$ 17,185</u>	<u>\$ 4,953</u>	<u>\$ 127,333</u>	<u>\$ 2,577</u>	<u>\$ 11,012</u>	<u>\$ 2,228</u>
<u>Cash Basis Assets - December 31</u>							
Cash and cash equivalents	<u>\$ 8,676</u>	<u>\$ 17,185</u>	<u>\$ 4,953</u>	<u>\$ 127,333</u>	<u>\$ 2,577</u>	<u>\$ 11,012</u>	<u>\$ 2,228</u>
<u>Cash Basis Fund Balance - December 31</u>							
Restricted for:							
Public safety	\$ -	\$ -	\$ 4,953	\$ 127,333	\$ 2,577	\$ 11,012	\$ 2,228
Highways and streets	-	-	-	-	-	-	-
Health and welfare	8,676	-	-	-	-	-	-
Stormwater drainage	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other purposes	-	17,185	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash basis fund balance - December 31	<u>\$ 8,676</u>	<u>\$ 17,185</u>	<u>\$ 4,953</u>	<u>\$ 127,333</u>	<u>\$ 2,577</u>	<u>\$ 11,012</u>	<u>\$ 2,228</u>

JAY COUNTY
 COMBINING SCHEDULE OF CASH BASIS ASSETS AND FUND BALANCES AND
 CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	County Corrections	Community Transition Program	Community Correction - Home Detention	Guardian Ad Litem	Local Road and Street	Health	Health Maintenance
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 151,402	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	15,597	-	-	-	214,947	15,489	26,570
Charges for services	-	-	-	-	-	27,240	1,116
Fines and forfeits	-	330	47,191	-	-	-	-
Other	-	-	-	-	-	435	421
Total receipts	15,597	330	47,191	-	214,947	194,566	28,107
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	7,602	-	21,002	-	-	-	-
Highways and streets	-	-	-	-	271,387	-	-
Health and welfare	-	-	-	-	-	176,457	32,620
Economic development	-	-	-	-	-	-	-
Stormwater drainage	-	-	-	-	-	-	-
Total disbursements	7,602	-	21,002	-	271,387	176,457	32,620
Excess (deficiency) of revenue over (under) disbursements	7,995	330	26,189	-	(56,440)	18,109	(4,513)
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	6,569
Transfers out	-	-	-	(11,350)	-	(4,786)	-
Total other financing sources (uses)	-	-	-	(11,350)	-	(4,786)	6,569
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	7,995	330	26,189	(11,350)	(56,440)	13,323	2,056
Cash basis fund balance - beginning	17,866	-	124,421	11,350	131,065	94,875	17,331
Cash basis fund balance - ending	<u>\$ 25,861</u>	<u>\$ 330</u>	<u>\$ 150,610</u>	<u>\$ -</u>	<u>\$ 74,625</u>	<u>\$ 108,198</u>	<u>\$ 19,387</u>
Cash Basis Assets - December 31							
Cash and cash equivalents	<u>\$ 25,861</u>	<u>\$ 330</u>	<u>\$ 150,610</u>	<u>\$ -</u>	<u>\$ 74,625</u>	<u>\$ 108,198</u>	<u>\$ 19,387</u>
Cash Basis Fund Balance - December 31							
Restricted for:							
Public safety	\$ 25,861	\$ 330	\$ 150,610	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	74,625	-	-
Health and welfare	-	-	-	-	-	108,198	19,387
Stormwater drainage	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash basis fund balance - December 31	<u>\$ 25,861</u>	<u>\$ 330</u>	<u>\$ 150,610</u>	<u>\$ -</u>	<u>\$ 74,625</u>	<u>\$ 108,198</u>	<u>\$ 19,387</u>

