

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

ANNUAL FINANCIAL REPORT

2006

FRANKLIN COUNTY, INDIANA



FILED
07/19/2007

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SCHEDULE OF 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 12-31-10 |
| Recorder | Mary Seufert | 01-01-05 to 12-31-08 |
| President of the Board of County Commissioners | Louis E. Linkel Vacant Thomas Wilson (See subsequent event note) | 01-01-06 to 04-15-07 04-16-07 to 04-22-07 04-23-07 to 12-31-07 |
| President of the County Council | Donald (Butch) Williams | 01-01-06 to 12-31-07 |



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF FRANKLIN COUNTY, INDIANA

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

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2006, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated June 4, 2007, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

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

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

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Combining Schedules, as listed in the Table of Contents, 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

June 4, 2007



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF FRANKLIN COUNTY, INDIANA

We have audited the financial statements of Franklin County (County), as of and for the year ended December 31, 2006, and have issued our report thereon dated June 4, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

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

We noted other matters involving the internal control over financial reporting that we have discussed with the management of the County on June 4, 2007. These immaterial instances of noncompliance were subsequently communicated to management in a separate letter.

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

June 4, 2007

STATE BOARD OF ACCOUNTS

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

| Functions/Programs | Disbursements | Program Receipts | | | Net (Disbursements) Receipt and Changes in Net Assets |
|----------------------------------|-----------------------------|----------------------------|--|--|---|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities |
| Primary government: | | | | | |
| Governmental activities: | | | | | |
| General government | \$ 8,203,968 | \$ 353,106 | \$ 258,385 | \$ 1,200 | \$ (7,591,277) |
| Public safety | 2,649,875 | 640,231 | 187,159 | - | (1,822,485) |
| Highways and streets | 4,237,646 | 53,023 | 314,894 | - | (3,869,729) |
| Sanitation | 134,555 | 80,671 | 12,200 | - | (41,684) |
| Health and welfare | 1,732,368 | 47,461 | 385,811 | - | (1,299,096) |
| Economic development | 4,840 | - | - | 278,879 | 274,039 |
| Culture and recreation | 258,383 | 44,915 | 430 | - | (213,038) |
| Interest on long-term debt | 119,415 | - | - | - | (119,415) |
| Total primary government | <u>\$ 17,341,050</u> | <u>\$ 1,219,407</u> | <u>\$ 1,158,879</u> | <u>\$ 280,079</u> | <u>(14,682,685)</u> |
| General receipts: | | | | | |
| Property taxes | | | | | 3,831,719 |
| County adjusted gross income tax | | | | | 2,382,180 |
| Other taxes | | | | | 905,822 |
| Intergovernmental revenue | | | | | 3,156,466 |
| Other local sources | | | | | 1,939,636 |
| Unrestricted investment earnings | | | | | <u>390,747</u> |
| Total general receipts | | | | | <u>12,606,570</u> |
| Change in net assets | | | | | <u>(2,076,115)</u> |
| Net assets - beginning | | | | | <u>11,225,672</u> |
| Net assets - ending | | | | | <u><u>\$ 9,149,557</u></u> |
| <u>Assets</u> | | | | | |
| Cash and investments | | | | | \$ 1,548,150 |
| Restricted assets: | | | | | |
| Cash and investments | | | | | <u>7,601,407</u> |
| Total assets | | | | | <u><u>\$ 9,149,557</u></u> |
| <u>Net Assets</u> | | | | | |
| Restricted for: | | | | | |
| Public safety | | | | | \$ 634,610 |
| Highways and streets | | | | | 1,778,085 |
| Sanitation | | | | | 3,678 |
| Health and welfare | | | | | 974,504 |
| Culture and recreation | | | | | 365,835 |
| Economic development | | | | | 55,160 |
| Debt service | | | | | 389,532 |
| Other purposes | | | | | 3,400,003 |
| Unrestricted | | | | | <u>1,548,150</u> |
| Total net assets | | | | | <u><u>\$ 9,149,557</u></u> |

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

FRANKLIN 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 | County Highway | Government Building Renovations | Other Governmental Funds | Totals |
|---|---------------------|-------------------|---------------------------------|--------------------------|---------------------|
| Receipts: | | | | | |
| Taxes | \$ 1,971,475 | \$ - | \$ - | \$ 2,243,743 | \$ 4,215,218 |
| Special assessments | - | - | - | 3,315 | 3,315 |
| Licenses and permits | 72,965 | - | - | 14,008 | 86,973 |
| Intergovernmental | 2,739,410 | 2,166,375 | - | 2,567,647 | 7,473,432 |
| Charges for services | 472,130 | 53,023 | - | 587,060 | 1,112,213 |
| Fines and forfeits | 11,016 | - | - | 3,068 | 14,084 |
| Other | 434,697 | 80,019 | 124,203 | 165,923 | 804,842 |
| Total receipts | 5,701,693 | 2,299,417 | 124,203 | 5,584,764 | 13,710,077 |
| Disbursements: | | | | | |
| General government | 2,280,044 | - | 3,133,785 | 1,135,396 | 6,549,225 |
| Public safety | 1,752,317 | - | - | 677,557 | 2,429,874 |
| Highways and streets | - | 2,268,844 | - | 1,069,670 | 3,338,514 |
| Sanitation | 115,219 | - | - | 19,336 | 134,555 |
| Health and welfare | 209,958 | - | - | 1,522,410 | 1,732,368 |
| Culture and recreation | 6,000 | - | - | 252,384 | 258,384 |
| Urban redevelopment and housing | - | - | - | 4,840 | 4,840 |
| Debt service: | | | | | |
| Principal | - | - | - | 220,000 | 220,000 |
| Interest | 6,594 | - | 99,821 | 13,000 | 119,415 |
| Capital outlay: | | | | | |
| General government | - | - | - | 335,764 | 335,764 |
| Public safety | - | - | - | 102,996 | 102,996 |
| Highways and streets | - | - | - | 899,132 | 899,132 |
| Total disbursements | 4,370,132 | 2,268,844 | 3,233,606 | 6,252,485 | 16,125,067 |
| Excess (deficiency) of receipts over disbursements | 1,331,561 | 30,573 | (3,109,403) | (667,721) | (2,414,990) |
| Other financing sources (uses) | | | | | |
| Transfers in | - | - | 99,821 | 319,978 | 419,799 |
| Transfers out | - | - | (259,470) | (160,329) | (419,799) |
| Total other financing sources (uses) | - | - | (159,649) | 159,649 | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 1,331,561 | 30,573 | (3,269,052) | (508,072) | (2,414,990) |
| Cash and investment fund balance - beginning | 150,597 | 682,291 | 4,529,850 | 5,585,953 | 10,948,691 |
| Cash and investment fund balance - ending | \$ 1,482,158 | \$ 712,864 | \$ 1,260,798 | \$ 5,077,881 | 8,533,701 |
| Amounts reported for governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis are different because: | | | | | |
| Internal services funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis. | | | | | |
| | | | | | 615,856 |
| Net assets of governmental activities | | | | | \$ 9,149,557 |
| Cash and Investment Assets - December 31 | | | | | |
| Cash and investments | \$ 1,482,158 | \$ - | \$ - | \$ 65,992 | \$ 1,548,150 |
| Restricted assets: | | | | | |
| Cash and investments | - | 712,864 | 1,260,798 | 5,011,889 | 6,985,551 |
| Total cash and investment assets - December 31 | \$ 1,482,158 | \$ 712,864 | \$ 1,260,798 | \$ 5,077,881 | \$ 8,533,701 |
| Cash and Investment Fund Balance - December 31 | | | | | |
| Restricted for: | | | | | |
| Public safety | \$ - | \$ - | \$ - | \$ 634,610 | \$ 634,610 |
| Highways and streets | - | 712,864 | - | 1,065,221 | 1,778,085 |
| Sanitation | - | - | - | 3,678 | 3,678 |
| Health and welfare | - | - | - | 974,504 | 974,504 |
| Culture and recreation | - | - | - | 365,835 | 365,835 |
| Economic development | - | - | - | 55,160 | 55,160 |
| Debt service | - | - | - | 389,532 | 389,532 |
| Other purposes | - | - | 1,260,798 | 1,523,349 | 2,784,147 |
| Unrestricted | 1,482,158 | - | - | 65,992 | 1,548,150 |
| Total cash and investment fund balance - December 31 | \$ 1,482,158 | \$ 712,864 | \$ 1,260,798 | \$ 5,077,881 | \$ 8,533,701 |

