

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

ANNUAL FINANCIAL REPORT

2006

PULASKI COUNTY, INDIANA



**FILED**

09/28/2007



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Thomas P. Shank	01-01-05 to 12-31-08
Treasurer	Sheryl DeGroot	01-01-05 to 12-31-08
Clerk	Janet Kennedy Becky Bruce	01-01-03 to 12-31-06 01-01-07 to 12-31-10
Sheriff	Paul Grandstaff Michael Gayer	01-01-03 to 12-31-06 01-01-07 to 12-31-10
Recorder	Lynette Wilder	01-01-06 to 12-31-09
President of the Board of County Commissioners	Michael Tiede	01-01-06 to 12-31-07
President of the County Council	Samuel Frain Rita Carpenter	01-01-06 to 03-31-07 04-01-07 to 12-31-07



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

TO: THE OFFICIALS OF PULASKI COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pulaski 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.

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

In our opinion, except that the omission of the component units of the County referred to in the preceding paragraph results in incomplete presentation, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 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 August 9, 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.

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

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

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Combining Schedules, as listed in the Table of Contents, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

August 9, 2007



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

TO: THE OFFICIALS OF PULASKI COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pulaski County (County), as of and for the year ended December 31, 2006, which collectively comprise the County's basic financial statements and have issued our report thereon dated August 9, 2007. The opinions to the financial statements were qualified due to the omission of component units which results in incomplete presentation. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2006-1 and 2006-2.

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

STATE BOARD OF ACCOUNTS

August 9, 2007

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

Functions/Programs	Disbursements	Charges for Services	Capital Grants and Contributions	Program Receipts	Net (Disbursement) Receipt and Changes in Net Assets Primary Government
Primary government:					
Governmental activities:					
General government	\$ 7,803,126	\$ 711,730	\$ -	\$ -	\$ (7,091,396)
Public safety	844,771	35,973	-	-	(808,798)
Highways and streets	2,222,484	-	-	-	(2,222,484)
Sanitation	58,469	-	-	-	(58,469)
Health and welfare	2,266,848	-	-	-	(2,266,848)
Debt service	250,000	-	-	-	(250,000)
Capital outlay	1,443,540	-	1,461,772	-	18,232
Interest on long-term debt	278,000	-	-	-	(278,000)
Total primary government	<u>\$ 15,167,238</u>	<u>\$ 747,703</u>	<u>\$ 1,461,772</u>	<u>\$ -</u>	<u>(12,957,763)</u>
General receipts:					
Property taxes					7,012,251
Other local sources					413
Grants and contributions not restricted to specific programs					5,700,928
Unrestricted investment earnings					750,005
Total general receipts					<u>13,463,597</u>
Change in net assets					505,834
Net assets - beginning					<u>14,949,741</u>
Net assets - ending					<u>\$ 15,455,575</u>
<u>Assets</u>					
Cash and investments					\$ 2,189,382
Restricted assets:					
Cash and investments					13,266,193
Total assets					<u>\$ 15,455,575</u>
<u>Net Assets</u>					
Restricted for:					
Public safety					\$ 3,096,450
Highways and streets					1,345,911
Health and welfare					860,418
Urban redevelopment and housing					311,790
Debt services					52,380
Capital outlay					5,968,788
Other purposes					1,630,456
Unrestricted					2,189,382
Total net assets					<u>\$ 15,455,575</u>

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

PULASKI 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	Drainage Maintenance	Family and Children	Highway	Justice Center CAGIT	CEDIT
<b>Receipts:</b>						
Taxes	\$ 4,261,760	\$ -	\$ 732,213	\$ -	\$ 644,730	\$ -
Special assessments	-	453,462	-	-	-	-
Licenses and permits	11,428	-	-	-	-	-
Intergovernmental	85,682	-	21,383	2,511,932	-	-
Charges for services	127,523	-	317,645	850	-	-
Fines and forfeits	78,247	-	-	-	-	-
Other	1,786,458	-	160,909	156,478	6,453	473,791
<b>Total receipts</b>	<b>6,351,098</b>	<b>453,462</b>	<b>1,232,150</b>	<b>2,669,260</b>	<b>651,183</b>	<b>473,791</b>
<b>Disbursements:</b>						
General government	6,720,263	-	-	-	-	-
Public safety	-	-	-	-	570,807	-
Highways and streets	-	-	-	2,137,850	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	1,480,017	-	-	-
Debt service:						
Principal	-	-	-	-	-	125,000
Interest	-	-	-	-	-	139,000
Capital outlay:						
Highways and streets	-	607,160	-	-	-	102,096
Special assessments	-	-	-	-	-	-
<b>Total disbursements</b>	<b>6,720,263</b>	<b>607,160</b>	<b>1,480,017</b>	<b>2,137,850</b>	<b>570,807</b>	<b>366,096</b>
Excess (deficiency) of receipts over disbursements	(369,165)	(153,698)	(247,867)	531,410	80,376	107,695
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(369,165)	(153,698)	(247,867)	531,410	80,376	107,695
Cash and investment fund balance - beginning	2,558,547	1,465,631	791,332	584,729	1,367,375	852,507
Cash and investment fund balance - ending	\$ 2,189,382	\$ 1,311,933	\$ 543,465	\$ 1,116,139	\$ 1,447,751	\$ 960,202
<b><u>Cash and Investment Assets - December 31</u></b>						
Cash and investments	\$ 2,189,382	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	1,311,933	543,465	1,116,139	1,447,751	960,202
<b>Total cash and investment assets - December 31</b>	<b>\$ 2,189,382</b>	<b>\$ 1,311,933</b>	<b>\$ 543,465</b>	<b>\$ 1,116,139</b>	<b>\$ 1,447,751</b>	<b>\$ 960,202</b>
<b><u>Cash and Investment Fund Balance - December 31</u></b>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 1,447,751	\$ -
Highways and streets	-	-	-	1,116,139	-	-
Health and welfare	-	-	543,465	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Capital outlay	-	1,311,933	-	-	-	-
Other purposes	-	-	-	-	-	960,202
Unrestricted	2,189,382	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 2,189,382</b>	<b>\$ 1,311,933</b>	<b>\$ 543,465</b>	<b>\$ 1,116,139</b>	<b>\$ 1,447,751</b>	<b>\$ 960,202</b>

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

PULASKI 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  
(Continued)

