

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

ANNUAL FINANCIAL REPORT

2006

PARKE COUNTY, INDIANA



**FILED**

04/26/2007



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials.....	2
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards .....	3-4
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.....	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets – Cash and Investment Basis .....	6
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Governmental Funds.....	7
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds .....	8
Notes to Financial Statements .....	9-20
Required Supplementary Information:	
Schedules of Funding Progress.....	21
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds.....	22-23
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Agency Funds.....	34-39
Schedule of Long-Term Debt.....	40
Other Reports.....	41
Supplemental Audit of Federal Awards:	
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 .....	44-45
Schedule of Expenditures of Federal Awards.....	46
Note to Schedule of Expenditures of Federal Awards .....	47
Schedule of Findings and Questioned Costs.....	48
Auditee Prepared Schedules:	
Summary Schedule of Prior Audit Findings.....	49
Exit Conference.....	50

### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Diana Hazlett	01-01-03 to 12-31-10
Treasurer	Mary Alice Gregg	04-02-05 to 12-31-08
Clerk	Sue Ann Woody Kim Shorter	09-03-03 to 12-31-06 01-01-07 to 12-31-10
Sheriff	Charles L. Bollinger D. Michael Eslinger	01-01-03 to 12-31-06 01-01-07 to 12-31-10
Recorder	Carl Huxford	01-01-05 to 12-31-08
President of the Board of County Commissioners	George Nicholas	01-01-06 to 12-31-07
President of the County Council	Dale E. Gerrish	01-01-06 to 12-31-07



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF PARKE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Parke County (County), as of and for the year ended December 31, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2006, 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 March 19, 2007, 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.

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.

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

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Combining Schedules, as listed in the table of contents, and Schedule of Long-Term Debt are presented for additional analysis and are not a required part of the basic financial statements. The Combining Schedules, as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Long-Term Debt has 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 it.

STATE BOARD OF ACCOUNTS

March 19, 2007



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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 PARKE COUNTY, INDIANA

We have audited the financial statements of Parke County (County), as of and for the year ended December 31, 2006, and have issued our report thereon dated March 19, 2007. 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.

We noted other matters involving the internal control over financial reporting that we have discussed with the management of the County on March 19, 2007. These immaterial instances of noncompliance were subsequently communicated to management in a separate letter.

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

March 19, 2007

PARKE COUNTY  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For The Year Ended December 31, 2006

Functions/Programs	Disbursements	Program Receipts		Net (Disbursement) Receipt and Changes in Net Assets
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary government:				
Governmental activities:				
General government	\$ 4,478,214	\$ 287,644	\$ -	\$ -
Public safety	3,825,326	1,300,788	616,280	11,250
Highways and streets	2,724,153	11,140	-	-
Health and welfare	709,270	27,505	149,539	-
Culture and recreation	746,777	118,771	-	-
	<u>\$ 12,483,740</u>	<u>\$ 1,745,848</u>	<u>\$ 765,819</u>	<u>\$ 11,250</u>
Total governmental activities				<u>(9,960,823)</u>
General receipts:				
Property taxes				3,098,942
Other taxes				3,399,180
State sources				2,969,578
Other local sources				846,254
Unrestricted investment earnings				304,207
Total general receipts				<u>10,618,161</u>
Change in net assets				657,338
Net assets - beginning				<u>7,122,986</u>
Net assets - ending				<u>\$ 7,780,324</u>
<u>Assets</u>				
Cash and investments				\$ 1,645,506
Restricted assets:				
Cash and investments				6,134,818
Total assets				<u>\$ 7,780,324</u>
<u>Net Assets</u>				
Restricted for:				
Public safety				\$ 732,544
Highways and streets				1,579,150
Health and welfare				532,534
Other purposes				3,290,590
Unrestricted				1,645,506
Total net assets				<u>\$ 7,780,324</u>

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

PARKE COUNTY  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For The Year Ended December 31, 2006

	General	CSEPP	County Highway	Cumulative Bridge	County Economic Development Income Tax	Other Governmental Funds	Totals
<b>Receipts:</b>							
Taxes	\$ 3,695,540	\$ -	\$ 63,474	\$ 28,589	\$ 542,699	\$ 1,470,362	\$ 5,800,664
Licenses and permits	-	-	-	-	-	27,174	27,174
Intergovernmental	429,273	546,452	2,547,277	4,190	-	484,235	4,011,427
Charges for services	545,618	-	-	-	-	554,317	1,099,935
Fines and forfeits	83,836	-	-	-	-	97,720	181,556
Other	294,344	2,659	133,093	15,379	-	279,294	724,769
<b>Total receipts</b>	<b>5,048,611</b>	<b>549,111</b>	<b>2,743,844</b>	<b>48,158</b>	<b>542,699</b>	<b>2,913,102</b>	<b>11,845,525</b>
<b>Disbursements:</b>							
General government	2,736,775	-	-	-	-	1,022,232	3,759,007
Public safety	2,525,687	595,555	-	-	-	704,084	3,825,326
Highways and streets	-	-	2,187,508	-	-	184,829	2,372,337
Health and welfare	27,466	-	-	-	-	681,804	709,270
Culture and recreation	133,987	-	-	-	-	612,790	746,777
Capital outlay:							
Highways and streets	-	-	-	351,816	-	-	351,816
General government	-	-	-	-	391,500	327,707	719,207
<b>Total disbursements</b>	<b>5,423,915</b>	<b>595,555</b>	<b>2,187,508</b>	<b>351,816</b>	<b>391,500</b>	<b>3,533,446</b>	<b>12,483,740</b>
Excess (deficiency) of revenue over disbursements	(375,304)	(46,444)	556,336	(303,658)	151,199	(620,344)	(638,215)
<b>Other financing sources (uses)</b>							
Interfund loans	(360,000)	-	-	-	500,000	(140,000)	-
Transfers in	-	-	-	-	-	70,000	70,000
Transfers out	-	-	-	-	-	(70,000)	(70,000)
Other receipts	770,862	1,750	17,089	-	-	505,852	1,295,553
<b>Total other financing sources (uses)</b>	<b>410,862</b>	<b>1,750</b>	<b>17,089</b>	<b>-</b>	<b>500,000</b>	<b>365,852</b>	<b>1,295,553</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	35,558	(44,694)	573,425	(303,658)	651,199	(254,492)	657,338
Cash and investment fund balance - beginning	517,000	98,520	993,263	1,120,626	861,157	3,532,420	7,122,986
<b>Cash and investment fund balance - ending</b>	<b>\$ 552,558</b>	<b>\$ 53,826</b>	<b>\$ 1,566,688</b>	<b>\$ 816,968</b>	<b>\$ 1,512,356</b>	<b>\$ 3,277,928</b>	<b>\$ 7,780,324</b>
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ 552,558	\$ -	\$ -	\$ -	\$ -	\$ 1,092,948	\$ 1,645,506
Restricted assets:							
Cash and investments	-	53,826	1,566,688	816,968	1,512,356	2,184,980	6,134,818
<b>Total cash and investment assets - December 31</b>	<b>\$ 552,558</b>	<b>\$ 53,826</b>	<b>\$ 1,566,688</b>	<b>\$ 816,968</b>	<b>\$ 1,512,356</b>	<b>\$ 3,277,928</b>	<b>\$ 7,780,324</b>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Public safety	\$ -	\$ 53,826	\$ -	\$ -	\$ -	\$ 678,718	\$ 732,544
Highways and streets	-	-	1,566,688	-	-	12,462	1,579,150
Health and welfare	-	-	-	-	-	532,534	532,534
Other purposes	-	-	-	816,968	1,512,356	961,266	3,290,590
Unrestricted	552,558	-	-	-	-	1,092,948	1,645,506
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 552,558</b>	<b>\$ 53,826</b>	<b>\$ 1,566,688</b>	<b>\$ 816,968</b>	<b>\$ 1,512,356</b>	<b>\$ 3,277,928</b>	<b>\$ 7,780,324</b>