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

FRANKLIN COUNTY
STATEMENT OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUND
As of and for the Year Ended December 31, 2006

| | Health Claims Fund |
|--|--------------------------|
| Operating receipts: | |
| Insurance proceeds | \$ 1,554,858 |
| Operating disbursements: | |
| Insurance disbursements | <u>1,215,983</u> |
| Excess of operating receipts over operating disbursements | 338,875 |
| Cash and investment fund balance - beginning | <u>276,981</u> |
| Cash and investment fund balance - ending | <u><u>\$ 615,856</u></u> |
| <u>Cash and Investment Assets - December 31</u> | |
| Restricted assets: | |
| Cash and investments | <u><u>\$ 615,856</u></u> |
| <u>Cash and Investment Fund Balance - December 31</u> | |
| Restricted for: | |
| Other purposes | <u><u>\$ 615,856</u></u> |

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

FRANKLIN 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 | \$ 77,055 | \$ - | \$ - |
| Investment earnings: | | | |
| Net increase in fair value of investments | 7,383 | - | - |
| Interest | 42,885 | - | - |
| Total investment earnings | 50,268 | - | - |
| Less investment disbursements | (777) | - | - |
| Net investment earnings | 49,491 | - | - |
| Agency fund additions | - | - | 49,951,143 |
| Total additions | 126,546 | - | 49,951,143 |
| Deductions: | | | |
| Benefits | 17,531 | - | - |
| Administrative and general | 8,766 | - | - |
| Agency fund deductions | - | - | 48,249,115 |
| Total deductions | 26,297 | - | 48,249,115 |
| Excess of total additions over total deductions | 100,249 | - | 1,702,028 |
| Cash and investment fund balance - beginning | 974,392 | 55,806 | 3,932,152 |
| Cash and investment fund balance - ending | <u>\$ 1,074,641</u> | <u>\$ 55,806</u> | <u>\$ 5,634,180</u> |

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

FRANKLIN 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.

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 nonexchange 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.

The County reports the following major governmental funds:

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

The highway fund accounts for all financial resources restricted for construction and maintenance of the County's highways.

The government building renovation fund accounts for all financial resources restricted to the renovation of the government administration building.

Additionally, the County reports the following fund types:

The internal service fund accounts for activities of the health insurance fund which accumulates resources for medical benefits for employees and their dependents.

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

FRANKLIN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 the state and serve as control of accounts for certain cash transactions during the time they are a liability to the County.

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental 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 and proprietary funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

FRANKLIN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

4. Equity Classification

Government-Wide Statements

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

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

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

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

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

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

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.

FRANKLIN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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:

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.

II. Stewardship, Compliance and Accountability

Budgetary Information

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

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

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

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository

FRANKLIN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13. The Sheriff's Merit Board has not established an investment policy for the Sheriff's Retirement and Benefit Pension Plan. As of December 31, 2006, the County had the following investments:

| Investment Type | Sheriff's Retirement and Benefit Pension Plans |
|--------------------|---|
| U.S. agencies | \$ 110,000 |
| Mutual funds | 706,647 |
| Equity stock | 257,993 |
| Total | \$ 1,074,640 |

Investment Policies

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

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

FRANKLIN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

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 mutual funds, equity stock and government bonds in the amount of \$1,074,640. Of these investments \$1,074,640 are held by the investment's counterparty, not in the name of the Sheriff's Pension Plan.

Interest Rate Risk

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

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

Sheriff's Retirement and Benefit Pension Plans:

| <u>Investment Type</u> | <u>Investment Maturities (in Years)</u> | | |
|------------------------|---|-------------|--------------------|
| | <u>Less Than 1</u> | <u>1-2</u> | <u>More Than 2</u> |
| U.S. agencies | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 110,000</u> |

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The distribution of securities with credit ratings is summarized below.

Sheriff's Retirement and Benefit Pension Plans:

| <u>Moody's Rating</u> | <u>Government Bonds</u> |
|---------------------------|-----------------------------|
| Aaa | <u>\$ 110,000</u> |

FRANKLIN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Concentration of Credit Risk

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

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

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 |
|--------------------------------|--------------------------------|----------------|
| Government Building Renovation | Other governmental | \$ 259,471 |
| Other governmental | Government Building Renovation | 99,821 |
| Other governmental | Other governmental | 60,507 |
| Total | | \$ 419,799 |

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.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; 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.

Medical Benefits to Employees and Dependents

The County has chosen to establish a risk financing fund for risks associated with medical benefits. The risk financing fund is accounted for in the Health Claims Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers

FRANKLIN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

individual claims in excess of \$30,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Interfund premiums are paid into the fund by all affected funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon an overall premium percentage which is applied to each affected fund and are reported as quasi-external interfund transactions.

B. Holding Corporation

The County has entered into a capital lease with Brookville-Franklin County Building Authority (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 \$233,000.