	Cumulative Bridge	Cumulative Capital Development	General Drain Improvement	Aviation Runway	Other Governmental Funds	Totals
<b>Receipts:</b>						
Taxes	\$ 154,083	\$ 142,622	\$ -	\$ -	\$ 1,076,843	\$ 7,012,251
Special assessments	-	-	-	-	-	453,462
Licenses and permits	-	-	-	-	24,545	35,973
Intergovernmental	2,950	2,732	-	888,584	546,123	4,059,386
Charges for services	-	-	-	-	124,033	570,051
Fines and forfeits	-	-	-	-	63,432	141,679
Other	62,615	37,730	103,899	-	611,937	3,400,270
<b>Total receipts</b>	<b>219,648</b>	<b>183,084</b>	<b>103,899</b>	<b>888,584</b>	<b>2,446,913</b>	<b>15,673,072</b>
<b>Disbursements:</b>						
General government	-	-	-	-	982,618	7,702,881
Public safety	-	-	-	-	273,964	844,771
Highways and streets	-	-	-	-	84,634	2,222,484
Sanitation	-	-	-	-	58,469	58,469
Health and welfare	-	-	-	-	786,831	2,266,848
Debt service:						
Principal	-	-	-	-	125,000	250,000
Interest	-	-	-	-	139,000	278,000
Capital outlay:						
Highways and streets	196,966	228,431	17,926	29,234	261,727	1,443,540
Special assessments	-	-	-	-	100,245	100,245
<b>Total disbursements</b>	<b>196,966</b>	<b>228,431</b>	<b>17,926</b>	<b>29,234</b>	<b>2,812,488</b>	<b>15,167,238</b>
Excess (deficiency) of receipts over disbursements	22,682	(45,347)	85,973	859,350	(365,575)	505,834
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	35,060	35,060
Transfers out	-	-	-	-	(35,060)	(35,060)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	22,682	(45,347)	85,973	859,350	(365,575)	505,834
Cash and investment fund balance - beginning	1,546,988	972,484	1,041,819	-	3,768,329	14,949,741
Cash and investment fund balance - ending	\$ 1,569,670	\$ 927,137	\$ 1,127,792	\$ 859,350	\$ 3,402,754	\$ 15,455,575
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,189,382
Restricted assets:						
Cash and investments	1,569,670	927,137	1,127,792	859,350	3,402,754	13,266,193
<b>Total cash and investment assets - December 31</b>	<b>\$ 1,569,670</b>	<b>\$ 927,137</b>	<b>\$ 1,127,792</b>	<b>\$ 859,350</b>	<b>\$ 3,402,754</b>	<b>\$ 15,455,575</b>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 1,648,699	\$ 3,096,450
Highways and streets	-	-	-	-	229,772	1,345,911
Health and welfare	-	-	-	-	316,953	860,418
Urban redevelopment and housing	-	-	-	-	311,790	311,790
Debt services	-	-	-	-	52,380	52,380
Capital outlay	1,569,670	927,137	1,127,792	859,350	172,906	5,968,788
Other purposes	-	-	-	-	670,254	1,630,456
Unrestricted	-	-	-	-	-	2,189,382
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 1,569,670</b>	<b>\$ 927,137</b>	<b>\$ 1,127,792</b>	<b>\$ 859,350</b>	<b>\$ 3,402,754</b>	<b>\$ 15,455,575</b>

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

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

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Employer	\$ 47,222	\$ -	\$ -
Plan members	41,702	-	-
Other	<u>41,679</u>	<u>-</u>	<u>-</u>
Total contributions	<u>130,603</u>	<u>-</u>	<u>-</u>
Investment earnings:			
Net increase in fair value of investments	79,621	-	-
Interest	<u>35</u>	<u>-</u>	<u>-</u>
Total investment earnings	79,656	-	-
Less investment disbursements	<u>(41,679)</u>	<u>-</u>	<u>-</u>
Net investment earnings	<u>37,977</u>	<u>-</u>	<u>-</u>
Agency fund additions	<u>-</u>	<u>-</u>	<u>32,136,413</u>
Total additions	<u>168,580</u>	<u>-</u>	<u>32,136,413</u>
Deductions:			
Benefits	25,933	-	-
Administrative and general	66,404	-	-
Agency fund deductions	<u>-</u>	<u>-</u>	<u>32,290,549</u>
Total deductions	<u>92,337</u>	<u>-</u>	<u>32,290,549</u>
Excess (deficiency) of total additions over total deductions	76,243	-	(154,136)
Cash and investment fund balance - beginning	<u>625,448</u>	<u>25,293</u>	<u>637,236</u>
Cash and investment fund balance - ending	<u>\$ 701,691</u>	<u>\$ 25,293</u>	<u>\$ 483,100</u>

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

PULASKI 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: Pulaski County

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

The Pulaski Memorial Hospital, a component unit has been omitted from these financial statements. Accordingly, the financial statements do not include the data of all of the County's component units necessary to fairly present the financial position of the County.

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 the board members of the Alcohol and Beverage Commission, Ambulance Service Board, Community Development Commission Board, Emergency Management Advisory Board, KIRPC Commission, Property Reassessment Board of Appeals and Winamac Economic Development Commission.

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

PULASKI COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 drainage maintenance fund accounts for monies received from annual assessments upon lands which benefit from the periodic maintenance of a drain. The fund is used for the maintenance and repair on each legal drain located in the County.

The family and children fund accounts for the costs of providing various assistance programs administered by the Indiana Family and Social Services Administration and the Indiana Department of Child Services. Financing is provided by property taxes and state and federal reimbursements.

The highway fund accounts for the state motor vehicle highway distributions. Funds may be used for the direct and indirect costs of repairing and maintaining the County's roads.

The justice center cagit fund accounts for the county adjusted income tax received by the County and is used to maintain and operate the Pulaski County Justice Center.

The county economic development income tax fund accounts for the County's share of the County economic development income tax. Funds may be used to promote economic development in the County.

The cumulative bridge fund accounts for construction, repair and replacement of all bridges in the County that are not considered a part of the state highway system. Financing is provided by property taxes and federal reimbursements.

The cumulative capital development fund accounts for the costs of projects undertaken in accordance with the County's capital projects plan and for other uses allowed by statute.

The general drain improvement fund accounts for monies received primarily from annual assessments on lands which benefit from the construction or reconstruction of a regulated drain. Monies are used for the construction or reconstruction on those drains.

The aviation runway fund accounts for monies used for a runway expansion and improvement. Financing is provided by federal reimbursements, as well as a local and state match.

Additionally, the County reports the following fund types:

The pension trust funds account for the activities of the sheriff's pension trust which accumulate resources for pension, death and disability benefit payments.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the County school corporations.

Agency funds account for assets held by the County as an agent for county jail inmates, wards and various taxing authorities.

PULASKI COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

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 or proprietary fund 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 are not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

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."

PULASKI COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, and (2) 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:

1. 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 except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities and Net Assets – Cash and Investment Basis.
2. Primary government and component unit activity and balances – Resource flows between the primary government and the discretely-presented component units are reported as if they were external transactions and are classified separately from internal balances and activities within the primary government.

PULASKI COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

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

B. Cash and Investment Balance Deficits

At December 31, 2006, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

Fund	2006
Homeland Security Grant	\$ 40,113
Rural Development Action Grant	15,930

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements; these deficits are to be repaid from future receipts.