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

PARKE COUNTY  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For The Year Ended December 31, 2006

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Employer	\$ 138,979	\$ -	\$ -
Investment earnings:			
Net increase (decrease) in fair value of investments	48,877	-	-
Interest	<u>25,636</u>	<u>-</u>	<u>-</u>
Total investment earnings	<u>74,513</u>	<u>-</u>	<u>-</u>
Agency fund additions	<u>-</u>	<u>-</u>	<u>48,996,976</u>
Total additions	<u>213,492</u>	<u>-</u>	<u>48,996,976</u>
Deductions:			
Benefits	67,375	-	-
Refunds of contributions	622	-	-
Administrative and general	18,456	-	-
Agency fund deductions	<u>-</u>	<u>-</u>	<u>48,817,396</u>
Total deductions	<u>86,453</u>	<u>-</u>	<u>48,817,396</u>
Excess of total additions over total deductions	127,039	-	179,580
Cash and investment fund balance - beginning	<u>778,603</u>	<u>33,865</u>	<u>1,000,707</u>
Cash and investment fund balance - ending	<u>\$ 905,642</u>	<u>\$ 33,865</u>	<u>\$ 1,180,287</u>

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

PARKE COUNTY  
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

Primary Government: Parke County  
Blended Component Unit: Parke County Convention and Visitors Commission

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

Blended Component Units

A blended component unit is a separate legal entity that meets the component unit criteria. In addition, the blended component unit's governing body is the same or substantially the same as the County's governing body or the component unit provides services entirely to the County. The component unit's funds are blended into those of the County by appropriate fund type to constitute the primary government presentation. The blended component unit is presented below:

<u>Component Unit</u>	<u>Description/Inclusion Criteria</u>	<u>Fund Included In</u>
Parke County Convention and Visitors Commission	The primary government appoints a voting majority of the Commission's board and a financial benefit/burden relationship exists between the County and the Commission. Although it is legally separate from the County, the Commission is reported as if it were a part of the County because it provides services entirely or almost entirely to the County.	Agency Funds

Joint Venture

The County is a participant with three other counties in a joint venture to operate West Central Solid Waste District which was created to facilitate the recycling and disposal of solid waste. The County is obligated by contract to remit \$42,878 annually to supplement the District. Complete financial statements for the West Central Solid Waste District can be obtained from the District office at 209 W. Liberty Street, Room 11, Greencastle, IN.

Related Organizations

The County's officials are also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. The County appoints board members of the West Central Solid Waste District Citizens Advisory Committee, Local Alcoholic Beverage Board, Local Emergency Planning Council, Raccoon

PARKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Creek Fire Protection District (a separate taxing unit within the County), Board of Zoning Appeals, and the Property Tax Assessment Board of Appeals. The County's responsibility for these organizations does not extend beyond the appointment of the board members and it does not provide financial support for the organizations.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets - Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the County has not established any enterprise funds.

The County reports the following major governmental funds:

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

The CSEPP fund accounts for grant revenue and the resulting expenditures made under the Chemical Stockpile Emergency Preparedness Program.

The county highway fund accounts for financial resources set aside for the construction, maintenance and improvement of county roads.

The cumulative bridge fund accounts for state and local funding for the construction, maintenance and improvement of county bridges.

The county economic development income tax fund accounts for tax revenues and expenditures for the acquisition and construction of capital assets.

Additionally, the County reports the following fund types:

The pension trust funds account for the activities of the Sheriff's Retirement and the Sheriff's Benefit Plan, which accumulate resources for pension benefit payments.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the county schools.

PARKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Agency funds account for assets held by the County as an agent for local government and state agencies and serve as control of accounts for certain cash transactions during the time they are a liability to the County.

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Capital Assets

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

3. Long-Term Debt

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

PARKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

4. Equity Classification

Government-Wide Statements

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

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

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

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

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

Government-Wide Financial Statements

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

PARKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

II. Stewardship, Compliance and Accountability

Budgetary Information

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

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

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

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The 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. The Sheriff's Merit Board has not established an investment policy for the Sheriff's Retirement and Benefit Pension Plan. As of December 31, 2006, the County had the following investments:

PARKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Investment Type	Market Value	
	Sheriff's Retirement Pension Plan	Sheriff's Benefit Pension Plan
U.S. Treasuries and securities	\$ 143,492	\$ -
U.S. Agencies	72,419	-
Mutual funds	-	60,713
Totals	\$ 215,911	\$ 60,713

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 unit's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

The Sheriff's Pension Plan is not subject to the same investment laws as the county. The Sheriff's Merit Board has not adopted an investment policy for interest rate and credit risk.

PARKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

The Sheriff's Merit Board has not adopted an investment policy for custodial credit risk for investments. At December 31, 2006, the Sheriff's Retirement and Benefit Pension Plans held investments in equities and bonds in the amounts of \$583,720 and \$280,148, respectively. Of these investments all are held by the investment's counterparty, not in the name of the Sheriff's Pension Plan.

Interest Rate Risk

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

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

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
U.S. Treasuries and securities	\$ 7,973	\$ 55,217	\$ 80,302
U.S. Agencies	11,065	38,347	23,007
Totals	<u>\$ 19,038</u>	<u>\$ 93,564</u>	<u>\$ 103,309</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	Moody's Rating	County's Investments
		Corporate Bonds
AAA	Aaa	\$ 4,113
AA	Aa	20,075
A	A	19,291
BBB	Baa	<u>4,148</u>
Total		<u>\$ 47,627</u>

PARKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

The Sheriff's Merit Board has not adopted a policy for the concentration of credit risk.

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2006, were as follows:

Transfer From	Transfer To	2006
Other governmental	Other governmental	\$ <u>70,000</u>

The County typically uses transfers to fund ongoing operating subsidies and to transfer the portion of state-shared revenues from the General Fund to the debt service fund for current-year debt service requirements.