C. Potential Liability

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

D. Subsequent Event

In November 2002, Louis E. Linkel was elected Commissioner of the Second District with a term beginning January 1, 2004. The Second District seat was the only holdover Commissioner position in Indiana. In November 2006, Donald Vonder Meulen was elected Commissioner of the Second District and issued a Certificate of Election with a start date of January 1, 2008. Mr. Vonder Meulen filed a Quo Warranto motion in December 2006 against Louis E. Linkel, as Commissioner, Marlene Flaspohler, as Clerk and the Franklin County Election Board when he found out the term was different than state law and did not follow state law. On April 17, 2007, the judge ruled that Indiana Code 36-2-2-3(b) states: "The term of office of a member of the executive is four (4) years, beginning January 1 after the election and continuing until a successor is elected and qualified." The judge stated the term of office applies to the office and not to the person filling the office. The length of the term of office, as well as the commencement date of the terms of office is fixed by State statute and not by the manner in which the election is advertised or the Certificate of Election issued by the local election board. The court order stated that "Donald Vonder Meulen having been elected in the general election in November 2006, to the office of Franklin County Commissioner for the Second District for a period of four years shall take office in such capacity as Commissioner effective January 1, 2007."

E. 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.

FRANKLIN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

F. Pension Plans

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

1. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

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

2. County Police Retirement Plan

Plan Description

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

FRANKLIN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy and Annual Pension Cost

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

3. County Police Benefit Plan

Plan Description

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

Funding Policy and Annual Pension Cost

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

Actuarial Information for the Above Plans

| | <u>PERF</u> | <u>County Police Retirement Plan</u> | <u>County Police Benefit Plan</u> |
|--|--------------------|--|---|
| Annual required contribution | \$ 172,867 | \$ 51,253 | \$ 10,241 |
| Interest on net pension obligation | (7,361) | (7,020) | - |
| Adjustment to annual required contribution | <u>8,389</u> | <u>10,841</u> | <u>-</u> |
| Annual pension cost | 173,895 | 55,074 | 10,241 |
| Contributions made | <u>171,323</u> | <u>54,382</u> | <u>10,241</u> |
| Increase in net pension obligation | 2,572 | 692 | - |
| Net pension obligation, beginning of year | <u>(101,535)</u> | <u>(100,279)</u> | <u>-</u> |
| Net pension obligation, end of year | <u>\$ (98,963)</u> | <u>\$ (99,587)</u> | <u>\$ -</u> |

FRANKLIN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

| | PERF | County Police Retirement Plan | County Police Benefit Plan |
|---------------------------------|---|---|---|
| Contribution rates: | | | |
| County | 6% | 15% | 3% |
| Plan members | 3% | 6% | 6% |
| Actuarial valuation date | 07-01-05 | 01-01-06 | 01-01-06 |
| Actuarial cost method | Entry age | Entry age | Entry age |
| Amortization method | Level percentage of projected payroll, closed | Level percentage of projected payroll, closed | Level percentage of projected payroll, closed |
| Amortization period | 40 years | 40 years | 40 years |
| Amortization period (from date) | 07-01-97 | 12-31-97 | 12-31-97 |
| Asset valuation method | 4 year smoothed market | 4 year smoothed market | 4 year smoothed market |

Actuarial Assumptions

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

Three Year Trend Information

| | Year Ending | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|-------------------------------|----------------|---------------------------------|-------------------------------------|------------------------------|
| PERF | 06-30-05 | \$ 173,895 | 119% | \$ (98,963) |
| | 06-30-04 | 143,651 | 111% | (101,535) |
| | 06-30-03 | 155,414 | 95% | (85,624) |
| County Police Retirement Plan | 12-31-05 | 55,074 | 99% | (99,587) |
| | 12-31-04 | 54,104 | 101% | (100,279) |
| | 12-31-03 | 43,160 | 104% | (100,023) |
| County Police Benefit Plan | 12-31-05 | 10,241 | 100% | - |
| | 12-31-04 | 10,263 | 100% | - |
| | 12-31-03 | 9,970 | 100% | - |

FRANKLIN COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (a-b) | Funded Ratio (a/b) | Covered Payroll (c) | Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c) |
|--------------------------|-------------------------------|---------------------------------------|--------------------|--------------------|---------------------|---|
| 07-01-03 | \$ 1,963,603 | \$ 2,321,497 | \$ (357,894) | 85% | \$ 2,528,116 | (14%) |
| 07-01-04 | 2,039,751 | 2,680,237 | (640,486) | 76% | 2,668,118 | (24%) |
| 07-01-05 | 2,176,346 | 2,984,200 | (807,854) | 73% | 2,736,287 | (30%) |

County Police Retirement Pension Plan

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (a-b) | Funded Ratio (a/b) | Covered Payroll (c) | Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c) |
|--------------------------|-------------------------------|---------------------------------------|--------------------|--------------------|---------------------|---|
| 01-01-01 | \$ 509,018 | \$ 515,329 | \$ (6,311) | 99% | \$ 289,113 | (2%) |
| 01-01-02 | 594,156 | 594,156 | - | 100% | 302,983 | 0% |
| 01-01-03 | 664,312 | 664,312 | - | 100% | 313,924 | 0% |
| 01-01-04 | 737,108 | 787,009 | (49,901) | 94% | 345,283 | (14%) |
| 01-01-05 | 815,490 | 859,713 | (44,223) | 95% | 349,773 | (13%) |
| 01-01-06 | 896,778 | 955,562 | (58,784) | 94% | 362,513 | (16%) |

