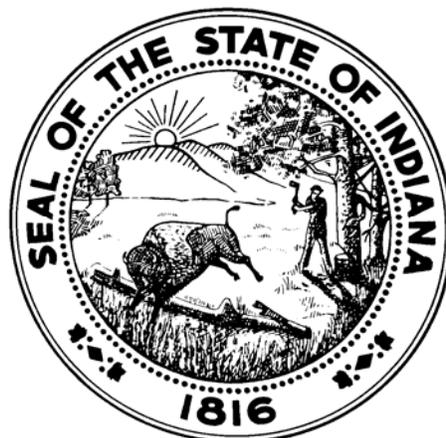


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF

PETERSBURG/PIKE COUNTY REVOLVING  
LOAN FUND ADMINISTRATION BOARD  
PIKE COUNTY, INDIANA

January 1, 2005 to December 31, 2006



**FILED**  
04/18/2007



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Administrator	Paul A. Lake	01-01-2005 to 12-31-2007
President of the Board	Marvin D. Stratton	01-01-2005 to 12-31-2007



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE PETERSBURG/PIKE COUNTY REVOLVING  
LOAN FUND ADMINISTRATION BOARD, PIKE COUNTY, INDIANA

We have examined the financial information presented herein of the Petersburg/Pike County Revolving Loan Fund Administration Board (Board), for the period of January 1, 2005 to December 31, 2006. The Board's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the cash transactions of the Board for the years ended December 31, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

March 20, 2007

PETERSBURG/PIKE COUNTY REVOLVING LOAN FUND ADMINISTRATION BOARD  
 SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
 GOVERNMENTAL FUND TYPE  
 As Of And For The Years Ended December 31, 2005 And 2006

	<u>Cash and Investments 01-01-05</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-05</u>
Governmental Fund: General	<u>\$ 293,025</u>	<u>\$ 63,835</u>	<u>\$ 110,577</u>	<u>\$ 246,283</u>
	<u>Cash and Investments 01-01-06</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-06</u>
Governmental Fund: General	<u>\$ 246,283</u>	<u>\$ 61,238</u>	<u>\$ 25,422</u>	<u>\$ 282,099</u>

The accompanying notes are an integral part of the schedules.

PETERSBURG/PIKE COUNTY REVOLVING LOAN FUND ADMINISTRATION BOARD  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Board was established under the laws of the State of Indiana through an interlocal agreement between the City of Petersburg and Pike County. The Board's primary purpose is to interview applicants; review, select, and approve loan applicants from a Revolving Loan Fund, which may be provided by the Economic Development Administration, United States Department of Commerce, under Title IX, of the Public Works and Development Act of 1965.

Note 2. Fund Accounting

The Board uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

The Revolving Loan Administration Board does not receive a property tax distribution from the County.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were 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 statute (IC 5-13-9) authorizes the Board 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 6. Loans Receivable

The Board has various loans receivable outstanding. The outstanding principal at December 31, 2006, was \$337,977.

PETERSBURG/PIKE COUNTY REVOLVING LOAN FUND ADMINISTRATION BOARD  
EXIT CONFERENCE

The contents of this report were discussed on March 20, 2007, with Paul A. Lake, Administrator. Our examination disclosed no material items that warrant comment at this time.