C. Restatements and Reclassifications

For the year ended December 31, 2006, certain changes have been made to the financial statements to more appropriately reflect financial activity of the County. The following schedule presents a summary of restated beginning balances by opinion unit.

Opinion Unit	Balance as Reported December 31, 2005	Fund Reclassification	Balance as Restated January 1, 2006
Governmental activities	\$ 7,052,417	\$ 70,569	\$ 7,122,986
Agency funds	1,071,276	(70,569)	1,000,707

IV. Other Information

A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters.

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

PARKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Job Related Illnesses and Injuries to Employees

During 1994, the County joined with other governmental entities in the Indiana Public Employers' Plan, a public entity risk pool currently operating as a common risk management and insurance program for nine hundred thirty member governmental entities. This risk pool was formed in 1989. The purpose of the risk pool is to provide a medium for the funding and administration of job related illnesses and injuries to employees. The County pays an annual premium to the risk pool for its job related illnesses and injuries to employees coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event.

B. Holding Corporation

The County has entered into a capital lease with Parke County Jail Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related party of the County. Lease payments during the year totaled \$391,500.

C. Contingent Liability

In April 2006, a tort claim was filed against the County Coroner alleging that he did not make adequate efforts to contact the family of a deceased person prior to authorizing a cremation. The amount of damages is inestimable.

D. Conduit Debt Obligation

From time to time, the County has issued economic development revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying notes to the financial statements.

As of December 31, 2006, there were two series of Billie Creek Village, Inc., bonds outstanding with an aggregate principal amount payable of \$1,340,000.

E. 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.

PARKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

F. Pension Plans

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

a. 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.

b. County Police Retirement Plan

Plan Description

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

Funding Policy and Annual Pension Cost

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

PARKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

c. 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	\$ 105,612	\$ 48,330	\$ 12,228
Interest on net pension obligation	(7,533)	(1,924)	-
Adjustment to annual required contribution	<u>8,584</u>	<u>2,585</u>	<u>-</u>
Annual pension cost	106,663	48,991	12,228
Contributions made	<u>112,941</u>	<u>32,772</u>	<u>12,228</u>
Increase (decrease) in net pension obligation	(6,278)	16,219	-
Net pension obligation, beginning of year	<u>(103,900)</u>	<u>(27,482)</u>	<u>-</u>
Net pension obligation, end of year	<u>\$ (110,178)</u>	<u>\$ (11,263)</u>	<u>\$ -</u>

PARKE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

	PERF	County Police Retirement Plan	County Police Benefit Plan
Contribution rates:			
County	4%	13%	4%
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

<u>Actuarial Assumptions</u>	PERF	County Police Retirement Plan	County Police Benefit Plan
Investment rate of return	7.25%	7%	7%
Projected future salary increases:			
Total	5%	5%	5%
Attributed to inflation	4%	4%	4%
Attributed to merit/seniority	1%	1%	1%
Cost-of-living adjustments	2%	2%	0%

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-03	\$ 93,702	108%	\$ (104,380)
	06-30-04	103,916	100%	(103,900)
	06-30-05	106,663	109%	(110,178)
County Police Retirement Plan	12-31-03	27,567	110%	(40,477)
	12-31-04	45,036	73%	(27,482)
	12-31-05	48,991	67%	(11,263)
County Police Benefit Plan	12-31-03	9,748	100%	-
	12-31-04	12,210	100%	-
	12-31-05	12,228	100%	-

PARKE 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)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-03	\$ 1,844,664	\$ 1,630,082	\$ 214,582	113%	\$ 2,581,423	8%
07-01-04	1,878,753	1,765,168	113,585	106%	2,403,071	5%
07-01-05	1,967,945	1,977,444	(9,499)	100%	2,544,718	(0%)

County Police Retirement Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
10-01-00	\$ 610,929	\$ 610,929	-	100%	\$ 248,200	0%
10-01-01	616,785	616,785	-	100%	268,200	0%
10-01-02	627,832	627,832	-	100%	272,900	0%
10-01-03	653,511	653,511	-	100%	376,400	0%
10-01-04	676,086	676,086	-	100%	376,600	0%
10-01-05	757,876	757,876	-	100%	381,600	0%

PARKE COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2006

	Local Road and Street	Accident Report	Firearms Training	County Health	Ambulance Donation	County Donations	B Spencer Advocate	Law Enforcement Continuing Education
<b>Receipts:</b>								
Taxes	\$ -	\$ -	\$ -	\$ 32,135	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	27,174	-	-	-	-
Intergovernmental	166,547	-	-	5,265	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	1,307	4,390	-	-	-	-	2,533
Other	-	-	-	856	-	-	-	-
<b>Total receipts</b>	<b>166,547</b>	<b>1,307</b>	<b>4,390</b>	<b>65,430</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,533</b>
<b>Disbursements:</b>								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	739	-	-	-	-	735
Highways and streets	184,829	-	-	-	-	-	-	-
Health and welfare	-	-	-	81,712	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Capital outlay:								
General government	-	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>184,829</b>	<b>-</b>	<b>739</b>	<b>81,712</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>735</b>
Excess (deficiency) of revenue over disbursements	(18,282)	1,307	3,651	(16,282)	-	-	-	1,798
<b>Other financing sources (uses)</b>								
Interfund loans	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Other receipts	-	-	-	519	-	180	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>519</b>	<b>-</b>	<b>180</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(18,282)	1,307	3,651	(15,763)	-	180	-	1,798
Cash and investment fund balance - beginning	30,744	952	1,108	58,830	868	270	515	28,338
Cash and investment fund balance - ending	\$ 12,462	\$ 2,259	\$ 4,759	\$ 43,067	\$ 868	\$ 450	\$ 515	\$ 30,136
<b>Cash and Investment Assets - December 31</b>								
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 450	\$ -	\$ -
Restricted assets:								
Cash and investments	12,462	2,259	4,759	43,067	868	-	515	30,136
<b>Total cash and investment assets - December 31</b>	<b>\$ 12,462</b>	<b>\$ 2,259</b>	<b>\$ 4,759</b>	<b>\$ 43,067</b>	<b>\$ 868</b>	<b>\$ 450</b>	<b>\$ 515</b>	<b>\$ 30,136</b>
<b>Cash and Investment Fund Balance - December 31</b>								
Restricted for:								
Public safety	\$ -	\$ 2,259	\$ 4,759	\$ -	\$ 868	\$ -	\$ 515	\$ 30,136
Highways and streets	12,462	-	-	-	-	-	-	-
Health and welfare	-	-	-	43,067	-	-	-	-
Other purposes	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	450	-	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 12,462</b>	<b>\$ 2,259</b>	<b>\$ 4,759</b>	<b>\$ 43,067</b>	<b>\$ 868</b>	<b>\$ 450</b>	<b>\$ 515</b>	<b>\$ 30,136</b>

