

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

EXAMINATION REPORT  
OF  
FRANKLIN COUNTY, INDIANA  
January 1, 2005 to December 31, 2005



**FILED**  
11/30/2006



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Carol L. Monroe	01-01-04 to 12-31-07
Treasurer	Rebecca Oglesby	01-01-05 to 12-31-08
Clerk	Marlene Flaspohler	02-15-04 to 01-14-08
Sheriff	Dale Maxie	01-01-03 to 12-31-06
Recorder	Mary Seufert	01-01-05 to 12-31-08
President of the Board of County Commissioners	Louis E. Linkel	01-01-05 to 12-31-06
President of the County Council	Donald (Butch) Williams	01-01-05 to 12-31-06



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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STATE BOARD OF ACCOUNTS  
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF FRANKLIN COUNTY, INDIANA

We have examined the schedule of receipts, disbursements, and cash and investment balances of Franklin County (County), for the period of January 1, 2005 to December 31, 2005. The County's management is responsible for the schedule. Our responsibility is to express an opinion based on our examination.

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

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

STATE BOARD OF ACCOUNTS

November 8, 2006

FRANKLIN COUNTY  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Year Ended December 31, 2005

	Cash and Investments			Cash and Investments		
	01-01-05	Receipts	Disbursements	12-31-05		
Governmental Funds:						
General	\$ 437,249	\$ 6,638,652	\$ 6,925,304	\$ 150,597		
County Highway	770,770	2,326,878	2,415,357	682,291		
County Health	182,934	220,294	311,369	91,859		
Local Road and Street	458,230	1,477,304	1,328,083	607,451		
Election	152,366	75,142	4,334	223,174		
Reassessment 2006	633,976	385,554	267,294	752,236		
Accident Report	1,077	944	831	1,190		
Firearms Training	5,072	2,240	3,733	3,579		
Surveyor's Corner Perpetuation	20,742	5,135	2,271	23,606		
Supplemental Adult Probation Services	203,349	56,878	75,596	184,631		
Supplemental Juvenile Probation Services	35,405	17,161	24,928	27,638		
Bioterrorism	13,256	-	2,332	10,924		
Bullet Proof Vest Program	279	-	279	-		
Children Psychiatric	480	93,270	31,104	62,646		
Recorder's Record Perpetuation	54,541	25,527	17,274	62,794		
County Law Enforcement Continuing Education	1,240	-	-	1,240		
County User Fee	24,270	4,735	5,217	23,788		
Local Health Maintenance	24,357	11,160	19,255	16,262		
Drainage Maintenance	(607)	9,146	6,627	1,912		
Child Restraint System Violation	-	175	-	175		
Park and Recreation	148,830	464,346	423,146	190,030		
Prosecutor Title IV-D	8,092	-	3,598	4,494		
Prosecutor Title IV-D After 10/99	19,278	18,640	10,905	27,013		
Clerk Title IV-D	9	-	-	9		
Clerk Title IV-D After 10/99	17,641	21,052	4,386	34,307		
Covered Bridge	19,998	2,500	-	22,498		
Emergency Planning and Right to Know	12,846	4,387	2,874	14,359		
County Drug Free Community	35,995	28,421	27,336	37,080		
Supplemental Public Defender	3,742	-	-	3,742		
Public Mass Transportation	-	206,314	206,314	-		
Guardian Ad/Litem Special Advocate	3,605	-	-	3,605		
Recorder's Mortgage Fee	-	3,920	3,550	370		
Emergency Telephone System E-911	72,094	364,547	322,378	114,263		
Economic Development Income Tax	354,008	630,987	903,183	81,812		
Pretrial Diversion	2,644	38,570	14,335	26,879		
Jail Commissary	26,778	32,014	41,313	17,479		
Victim Assistance	714	4,103	5,693	(876)		
Home Detention	19,932	-	-	19,932		
Flu Vaccine	7,760	8,765	7,022	9,503		
Franklin County Economic Development	-	30,000	-	30,000		
Cholesterol	130	-	-	130		
Homeland Security Grant	13	-	13	-		
Operation Pullover	74	10,532	9,362	1,244		
Park Grants	-	2,000	-	2,000		
County Family and Children	294,382	837,965	810,672	321,675		
Choices - Saturday Program	9,438	15,035	10,178	14,295		
Donations	10	-	-	10		
Inmate Medical	5,518	1,170	-	6,688		
Marijuana Eradication	353	-	-	353		
County Corrections	92,577	14,726	12,200	95,103		
Deferral Program	36,855	13,420	29,278	20,997		
Jury Fees	18,440	3,392	4,367	17,465		
Plat Book	27,745	6,805	-	34,550		
Waste Management and Recycling	13,231	12,200	14,617	10,814		
Tower Maintenance	8,539	-	-	8,539		
Rainy Day Fund	360,419	530,000	562,575	327,844		

The accompanying notes are an integral part of the schedules.