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.

PULASKI COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13. The Sheriff's Merit Board has established an investment policy for the Sheriff's Retirement and Benefit Pension Plan. As of December 31, 2006, the County had the following investments:

Investment Type	Sheriff's Retirement and Benefit Pension Plans
U.S. treasuries and securities	\$ 50,000
Corporate bonds	25,000
Mutual funds	378,011
Total	\$ 453,011

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 County to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

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

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

PULASKI 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 corporate bonds, mutual funds and U.S. Treasuries and Securities in the amount of \$453,011. None of these investments were subject to custodial credit risk.

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.

Sheriff's Retirement and Benefit Pension Plans:

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
U.S. treasuries and securities	\$ -	\$ -	\$ 50,000
Mutual bond funds*	378,011	-	-
Corporate bonds	-	-	25,000
Totals	<u>\$ 378,011</u>	<u>\$ -</u>	<u>\$ 75,000</u>

\*The mutual bond funds had a weighted average maturity of 12 months.

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.

Sheriff's Retirement and Benefit Pension Plans:

PULASKI COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Standard and Poor's Rating	Moody's Rating	Investments		
		Mutual Funds	Corporate Bonds	Government Sponsored Enterprise
AA	Aa	\$ -	\$ 25,000	\$ -
Unrated	Unrated	378,011	-	50,000
Totals		<u>\$ 378,011</u>	<u>\$ 25,000</u>	<u>\$ 50,000</u>

Concentration of Credit Risk

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

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

Foreign Currency Risk

The County does not have a formal policy in regards to foreign currency risk.

The Sheriff's Merit Board has not adopted a formal policy in regards to foreign currency risk.

B. Interfund Transfers

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

Transfer From	Transfer To	2006
LECE	Sheriff's Continuing Education	\$ 348
User Fee	Pretrial Diversion	34,055
User Fee	LECE	<u>657</u>
Total		<u>\$ 35,060</u>

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; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); and natural disasters.

PULASKI COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); 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.

B. Holding Corporation

The County has entered into a capital lease with Pulaski 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 \$528,000.

C. Administration of Welfare Programs

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

D. Pension Plans

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

1. Public Employees' Retirement Fund

Plan Description

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

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

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

PULASKI COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

2. County Police Retirement Plan

Plan Description

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

Funding Policy and Annual Pension Cost

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

3. County Police Benefit Plan

Plan Description

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

Funding Policy and Annual Pension Cost

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

PULASKI COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Actuarial Information for the Above Plans

	PERF	County Police Retirement Plan	County Police Benefit Plan
Annual required contribution	\$ 194,287	\$ 32,219	\$ 7,519
Interest on net pension obligation	(8,576)	(980)	-
Adjustment to annual required contribution	9,773	1,317	-
Annual pension cost	195,484	32,556	7,519
Contributions made	163,166	39,703	7,519
Increase (decrease) in net pension obligation	32,318	(7,147)	-
Net pension obligation, beginning of year	(118,293)	(13,995)	-
Net pension obligation, end of year	\$ (85,975)	\$ (21,142)	\$ -

	PERF	County Police Retirement Plan	County Police Benefit Plan
Contribution rates:			
County	4%	9%	2.2%
Plan members	3%	6%	6%
Actuarial valuation date	07-01-06	10-01-06	10-01-06
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed
Amortization period	40 years	40 years	40 years
Amortization period (from date)	07-01-97	12-31-97	12-31-97
Asset valuation method	4 year smoothed market	4 year smoothed market	4 year smoothed market

Actuarial Assumptions

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

PULASKI COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Three Year Trend Information

	<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
PERF	06-30-04	\$ 135,171	105%	\$ (115,400)
	06-30-05	151,608	102%	(118,293)
	06-30-06	195,484	108%	(85,975)
County Police Retirement Plan	12-31-04	35,537	95%	(16,789)
	12-31-05	39,145	94%	(13,995)
	12-31-06	32,556	123%	(21,142)
County Police Benefit Plan	12-31-04	4,732	100%	-
	12-31-05	4,792	100%	-
	12-31-06	7,519	100%	-

PULASKI COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-04	\$ 2,508,998	\$ 2,673,131	\$ (164,133)	94%	\$ 2,864,440	(6%)
07-01-05	2,631,053	3,140,360	(509,307)	84%	3,002,444	(17%)
07-01-06	2,939,138	3,108,706	(169,568)	95%	3,004,561	(6%)

Sheriff's Retirement Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess AAL as a Percentage of Covered Payroll ((a-b)/c)
10-01-01	\$ 360,968	\$ 360,968	\$ -	100%	\$ 312,245	0%
10-01-02	392,061	392,061	-	100%	317,523	0%
10-01-03	430,301	430,301	-	100%	327,496	0%
10-01-04	479,103	479,103	-	100%	336,782	0%
10-01-05	535,319	535,319	-	100%	327,859	0%
10-01-06	597,712	597,712	-	100%	372,075	0%

Sheriff's Benefit Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess AAL as a Percentage of Covered Payroll ((a-b)/c)
10-01-01	\$ 48,774	\$ 48,774	\$ -	100%	\$ 312,245	0%
10-01-02	53,763	53,763	-	100%	317,523	0%
10-01-03	59,226	59,226	-	100%	327,496	0%
10-01-04	65,041	65,041	-	100%	336,782	0%
10-01-05	72,790	72,790	-	100%	327,859	0%
10-01-06	79,361	79,361	-	100%	372,075	0%

PULASKI 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

	Aviation Equipment Storage Bldg.	Accident Report	Aviation	Bioterrorism Grant	Bioterrorism Grant - Health	Canine Donation	Clerk's Incentive IV-D
Receipts:							
Taxes	\$ -	\$ -	\$ 10,187	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	13,025	-	195	36,841	10,393	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	1,482	39,359	3,569	-	10	-
<b>Total receipts</b>	<b>13,025</b>	<b>1,482</b>	<b>49,741</b>	<b>40,410</b>	<b>10,393</b>	<b>10</b>	<b>-</b>
Disbursements:							
General government	28,623	-	74,897	-	-	-	93
Public safety	-	158	-	-	-	86	-
Highways and streets	-	-	14,825	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	-	42,519	3,650	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets and equipment	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>28,623</b>	<b>158</b>	<b>89,722</b>	<b>42,519</b>	<b>3,650</b>	<b>86</b>	<b>93</b>
Excess (deficiency) of receipts over disbursements	(15,598)	1,324	(39,981)	(2,109)	6,743	(76)	(93)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(15,598)	1,324	(39,981)	(2,109)	6,743	(76)	(93)
Cash and investment fund balance - beginning	29,334	9,195	98,794	5,389	10,898	832	15,390
Cash and investment fund balance - ending	<u>\$ 13,736</u>	<u>\$ 10,519</u>	<u>\$ 58,813</u>	<u>\$ 3,280</u>	<u>\$ 17,641</u>	<u>\$ 756</u>	<u>\$ 15,297</u>
<b>Cash and Investment Assets - December 31</b>							
Restricted assets:							
Cash and investments	<u>\$ 13,736</u>	<u>\$ 10,519</u>	<u>\$ 58,813</u>	<u>\$ 3,280</u>	<u>\$ 17,641</u>	<u>\$ 756</u>	<u>\$ 15,297</u>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Public safety	\$ -	\$ 10,519	\$ -	\$ -	\$ -	\$ 756	\$ 15,297
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	3,280	17,641	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	13,736	-	58,813	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 13,736</u>	<u>\$ 10,519</u>	<u>\$ 58,813</u>	<u>\$ 3,280</u>	<u>\$ 17,641</u>	<u>\$ 756</u>	<u>\$ 15,297</u>