JAY COUNTY
 COMBINING SCHEDULE OF CASH BASIS ASSETS AND FUND BALANCES AND
 CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Tobacco Cessation - Prevention	Family and Children	Child Psychiatric Residential Treatment	Welfare Loan	General Drain Improvement	Backhoe/Dozer Repair and Replacement	Drainage Maintenance
Receipts:							
Taxes	\$ -	\$ 465,304	\$ 122,073	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	353,171
Intergovernmental	19,190	97,035	11,777	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	106,917	-	-	753	-	932
Total receipts	19,190	669,256	133,850	-	753	-	354,103
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	14,544	604,322	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Stormwater drainage	-	-	-	-	277,627	84,734	49,438
Total disbursements	14,544	604,322	-	-	277,627	84,734	49,438
Excess (deficiency) of revenue over (under) disbursements	4,646	64,934	133,850	-	(276,874)	(84,734)	304,665
Other financing sources (uses)							
Transfers in	-	13,173	75,458	-	263,221	69,675	-
Transfers out	(6,569)	(13,279)	(145,011)	(12,167)	(54,407)	-	(311,755)
Total other financing sources (uses)	(6,569)	(106)	(69,553)	(12,167)	208,814	69,675	(311,755)
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(1,923)	64,828	64,297	(12,167)	(68,060)	(15,059)	(7,090)
Cash basis fund balance - beginning	30,620	287,751	131,436	12,167	150,448	83,897	892,218
Cash basis fund balance - ending	<u>\$ 28,697</u>	<u>\$ 352,579</u>	<u>\$ 195,733</u>	<u>\$ -</u>	<u>\$ 82,388</u>	<u>\$ 68,838</u>	<u>\$ 885,128</u>
Cash Basis Assets - December 31							
Cash and cash equivalents	<u>\$ 28,697</u>	<u>\$ 352,579</u>	<u>\$ 195,733</u>	<u>\$ -</u>	<u>\$ 82,388</u>	<u>\$ 68,838</u>	<u>\$ 885,128</u>
Cash Basis Fund Balance - December 31							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	28,697	352,579	195,733	-	-	-	-
Stormwater drainage	-	-	-	-	82,388	68,838	885,128
Economic development	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash basis fund balance - December 31	<u>\$ 28,697</u>	<u>\$ 352,579</u>	<u>\$ 195,733</u>	<u>\$ -</u>	<u>\$ 82,388</u>	<u>\$ 68,838</u>	<u>\$ 885,128</u>

JAY COUNTY
 COMBINING SCHEDULE OF CASH BASIS ASSETS AND FUND BALANCES AND
 CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Wabash Cleanouts	Forest Land	Clerk IV-D Incentives	Prosecutor Title IV-D	Jury Fee	Ambulance Replacement	VIN Checks
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	-	-	21,964	53,865	-	-	-
Charges for services	-	-	-	-	-	-	1,071
Fines and forfeits	-	-	-	-	4,128	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>-</u>	<u>21,964</u>	<u>53,865</u>	<u>4,128</u>	<u>-</u>	<u>1,071</u>
Disbursements:							
General government	-	1,599	4,351	-	-	-	-
Public safety	-	-	-	10,419	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Stormwater drainage	378	-	-	-	-	-	-
Total disbursements	<u>378</u>	<u>1,599</u>	<u>4,351</u>	<u>10,419</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over (under) disbursements	<u>(378)</u>	<u>(1,599)</u>	<u>17,613</u>	<u>43,446</u>	<u>4,128</u>	<u>-</u>	<u>1,071</u>
Other financing sources (uses)							
Transfers in	-	-	-	711	-	14,006	-
Transfers out	-	-	-	(17,644)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,933)</u>	<u>-</u>	<u>14,006</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	<u>(378)</u>	<u>(1,599)</u>	<u>17,613</u>	<u>26,513</u>	<u>4,128</u>	<u>14,006</u>	<u>1,071</u>
Cash basis fund balance - beginning	<u>1,252</u>	<u>1,599</u>	<u>13,766</u>	<u>3,545</u>	<u>35,306</u>	<u>45,343</u>	<u>3,049</u>
Cash basis fund balance - ending	<u>\$ 874</u>	<u>\$ -</u>	<u>\$ 31,379</u>	<u>\$ 30,058</u>	<u>\$ 39,434</u>	<u>\$ 59,349</u>	<u>\$ 4,120</u>
<u>Cash Basis Assets - December 31</u>							
Cash and cash equivalents	<u>\$ 874</u>	<u>\$ -</u>	<u>\$ 31,379</u>	<u>\$ 30,058</u>	<u>\$ 39,434</u>	<u>\$ 59,349</u>	<u>\$ 4,120</u>
<u>Cash Basis Fund Balance - December 31</u>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ 30,058	\$ -	\$ 59,349	\$ 4,120
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Stormwater drainage	874	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other purposes	-	-	31,379	-	39,434	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash basis fund balance - December 31	<u>\$ 874</u>	<u>\$ -</u>	<u>\$ 31,379</u>	<u>\$ 30,058</u>	<u>\$ 39,434</u>	<u>\$ 59,349</u>	<u>\$ 4,120</u>