PARKE COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2006  
 (Continued)

	Clerk's Records Perpetuation	Riverboat	Emergency Telephone System	Drug Free Community	Forfeitures and Seizures	Emergency Planning and Right to Know	Innkeeper Commission	Parks and Recreation
Receipts:								
Taxes	\$ -	\$ 72,449	\$ -	\$ -	\$ -	\$ -	\$ 123,448	\$ 26,033
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	11,250	-	-	-	-	5,049
Charges for services	-	-	129,456	-	-	-	-	118,771
Fines and forfeits	2,896	-	-	17,980	-	-	-	-
Other	-	-	1,906	3,050	1,252	8,326	-	7,601
<b>Total receipts</b>	<b>2,896</b>	<b>72,449</b>	<b>142,612</b>	<b>21,030</b>	<b>1,252</b>	<b>8,326</b>	<b>123,448</b>	<b>157,454</b>
Disbursements:								
General government	-	10,000	-	-	-	-	-	-
Public safety	-	-	210,600	31,520	15,146	1,637	-	-
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	120,799	173,991
Capital outlay:								
General government	-	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>10,000</b>	<b>210,600</b>	<b>31,520</b>	<b>15,146</b>	<b>1,637</b>	<b>120,799</b>	<b>173,991</b>
Excess (deficiency) of revenue over disbursements	2,896	62,449	(67,988)	(10,490)	(13,894)	6,689	2,649	(16,537)
Other financing sources (uses)								
Interfund loans	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	(70,000)	-	-	-	-	-	-
Other receipts	-	-	185,571	-	974	-	-	970
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(70,000)</b>	<b>185,571</b>	<b>-</b>	<b>974</b>	<b>-</b>	<b>-</b>	<b>970</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,896	(7,551)	117,583	(10,490)	(12,920)	6,689	2,649	(15,567)
Cash and investment fund balance - beginning	12,314	76,838	75,017	25,962	21,358	7,703	23,974	175,934
Cash and investment fund balance - ending	\$ 15,210	\$ 69,287	\$ 192,600	\$ 15,472	\$ 8,438	\$ 14,392	\$ 26,623	\$ 160,367
<b>Cash and Investment Assets - December 31</b>								
Cash and investments	\$ -	\$ 69,287	\$ -	\$ -	\$ -	\$ -	\$ 26,623	\$ 160,367
Restricted assets:								
Cash and investments	15,210	-	192,600	15,472	8,438	14,392	-	-
<b>Total cash and investment assets - December 31</b>	<b>\$ 15,210</b>	<b>\$ 69,287</b>	<b>\$ 192,600</b>	<b>\$ 15,472</b>	<b>\$ 8,438</b>	<b>\$ 14,392</b>	<b>\$ 26,623</b>	<b>\$ 160,367</b>
<b>Cash and Investment Fund Balance - December 31</b>								
Restricted for:								
Public safety	\$ -	\$ -	\$ 192,600	\$ -	\$ 8,438	\$ 14,392	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	15,472	-	-	-	-
Other purposes	15,210	-	-	-	-	-	-	-
Unrestricted	-	69,287	-	-	-	-	26,623	160,367
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 15,210</b>	<b>\$ 69,287</b>	<b>\$ 192,600</b>	<b>\$ 15,472</b>	<b>\$ 8,438</b>	<b>\$ 14,392</b>	<b>\$ 26,623</b>	<b>\$ 160,367</b>

PARKE COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2006  
 (Continued)

	Property Reassessment	Juvenile Probation Service	Adult Probation Service	Crime Victim Assistance Grant	Recorder's Records Perpetuation	County Covered Bridge	Welfare Family and Children	Health Maintenance
Receipts:								
Taxes	\$ 26,555	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 229,575	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	7,132	-	-	29,679	-	32,500	31,912	33,139
Charges for services	-	13,144	96,902	-	25,556	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other	2,799	648	3,073	9,138	-	233	27,090	-
<b>Total receipts</b>	<b>36,486</b>	<b>13,792</b>	<b>99,975</b>	<b>38,817</b>	<b>25,556</b>	<b>32,733</b>	<b>288,577</b>	<b>33,139</b>
Disbursements:								
General government	69,946	-	-	-	17,039	-	-	-
Public safety	-	5,287	86,276	34,897	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	491,458	30,354
Culture and recreation	-	-	-	-	-	96,576	-	-
Capital outlay:								
General government	-	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>69,946</b>	<b>5,287</b>	<b>86,276</b>	<b>34,897</b>	<b>17,039</b>	<b>96,576</b>	<b>491,458</b>	<b>30,354</b>
Excess (deficiency) of revenue over disbursements	(33,460)	8,505	13,699	3,920	8,517	(63,843)	(202,881)	2,785
Other financing sources (uses)								
Interfund loans	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Other receipts	437	-	364	1,650	-	-	107,349	-
<b>Total other financing sources (uses)</b>	<b>437</b>	<b>-</b>	<b>364</b>	<b>1,650</b>	<b>-</b>	<b>-</b>	<b>107,349</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(33,023)	8,505	14,063	5,570	8,517	(63,843)	(95,532)	2,785
Cash and investment fund balance - beginning	467,740	47,042	130,598	2,277	41,688	308,261	464,095	11,624
Cash and investment fund balance - ending	\$ 434,717	\$ 55,547	\$ 144,661	\$ 7,847	\$ 50,205	\$ 244,418	\$ 368,563	\$ 14,409
<b>Cash and Investment Assets - December 31</b>								
Cash and investments	\$ 434,717	\$ -	\$ -	\$ -	\$ 50,205	\$ 244,418	\$ -	\$ -
Restricted assets:								
Cash and investments	-	55,547	144,661	7,847	-	-	368,563	14,409
<b>Total cash and investment assets - December 31</b>	<b>\$ 434,717</b>	<b>\$ 55,547</b>	<b>\$ 144,661</b>	<b>\$ 7,847</b>	<b>\$ 50,205</b>	<b>\$ 244,418</b>	<b>\$ 368,563</b>	<b>\$ 14,409</b>
<b>Cash and Investment Fund Balance - December 31</b>								
Restricted for:								
Public safety	\$ -	\$ 55,547	\$ 144,661	\$ 7,847	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	368,563	14,409
Other purposes	-	-	-	-	-	-	-	-
Unrestricted	434,717	-	-	-	50,205	244,418	-	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 434,717</b>	<b>\$ 55,547</b>	<b>\$ 144,661</b>	<b>\$ 7,847</b>	<b>\$ 50,205</b>	<b>\$ 244,418</b>	<b>\$ 368,563</b>	<b>\$ 14,409</b>

PARKE COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2006  
 (Continued)