PULASKI 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	General Incentive IV-D	Community Development Donation	Community Development Commission	Sheriff's Continuing Education	Jury Fees	Children's Psychiatric Residential Treatment
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85,319
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	1,635
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	4,436	-	-	-	-	-	-
Other	-	-	500	109,998	-	-	7,816
<b>Total receipts</b>	<b>4,436</b>	<b>-</b>	<b>500</b>	<b>109,998</b>	<b>-</b>	<b>-</b>	<b>94,770</b>
Disbursements:							
General government	-	-	1,850	-	-	-	-
Public safety	-	-	-	-	475	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	60,708
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets and equipment	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>1,850</b>	<b>-</b>	<b>475</b>	<b>-</b>	<b>60,708</b>
Excess (deficiency) of receipts over disbursements	4,436	-	(1,350)	109,998	(475)	-	34,062
Other financing sources (uses):							
Transfers in	-	-	-	-	348	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>348</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,436	-	(1,350)	109,998	(127)	-	34,062
Cash and investment fund balance - beginning	27,075	12,664	7,778	211,294	4,560	85	60,738
Cash and investment fund balance - ending	<u>\$ 31,511</u>	<u>\$ 12,664</u>	<u>\$ 6,428</u>	<u>\$ 321,292</u>	<u>\$ 4,433</u>	<u>\$ 85</u>	<u>\$ 94,800</u>
<b>Cash and Investment Assets - December 31</b>							
Restricted assets:							
Cash and investments	<u>\$ 31,511</u>	<u>\$ 12,664</u>	<u>\$ 6,428</u>	<u>\$ 321,292</u>	<u>\$ 4,433</u>	<u>\$ 85</u>	<u>\$ 94,800</u>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Public safety	\$ 31,511	\$ 12,664	\$ -	\$ -	\$ 4,433	\$ 85	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	94,800
Urban redevelopment and housing	-	-	6,428	321,292	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 31,511</u>	<u>\$ 12,664</u>	<u>\$ 6,428</u>	<u>\$ 321,292</u>	<u>\$ 4,433</u>	<u>\$ 85</u>	<u>\$ 94,800</u>

PULASKI 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)

	DARE Donation	Dog Tax	Drug Free Commission	Emergency Telephone System	Enhanced Access	Extradition	FEMA Support Fund Grant
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	507	-	-	-	-	-
Charges for services	-	-	8,136	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	170	1,643	-	46,025	159,793	-	-
Total receipts	170	2,150	8,136	46,025	159,793	-	-
Disbursements:							
General government	-	2,150	-	-	488,666	-	-
Public safety	737	-	16,879	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets and equipment	-	-	-	121,000	-	-	-
Other	-	-	-	-	-	-	-
Total disbursements	737	2,150	16,879	121,000	488,666	-	-
Excess (deficiency) of receipts over disbursements	(567)	-	(8,743)	(74,975)	(328,873)	-	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(567)	-	(8,743)	(74,975)	(328,873)	-	-
Cash and investment fund balance - beginning	1,444	-	16,643	110,300	575,950	872	867
Cash and investment fund balance - ending	\$ 877	\$ -	\$ 7,900	\$ 35,325	\$ 247,077	\$ 872	\$ 867
<u>Cash and Investment Assets - December 31</u>							
Restricted assets:							
Cash and investments	\$ 877	\$ -	\$ 7,900	\$ 35,325	\$ 247,077	\$ 872	\$ 867
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Public safety	\$ 877	\$ -	\$ 7,900	\$ 35,325	\$ 247,077	\$ 872	\$ 867
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 877	\$ -	\$ 7,900	\$ 35,325	\$ 247,077	\$ 872	\$ 867

PULASKI 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)

	Firearms Training	GAL CASA	Health	Health Maintenance	Hospital Care for the Indigent	Juvenile Probation Services	LEPC Emergency Plan
Receipts:							
Taxes	\$ -	\$ -	\$ 162,997	\$ -	\$ 116,517	\$ -	\$ -
Licenses and permits	-	-	24,545	-	-	-	-
Intergovernmental	-	2,142	3,122	9,705	-	-	-
Charges for services	3,470	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	3,108	-
Other	-	100	15,481	24,854	10,674	135	473
<b>Total receipts</b>	<b>3,470</b>	<b>2,242</b>	<b>206,145</b>	<b>34,559</b>	<b>127,191</b>	<b>3,243</b>	<b>473</b>
Disbursements:							
General government	-	2,952	-	-	-	3,866	-
Public safety	-	-	-	-	-	-	961
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	208,496	35,969	127,191	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets and equipment	-	-	-	-	-	-	5,909
Other	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>2,952</b>	<b>208,496</b>	<b>35,969</b>	<b>127,191</b>	<b>3,866</b>	<b>6,870</b>
Excess (deficiency) of receipts over disbursements	3,470	(710)	(2,351)	(1,410)	-	(623)	(6,397)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,470	(710)	(2,351)	(1,410)	-	(623)	(6,397)
Cash and investment fund balance - beginning	10,491	7,113	123,631	60,746	-	14,435	26,534
Cash and investment fund balance - ending	<u>\$ 13,961</u>	<u>\$ 6,403</u>	<u>\$ 121,280</u>	<u>\$ 59,336</u>	<u>\$ -</u>	<u>\$ 13,812</u>	<u>\$ 20,137</u>
<b><u>Cash and Investment Assets - December 31</u></b>							
Restricted assets:							
Cash and investments	<u>\$ 13,961</u>	<u>\$ 6,403</u>	<u>\$ 121,280</u>	<u>\$ 59,336</u>	<u>\$ -</u>	<u>\$ 13,812</u>	<u>\$ 20,137</u>
<b><u>Cash and Investment Fund Balance - December 31</u></b>							
Restricted for:							
Public safety	\$ 13,961	\$ -	\$ -	\$ -	\$ -	\$ 13,812	\$ 20,137
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	6,403	121,280	59,336	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<u><b>\$ 13,961</b></u>	<u><b>\$ 6,403</b></u>	<u><b>\$ 121,280</b></u>	<u><b>\$ 59,336</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 13,812</b></u>	<u><b>\$ 20,137</b></u>