JAY COUNTY
 COMBINING SCHEDULE OF CASH BASIS ASSETS AND FUND BALANCES AND
 CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Supplemental Public Defender Services	Inmate Medical	Emergency Medical Service	Accident Report	Firearms Training	Drug Free Community	Drug Free
Receipts:							
Taxes	\$ -	\$ -	\$ 592,926	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	-	-	58,501	-	-	-	-
Charges for services	-	997	308,640	1,448	1,440	-	-
Fines and forfeits	2,877	-	-	-	-	16,626	-
Other	-	-	5,386	-	-	-	1,000
Total receipts	<u>2,877</u>	<u>997</u>	<u>965,453</u>	<u>1,448</u>	<u>1,440</u>	<u>16,626</u>	<u>1,000</u>
Disbursements:							
General government	1,000	-	-	-	-	-	-
Public safety	-	2,476	713,502	-	-	18,000	585
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Stormwater drainage	-	-	-	-	-	-	-
Total disbursements	<u>1,000</u>	<u>2,476</u>	<u>713,502</u>	<u>-</u>	<u>-</u>	<u>18,000</u>	<u>585</u>
Excess (deficiency) of revenue over (under) disbursements	<u>1,877</u>	<u>(1,479)</u>	<u>251,951</u>	<u>1,448</u>	<u>1,440</u>	<u>(1,374)</u>	<u>415</u>
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	(134,365)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(134,365)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	<u>1,877</u>	<u>(1,479)</u>	<u>117,586</u>	<u>1,448</u>	<u>1,440</u>	<u>(1,374)</u>	<u>415</u>
Cash basis fund balance - beginning	<u>7,142</u>	<u>3,586</u>	<u>481,704</u>	<u>3,393</u>	<u>9,284</u>	<u>16,696</u>	<u>1,356</u>
Cash basis fund balance - ending	<u>\$ 9,019</u>	<u>\$ 2,107</u>	<u>\$ 599,290</u>	<u>\$ 4,841</u>	<u>\$ 10,724</u>	<u>\$ 15,322</u>	<u>\$ 1,771</u>
<u>Cash Basis Assets - December 31</u>							
Cash and cash equivalents	<u>\$ 9,019</u>	<u>\$ 2,107</u>	<u>\$ 599,290</u>	<u>\$ 4,841</u>	<u>\$ 10,724</u>	<u>\$ 15,322</u>	<u>\$ 1,771</u>
<u>Cash Basis Fund Balance - December 31</u>							
Restricted for:							
Public safety	\$ -	\$ 2,107	\$ 599,290	\$ 4,841	\$ 10,724	\$ 15,322	\$ 1,771
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Stormwater drainage	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other purposes	9,019	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash basis fund balance - December 31	<u>\$ 9,019</u>	<u>\$ 2,107</u>	<u>\$ 599,290</u>	<u>\$ 4,841</u>	<u>\$ 10,724</u>	<u>\$ 15,322</u>	<u>\$ 1,771</u>