	Pretrial Diversion	Guardian Ad Litem	Plat Book	County Misdemeanant	Public Defender Service Fee	Surveyor's Corner Perpetuation	Jury Pay	Nonreverting Section 102
<b>Receipts:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	10,560	-	-	5,075	-	-
Fines and forfeits	36,085	-	-	-	13,153	-	-	-
Other	-	-	-	11,078	-	-	-	-
<b>Total receipts</b>	<b>36,085</b>	<b>-</b>	<b>10,560</b>	<b>11,078</b>	<b>13,153</b>	<b>5,075</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>								
General government	-	-	-	-	-	-	-	54,264
Public safety	4,799	3,261	-	4,705	12,023	-	1,418	-
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Capital outlay:								
General government	-	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>4,799</b>	<b>3,261</b>	<b>-</b>	<b>4,705</b>	<b>12,023</b>	<b>-</b>	<b>1,418</b>	<b>54,264</b>
<b>Excess (deficiency) of revenue over disbursements</b>	<b>31,286</b>	<b>(3,261)</b>	<b>10,560</b>	<b>6,373</b>	<b>1,130</b>	<b>5,075</b>	<b>(1,418)</b>	<b>(54,264)</b>
<b>Other financing sources (uses)</b>								
Interfund loans	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	1,660	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,660</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>31,286</b>	<b>(3,261)</b>	<b>10,560</b>	<b>6,373</b>	<b>1,130</b>	<b>5,075</b>	<b>242</b>	<b>(54,264)</b>
<b>Cash and investment fund balance - beginning</b>	<b>(8,018)</b>	<b>3,261</b>	<b>49,556</b>	<b>6,985</b>	<b>77,802</b>	<b>12,310</b>	<b>12,320</b>	<b>54,264</b>
<b>Cash and investment fund balance - ending</b>	<b>\$ 23,268</b>	<b>\$ -</b>	<b>\$ 60,116</b>	<b>\$ 13,358</b>	<b>\$ 78,932</b>	<b>\$ 17,385</b>	<b>\$ 12,562</b>	<b>\$ -</b>
<b>Cash and Investment Assets - December 31</b>								
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:								
Cash and investments	23,268	-	60,116	13,358	78,932	17,385	12,562	-
<b>Total cash and investment assets - December 31</b>	<b>\$ 23,268</b>	<b>\$ -</b>	<b>\$ 60,116</b>	<b>\$ 13,358</b>	<b>\$ 78,932</b>	<b>\$ 17,385</b>	<b>\$ 12,562</b>	<b>\$ -</b>
<b>Cash and Investment Fund Balance - December 31</b>								
Restricted for:								
Public safety	\$ 23,268	\$ -	\$ -	\$ 13,358	\$ 78,932	\$ -	\$ 12,562	\$ -
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Other purposes	-	-	60,116	-	-	17,385	-	-
Unrestricted	-	-	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 23,268</b>	<b>\$ -</b>	<b>\$ 60,116</b>	<b>\$ 13,358</b>	<b>\$ 78,932</b>	<b>\$ 17,385</b>	<b>\$ 12,562</b>	<b>\$ -</b>

PARKE COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2006  
 (Continued)

	Nonreverting Title III	Rainy Day	Sales Disclosure	Law Enforcement Education	Pre-Basic Training	Riverboat Wagering	Probation Administrative
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	2,495	9,413	-	-	-
Fines and forfeits	-	-	-	-	-	-	17,151
Other	-	3,497	-	143	-	36,045	-
<b>Total receipts</b>	<b>-</b>	<b>3,497</b>	<b>2,495</b>	<b>9,556</b>	<b>-</b>	<b>36,045</b>	<b>17,151</b>
Disbursements:							
General government	131,339	14,716	8,677	-	-	36,045	-
Public safety	-	-	-	3	1,158	-	20,089
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>131,339</b>	<b>14,716</b>	<b>8,677</b>	<b>3</b>	<b>1,158</b>	<b>36,045</b>	<b>20,089</b>
Excess (deficiency) of revenue over disbursements	(131,339)	(11,219)	(6,182)	9,553	(1,158)	-	(2,938)
Other financing sources (uses)							
Interfund loans	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(131,339)	(11,219)	(6,182)	9,553	(1,158)	-	(2,938)
Cash and investment fund balance - beginning	131,736	97,215	10,092	3	1,158	-	8,155
Cash and investment fund balance - ending	\$ 397	\$ 85,996	\$ 3,910	\$ 9,556	\$ -	\$ -	\$ 5,217
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ -	\$ 85,996	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	397	-	3,910	9,556	-	-	5,217
<b>Total cash and investment assets - December 31</b>	<b>\$ 397</b>	<b>\$ 85,996</b>	<b>\$ 3,910</b>	<b>\$ 9,556</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,217</b>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Public safety	\$ -	\$ -	\$ 3,910	\$ 9,556	\$ -	\$ -	\$ 5,217
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Other purposes	397	-	-	-	-	-	-
Unrestricted	-	85,996	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 397</b>	<b>\$ 85,996</b>	<b>\$ 3,910</b>	<b>\$ 9,556</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,217</b>

PARKE COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2006  
 (Continued)

	CEDIT Homestead Credit	COPS in School	DARE	Tobacco Trust	Law Enforcement Liasion	Emergency Management Sub-Grant	Jury Fee
<b>Receipts:</b>							
Taxes	\$ 542,699	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	1,744
Other	-	-	-	15,280	-	-	-
<b>Total receipts</b>	<b>542,699</b>	<b>-</b>	<b>-</b>	<b>15,280</b>	<b>-</b>	<b>-</b>	<b>1,744</b>
<b>Disbursements:</b>							
General government	600,818	-	-	-	-	-	-
Public safety	-	37,959	-	-	140	-	1,660
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	12,550	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>600,818</b>	<b>37,959</b>	<b>-</b>	<b>12,550</b>	<b>140</b>	<b>-</b>	<b>1,660</b>
Excess (deficiency) of revenue over disbursements	(58,119)	(37,959)	-	2,730	(140)	-	84
<b>Other financing sources (uses)</b>							
Interfund loans	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(58,119)	(37,959)	-	2,730	(140)	-	84
Cash and investment fund balance - beginning	78,376	37,959	1,120	8,731	140	245	-
Cash and investment fund balance - ending	\$ 20,257	\$ -	\$ 1,120	\$ 11,461	\$ -	\$ 245	\$ 84
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ 20,257	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	1,120	11,461	-	245	84
<b>Total cash and investment assets - December 31</b>	<b>\$ 20,257</b>	<b>\$ -</b>	<b>\$ 1,120</b>	<b>\$ 11,461</b>	<b>\$ -</b>	<b>\$ 245</b>	<b>\$ 84</b>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Public safety	\$ -	\$ -	\$ 1,120	\$ -	\$ -	\$ 245	\$ 84
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	11,461	-	-	-
Other purposes	-	-	-	-	-	-	-
Unrestricted	20,257	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 20,257</b>	<b>\$ -</b>	<b>\$ 1,120</b>	<b>\$ 11,461</b>	<b>\$ -</b>	<b>\$ 245</b>	<b>\$ 84</b>