PULASKI 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)

	LECE	Local Road and Street	Misdemeanant	Multi-County Drug Task Force 06-07	Multi-County Drug Task Force 07-08	Operation Pullover	Pretrial Diversion
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	149,311	-	16,247	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	2,299	-	-	1,799	400	-
<b>Total receipts</b>	<b>-</b>	<b>151,610</b>	<b>-</b>	<b>16,247</b>	<b>1,799</b>	<b>400</b>	<b>-</b>
<b>Disbursements:</b>							
General government	-	-	-	-	-	-	-
Public safety	309	-	-	16,247	21,490	-	40,585
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
<b>Debt service:</b>							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
<b>Capital outlay:</b>							
Highways and streets and equipment	-	84,634	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>309</b>	<b>84,634</b>	<b>-</b>	<b>16,247</b>	<b>21,490</b>	<b>-</b>	<b>40,585</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(309)</b>	<b>66,976</b>	<b>-</b>	<b>-</b>	<b>(19,691)</b>	<b>400</b>	<b>(40,585)</b>
<b>Other financing sources (uses):</b>							
Transfers in	657	-	-	-	-	-	34,055
Transfers out	(348)	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>309</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,055</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>-</b>	<b>66,976</b>	<b>-</b>	<b>-</b>	<b>(19,691)</b>	<b>400</b>	<b>(6,530)</b>
Cash and investment fund balance - beginning	-	162,796	97,084	-	19,691	158	7,575
Cash and investment fund balance - ending	\$ -	\$ 229,772	\$ 97,084	\$ -	\$ -	\$ 558	\$ 1,045
<b><u>Cash and Investment Assets - December 31</u></b>							
<b>Restricted assets:</b>							
Cash and investments	\$ -	\$ 229,772	\$ 97,084	\$ -	\$ -	\$ 558	\$ 1,045
<b><u>Cash and Investment Fund Balance - December 31</u></b>							
<b>Restricted for:</b>							
Public safety	\$ -	\$ -	\$ 97,084	\$ -	\$ -	\$ 558	\$ 1,045
Highways and streets	-	229,772	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ -</b>	<b>\$ 229,772</b>	<b>\$ 97,084</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 558</b>	<b>\$ 1,045</b>

PULASKI 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)

	Probation Alcohol Sensors	Probation Detention	Property Reassessment	Prosecutor's Coordinating Council	Prosecutor's IV-D	Recorder's Record Perpetuation	Riverboat Revenue Sharing
Receipts:							
Taxes	\$ -	\$ -	\$ 91,049	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	1,744	-	-	-	-
Charges for services	-	-	-	-	-	18,484	60,637
Fines and forfeits	-	-	-	-	-	-	-
Other	8,002	-	8,340	-	-	-	-
Total receipts	8,002	-	101,133	-	-	18,484	60,637
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	6,872	-	33,335	-	8,443	8,963	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets and equipment	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total disbursements	6,872	-	33,335	-	8,443	8,963	-
Excess (deficiency) of receipts over disbursements	1,130	-	67,798	-	(8,443)	9,521	60,637
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,130	-	67,798	-	(8,443)	9,521	60,637
Cash and investment fund balance - beginning	4,031	142	464,665	1,792	13,748	79,065	182,457
Cash and investment fund balance - ending	\$ 5,161	\$ 142	\$ 532,463	\$ 1,792	\$ 5,305	\$ 88,586	\$ 243,094
<u>Cash and Investment Assets - December 31</u>							
Restricted assets:							
Cash and investments	\$ 5,161	\$ 142	\$ 532,463	\$ 1,792	\$ 5,305	\$ 88,586	\$ 243,094
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Public safety	\$ 5,161	\$ 142	\$ 532,463	\$ 1,792	\$ 5,305	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	88,586	243,094
Total cash and investment fund balance - December 31	\$ 5,161	\$ 142	\$ 532,463	\$ 1,792	\$ 5,305	\$ 88,586	\$ 243,094

PULASKI 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)

	Rural Development Grant	Section 102 Voting	Sheriff's Alcohol Sensors	Sheriff's Controlled Substance	Sheriff's Seized Assets	County Seized Assets	Superior Court Drug and Alcohol
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	-	87	-	31	-
Total receipts	-	-	-	87	-	31	-
Disbursements:							
General government	-	-	-	-	449	-	-
Public safety	50,240	36,072	-	-	-	1,000	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets and equipment	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total disbursements	50,240	36,072	-	-	449	1,000	-
Excess (deficiency) of receipts over disbursements	(50,240)	(36,072)	-	87	(449)	(969)	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(50,240)	(36,072)	-	87	(449)	(969)	-
Cash and investment fund balance - beginning	34,310	47,045	1,197	543	14,079	3,256	9,175
Cash and investment fund balance - ending	<u>\$ (15,930)</u>	<u>\$ 10,973</u>	<u>\$ 1,197</u>	<u>\$ 630</u>	<u>\$ 13,630</u>	<u>\$ 2,287</u>	<u>\$ 9,175</u>
<u>Cash and Investment Assets - December 31</u>							
Restricted assets:							
Cash and investments	<u>\$ (15,930)</u>	<u>\$ 10,973</u>	<u>\$ 1,197</u>	<u>\$ 630</u>	<u>\$ 13,630</u>	<u>\$ 2,287</u>	<u>\$ 9,175</u>
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Public safety	\$ -	\$ -	\$ 1,197	\$ 630	\$ 13,630	\$ 2,287	\$ 9,175
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Urban redevelopment and housing	(15,930)	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	10,973	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ (15,930)</u>	<u>\$ 10,973</u>	<u>\$ 1,197</u>	<u>\$ 630</u>	<u>\$ 13,630</u>	<u>\$ 2,287</u>	<u>\$ 9,175</u>

PULASKI 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)