FRANKLIN 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

| | County Health | Local Road And Street | Election | Reassessment 2006 | Accident Report | Firearms Training | Surveyor's Corner Perpetuation |
|---|------------------|--------------------------|-------------------|----------------------|--------------------|----------------------|--------------------------------------|
| Receipts: | | | | | | | |
| Taxes | \$ 121,984 | \$ - | \$ 6,280 | \$ - | \$ - | \$ - | \$ - |
| Special assessments | - | - | - | - | - | - | - |
| Licenses and permits | 8,095 | - | - | - | - | 5,913 | - |
| Intergovernmental | 16,545 | 272,974 | - | - | - | - | - |
| Charges for services | 3,475 | - | - | - | 994 | - | 5,745 |
| Fines and forfeits | - | - | - | - | - | - | - |
| Other | 355 | - | 812 | 14,773 | - | - | - |
| Total receipts | 150,454 | 272,974 | 7,092 | 14,773 | 994 | 5,913 | 5,745 |
| Disbursements: | | | | | | | |
| General government | - | - | 111,345 | 78,725 | - | - | 2,279 |
| Public safety | - | - | - | - | 393 | 3,162 | - |
| Highways and streets | - | 262,655 | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - | - |
| Health and welfare | 180,219 | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - |
| Debt service: | | | | | | | |
| Principal | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - |
| Capital outlay: | | | | | | | |
| General government | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | - | - |
| Total disbursements | 180,219 | 262,655 | 111,345 | 78,725 | 393 | 3,162 | 2,279 |
| Excess (deficiency) of receipts over disbursements | (29,765) | 10,319 | (104,253) | (63,952) | 601 | 2,751 | 3,466 |
| 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 | (29,765) | 10,319 | (104,253) | (63,952) | 601 | 2,751 | 3,466 |
| Cash and investment fund balance - beginning | 91,859 | 607,451 | 223,174 | 752,236 | 1,190 | 3,579 | 23,606 |
| Cash and investment fund balance - ending | <u>\$ 62,094</u> | <u>\$ 617,770</u> | <u>\$ 118,921</u> | <u>\$ 688,284</u> | <u>\$ 1,791</u> | <u>\$ 6,330</u> | <u>\$ 27,072</u> |
| <u>Cash and Investment Assets - December 31</u> | | | | | | | |
| Cash and investments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted assets: | | | | | | | |
| Cash and investments | 62,094 | 617,770 | 118,921 | 688,284 | 1,791 | 6,330 | 27,072 |
| Total cash and investment assets - December 31 | \$ 62,094 | \$ 617,770 | \$ 118,921 | \$ 688,284 | \$ 1,791 | \$ 6,330 | \$ 27,072 |
| <u>Cash and Investment Fund Balance - December 31</u> | | | | | | | |
| Restricted for: | | | | | | | |
| Public safety | \$ - | \$ - | \$ - | \$ - | \$ 1,791 | \$ 6,330 | \$ - |
| Highways and streets | - | 617,770 | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - | - |
| Health and welfare | 62,094 | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - |
| Other purposes | - | - | 118,921 | 688,284 | - | - | 27,072 |
| Unrestricted | - | - | - | - | - | - | - |
| Total cash and investment fund balance - December 31 | \$ 62,094 | \$ 617,770 | \$ 118,921 | \$ 688,284 | \$ 1,791 | \$ 6,330 | \$ 27,072 |

FRANKLIN 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 Services | Supplemental Juvenile Probation Services | Bioterrorism | Children Psychiatric | Recorder's Record Perpetuation | County Law Enforcement Continuing Education | County User Fee |
|---|--|---|-----------------|-------------------------|--------------------------------------|--|--------------------|
| Receipts: | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ 15,756 | \$ - | \$ - | \$ - |
| Special assessments | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - |
| Charges for services | 64,444 | 13,049 | - | - | 32,727 | - | 4,335 |
| Fines and forfeits | - | - | - | - | - | - | - |
| Other | - | - | - | - | 37 | - | - |
| Total receipts | <u>64,444</u> | <u>13,049</u> | <u>-</u> | <u>15,756</u> | <u>32,764</u> | <u>-</u> | <u>4,335</u> |
| Disbursements: | | | | | | | |
| General government | - | - | - | - | 34,727 | - | - |
| Public safety | 76,227 | 29,399 | - | - | - | - | 8,776 |
| Highways and streets | - | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - | - |
| Health and welfare | - | - | 2,320 | 50,906 | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - |
| Debt service: | | | | | | | |
| Principal | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - |
| Capital outlay: | | | | | | | |
| General government | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | - | - |
| Total disbursements | <u>76,227</u> | <u>29,399</u> | <u>2,320</u> | <u>50,906</u> | <u>34,727</u> | <u>-</u> | <u>8,776</u> |
| Excess (deficiency) of receipts over disbursements | <u>(11,783)</u> | <u>(16,350)</u> | <u>(2,320)</u> | <u>(35,150)</u> | <u>(1,963)</u> | <u>-</u> | <u>(4,441)</u> |
| Other financing sources (uses) | | | | | | | |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | <u>(11,783)</u> | <u>(16,350)</u> | <u>(2,320)</u> | <u>(35,150)</u> | <u>(1,963)</u> | <u>-</u> | <u>(4,441)</u> |
| Cash and investment fund balance - beginning | <u>184,631</u> | <u>27,638</u> | <u>10,924</u> | <u>62,646</u> | <u>62,794</u> | <u>1,240</u> | <u>23,788</u> |
| Cash and investment fund balance - ending | <u>\$ 172,848</u> | <u>\$ 11,288</u> | <u>\$ 8,604</u> | <u>\$ 27,496</u> | <u>\$ 60,831</u> | <u>\$ 1,240</u> | <u>\$ 19,347</u> |
| <u>Cash and Investment Assets - December 31</u> | | | | | | | |
| Cash and investments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted assets: | | | | | | | |
| Cash and investments | <u>172,848</u> | <u>11,288</u> | <u>8,604</u> | <u>27,496</u> | <u>60,831</u> | <u>1,240</u> | <u>19,347</u> |
| Total cash and investment assets - December 31 | <u>\$ 172,848</u> | <u>\$ 11,288</u> | <u>\$ 8,604</u> | <u>\$ 27,496</u> | <u>\$ 60,831</u> | <u>\$ 1,240</u> | <u>\$ 19,347</u> |
| <u>Cash and Investment Fund Balance - December 31</u> | | | | | | | |
| Restricted for: | | | | | | | |
| Public safety | \$ 172,848 | \$ 11,288 | \$ - | \$ - | \$ - | \$ 1,240 | \$ 19,347 |
| Highways and streets | - | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - | - |
| Health and welfare | - | - | 8,604 | 27,496 | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - |
| Other purposes | - | - | - | - | 60,831 | - | - |
| Unrestricted | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total cash and investment fund balance - December 31 | <u>\$ 172,848</u> | <u>\$ 11,288</u> | <u>\$ 8,604</u> | <u>\$ 27,496</u> | <u>\$ 60,831</u> | <u>\$ 1,240</u> | <u>\$ 19,347</u> |