PARKE COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2006  
 (Continued)

	Local Coordinating Council	Local Coordinating Council (12-01)	Local Planning Council	Meth Lab Eradication	State Drug Free	Tobacco Cessation	Law Enforcement Block Grant
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	-	-	1,100	-	-
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,100</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	2,200	-	1,015
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	5,890	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>5,890</b>	<b>-</b>	<b>-</b>	<b>2,200</b>	<b>-</b>	<b>1,015</b>
Excess (deficiency) of revenue over disbursements	-	(5,890)	-	-	(1,100)	-	(1,015)
<b>Other financing sources (uses)</b>							
Interfund loans	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(5,890)	-	-	(1,100)	-	(1,015)
Cash and investment fund balance - beginning	1,265	5,890	2,842	2,062	1,100	1,947	1,015
Cash and investment fund balance - ending	\$ 1,265	\$ -	\$ 2,842	\$ 2,062	\$ -	\$ 1,947	\$ -
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	1,265	-	2,842	2,062	-	1,947	-
<b>Total cash and investment assets - December 31</b>	<b>\$ 1,265</b>	<b>\$ -</b>	<b>\$ 2,842</b>	<b>\$ 2,062</b>	<b>\$ -</b>	<b>\$ 1,947</b>	<b>\$ -</b>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Public safety	\$ -	\$ -	\$ 2,842	\$ 2,062	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	1,265	-	-	-	-	1,947	-
Other purposes	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 1,265</b>	<b>\$ -</b>	<b>\$ 2,842</b>	<b>\$ 2,062</b>	<b>\$ -</b>	<b>\$ 1,947</b>	<b>\$ -</b>

PARKE COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2006  
 (Continued)

	Mortgage Fee	Library Grant	Parke County Anti-Meth	Bridgeton Bridge Donation	Ambulance REMC Grant	Bulletproof Vest	Operation Pullover
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	2,490	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>2,490</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>							
General government	2,290	-	-	-	-	-	-
Public safety	-	-	1,575	-	2,058	-	250
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	199,170	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>2,290</b>	<b>-</b>	<b>1,575</b>	<b>199,170</b>	<b>2,058</b>	<b>-</b>	<b>250</b>
Excess (deficiency) of revenue over disbursements	200	-	(1,575)	(199,170)	(2,058)	-	(250)
<b>Other financing sources (uses)</b>							
Interfund loans	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	-	193,170	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>193,170</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	200	-	(1,575)	(6,000)	(2,058)	-	(250)
Cash and investment fund balance - beginning	428	122	1,575	6,000	2,058	1,000	250
Cash and investment fund balance - ending	\$ 628	\$ 122	\$ -	\$ -	\$ -	\$ 1,000	\$ -
<b><u>Cash and Investment Assets - December 31</u></b>							
Cash and investments	\$ 628	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	-	122	-	-	-	1,000	-
<b>Total cash and investment assets - December 31</b>	<b>\$ 628</b>	<b>\$ 122</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,000</b>	<b>\$ -</b>
<b><u>Cash and Investment Fund Balance - December 31</u></b>							
Restricted for:							
Public safety	\$ -	\$ 122	\$ -	\$ -	\$ -	\$ 1,000	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Unrestricted	628	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 628</b>	<b>\$ 122</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,000</b>	<b>\$ -</b>

PARKE COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2006  
 (Continued)

	Public Health Coordinator	CASA	Welfare CPRTS	Grant BPRS04	Interstate Compact Fee	Blaine Family Grant	Drug Court Grant
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ 52,631	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	55,260	-	8,227	2,000	-	-	32,760
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	150	-	-
Other	-	10,167	42	-	-	-	1,970
<b>Total receipts</b>	<b>55,260</b>	<b>10,167</b>	<b>60,900</b>	<b>2,000</b>	<b>150</b>	<b>-</b>	<b>34,730</b>
<b>Disbursements:</b>							
General government	-	-	-	-	150	-	-
Public safety	-	8,457	-	-	-	397	26,355
Highways and streets	-	-	-	-	-	-	-
Health and welfare	54,216	-	5,624	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>54,216</b>	<b>8,457</b>	<b>5,624</b>	<b>-</b>	<b>150</b>	<b>397</b>	<b>26,355</b>
Excess (deficiency) of revenue over disbursements	1,044	1,710	55,276	2,000	-	(397)	8,375
<b>Other financing sources (uses)</b>							
Interfund loans	5,000	-	-	(5,000)	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	1,010	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>5,000</b>	<b>1,010</b>	<b>-</b>	<b>(5,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	6,044	2,720	55,276	(3,000)	-	(397)	8,375
Cash and investment fund balance - beginning	5,399	2,052	9,300	11,029	38	397	-
Cash and investment fund balance - ending	<u>\$ 11,443</u>	<u>\$ 4,772</u>	<u>\$ 64,576</u>	<u>\$ 8,029</u>	<u>\$ 38</u>	<u>\$ -</u>	<u>\$ 8,375</u>
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	11,443	4,772	64,576	8,029	38	-	8,375
<b>Total cash and investment assets - December 31</b>	<b>\$ 11,443</b>	<b>\$ 4,772</b>	<b>\$ 64,576</b>	<b>\$ 8,029</b>	<b>\$ 38</b>	<b>\$ -</b>	<b>\$ 8,375</b>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Public safety	\$ -	\$ 4,772	\$ -	\$ 8,029	\$ 38	\$ -	\$ 8,375
Highways and streets	-	-	-	-	-	-	-
Health and welfare	11,443	-	64,576	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 11,443</b>	<b>\$ 4,772</b>	<b>\$ 64,576</b>	<b>\$ 8,029</b>	<b>\$ 38</b>	<b>\$ -</b>	<b>\$ 8,375</b>

PARKE COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2006  
 (Continued)

	Identification Security Protection	Special Revenue	Parke Vermillion Humane Society	Sheriff Drug Enforcement	Sheriff Mini-Grant Consulting	Sheriff Mini-Grant Library	E.M. Training Grant
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	9,986	-	-	-
Charges for services	7,368	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	16,753	210	-	290	50	-
<b>Total receipts</b>	<b>7,368</b>	<b>16,753</b>	<b>210</b>	<b>9,986</b>	<b>290</b>	<b>50</b>	<b>-</b>
<b>Disbursements:</b>							
General government	-	-	-	-	-	-	-
Public safety	-	67,561	216	-	290	50	250
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>67,561</b>	<b>216</b>	<b>-</b>	<b>290</b>	<b>50</b>	<b>250</b>
Excess (deficiency) of revenue over disbursements	7,368	(50,808)	(6)	9,986	-	-	(250)
<b>Other financing sources (uses)</b>							
Interfund loans	-	-	-	-	-	-	-
Transfers in	-	70,000	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	6	-	-	-	250
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>70,000</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>250</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	7,368	19,192	-	9,986	-	-	-
Cash and investment fund balance - beginning	-	-	-	-	-	-	-
Cash and investment fund balance - ending	\$ 7,368	\$ 19,192	\$ -	\$ 9,986	\$ -	\$ -	\$ -
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	7,368	19,192	-	9,986	-	-	-
<b>Total cash and investment assets - December 31</b>	<b>\$ 7,368</b>	<b>\$ 19,192</b>	<b>\$ -</b>	<b>\$ 9,986</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Public safety	\$ 7,368	\$ 19,192	\$ -	\$ 9,986	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 7,368</b>	<b>\$ 19,192</b>	<b>\$ -</b>	<b>\$ 9,986</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