	Supplemental Adult Probation	Supplemental Public Defender	Surveyor's Corner Perpetuation	Special Death Benefit	Children with Special Health Care Needs	Medical Assistance to Wards	Title III Voting System
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 13,371	\$ 311,350	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	3,635	-	4,033	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	41,945	12,424	-	1,017	1,225	28,521	(17,316)
<b>Total receipts</b>	<b>45,580</b>	<b>12,424</b>	<b>4,033</b>	<b>1,017</b>	<b>14,596</b>	<b>339,871</b>	<b>(17,316)</b>
<b>Disbursements:</b>							
General government	69,224	-	5,184	867	-	-	6,615
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	14,596	339,871	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets and equipment	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>69,224</b>	<b>-</b>	<b>5,184</b>	<b>867</b>	<b>14,596</b>	<b>339,871</b>	<b>6,615</b>
Excess (deficiency) of receipts over disbursements	(23,644)	12,424	(1,151)	150	-	-	(23,931)
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<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	(23,644)	12,424	(1,151)	150	-	-	(23,931)
Cash and investment fund balance - beginning	164,066	108,663	2,986	80	-	-	121,804
Cash and investment fund balance - ending	<u>\$ 140,422</u>	<u>\$ 121,087</u>	<u>\$ 1,835</u>	<u>\$ 230</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,873</u>
<b>Cash and Investment Assets - December 31</b>							
<b>Restricted assets:</b>							
Cash and investments	<u>\$ 140,422</u>	<u>\$ 121,087</u>	<u>\$ 1,835</u>	<u>\$ 230</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,873</u>
<b>Cash and Investment Fund Balance - December 31</b>							
<b>Restricted for:</b>							
Public safety	\$ 140,422	\$ 121,087	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	1,835	230	-	-	97,873
<b>Total cash and investment fund balance - December 31</b>	<b><u>\$ 140,422</u></b>	<b><u>\$ 121,087</u></b>	<b><u>\$ 1,835</u></b>	<b><u>\$ 230</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 97,873</u></b>

PULASKI 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)

	User Fee	Victims Assistance Grant 06-07	Victims Assistance Grant 07-08	Star City Sewer Plan	Work Release	You Drink, You Drive, You Lose	Homeland Security Grant
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	15,000	15,000	10,800	-	-	79,658
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	25,761	-	69	-	28,325	-	1,340
<b>Total receipts</b>	<b>25,761</b>	<b>15,000</b>	<b>15,069</b>	<b>10,800</b>	<b>28,325</b>	<b>-</b>	<b>80,998</b>
<b>Disbursements:</b>							
General government	-	-	-	-	30,447	-	-
Public safety	-	19,531	16,407	-	-	-	132,227
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	12,300	-	-	-
Health and welfare	-	-	-	-	-	-	-
<b>Debt service:</b>							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
<b>Capital outlay:</b>							
Highways and streets and equipment	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>19,531</b>	<b>16,407</b>	<b>12,300</b>	<b>30,447</b>	<b>-</b>	<b>132,227</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>25,761</b>	<b>(4,531)</b>	<b>(1,338)</b>	<b>(1,500)</b>	<b>(2,122)</b>	<b>-</b>	<b>(51,229)</b>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	(34,712)	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(34,712)</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</b>	<b>(8,951)</b>	<b>(4,531)</b>	<b>(1,338)</b>	<b>(1,500)</b>	<b>(2,122)</b>	<b>-</b>	<b>(51,229)</b>
<b>Cash and investment fund balance - beginning</b>	<b>94,812</b>	<b>4,812</b>	<b>1,338</b>	<b>1,500</b>	<b>47,439</b>	<b>192</b>	<b>11,116</b>
<b>Cash and investment fund balance - ending</b>	<b>\$ 85,861</b>	<b>\$ 281</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 45,317</b>	<b>\$ 192</b>	<b>\$ (40,113)</b>
<b><u>Cash and Investment Assets - December 31</u></b>							
<b>Restricted assets:</b>							
Cash and investments	\$ 85,861	\$ 281	\$ -	\$ -	\$ 45,317	\$ 192	\$ (40,113)
<b><u>Cash and Investment Fund Balance - December 31</u></b>							
<b>Restricted for:</b>							
Public safety	\$ 85,861	\$ 281	\$ -	\$ -	\$ 45,317	\$ 192	\$ (40,113)
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 85,861</b>	<b>\$ 281</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 45,317</b>	<b>\$ 192</b>	<b>\$ (40,113)</b>

PULASKI 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 Jail	Jail Lease Rental	Cumulative Building	Industrial Park Improvement	County Recorder Identity Theft Security	Levy Excess	Community Development Block Grant
Receipts:							
Taxes	\$ -	\$ 274,421	\$ -	\$ -	\$ -	\$ 11,632	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	5,255	-	-	-	-	20,000
Charges for services	-	-	-	-	5,104	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	6,864	25,138	4,734	56,750	-	-	-
<b>Total receipts</b>	<b>6,864</b>	<b>304,814</b>	<b>4,734</b>	<b>56,750</b>	<b>5,104</b>	<b>11,632</b>	<b>20,000</b>
Disbursements:							
General government	-	-	-	-	-	109,682	20,000
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service:							
Principal	-	125,000	-	-	-	-	-
Interest	-	139,000	-	-	-	-	-
Capital outlay:							
Highways and streets and equipment	-	-	4,698	32,800	-	-	-
Other	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>264,000</b>	<b>4,698</b>	<b>32,800</b>	<b>-</b>	<b>109,682</b>	<b>20,000</b>
Excess (deficiency) of receipts over disbursements	6,864	40,814	36	23,950	5,104	(98,050)	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	6,864	40,814	36	23,950	5,104	(98,050)	-
Cash and investment fund balance - beginning	163,495	11,566	124,938	23,639	-	180,780	-
Cash and investment fund balance - ending	<u>\$ 170,359</u>	<u>\$ 52,380</u>	<u>\$ 124,974</u>	<u>\$ 47,589</u>	<u>\$ 5,104</u>	<u>\$ 82,730</u>	<u>\$ -</u>
<b><u>Cash and Investment Assets - December 31</u></b>							
Restricted assets:							
Cash and investments	<u>\$ 170,359</u>	<u>\$ 52,380</u>	<u>\$ 124,974</u>	<u>\$ 47,589</u>	<u>\$ 5,104</u>	<u>\$ 82,730</u>	<u>\$ -</u>
<b><u>Cash and Investment Fund Balance - December 31</u></b>							
Restricted for:							
Public safety	\$ 170,359	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Capital outlay	-	-	124,974	47,589	-	-	-
Debt service	-	52,380	-	-	-	-	-
Other purposes	-	-	-	-	5,104	82,730	-
<b>Total cash and investment fund balance - December 31</b>	<b><u>\$ 170,359</u></b>	<b><u>\$ 52,380</u></b>	<b><u>\$ 124,974</u></b>	<b><u>\$ 47,589</u></b>	<b><u>\$ 5,104</u></b>	<b><u>\$ 82,730</u></b>	<b><u>\$ -</u></b>

PULASKI 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)