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

| | Local Health Maintenance | Health Donation Fund | Drainage Maintenance | Child Restraint System Violation | Park and Recreation | Prosecutor Title IV-D | Prosecutor Title IV-D After 10/99 |
|---|--------------------------------|----------------------------|-------------------------|---|------------------------|--------------------------|---|
| Receipts: | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ 94,786 | \$ - | \$ - |
| Special assessments | - | - | 3,315 | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | 26,569 | - | - | - | 19,021 | - | 11,614 |
| Charges for services | - | - | - | - | 44,915 | - | - |
| Fines and forfeits | - | - | - | 650 | - | - | - |
| Other | - | 570 | 4,829 | 36,065 | 6,134 | 173 | - |
| Total receipts | <u>26,569</u> | <u>570</u> | <u>8,144</u> | <u>36,715</u> | <u>164,856</u> | <u>173</u> | <u>11,614</u> |
| Disbursements: | | | | | | | |
| General government | - | - | 8,076 | - | - | - | - |
| Public safety | - | - | - | 36,890 | - | - | - |
| Highways and streets | - | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - | - |
| Health and welfare | 22,629 | 183 | - | - | - | 302 | 15,064 |
| Culture and recreation | - | - | - | - | 169,964 | - | - |
| Economic development | - | - | - | - | - | - | - |
| Debt service: | | | | | | | |
| Principal | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - |
| Capital outlay: | | | | | | | |
| General government | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | - | - |
| Total disbursements | <u>22,629</u> | <u>183</u> | <u>8,076</u> | <u>36,890</u> | <u>169,964</u> | <u>302</u> | <u>15,064</u> |
| Excess (deficiency) of receipts over disbursements | <u>3,940</u> | <u>387</u> | <u>68</u> | <u>(175)</u> | <u>(5,108)</u> | <u>(129)</u> | <u>(3,450)</u> |
| Other financing sources (uses) | | | | | | | |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | <u>3,940</u> | <u>387</u> | <u>68</u> | <u>(175)</u> | <u>(5,108)</u> | <u>(129)</u> | <u>(3,450)</u> |
| Cash and investment fund balance - beginning | <u>16,262</u> | <u>-</u> | <u>1,912</u> | <u>175</u> | <u>190,030</u> | <u>4,494</u> | <u>27,013</u> |
| Cash and investment fund balance - ending | <u>\$ 20,202</u> | <u>\$ 387</u> | <u>\$ 1,980</u> | <u>\$ -</u> | <u>\$ 184,922</u> | <u>\$ 4,365</u> | <u>\$ 23,563</u> |
| <u>Cash and Investment Assets - December 31</u> | | | | | | | |
| Cash and investments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted assets: | | | | | | | |
| Cash and investments | <u>20,202</u> | <u>387</u> | <u>1,980</u> | <u>-</u> | <u>184,922</u> | <u>4,365</u> | <u>23,563</u> |
| Total cash and investment assets - December 31 | <u>\$ 20,202</u> | <u>\$ 387</u> | <u>\$ 1,980</u> | <u>\$ -</u> | <u>\$ 184,922</u> | <u>\$ 4,365</u> | <u>\$ 23,563</u> |
| <u>Cash and Investment Fund Balance - December 31</u> | | | | | | | |
| Restricted for: | | | | | | | |
| Public safety | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Highways and streets | - | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - | - |
| Health and welfare | 20,202 | 387 | - | - | - | 4,365 | 23,563 |
| Culture and recreation | - | - | - | - | 184,922 | - | - |
| Economic development | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - |
| Other purposes | - | - | 1,980 | - | - | - | - |
| Unrestricted | - | - | - | - | - | - | - |
| Total cash and investment fund balance - December 31 | <u>\$ 20,202</u> | <u>\$ 387</u> | <u>\$ 1,980</u> | <u>\$ -</u> | <u>\$ 184,922</u> | <u>\$ 4,365</u> | <u>\$ 23,563</u> |

FRANKLIN 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 Title IV-D | Clerk Title IV-D After 10/99 | Covered Bridge | Emergency Planning and Right to Know | Pandemic Influenza | County Drug Free Community | Supplemental Public Defender |
|---|---------------------|---------------------------------|-------------------|---|-----------------------|----------------------------------|------------------------------------|
| Receipts: | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Special assessments | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | 7,719 | 2,500 | 3,632 | 2,000 | - | - |
| Charges for services | - | - | - | - | - | 42,352 | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - |
| Total receipts | - | 7,719 | 2,500 | 3,632 | 2,000 | 42,352 | - |
| Disbursements: | | | | | | | |
| General government | - | - | - | - | - | - | - |
| Public safety | - | - | - | 8,411 | - | 27,406 | - |
| Highways and streets | - | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - | - |
| Health and welfare | - | 1,254 | - | - | 1,440 | - | - |
| Culture and recreation | - | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - |
| Debt service: | | | | | | | |
| Principal | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - |
| Capital outlay: | | | | | | | |
| General government | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | - | - |
| Total disbursements | - | 1,254 | - | 8,411 | 1,440 | 27,406 | - |
| Excess (deficiency) of receipts over disbursements | - | 6,465 | 2,500 | (4,779) | 560 | 14,946 | - |
| 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 | - | 6,465 | 2,500 | (4,779) | 560 | 14,946 | - |
| Cash and investment fund balance - beginning | 9 | 34,307 | 22,498 | 14,359 | - | 37,080 | 3,742 |
| Cash and investment fund balance - ending | <u>\$ 9</u> | <u>\$ 40,772</u> | <u>\$ 24,998</u> | <u>\$ 9,580</u> | <u>\$ 560</u> | <u>\$ 52,026</u> | <u>\$ 3,742</u> |
| <u>Cash and Investment Assets - December 31</u> | | | | | | | |
| Cash and investments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted assets: | | | | | | | |
| Cash and investments | 9 | 40,772 | 24,998 | 9,580 | 560 | 52,026 | 3,742 |
| Total cash and investment assets - December 31 | <u>\$ 9</u> | <u>\$ 40,772</u> | <u>\$ 24,998</u> | <u>\$ 9,580</u> | <u>\$ 560</u> | <u>\$ 52,026</u> | <u>\$ 3,742</u> |
| <u>Cash and Investment Fund Balance - December 31</u> | | | | | | | |
| Restricted for: | | | | | | | |
| Public safety | \$ - | \$ - | \$ - | \$ 9,580 | \$ - | \$ 52,026 | \$ 3,742 |
| Highways and streets | - | - | 24,998 | - | - | - | - |
| Sanitation | - | - | - | - | - | - | - |
| Health and welfare | 9 | 40,772 | - | - | 560 | - | - |
| Culture and recreation | - | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - |
| Other purposes | - | - | - | - | - | - | - |
| Unrestricted | - | - | - | - | - | - | - |
| Total cash and investment fund balance - December 31 | <u>\$ 9</u> | <u>\$ 40,772</u> | <u>\$ 24,998</u> | <u>\$ 9,580</u> | <u>\$ 560</u> | <u>\$ 52,026</u> | <u>\$ 3,742</u> |