PARKE COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2006  
 (Continued)

	Anti-Meth Mini-Grant	Parke County Auditor Mini-Grant	K-9 Team Mini-Grant	Drug Court Donation	Child Abuse Prevention	Sheriff's Commissary	Redevelopment
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	98,561	-
Fines and forfeits	-	-	-	-	331	-	-
Other	-	-	9,950	-	-	-	64,380
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>9,950</b>	<b>-</b>	<b>331</b>	<b>98,561</b>	<b>64,380</b>
<b>Disbursements:</b>							
General government	-	768	-	-	-	-	48,882
Public safety	4,138	-	9,950	3,126	-	101,844	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>4,138</b>	<b>768</b>	<b>9,950</b>	<b>3,126</b>	<b>-</b>	<b>101,844</b>	<b>48,882</b>
Excess (deficiency) of revenue over disbursements	(4,138)	(768)	-	(3,126)	331	(3,283)	15,498
<b>Other financing sources (uses)</b>							
Interfund loans	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	7,389	768	-	3,285	-	-	-
<b>Total other financing sources (uses)</b>	<b>7,389</b>	<b>768</b>	<b>-</b>	<b>3,285</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,251	-	-	159	331	(3,283)	15,498
Cash and investment fund balance - beginning	-	-	-	-	-	4,531	12,621
<b>Cash and investment fund balance - ending</b>	<b>\$ 3,251</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 159</b>	<b>\$ 331</b>	<b>\$ 1,248</b>	<b>\$ 28,119</b>
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	3,251	-	-	159	331	1,248	28,119
<b>Total cash and investment assets - December 31</b>	<b>\$ 3,251</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 159</b>	<b>\$ 331</b>	<b>\$ 1,248</b>	<b>\$ 28,119</b>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Public safety	\$ 3,251	\$ -	\$ -	\$ 159	\$ -	\$ 1,248	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	331	-	-
Other purposes	-	-	-	-	-	-	28,119
Unrestricted	-	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 3,251</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 159</b>	<b>\$ 331</b>	<b>\$ 1,248</b>	<b>\$ 28,119</b>

PARKE COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2006  
 (Continued)

	Cumulative Capital Development	Cumulative Building	Excess (Surplus) Tax	Victims Advocate Foundation	Park and Recreation Concessions	Sheriff Pension Holding	Totals
<b>Receipts:</b>							
Taxes	\$ 106,389	\$ 258,448	\$ -	\$ -	\$ -	\$ -	\$ 1,470,362
Licenses and permits	-	-	-	-	-	-	27,174
Intergovernmental	15,661	37,868	-	-	-	-	484,235
Charges for services	-	-	-	-	33,278	1,248	554,317
Fines and forfeits	-	-	-	-	-	-	97,720
Other	9,394	1,373	29,042	-	2,558	-	279,294
<b>Total receipts</b>	<b>131,444</b>	<b>297,689</b>	<b>29,042</b>	<b>-</b>	<b>35,836</b>	<b>1,248</b>	<b>2,913,102</b>
<b>Disbursements:</b>							
General government	-	-	27,298	-	-	-	1,022,232
Public safety	-	-	-	300	-	-	704,084
Highways and streets	-	-	-	-	-	-	184,829
Health and welfare	-	-	-	-	-	-	681,804
Culture and recreation	-	-	-	-	22,254	-	612,790
Capital outlay:							
General government	88,481	239,226	-	-	-	-	327,707
<b>Total disbursements</b>	<b>88,481</b>	<b>239,226</b>	<b>27,298</b>	<b>300</b>	<b>22,254</b>	<b>-</b>	<b>3,533,446</b>
Excess (deficiency) of revenue over disbursements	42,963	58,463	1,744	(300)	13,582	1,248	(620,344)
<b>Other financing sources (uses)</b>							
Interfund loans	(140,000)	-	-	-	-	-	(140,000)
Transfers in	-	-	-	-	-	-	70,000
Transfers out	-	-	-	-	-	-	(70,000)
Other receipts	-	-	-	300	-	-	505,852
<b>Total other financing sources (uses)</b>	<b>(140,000)</b>	<b>-</b>	<b>-</b>	<b>300</b>	<b>-</b>	<b>-</b>	<b>365,852</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(97,037)	58,463	1,744	-	13,582	1,248	(254,492)
Cash and investment fund balance - beginning	484,683	306,787	-	-	70,569	-	3,532,420
Cash and investment fund balance - ending	\$ 387,646	\$ 365,250	\$ 1,744	\$ -	\$ 84,151	\$ 1,248	\$ 3,277,928
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,092,948
Restricted assets:							
Cash and investments	387,646	365,250	1,744	-	84,151	1,248	2,184,980
<b>Total cash and investment assets - December 31</b>	<b>\$ 387,646</b>	<b>\$ 365,250</b>	<b>\$ 1,744</b>	<b>\$ -</b>	<b>\$ 84,151</b>	<b>\$ 1,248</b>	<b>\$ 3,277,928</b>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 678,718
Highways and streets	-	-	-	-	-	-	12,462
Health and welfare	-	-	-	-	-	-	532,534
Other purposes	387,646	365,250	1,744	-	84,151	1,248	961,266
Unrestricted	-	-	-	-	-	-	1,092,948
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 387,646</b>	<b>\$ 365,250</b>	<b>\$ 1,744</b>	<b>\$ -</b>	<b>\$ 84,151</b>	<b>\$ 1,248</b>	<b>\$ 3,277,928</b>

PARKE COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2006

	City and Town Court Costs	Congressional School Interest	Surplus Tax Sale	Tax Sale Redemption	Excess (Surplus) Tax	State Fines and Forfeitures	Infraction Judgements
Additions:							
Agency fund additions	\$ 5,106	\$ 1,254	\$ 325,070	\$ 23,817	\$ -	\$ 1,524	\$ 22,655
Deductions:							
Agency fund deductions	4,813	1,355	172,474	7,804	-	1,512	21,055
Excess (deficiency) of total additions over total deductions	293	(101)	152,596	16,013	-	12	1,600
Cash and investment fund balance - beginning	-	16,574	43,288	2,400	43,896	355	1,140
Cash and investment fund balance - ending	<u>\$ 293</u>	<u>\$ 16,473</u>	<u>\$ 195,884</u>	<u>\$ 18,413</u>	<u>\$ 43,896</u>	<u>\$ 367</u>	<u>\$ 2,740</u>