	Donations	Health Tobacco Grant	Aviation Runway Reconstruction	Sheriff's Pension Holding	Sheriff's Commissary	Totals
<b>Receipts:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,076,843
Licenses and permits	-	-	-	-	-	24,545
Intergovernmental	-	14,213	80,293	-	-	485,086
Charges for services	-	-	-	381	-	103,880
Fines and forfeits	-	-	-	5,707	-	13,251
Other	1,500	-	2,547	-	79,424	743,308
<b>Total receipts</b>	<b>1,500</b>	<b>14,213</b>	<b>82,840</b>	<b>6,088</b>	<b>79,424</b>	<b>2,446,913</b>
<b>Disbursements:</b>						
General government	-	-	-	-	-	845,565
Public safety	-	-	-	-	-	411,017
Highways and streets	-	-	-	-	-	14,825
Sanitation	-	-	-	-	-	12,300
Health and welfare	-	-	-	-	-	833,000
<b>Debt service:</b>						
Principal	-	-	-	-	-	125,000
Interest	-	-	-	-	-	139,000
<b>Capital outlay:</b>						
Highways and streets and equipment	-	-	82,497	-	-	331,538
Other	-	-	-	-	100,245	100,245
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>82,497</b>	<b>-</b>	<b>100,245</b>	<b>2,812,490</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>1,500</b>	<b>14,213</b>	<b>343</b>	<b>6,088</b>	<b>(20,821)</b>	<b>(365,577)</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	35,060
Transfers out	-	-	-	-	-	(35,060)
<b>Total other financing sources (uses)</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</b>	<b>1,500</b>	<b>14,213</b>	<b>343</b>	<b>6,088</b>	<b>(20,821)</b>	<b>(365,577)</b>
Cash and investment fund balance - beginning	65,780	-	-	-	53,464	3,768,331
<b>Cash and investment fund balance - ending</b>	<b>\$ 67,280</b>	<b>\$ 14,213</b>	<b>\$ 343</b>	<b>\$ 6,088</b>	<b>\$ 32,643</b>	<b>\$ 3,402,754</b>
<b><u>Cash and Investment Assets - December 31</u></b>						
<b>Restricted assets:</b>						
Cash and investments	\$ 67,280	\$ 14,213	\$ 343	\$ 6,088	\$ 32,643	\$ 3,402,754
<b><u>Cash and Investment Fund Balance - December 31</u></b>						
<b>Restricted for:</b>						
Public safety	\$ -	\$ -	\$ -	\$ 6,088	\$ 32,643	\$ 1,648,699
Highways and streets	-	-	-	-	-	229,772
Health and welfare	-	14,213	-	-	-	316,953
Urban redevelopment and housing	-	-	-	-	-	311,790
Capital outlay	-	-	343	-	-	172,906
Debt service	-	-	-	-	-	52,380
Other purposes	67,280	-	-	-	-	670,254
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 67,280</b>	<b>\$ 14,213</b>	<b>\$ 343</b>	<b>\$ 6,088</b>	<b>\$ 32,643</b>	<b>\$ 3,402,754</b>

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

	<u>Sheriff's Retirement Pension Trust</u>	<u>Sheriff's Benefit Pension Trust</u>	<u>Totals</u>
Additions:			
Contributions:			
Employer	\$ 39,703	\$ 7,519	\$ 47,222
Plan members	<u>36,827</u>	<u>4,875</u>	<u>41,702</u>
Total contributions	<u>76,530</u>	<u>12,394</u>	<u>88,924</u>
Investment receipts:			
Net increase in investments	76,059	3,562	79,621
Interest	35	-	35
Dividends	<u>41,679</u>	<u>-</u>	<u>41,679</u>
Total investment receipts	117,773	3,562	121,335
Less investment disbursements	<u>(41,679)</u>	<u>-</u>	<u>(41,679)</u>
Net investment receipts	<u>76,094</u>	<u>3,562</u>	<u>79,656</u>
Total additions	<u>152,624</u>	<u>15,956</u>	<u>168,580</u>
Deductions:			
Benefits	21,873	4,060	25,933
Administrative and general	<u>55,811</u>	<u>10,593</u>	<u>66,404</u>
Total deductions	<u>77,684</u>	<u>14,653</u>	<u>92,337</u>
Excess of total additions over total deductions	74,940	1,303	76,243
Cash and investment fund balance - beginning	<u>552,474</u>	<u>72,974</u>	<u>625,448</u>
Cash and investment fund balance - ending	<u>\$ 627,414</u>	<u>\$ 74,277</u>	<u>\$ 701,691</u>

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

	Welfare Trust	City/Town Court Costs	Congressional School Interest	Sales Disclosure	Inheritance Tax	Payroll
Additions:						
Agency fund additions	\$ 399	\$ 4,711	\$ 1,050	\$ 2,041	\$ 302,788	\$ 1,708,502
Deductions:						
Agency fund deductions	281	4,414	939	-	384,759	1,704,892
Excess (deficiency) of total additions over total deductions	118	297	111	2,041	(81,971)	3,610
Cash and investment fund balance - beginning	4,765	-	10,895	7,686	107,902	29,825
Cash and investment fund balance - ending	<u>\$ 4,883</u>	<u>\$ 297</u>	<u>\$ 11,006</u>	<u>\$ 9,727</u>	<u>\$ 25,931</u>	<u>\$ 33,435</u>

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

	<u>Surplus Tax</u>	<u>Surplus Tax Sale</u>	<u>Tax Sale Cost</u>	<u>Tax Sale Redemption</u>	<u>Treasurer</u>	<u>Clerk</u>
Additions:						
Agency fund additions	\$ 13,007	\$ 12,863	\$ 9,401	\$ 19,435	\$ 12,080,859	\$ 1,769,114
Deductions:						
Agency fund deductions	<u>11,996</u>	<u>85,135</u>	<u>7,346</u>	<u>19,436</u>	<u>12,138,528</u>	<u>1,733,550</u>
Excess (deficiency) of total additions over total deductions	1,011	(72,272)	2,055	(1)	(57,669)	35,564
Cash and investment fund balance - beginning	<u>14,605</u>	<u>88,274</u>	<u>18,883</u>	<u>-</u>	<u>170,487</u>	<u>131,329</u>
Cash and investment fund balance - ending	<u>\$ 15,616</u>	<u>\$ 16,002</u>	<u>\$ 20,938</u>	<u>\$ (1)</u>	<u>\$ 112,818</u>	<u>\$ 166,893</u>

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

	Sheriff	Probation	Prosecutor	Recorder	Recycling	Transfer Station
Additions:						
Agency fund additions	\$ 254,331	\$ 12,965	\$ 142	\$ 65,654	\$ 134,196	\$ -
Deductions:						
Agency fund deductions	250,800	12,965	-	60,426	134,196	-
Excess (deficiency) of total additions over total deductions	3,531	-	142	5,228	-	-
Cash and investment fund balance - beginning	1,871	-	5,259	25	30,200	25
Cash and investment fund balance - ending	<u>\$ 5,402</u>	<u>\$ -</u>	<u>\$ 5,401</u>	<u>\$ 5,253</u>	<u>\$ 30,200</u>	<u>\$ 25</u>