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

| | Public Mass Transportation | Guardian Ad/Litem Special Advocate | Emergency Telephone System | Highway EDIT | Pretrial Diversion | Jail Commissary | Victim Assistance |
|---|-------------------------------|---|----------------------------------|------------------|-----------------------|--------------------|----------------------|
| Receipts: | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Special assessments | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | 242,733 | - | 63,366 | 789,440 | - | - | 7,853 |
| Charges for services | - | - | 201,627 | - | 34,650 | 41,801 | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Other | - | - | 2,645 | 2,656 | - | - | - |
| Total receipts | <u>242,733</u> | <u>-</u> | <u>267,638</u> | <u>792,096</u> | <u>34,650</u> | <u>41,801</u> | <u>7,853</u> |
| Disbursements: | | | | | | | |
| General government | 242,733 | - | - | - | - | - | - |
| Public safety | - | - | 209,387 | - | 29,705 | 33,327 | 5,883 |
| Highways and streets | - | - | - | 807,015 | - | - | - |
| Sanitation | - | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - |
| Debt service: | | | | | | | |
| Principal | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - |
| Capital outlay: | | | | | | | |
| General government | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | - | - |
| Total disbursements | <u>242,733</u> | <u>-</u> | <u>209,387</u> | <u>807,015</u> | <u>29,705</u> | <u>33,327</u> | <u>5,883</u> |
| Excess (deficiency) of receipts over disbursements | <u>-</u> | <u>-</u> | <u>58,251</u> | <u>(14,919)</u> | <u>4,945</u> | <u>8,474</u> | <u>1,970</u> |
| Other financing sources (uses) | | | | | | | |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | <u>-</u> | <u>-</u> | <u>58,251</u> | <u>(14,919)</u> | <u>4,945</u> | <u>8,474</u> | <u>1,970</u> |
| Cash and investment fund balance - beginning | <u>-</u> | <u>3,605</u> | <u>114,263</u> | <u>81,812</u> | <u>26,879</u> | <u>17,479</u> | <u>(876)</u> |
| Cash and investment fund balance - ending | <u>\$ -</u> | <u>\$ 3,605</u> | <u>\$ 172,514</u> | <u>\$ 66,893</u> | <u>\$ 31,824</u> | <u>\$ 25,953</u> | <u>\$ 1,094</u> |
| <u>Cash and Investment Assets - December 31</u> | | | | | | | |
| Cash and investments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted assets: | | | | | | | |
| Cash and investments | <u>-</u> | <u>3,605</u> | <u>172,514</u> | <u>66,893</u> | <u>31,824</u> | <u>25,953</u> | <u>1,094</u> |
| Total cash and investment assets - December 31 | <u>\$ -</u> | <u>\$ 3,605</u> | <u>\$ 172,514</u> | <u>\$ 66,893</u> | <u>\$ 31,824</u> | <u>\$ 25,953</u> | <u>\$ 1,094</u> |
| <u>Cash and Investment Fund Balance - December 31</u> | | | | | | | |
| Restricted for: | | | | | | | |
| Public safety | \$ - | \$ - | \$ 172,514 | \$ - | \$ 31,824 | \$ 25,953 | \$ 1,094 |
| Highways and streets | - | - | - | 66,893 | - | - | - |
| Sanitation | - | - | - | - | - | - | - |
| Health and welfare | - | 3,605 | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - |
| Other purposes | - | - | - | - | - | - | - |
| Unrestricted | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total cash and investment fund balance - December 31 | <u>\$ -</u> | <u>\$ 3,605</u> | <u>\$ 172,514</u> | <u>\$ 66,893</u> | <u>\$ 31,824</u> | <u>\$ 25,953</u> | <u>\$ 1,094</u> |

FRANKLIN 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)

| | Home Detention | Flu Vaccine | Franklin County Economic Development | Cholesterol | Operation Pullover | Park Grants | Park Donations |
|---|-------------------|-----------------|---|---------------|-----------------------|----------------|-------------------|
| Receipts: | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Special assessments | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | - | 30,000 | - | 5,500 | - | - |
| Charges for services | 4,040 | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Other | - | 4,565 | - | - | 492 | - | 215 |
| Total receipts | <u>4,040</u> | <u>4,565</u> | <u>30,000</u> | <u>-</u> | <u>5,992</u> | <u>-</u> | <u>215</u> |
| Disbursements: | | | | | | | |
| General government | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | 7,069 | - | - |
| Highways and streets | - | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - | - |
| Health and welfare | - | 7,261 | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | 1,999 | - |
| Economic development | - | - | 4,840 | - | - | - | - |
| Debt service: | | | | | | | |
| Principal | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - |
| Capital outlay: | | | | | | | |
| General government | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | - | - |
| Total disbursements | <u>-</u> | <u>7,261</u> | <u>4,840</u> | <u>-</u> | <u>7,069</u> | <u>1,999</u> | <u>-</u> |
| Excess (deficiency) of receipts over disbursements | <u>4,040</u> | <u>(2,696)</u> | <u>25,160</u> | <u>-</u> | <u>(1,077)</u> | <u>(1,999)</u> | <u>215</u> |
| Other financing sources (uses) | | | | | | | |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | <u>4,040</u> | <u>(2,696)</u> | <u>25,160</u> | <u>-</u> | <u>(1,077)</u> | <u>(1,999)</u> | <u>215</u> |
| Cash and investment fund balance - beginning | <u>19,932</u> | <u>9,503</u> | <u>30,000</u> | <u>130</u> | <u>1,244</u> | <u>2,000</u> | <u>-</u> |
| Cash and investment fund balance - ending | <u>\$ 23,972</u> | <u>\$ 6,807</u> | <u>\$ 55,160</u> | <u>\$ 130</u> | <u>\$ 167</u> | <u>\$ 1</u> | <u>\$ 215</u> |
| <u>Cash and Investment Assets - December 31</u> | | | | | | | |
| Cash and investments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted assets: | | | | | | | |
| Cash and investments | <u>23,972</u> | <u>6,807</u> | <u>55,160</u> | <u>130</u> | <u>167</u> | <u>1</u> | <u>215</u> |
| Total cash and investment assets - December 31 | <u>\$ 23,972</u> | <u>\$ 6,807</u> | <u>\$ 55,160</u> | <u>\$ 130</u> | <u>\$ 167</u> | <u>\$ 1</u> | <u>\$ 215</u> |
| <u>Cash and Investment Fund Balance - December 31</u> | | | | | | | |
| Restricted for: | | | | | | | |
| Public safety | \$ 23,972 | \$ - | \$ - | \$ - | \$ 167 | \$ - | \$ - |
| Highways and streets | - | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - | - |
| Health and welfare | - | 6,807 | - | 130 | - | - | - |
| Culture and recreation | - | - | - | - | - | 1 | 215 |
| Economic development | - | - | 55,160 | - | - | - | - |
| Debt service | - | - | - | - | - | - | - |
| Other purposes | - | - | - | - | - | - | - |
| Unrestricted | - | - | - | - | - | - | - |
| Total cash and investment fund balance - December 31 | <u>\$ 23,972</u> | <u>\$ 6,807</u> | <u>\$ 55,160</u> | <u>\$ 130</u> | <u>\$ 167</u> | <u>\$ 1</u> | <u>\$ 215</u> |