JAY COUNTY
 COMBINING SCHEDULE OF CASH BASIS ASSETS AND FUND BALANCES AND
 CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Deferral	Sheriff Continuing Education	Emergency Telephone System	Emergency Planning/ Right to Know	Cumulative Capital Development	Rainy Day
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 189,451	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	49,269	12,030	18,278	-
Charges for services	-	-	191,717	-	-	-
Fines and forfeits	20,826	594	-	-	-	-
Other	-	-	7	116	-	-
Total receipts	20,826	594	240,993	12,146	207,729	-
Disbursements:						
General government	-	-	-	-	-	-
Public safety	20,040	9	248,660	3,240	-	-
Highways and streets	-	-	-	-	236,251	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Stormwater drainage	-	-	-	-	-	-
Total disbursements	20,040	9	248,660	3,240	236,251	-
Excess (deficiency) of revenue over (under) disbursements	786	585	(7,667)	8,906	(28,522)	-
Other financing sources (uses)						
Transfers in	-	-	-	-	-	243,934
Transfers out	-	-	(22,108)	-	(2,616)	-
Total other financing sources (uses)	-	-	(22,108)	-	(2,616)	243,934
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	786	585	(29,775)	8,906	(31,138)	243,934
Cash basis fund balance - beginning	27,509	2,472	361,553	32	799,289	-
Cash basis fund balance - ending	<u>\$ 28,295</u>	<u>\$ 3,057</u>	<u>\$ 331,778</u>	<u>\$ 8,938</u>	<u>\$ 768,151</u>	<u>\$ 243,934</u>
Cash Basis Assets - December 31						
Cash and cash equivalents	<u>\$ 28,295</u>	<u>\$ 3,057</u>	<u>\$ 331,778</u>	<u>\$ 8,938</u>	<u>\$ 768,151</u>	<u>\$ 243,934</u>
Cash Basis Fund Balance - December 31						
Restricted for:						
Public safety	\$ 28,295	\$ 3,057	\$ 331,778	\$ 8,938	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Stormwater drainage	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	768,151	-
Other purposes	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	243,934
Total cash basis fund balance - December 31	<u>\$ 28,295</u>	<u>\$ 3,057</u>	<u>\$ 331,778</u>	<u>\$ 8,938</u>	<u>\$ 768,151</u>	<u>\$ 243,934</u>

JAY COUNTY
 COMBINING SCHEDULE OF CASH BASIS ASSETS AND FUND BALANCES AND
 CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Rainy Day Surplus EDIT	Criminal Justice Grant	Victim Assistance	Weiler Building Planning Grant	EMA Foundation	CER Team Subgrant
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	22,776	53,000	1,700	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	5,918	-	-	-	-	-
Total receipts	5,918	-	22,776	53,000	1,700	-
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	24,596	-	1,700	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	6,800	-	-	53,000	-	-
Stormwater drainage	-	-	-	-	-	-
Total disbursements	6,800	-	24,596	53,000	1,700	-
Excess (deficiency) of revenue over (under) disbursements	(882)	-	(1,820)	-	-	-
Other financing sources (uses)						
Transfers in	47,040	-	-	-	-	-
Transfers out	(36,771)	(63)	-	-	-	-
Total other financing sources (uses)	10,269	(63)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	9,387	(63)	(1,820)	-	-	-
Cash basis fund balance - beginning	78,788	63	13,665	-	-	506
Cash basis fund balance - ending	<u>\$ 88,175</u>	<u>\$ -</u>	<u>\$ 11,845</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 506</u>
Cash Basis Assets - December 31						
Cash and cash equivalents	<u>\$ 88,175</u>	<u>\$ -</u>	<u>\$ 11,845</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 506</u>
Cash Basis Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ -	\$ 11,845	\$ -	\$ -	\$ 506
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Stormwater drainage	-	-	-	-	-	-
Economic development	88,175	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash basis fund balance - December 31	<u>\$ 88,175</u>	<u>\$ -</u>	<u>\$ 11,845</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 506</u>

JAY COUNTY
 COMBINING SCHEDULE OF CASH BASIS ASSETS AND FUND BALANCES AND
 CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	EMA Comp. Planning Grant	Housing Grant HD 003-013	Housing Grant HD 003-022	First Responder Equipment	Recycling Grant	Community Corrections 2004-05
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	1,500	284,741	-	-	11,886
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	1,500	284,741	-	-	11,886
Disbursements:						
General government	-	-	-	-	-	-
Public safety	2,420	-	-	84	-	66,650
Highways and streets	-	-	-	-	-	-
Health and welfare	-	1,500	284,741	-	-	-
Economic development	-	-	-	-	-	-
Stormwater drainage	-	-	-	-	-	-
Total disbursements	2,420	1,500	284,741	84	-	66,650
Excess (deficiency) of revenue over (under) disbursements	(2,420)	-	-	(84)	-	(54,764)
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(827)	(57,175)
Total other financing sources (uses)	-	-	-	-	(827)	(57,175)
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(2,420)	-	-	(84)	(827)	(111,939)
Cash basis fund balance - beginning	4,594	-	-	89	827	111,939
Cash basis fund balance - ending	<u>\$ 2,174</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ -</u>
Cash Basis Assets - December 31						
Cash and cash equivalents	<u>\$ 2,174</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ -</u>
Cash Basis Fund Balance - December 31						
Restricted for:						
Public safety	\$ 2,174	\$ -	\$ -	\$ 5	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Stormwater drainage	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash basis fund balance - December 31	<u>\$ 2,174</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ -</u>