PARKE COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2006  
 (Continued)

	Inheritance Tax	Payroll	State Sales Disclosures	County Excess Levy	Donation	Coroner's Education	Children With Special Health Care Needs
Additions:							
Agency fund additions	\$ 303,388	\$ 2,087,139	\$ 2,495	\$ -	\$ -	\$ 488	\$ 209
Deductions:							
Agency fund deductions	182,586	1,998,015	2,306	-	-	461	209
Excess (deficiency) of total additions over total deductions	120,802	89,124	189	-	-	27	-
Cash and investment fund balance - beginning	40,854	28,672	195	1,472	3,300	9	-
Cash and investment fund balance - ending	\$ 161,656	\$ 117,796	\$ 384	\$ 1,472	\$ 3,300	\$ 36	\$ -

PARKE COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2006  
 (Continued)

	Welfare Health Care for Indigents	Welfare Medical Assistance to Wards	Welfare Trust	Prosecuting Attorney	County Sheriff	Convention and Visitors Commission
Additions:						
Agency fund additions	\$ 597	\$ 67	\$ 6,427	\$ 17,717	\$ 830,375	\$ 120,799
Deductions:						
Agency fund deductions	597	67	11,504	17,467	835,535	104,543
Excess (deficiency) of total additions over total deductions	-	-	(5,077)	250	(5,160)	16,256
Cash and investment fund balance - beginning	-	-	7,077	-	7,213	6,544
Cash and investment fund balance - ending	\$ -	\$ -	\$ 2,000	\$ 250	\$ 2,053	\$ 22,800

PARKE COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2006  
 (Continued)

	Clerk of the Circuit Court	County Recorder	County Treasurer	Park and Recreation	Emergency Medical Service	County Health
Additions: Agency fund additions	\$ 1,999,325	\$ 89,216	\$ 24,202,124	\$ 156,326	\$ 324,072	\$ 27,657
Deductions: Agency fund deductions	<u>2,138,499</u>	<u>89,216</u>	<u>24,269,450</u>	<u>156,326</u>	<u>324,072</u>	<u>27,657</u>
Excess (deficiency) of total additions over total deductions	(139,174)	-	(67,326)	-	-	-
Cash and investment fund balance - beginning	<u>680,737</u>	<u>-</u>	<u>100,259</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and and investment fund balance - ending	<u>\$ 541,563</u>	<u>\$ -</u>	<u>\$ 32,933</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PARKE COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2006  
 (Continued)

	<u>Probation</u>	<u>Plan Commission</u>	<u>Inmate Trust</u>	<u>Surplus Dog Tax</u>	<u>Commercial Vehicle Excise Tax</u>	<u>Education Plate</u>
Additions:						
Agency fund additions	\$ 118,858	\$ 2,318	\$ 86,362	\$ 1,160	\$ 82,770	\$ 675
Deductions:						
Agency fund deductions	<u>118,858</u>	<u>2,318</u>	<u>94,743</u>	<u>1,160</u>	<u>82,770</u>	<u>675</u>
Excess (deficiency) of total additions over total deductions	-	-	(8,381)	-	-	-
Cash and investment fund balance - beginning	<u>-</u>	<u>-</u>	<u>16,722</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,341</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PARKE COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2006  
 (Continued)

	Surtax	Wheel Tax	County Adjusted Gross Income Tax	Financial Institution Tax	Tax Settlement	Total
Additions:						
Agency fund additions	\$ 254,118	\$ 71,554	\$ 2,185,408	\$ 86,809	\$ 15,559,097	\$ 48,996,976
Deductions:						
Agency fund deductions	254,118	71,554	2,185,408	86,809	15,551,460	48,817,396
Excess (deficiency) of total additions over total deductions	-	-	-	-	7,637	179,580
Cash and investment fund balance - beginning	-	-	-	-	-	1,000,707
Cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ -	\$ 7,637	\$ 1,180,287

PARKE COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2006

The County has entered into the following debt agreements:

Description of Asset	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
Jail Lease	\$ 3,813,612	\$ 172,259
Little Raccoon Conservancy District	20,250	2,250
E911 Phone Equipment	108,477	29,358
Guaranteed Energy Savings Contract	2,420,836	392,486
Boilers	<u>36,070</u>	<u>5,870</u>
Total governmental activities long-term debt	<u>\$ 6,399,245</u>	<u>\$ 602,223</u>

PARKE 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 Sheriff  
County Health Department

(This page intentionally left blank.)

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF PARKE COUNTY, INDIANA

Compliance

We have audited the compliance of Parke 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, 2006. 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, 2006.

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

March 19, 2007

PARKE COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended December 31, 2006

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 JUSTICE</u>			
Direct Grant			
Public Safety Partnership and Community Policing Grants	16.710	2002SHWX0729	\$ 37,959
Pass-Through Indiana Criminal Justice Institute			
Crime Victim Assistance	16.575	05VA102 06VA108	12,097 <u>14,076</u>
Total for program			<u>26,173</u>
Pass-Through Indiana Criminal Justice Institute			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	05-DJ-008	<u>19,767</u>
Total for federal grantor agency			<u>83,899</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana Department of Health			
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	BPRS04 A-2 61 BPRS-160-2	5,000 <u>54,215</u>
Total for program			<u>59,215</u>
Pass-Through Indiana Family and Social Services Administration			
Child Support Enforcement	93.563		
Prosecutor			25,171
Clerk			9,692
General			<u>6,552</u>
Total for program			<u>41,415</u>
Total for federal grantor agency			<u>100,630</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security			
Chemical Stockpile Emergency Preparedness Program	97.040	FY 05 FY 06	91,185 <u>504,370</u>
Total for program			<u>595,555</u>
Total for federal grantor agency			<u>595,555</u>
Total federal awards expended			<u>\$ 780,084</u>

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

PARKE 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 Parke 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.

PARKE 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
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
97.040	Chemical Stockpile Emergency Preparedness Program

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.

Parke County Emergency Management  
Summary schedule of prior audit findings

FINDING NO. 2005-1, Cash Management

Original SBA Audit Report Number: B27111

Auditee Contact Person: Darla Eslinger

Title of Contact Person: Director, Emergency Management

Phone Number: 765-569-3646

Status of Finding:

The Emergency Management office now has separate ledgers by grant year as well as grant funding line item. We have also spent down the large cash balances on hand. Some funds are required to stay on hand in order to pay utilities, payroll, telephone bills and other maintenance fees. We consider this finding to warrant no further action.

*Darla Eslinger 3-13-07*

PARKE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on March 19, 2007, with George Nicholas, President of the Board of County Commissioners; Greg A. Harbison, Commissioner; and Diana Hazlett, Auditor.