FRANKLIN 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)

| | County Family and Children | Choices - Saturday Program | Salary Donations | Inmate Medical | Marijuana Eradication | County Corrections | Deferral Program |
|---|----------------------------------|----------------------------------|---------------------|-------------------|--------------------------|-----------------------|---------------------|
| Receipts: | | | | | | | |
| Taxes | \$ 1,001,508 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Special assessments | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | 163,593 | - | - | - | - | 14,576 | - |
| Charges for services | 35,891 | 16,551 | - | 608 | - | - | 9,130 |
| Fines and forfeits | - | - | - | - | - | - | - |
| Other | 157 | - | - | - | - | - | 126 |
| Total receipts | 1,201,149 | 16,551 | - | 608 | - | 14,576 | 9,256 |
| Disbursements: | | | | | | | |
| General government | - | - | - | - | - | - | - |
| Public safety | - | 9,547 | - | 4,264 | 335 | 62,932 | 16,609 |
| Highways and streets | - | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - | - |
| Health and welfare | 922,075 | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - |
| Debt service: | | | | | | | |
| Principal | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - |
| Capital outlay: | | | | | | | |
| General government | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | - | - |
| Total disbursements | 922,075 | 9,547 | - | 4,264 | 335 | 62,932 | 16,609 |
| Excess (deficiency) of receipts over disbursements | 279,074 | 7,004 | - | (3,656) | (335) | (48,356) | (7,353) |
| 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 | 279,074 | 7,004 | - | (3,656) | (335) | (48,356) | (7,353) |
| Cash and investment fund balance - beginning | 321,675 | 14,295 | 10 | 6,688 | 353 | 95,103 | 20,997 |
| Cash and investment fund balance - ending | <u>\$ 600,749</u> | <u>\$ 21,299</u> | <u>\$ 10</u> | <u>\$ 3,032</u> | <u>\$ 18</u> | <u>\$ 46,747</u> | <u>\$ 13,644</u> |
| <u>Cash and Investment Assets - December 31</u> | | | | | | | |
| Cash and investments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted assets: | | | | | | | |
| Cash and investments | 600,749 | 21,299 | 10 | 3,032 | 18 | 46,747 | 13,644 |
| Total cash and investment assets - December 31 | <u>\$ 600,749</u> | <u>\$ 21,299</u> | <u>\$ 10</u> | <u>\$ 3,032</u> | <u>\$ 18</u> | <u>\$ 46,747</u> | <u>\$ 13,644</u> |
| <u>Cash and Investment Fund Balance - December 31</u> | | | | | | | |
| Restricted for: | | | | | | | |
| Public safety | \$ - | \$ 21,299 | \$ - | \$ 3,032 | \$ 18 | \$ 46,747 | \$ 13,644 |
| Highways and streets | - | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - | - |
| Health and welfare | 600,749 | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - |
| Other purposes | - | - | 10 | - | - | - | - |
| Unrestricted | - | - | - | - | - | - | - |
| Total cash and investment fund balance - December 31 | <u>\$ 600,749</u> | <u>\$ 21,299</u> | <u>\$ 10</u> | <u>\$ 3,032</u> | <u>\$ 18</u> | <u>\$ 46,747</u> | <u>\$ 13,644</u> |

FRANKLIN 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)

| | Jury Fees | Plat Book | Waste Management and Recycling | Tower Maintenance | Rainy Day Fund | Stayin' Alive | Title III Clerk Nonreverting |
|--|------------------|------------------|--------------------------------|-------------------|------------------|-----------------|------------------------------|
| Receipts: | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Special assessments | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | - | 12,200 | - | 376,326 | 3,000 | - |
| Charges for services | 3,066 | 6,780 | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Other | - | - | - | - | 77,945 | - | - |
| Total receipts | 3,066 | 6,780 | 12,200 | - | 454,271 | 3,000 | - |
| Disbursements: | | | | | | | |
| General government | - | - | - | - | 562,780 | - | 93,474 |
| Public safety | - | - | - | - | 92,836 | 1,104 | - |
| Highways and streets | - | - | - | - | - | - | - |
| Sanitation | - | - | 19,336 | - | - | - | - |
| Health and welfare | - | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - |
| Debt service: | | | | | | | |
| Principal | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - |
| Capital outlay: | | | | | | | |
| General government | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | - | - |
| Total disbursements | - | - | 19,336 | - | 655,616 | 1,104 | 93,474 |
| Excess (deficiency) of receipts over disbursements | 3,066 | 6,780 | (7,136) | - | (201,345) | 1,896 | (93,474) |
| Other financing sources (uses) | | | | | | | |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | (60,507) | - | - |
| Total other financing sources (uses) | - | - | - | - | (60,507) | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 3,066 | 6,780 | (7,136) | - | (261,852) | 1,896 | (93,474) |
| Cash and investment fund balance - beginning | 17,465 | 34,550 | 10,814 | 8,539 | 327,844 | - | 93,474 |
| Cash and investment fund balance - ending | \$ 20,531 | \$ 41,330 | \$ 3,678 | \$ 8,539 | \$ 65,992 | \$ 1,896 | \$ - |
| Cash and Investment Assets - December 31 | | | | | | | |
| Cash and investments | \$ - | \$ - | \$ - | \$ - | \$ 65,992 | \$ - | \$ - |
| Restricted assets: | | | | | | | |
| Cash and investments | 20,531 | 41,330 | 3,678 | 8,539 | - | 1,896 | - |
| Total cash and investment assets - December 31 | \$ 20,531 | \$ 41,330 | \$ 3,678 | \$ 8,539 | \$ 65,992 | \$ 1,896 | \$ - |
| Cash and Investment Fund Balance - December 31 | | | | | | | |
| Restricted for: | | | | | | | |
| Public safety | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,896 | \$ - |
| Highways and streets | - | - | - | - | - | - | - |
| Sanitation | - | - | 3,678 | - | - | - | - |
| Health and welfare | - | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - |
| Other purposes | 20,531 | 41,330 | - | 8,539 | - | - | - |
| Unrestricted | - | - | - | - | 65,992 | - | - |
| Total cash and investment fund balance - December 31 | \$ 20,531 | \$ 41,330 | \$ 3,678 | \$ 8,539 | \$ 65,992 | \$ 1,896 | \$ - |