JAY COUNTY
 COMBINING SCHEDULE OF CASH BASIS ASSETS AND FUND BALANCES AND
 CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Community Corrections 2003-04	Rural Transportation Grant	Bioterrorism PRS-A	Operation Pullover	HAVA Section 102	Homeland Security
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	51,792	406,542	42,155	3,348	-	22,104
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	51,792	406,542	42,155	3,348	-	22,104
Disbursements:						
General government	-	406,542	-	-	67,032	146,464
Public safety	39,236	-	46,925	2,608	-	126,271
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Stormwater drainage	-	-	-	-	-	-
Total disbursements	39,236	406,542	46,925	2,608	67,032	272,735
Excess (deficiency) of revenue over (under) disbursements	12,556	-	(4,770)	740	(67,032)	(250,631)
Other financing sources (uses)						
Transfers in	57,175	-	-	-	-	146,460
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	57,175	-	-	-	-	146,460
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	69,731	-	(4,770)	740	(67,032)	(104,171)
Cash basis fund balance - beginning	-	4	22,764	322	67,032	110,388
Cash basis fund balance - ending	<u>\$ 69,731</u>	<u>\$ 4</u>	<u>\$ 17,994</u>	<u>\$ 1,062</u>	<u>\$ -</u>	<u>\$ 6,217</u>
<u>Cash Basis Assets - December 31</u>						
Cash and cash equivalents	<u>\$ 69,731</u>	<u>\$ 4</u>	<u>\$ 17,994</u>	<u>\$ 1,062</u>	<u>\$ -</u>	<u>\$ 6,217</u>
<u>Cash Basis Fund Balance - December 31</u>						
Restricted for:						
Public safety	\$ 69,731	\$ -	\$ 17,994	\$ 1,062	\$ -	\$ 6,217
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Stormwater drainage	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	4	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash basis fund balance - December 31	<u>\$ 69,731</u>	<u>\$ 4</u>	<u>\$ 17,994</u>	<u>\$ 1,062</u>	<u>\$ -</u>	<u>\$ 6,217</u>

JAY COUNTY
 COMBINING SCHEDULE OF CASH BASIS ASSETS AND FUND BALANCES AND
 CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
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 For The Year Ended December 31, 2005
 (Continued)

	Court Interpreter	HAVA Title III	Infrastructure	Sheriff's Buy Money	Sheriff's Commissary	Totals
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,660,290
Special assessments	-	-	448,743	-	-	801,914
Intergovernmental	1,500	101,018	-	-	-	1,628,133
Charges for services	-	-	-	-	-	579,454
Fines and forfeits	-	-	-	-	-	174,762
Other	-	-	-	4,545	92,934	239,123
Total receipts	1,500	101,018	448,743	4,545	92,934	5,083,676
Disbursements:						
General government	2,016	-	13,883	-	-	1,278,200
Public safety	-	-	-	-	84,948	1,456,966
Highways and streets	-	-	150,247	-	-	657,885
Health and welfare	-	-	-	-	-	1,114,184
Economic development	-	-	-	-	-	99,503
Stormwater drainage	-	-	-	-	-	421,599
Total disbursements	2,016	-	164,130	-	84,948	5,028,337
Excess (deficiency) of revenue over (under) disbursements	(516)	101,018	284,613	4,545	7,986	55,339
Other financing sources (uses)						
Transfers in	-	-	-	-	-	1,894,462
Transfers out	-	(146,460)	-	-	-	(1,504,040)
Total other financing sources (uses)	-	(146,460)	-	-	-	390,422
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(516)	(45,442)	284,613	4,545	7,986	445,761
Cash basis fund balance - beginning	1,025	45,442	365,993	-	23,130	5,533,145
Cash basis fund balance - ending	\$ 509	\$ -	\$ 650,606	\$ 4,545	\$ 31,116	\$ 5,978,906
<u>Cash Basis Assets - December 31</u>						
Cash and cash equivalents	\$ 509	\$ -	\$ 650,606	\$ 4,545	\$ 31,116	\$ 5,978,906
<u>Cash Basis Fund Balance - December 31</u>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ 4,545	\$ 31,116	\$ 1,571,088
Highways and streets	-	-	650,606	-	-	725,231
Health and welfare	-	-	-	-	-	713,270
Stormwater drainage	-	-	-	-	-	1,037,228
Economic development	-	-	-	-	-	128,224
Capital outlay	-	-	-	-	-	768,151
Other purposes	509	-	-	-	-	728,514
Unrestricted	-	-	-	-	-	307,200
Total cash basis fund balance - December 31	\$ 509	\$ -	\$ 650,606	\$ 4,545	\$ 31,116	\$ 5,978,906