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

	<u>Health</u>	<u>Inmate Trust</u>	<u>State Fees</u>	<u>Tax Distribution</u>	<u>Child Restraint</u>	<u>Totals</u>
Additions:						
Agency fund additions	\$ -	\$ 105,165	\$ 39,943	\$ 15,599,722	\$ 125	\$ 32,136,413
Deductions:						
Agency fund deductions	-	105,683	36,572	15,598,506	125	32,290,549
Excess (deficiency) of total additions over total deductions	-	(518)	3,371	1,216	-	(154,136)
Cash and investment fund balance - beginning	20	5,545	3,692	5,948	-	637,236
Cash and investment fund balance - ending	<u>\$ 20</u>	<u>\$ 5,027</u>	<u>\$ 7,063</u>	<u>\$ 7,164</u>	<u>\$ -</u>	<u>\$ 483,100</u>

PULASKI COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For the Year Ended December 31, 2006

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

The unit has chosen not to report general infrastructure assets.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 377,061
Buildings under capital lease	8,657,897
Buildings	2,004,782
Improvements other than buildings	575,277
Machinery and equipment	6,518,073
Construction in progress	<u>308,798</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 18,441,888</u>

PULASKI COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 For The Year Ended December 31, 2006

CAPITAL LEASES

The County has entered into the following capital leases:

Description of Asset	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
Justice Center Building	\$ 5,460,000	\$ 125,000

PULASKI COUNTY  
OTHER REPORTS

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

Sheriff  
Recycling Center/Transfer Station

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF PULASKI COUNTY, INDIANA

Compliance

We have audited the compliance of Pulaski 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 of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2006. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2006-1 and 2006-2.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

A control deficiency in a County's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

The County's response to the findings identified in our audit is described in the accompanying Corrective Action Plan section of the report. We did not audit the County's response and, accordingly, we express no opinion on it.

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

STATE BOARD OF ACCOUNTS

August 9, 2007

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

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Indiana Housing and Development Authority Community Development Block Grant/State's Program	14.228		\$ 20,000
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute State Justice Statistics Program for Statistical Analysis Centers	16.550		30,000
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Direct Grant			
Airport Improvement Program	20.106	3-18-0087-03 3-18-0087-04 3-18-0087-05	13,026 77,900 937,409
Total for program			1,028,335
Pass-Through Indiana Department of Transportation Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grant	20.601	OP-07-01-01-028	600
Total for federal grantor agency			1,028,935
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana Department of Health Centers for Disease Control and Prevention-Investigation and Technical Assistance	93.283	BPRS 165-2 BPRS 400 SC	13,721 29,720
Total for program			43,441
Pass-Through Indiana Family and Social Services Administration Child Support Enforcement Prosecuting Attorney's Expenditures Circuit Court Clerk's Expenditures	93.563		29,934 33,201
Total for program			63,135
Total for federal grantor agency			106,576
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security State Domestic Preparedness Equipment Support Program	97.004		38,738
Pass-Through Indiana Department of Homeland Security Emergency Management Performance Grant	97.042		15,776
Pass-Through Indiana Department of Homeland Security Homeland Security Grant Program	97.067		27,035
Pass-Through Indiana Department of Homeland Security State Homeland Security Program	97.073		11,250
Pass-Through Indiana Department of Homeland Security Law Enforcement Terrorism Prevention Program	97.074		17,747
Total for federal grantor agency			110,546
Total federal awards expended			\$ 1,296,057

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

PULASKI COUNTY  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Pulaski 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.

PULASKI COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Qualified

Internal control over financial reporting:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	yes

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? yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
20.106	Airport Improvement 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

FINDING 2006-1, CASH MANAGEMENT

Federal Agency: Federal Aviation Administration  
 Federal Program: Airport Improvement Program  
 CFDA Number: 20.106  
 Federal Award Number: 3-18-0087-05

PULASKI COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The County did not expend grant proceeds within a reasonable amount of time. Several disbursements reviewed indicated that grant monies were held for more than 30 days before disbursements were made to the appropriate contractor/vendor.

Officials had no internal control safeguards in place to monitor compliance with the cash management requirement and insure the timely disbursement of grant monies.

The A-133 Compliance Supplement, Section 3-B, states: "When funds are advanced, recipients must follow procedures to minimize the time elapsing between the transfer of funds from the United States Treasury and disbursement."

Failure to expend grant monies within a reasonable time could result in the loss of future federal funding for Pulaski County.

We recommended Officials institute an internal control procedure that will insure that cash management requirements of federal grants are complied with in the future.

FINDING 2006-2. MATCHING REQUIREMENT

Federal Agency: Federal Aviation Administration  
Federal Program: Airport Improvement Program  
CFDA Number: 20.106  
Federal Award Number: 3-18-0087-05

The County failed to meet the matching requirement of 5% as stipulated in the grant agreement.

Officials had no internal control safeguards in place to insure that the matching compliance requirement of the grant was met.

The A-133 Compliance Supplement, section 3-G, defines matching as follows: "Matching . . . includes requirements to provide contributions of a specified amount or percentage to match federal funds."

Failure to comply with the grant matching requirements as specified in the grant agreement could result in the loss of future federal funding for Pulaski County.

We recommended Officials institute safeguards to insure that federal grant matching requirements are met in the future if needed.

PULASKI COUNTY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

**Pulaski County Auditor**  
**Thomas P. Shank**

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Winamac, Indiana 46996

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July 17, 2007

Subject: Pulaski County Corrective Action Plan

Reference: Finding 2006-1 Cash Management  
Federal Agency: Federal Aviation Administration  
Federal Program: Airport Improvement Program  
CFDA Number 20.106  
Federal Award Number: 3-18-0087-05

In the future when federal grants are awarded, all grants and grant applications will be kept on file in the Auditor's office. The Auditor's staff knows when federal monies are received since they post those receipts to the ledger. The staff will be made aware that certain federal monies received must be spent within a certain time frame. We will see that internal control safeguards are put in place to monitor compliance with the cash management requirement. Steps will be taken to minimize the time elapsing between the receipt and disbursement of federal monies.

Reference: Finding 2006-2 Matching Requirement  
Federal Agency: Federal Aviation Administration  
Federal Program: Airport Improvement Program  
CFDA Number 20.106  
Federal Award Number: 3-18-0087-05

In the future when federal grants are awarded, all grants and grant applications will be kept on file in the Auditor's office. The Auditor's staff will be required to familiarize themselves with the terms of the grant agreement and be aware that a matching requirement may be stipulated. We will see that internal control safeguards are put in place to monitor compliance with the matching requirement. Steps will be taken to insure that all matching requirements are met in the future.

Cordially,



Thomas P. Shank, Auditor  
Pulaski County, Indiana

PULASKI COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on August 9, 2007, with Jenny Maxwell-Shank, Deputy Auditor; H. Arthur Sutton, Council person; and Jerry Young, Commissioner. The officials concurred with our audit findings.