FRANKLIN COUNTY  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Year Ended December 31, 2005  
(Continued)

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds (continued):				
Stayin' Alive	131	2,686	2,817	-
Title III Clerk Nonreverting	-	93,474	-	93,474
Clerk's Record Perpetuation	11,680	4,315	-	15,995
Small Animal Control Donations	2,301	1,020	1,455	1,866
Alcohol and Drug Services Grant	1,239	-	-	1,239
Riverboat Revenue Sharing	210,552	139,678	350,230	-
HAVA Section 102 - Clerk Election	771	-	771	-
Interstate Compact Fee	413	525	900	38
Indiana Tobacco Prevention Cessation	48,600	25,710	69,863	4,447
Tobacco Settlement	87,286	32,386	11,535	108,137
Innkeepers Tax	166,258	86,461	85,837	166,882
Restricted Cemetery Donations	100	145	-	245
Sheriff's Bond Collection Fee	-	890	-	890
Sales Disclosure	2,752	3,044	-	5,796
FEMA Grant	92,108	-	92,108	-
EMA FY03 SEMA Grant	4,110	357	4,110	357
Emergency Gas Award	-	1,100	550	550
Historic Metamora	-	540	155	385
Metamora Improvement	-	870	560	310
Metamora Matching	-	35	-	35
Wal-Mart Grant	-	1,000	-	1,000
Levy Excess Welfare	48,064	-	-	48,064
Jail Lease Rental	263,052	868,206	931,160	200,098
Dare Ditch Note Redemption	1,887	929	-	2,816
Cumulative Bridge	849,047	802,530	787,460	864,117
Cumulative Capital Development	452,535	659,693	655,677	456,551
General Drain Improvement	8,315	-	-	8,315
Government Building Fund	-	4,529,850	-	4,529,850
Park Nonreverting	11,405	-	-	11,405
Fiduciary Funds:				
Health Claims Fund	487,868	1,932,178	2,143,065	276,981
Sheriff's Pension Trust	890,296	122,918	38,822	974,392
Congressional Principal	55,806	-	-	55,806
Tax Sale Redemption	11,696	25,431	26,131	10,996
Tax Sale Surplus	2,797	446,273	220,750	228,320
State Fees	20,425	73,055	76,691	16,789
Inheritance Tax	58,766	444,245	454,883	48,128
Surplus Tax	3,386	29,151	21,572	10,965
Congressional Interest	38,969	1,366	2,251	38,084
Surplus Dog	36	706	742	-
Tax Distributions	-	28,972,710	28,972,708	2
Infraction Judgments	9,751	17,389	26,497	643
State Sales Disclosure Fees	2,383	3,699	5,837	245
City and Town Court Costs	2,925	6,393	5,297	4,021
Welfare Trust	2,840	24,770	24,097	3,513
Coroner's Training Continuing Education	266	481	693	54
State Assessment Training	2,387	762	-	3,149
County Treasurer	4,396,549	21,147,101	22,201,238	3,342,412
County Sheriff	556	394,664	391,914	3,306
County Sheriff's Inmate Trust	429	4,257	3,791	895
Clerk of the Circuit Court	113,962	2,744,306	2,651,806	206,462
County Recorder	-	114,650	106,580	8,070
County Probation	-	80,961	75,233	5,728
Totals	<u>\$ 13,005,375</u>	<u>\$ 78,498,916</u>	<u>\$ 75,316,269</u>	<u>\$ 16,188,022</u>

The accompanying notes are an integral part of the schedules.

FRANKLIN COUNTY  
NOTES TO SCHEDULE

Note 1. Introduction

The County was established under the laws of the State of Indiana. The County provides the following services: public safety, highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

Note 2. Fund Accounting

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

Note 3. Budgets

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

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the County in June and December. State statute (Indiana Code 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively.

Note 5. Deposits and Investments

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

State statute (Indiana Code 5-13-9) authorizes the County to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

FRANKLIN COUNTY  
NOTES TO SCHEDULE  
(Continued)

Note 6. Pension Plans

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

a. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

b. County Police Retirement Plan

Plan Description

The County 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 (Indiana Code 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.

FRANKLIN COUNTY  
NOTES TO SCHEDULE  
(Continued)

c. County Police Benefit Plan

Plan Description

The County contributes to the County Police Benefit Plan which is a single-employer defined benefit pension plan. With the approval of the County's fiscal body, the plan is administered by the sheriff's department and an appointed trustee as authorized by state statute (Indiana Code 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.

Note 7. Long-Term Debt

The County has entered into various debts such as bonds for county administration building, various capital leases for County Jail Facility, Highway Equipment and Emergency Communications System. The outstanding principal at December 31, 2005, was \$4,600,000 and \$582,094, respectively.

Note 8. Potential Liability

The County has received notification from the U.S. Department of Justice, Environment and Natural Resources Division, of a potential liability to the county for the Laurel Stone Church Road Superfund Site.

**FRANKLIN COUNTY  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF LONG-TERM DEBT**

For The Year Ended December 31, 2005

**CAPITAL LEASES**

The County has entered into the following capital leases:

Description of Asset	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>		
<b>Capital leases:</b>		
Jail	\$ 380,000	\$ 380,000
Wheel Loader	\$ 16,398	\$ 16,398
Gradall	\$ 179,430	\$ 32,805
911 Equipment	\$ 6,267	\$ 6,267
<b>Bonds payable:</b>		
<b>General obligation bonds:</b>		
Government Center	4,600,000	-
<b>Total governmental activities long-term debt</b>	<b><u>\$ 5,182,095</u></b>	<b><u>\$ 435,470</u></b>

FRANKLIN COUNTY  
OTHER REPORTS

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

County Auditor  
County Sheriff

FRANKLIN COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on November 8, 2006, with Carol L. Monroe, County Auditor; Thomas Wilson, County Commissioner; and Donald (Butch) Williams, President of the County Council. Our examination disclosed no material items that warrant comment at this time.