JAY COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2005

	After Settlement Collections	Interstate Compact Fee	County Wheel Tax	Surplus Tax	Surplus Dog Tax	Tax Sale Redemption	Surplus Tax Sale	Financial Institutions Tax
Additions:								
Agency fund additions	<u>302,566</u>	<u>37</u>	<u>78,790</u>	<u>10,129</u>	<u>4,806</u>	<u>226,335</u>	<u>122,745</u>	<u>126,437</u>
Deductions:								
Agency fund deductions	<u>238,398</u>	<u>37</u>	<u>78,790</u>	<u>12,847</u>	<u>4,561</u>	<u>226,335</u>	<u>187,379</u>	<u>126,437</u>
Excess (deficiency) of total additions over (under) total deductions	64,168	-	-	(2,718)	245	-	(64,634)	-
Cash and cash equivalents - beginning	<u>238,398</u>	<u>-</u>	<u>-</u>	<u>4,745</u>	<u>-</u>	<u>-</u>	<u>143,197</u>	<u>-</u>
Cash and cash equivalents - ending	<u>\$ 302,566</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,027</u>	<u>\$ 245</u>	<u>\$ -</u>	<u>\$ 78,563</u>	<u>\$ -</u>

JAY COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Commercial Vehicle Excise Tax	County Surtax	Payroll	State Sales Disclosure Fee	Coroners Continuing Education	Mortgage Recording Fee	Firemen's Pension	Police Pension
Additions:								
Agency fund additions	<u>122,398</u>	<u>268,845</u>	<u>4,897,555</u>	<u>2,935</u>	<u>1,046</u>	<u>3,253</u>	<u>15,511</u>	<u>7,770</u>
Deductions:								
Agency fund deductions	<u>122,398</u>	<u>268,845</u>	<u>4,897,102</u>	<u>2,960</u>	<u>976</u>	<u>2,928</u>	<u>15,511</u>	<u>7,770</u>
Excess (deficiency) of total additions over (under) total deductions	-	-	453	(25)	70	325	-	-
Cash and cash equivalents - beginning	-	-	73,654	280	21	-	-	-
Cash and cash equivalents - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,107</u>	<u>\$ 255</u>	<u>\$ 91</u>	<u>\$ 325</u>	<u>\$ -</u>	<u>\$ -</u>

JAY COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	AFLAC Insurance	Dental Insurance	Other Insurance	City and Town Court Costs	Infraction Judgments	Street Tax	Overweight Vehicle Fines	Poor Relief
Additions:								
Agency fund additions	1,018	439	-	16,645	39,101	711,352	290	143,332
Deductions:								
Agency fund deductions	1,018	495	-	11,331	38,620	711,352	290	143,332
Excess (deficiency) of total additions over (under) total deductions	-	(56)	-	5,314	481	-	-	-
Cash and cash equivalents - beginning	-	120	499	51,033	2,197	-	-	-
Cash and cash equivalents - ending	\$ -	\$ 64	\$ 499	\$ 56,347	\$ 2,678	\$ -	\$ -	\$ -

JAY COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Welfare Trust	Welfare HCI	Welfare MAW	Children with Special Health Care Needs	State Welfare Excise Tax	Certified Shares	Property Tax Replacement Credit	Township Tax
Additions:								
Agency fund additions	-	310,874	33,090	37,445	17,137	1,872,283	624,097	134,528
Deductions:								
Agency fund deductions	550	310,874	33,090	37,445	17,137	1,872,283	624,097	134,528
Excess (deficiency) of total additions over (under) total deductions	(550)	-	-	-	-	-	-	-
Cash and cash equivalents - beginning	1,302	-	-	-	-	-	-	-
Cash and cash equivalents - ending	<u>\$ 752</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

JAY COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Firefighting Tax	Corporation Tax	Forest Land	Education Plate Fee Distribution	User Fee	Cumulative Fire Fighting Tax	School General Tax	Preschool Special Education
Additions:								
Agency fund additions	<u>135,322</u>	<u>2,237,068</u>	<u>13,247</u>	<u>1,163</u>	<u>726</u>	<u>7,528</u>	<u>5,975,290</u>	<u>20,643</u>
Deductions:								
Agency fund deductions	<u>135,322</u>	<u>2,237,068</u>	<u>13,247</u>	<u>1,163</u>	<u>3</u>	<u>7,528</u>	<u>5,975,290</u>	<u>20,643</u>
Excess (deficiency) of total additions over (under) total deductions	-	-	-	-	723	-	-	-
Cash and cash equivalents - beginning	-	-	-	-	11,821	-	-	-
Cash and cash equivalents - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,544</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

JAY COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Congressional School Interest	School Capital Projects	School Debt Service	Parks and Recreation	Parks and Recreation - Corporations	Inheritance Tax	State Fair Board Tax	State Forestry Tax
Additions:								
Agency fund additions	-	2,760,142	1,017,528	25,507	134,088	1,670,657	6,881	13,762
Deductions:								
Agency fund deductions	456	2,760,142	1,017,528	25,507	134,088	1,683,243	6,881	13,762
Excess (deficiency) of total additions over (under) total deductions	(456)	-	-	-	-	(12,586)	-	-
Cash and cash equivalents - beginning	10,650	-	-	-	-	151,291	-	-
Cash and cash equivalents - ending	<u>\$ 10,194</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 138,705</u>	<u>\$ -</u>	<u>\$ -</u>

JAY COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Special Death Benefit Fee	State Fines and Forfeitures	Child Restraint Violations	Library Tax	Library Debt Service	Sewer Delinquencies	Aviation
Additions:							
Agency fund additions	995	24,065	150	600,900	154,956	17,491	217,610
Deductions:							
Agency fund deductions	895	24,454	-	600,900	154,956	17,491	217,610
Excess (deficiency) of total additions over (under) total deductions	100	(389)	150	-	-	-	-
Cash and cash equivalents - beginning	-	3,096	-	-	-	-	-
Cash and cash equivalents - ending	\$ 100	\$ 2,707	\$ 150	\$ -	\$ -	\$ -	\$ -

JAY COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	<u>Cumulative Capital Improvement</u>	<u>Cumulative Capital Development</u>	<u>Riverboat Revenue Sharing</u>	<u>School Transportation</u>	<u>Bus Replacement</u>	<u>School Pension Debt</u>	<u>Tax Distribution</u>
Additions:							
Agency fund additions	<u>81,202</u>	<u>86,550</u>	<u>137,503</u>	<u>1,469,094</u>	<u>333,729</u>	<u>657,996</u>	<u>22,978,743</u>
Deductions:							
Agency fund deductions	<u>81,202</u>	<u>86,550</u>	<u>137,503</u>	<u>1,469,094</u>	<u>333,729</u>	<u>657,996</u>	<u>22,978,873</u>
Excess (deficiency) of total additions over (under) total deductions	-	-	-	-	-	-	(130)
Cash and cash equivalents - beginning	-	-	-	-	-	-	130
Cash and cash equivalents - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

JAY COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	<u>Clerk of the Courts</u>	<u>Prosecuting Attorney</u>	<u>Recorder</u>	<u>Sheriff</u>	<u>Sheriff's Inmate Trust</u>	<u>Retirement Center</u>	<u>Total</u>
Additions:							
Agency fund additions	<u>2,850,072</u>	<u>10,410</u>	<u>103,452</u>	<u>406,988</u>	<u>96,953</u>	<u>15,003</u>	<u>54,396,203</u>
Deductions:							
Agency fund deductions	<u>2,721,356</u>	<u>10,410</u>	<u>103,452</u>	<u>407,018</u>	<u>96,943</u>	<u>13,535</u>	<u>54,275,554</u>
Excess (deficiency) of total additions over (under) total deductions	128,716	-	-	(30)	10	1,468	120,649
Cash and cash equivalents - beginning	<u>77,333</u>	<u>-</u>	<u>50</u>	<u>240</u>	<u>1,724</u>	<u>4,120</u>	<u>775,901</u>
Cash and cash equivalents - ending	<u>\$ 206,049</u>	<u>\$ -</u>	<u>\$ 50</u>	<u>\$ 210</u>	<u>\$ 1,734</u>	<u>\$ 5,588</u>	<u>\$ 896,550</u>

JAY COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2005

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, except that roadways (excluding bridges and culverts) are excluded. 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	\$ 709,400
Buildings	3,213,987
Improvements other than buildings	14,704,289
Machinery and equipment	<u>5,193,182</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 23,820,858</u>

JAY COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF DEBT
 For The Year Ended December 31, 2005

CAPITAL LEASES

The County has entered into the following capital leases:

Description of Asset	Present Value of Net Minimum Lease Payments	Ending Balance	Due Within One Year
Highway tractor	\$ 20,055	\$ 20,055	\$ 20,055
Highway patcher	36,600	36,600	17,924
Surveyor's bulldozer	79,340	79,340	18,788
	<u>Ending Balance</u>	<u>Due Within One Year</u>	
Governmental activities:			
Loan payable	<u>\$ 32,280</u>	<u>\$ 21,350</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 Treasurer
County Sheriff
County Highway Department

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

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

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

TO: THE OFFICIALS OF JAY COUNTY, INDIANA

Compliance

We have audited the compliance of the Jay County (County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2005. 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; 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, 2005.

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 and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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)

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

STATE BOARD OF ACCOUNTS

May 22, 2006

JAY COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2005

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Pass Through Indiana Housing and Community Development Authority Community Development Block Grants/State's Program	14.228		
		PN-003-013	\$ 1,500
		HD-003-022	276,802
		HD-005-003	<u>7,938</u>
Total for pass-through entity			286,240
Pass Through Indiana Department of Commerce Community Development Block Grants/State's Program	14.228		
		PL-04-006	<u>53,000</u>
Total for federal grantor agency			<u>339,240</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass Through Indiana Criminal Justice Institute Crime Victim Assistance	16.575		
		04VA067	13,665
		05VA052	<u>10,930</u>
Total for program			<u>24,595</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass Through Indiana Department of Transportation Public Transportation for Rural and Small Urban Areas	20.509		
		1802344O	<u>281,017</u>
Pass Through Indiana Criminal Justice Institute State and Community Highway Safety	20.600		
		OP-05-02-03-80	2,286
		OP-05-02-03-64	<u>762</u>
Total for program			<u>3,048</u>
Total for federal grantor agency			<u>284,065</u>
<u>FEDERAL EMERGENCY MANAGEMENT ADMINISTRATION</u>			
Pass Through State Emergency Management Agency Emergency Management-State and Local Assistance	83.534		
		DR 1573	<u>87,783</u>

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

JAY COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2005
(Continued)

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass Through Indiana State Department of Health Centers for Disease-Investigations and Technical Assistance	93.283	BPRS 137-2	<u>46,925</u>
Pass Through Indiana Family and Social Services Administration Child Support Enforcement Prosecuting Attorney Clerk of the Circuit Court Indirect Costs	93.563		<u>47,229</u> <u>26,041</u> <u>12,533</u>
Total for program			<u>85,803</u>
Total for federal grantor agency			<u>132,728</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass Through State Emergency Management Agency State Domestic Preparedness Equipment Support Program	97.004	FY 2003 FY 2004	<u>22,104</u> <u>104,171</u>
Total for program			<u>126,275</u>
Community Emergency Response Teams	97.054	FY 2002	<u>2,420</u>
Total for federal grantor agency			<u>128,695</u>
Total federal awards expended			<u>\$ 997,106</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

I. Basis of Presentation

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

JAY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Qualified

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

Noncompliance material to financial statements noted? no

Federal Awards:

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

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

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
20.509	Public Transportation for Rural and Small Urban Areas

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

JAY COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

JAY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on May 22, 2006, with Freda Corwin, Auditor; Milo M. Miller, Jr., President of the Board of County Commissioners; and Marilyn Coleman, President of the County Council. Our audit disclosed no material items that warrant comment at this time.