FRANKLIN 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 Record Perpetuation | Small Animal Control Donations | Alcohol and Drug Services Grant | Interstate Compact Fee | Indiana Tobacco Prevention Cessation | Tobacco Settlement |
|---|-----------------------------------|---|---------------------------------------|------------------------------|---|-----------------------|
| Receipts: | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Special assessments | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - |
| Intergovernmental | - | - | 3,626 | - | 27,753 | 26,638 |
| Charges for services | 4,243 | - | - | 1,012 | - | - |
| Fines and forfeits | - | - | - | - | - | - |
| Other | - | - | - | - | - | - |
| Total receipts | 4,243 | - | 3,626 | 1,012 | 27,753 | 26,638 |
| Disbursements: | | | | | | |
| General government | - | - | - | 937 | - | - |
| Public safety | - | 1,252 | - | - | - | - |
| Highways and streets | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | 28,584 | 11,294 |
| Culture and recreation | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - |
| Debt service: | | | | | | |
| Principal | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - |
| Capital outlay: | | | | | | |
| General government | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | - |
| Total disbursements | - | 1,252 | - | 937 | 28,584 | 11,294 |
| Excess (deficiency) of receipts over disbursements | 4,243 | (1,252) | 3,626 | 75 | (831) | 15,344 |
| 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 | 4,243 | (1,252) | 3,626 | 75 | (831) | 15,344 |
| Cash and investment fund balance - beginning | 15,995 | 1,866 | 1,239 | 38 | 4,447 | 108,137 |
| Cash and investment fund balance - ending | <u>\$ 20,238</u> | <u>\$ 614</u> | <u>\$ 4,865</u> | <u>\$ 113</u> | <u>\$ 3,616</u> | <u>\$ 123,481</u> |
| <u>Cash and Investment Assets - December 31</u> | | | | | | |
| Cash and investments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted assets: | | | | | | |
| Cash and investments | 20,238 | 614 | 4,865 | 113 | 3,616 | 123,481 |
| Total cash and investment assets - December 31 | <u>\$ 20,238</u> | <u>\$ 614</u> | <u>\$ 4,865</u> | <u>\$ 113</u> | <u>\$ 3,616</u> | <u>\$ 123,481</u> |
| <u>Cash and Investment Fund Balance - December 31</u> | | | | | | |
| Restricted for: | | | | | | |
| Public safety | \$ - | \$ 614 | \$ 4,865 | \$ - | \$ - | \$ - |
| Highways and streets | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | 3,616 | 123,481 |
| Culture and recreation | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - |
| Other purposes | 20,238 | - | - | 113 | - | - |
| Unrestricted | - | - | - | - | - | - |
| Total cash and investment fund balance - December 31 | <u>\$ 20,238</u> | <u>\$ 614</u> | <u>\$ 4,865</u> | <u>\$ 113</u> | <u>\$ 3,616</u> | <u>\$ 123,481</u> |

FRANKLIN 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)

| | Inkeepers Tax | Restricted Cemetery Donations | Sheriff's Bond Collection Fee | Sales Disclosure | EMA SEMA Grant | EMA Domestic Preparedness |
|---|-------------------|-------------------------------------|-------------------------------------|---------------------|-------------------|------------------------------|
| Receipts: | | | | | | |
| Taxes | \$ 81,921 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Special assessments | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | 7,432 |
| Charges for services | - | - | 2,960 | 2,881 | - | - |
| Fines and forfeits | - | - | - | - | - | - |
| Other | - | 1,200 | - | - | - | - |
| Total receipts | 81,921 | 1,200 | 2,960 | 2,881 | - | 7,432 |
| Disbursements: | | | | | | |
| General government | - | 320 | - | - | - | - |
| Public safety | - | - | - | - | 357 | 6,471 |
| Highways and streets | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - |
| Culture and recreation | 80,421 | - | - | - | - | - |
| Economic development | - | - | - | - | - | - |
| Debt service: | | | | | | |
| Principal | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - |
| Capital outlay: | | | | | | |
| General government | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | - |
| Total disbursements | 80,421 | 320 | - | - | 357 | 6,471 |
| Excess (deficiency) of receipts over disbursements | 1,500 | 880 | 2,960 | 2,881 | (357) | 961 |
| 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 | 1,500 | 880 | 2,960 | 2,881 | (357) | 961 |
| Cash and investment fund balance - beginning | 166,882 | 245 | 890 | 5,796 | 357 | - |
| Cash and investment fund balance - ending | <u>\$ 168,382</u> | <u>\$ 1,125</u> | <u>\$ 3,850</u> | <u>\$ 8,677</u> | <u>\$ -</u> | <u>\$ 961</u> |
| Cash and Investment Assets - December 31 | | | | | | |
| Cash and investments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted assets: | | | | | | |
| Cash and investments | 168,382 | 1,125 | 3,850 | 8,677 | - | 961 |
| Total cash and investment assets - December 31 | <u>\$ 168,382</u> | <u>\$ 1,125</u> | <u>\$ 3,850</u> | <u>\$ 8,677</u> | <u>\$ -</u> | <u>\$ 961</u> |
| Cash and Investment Fund Balance - December 31 | | | | | | |
| Restricted for: | | | | | | |
| Public safety | \$ - | \$ - | \$ 3,850 | \$ - | \$ - | \$ 961 |
| Highways and streets | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - |
| Culture and recreation | 168,382 | - | - | - | - | - |
| Economic development | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - |
| Other purposes | - | 1,125 | - | 8,677 | - | - |
| Unrestricted | - | - | - | - | - | - |
| Total cash and investment fund balance - December 31 | <u>\$ 168,382</u> | <u>\$ 1,125</u> | <u>\$ 3,850</u> | <u>\$ 8,677</u> | <u>\$ -</u> | <u>\$ 961</u> |

FRANKLIN 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)

| | Emergency Gas Award | Historic Metamora | Metamora Improvement | Metamora Matching | Metamora Regional Sewer Project | Wal-Mart Grant |
|---|------------------------|----------------------|-------------------------|----------------------|---------------------------------------|-------------------|
| Receipts: | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Special assessments | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | 278,879 | - |
| Charges for services | - | 180 | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - |
| Other | - | - | - | - | - | - |
| Total receipts | - | 180 | - | - | 278,879 | - |
| Disbursements: | | | | | | |
| General government | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | 278,879 | - |
| Culture and recreation | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - |
| Debt service: | | | | | | |
| Principal | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - |
| Capital outlay: | | | | | | |
| General government | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | - |
| Total disbursements | - | - | - | - | 278,879 | - |
| Excess (deficiency) of receipts over disbursements | - | 180 | - | - | - | - |
| 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 | - | 180 | - | - | - | - |
| Cash and investment fund balance - beginning | 550 | 385 | 310 | 35 | - | 1,000 |
| Cash and investment fund balance - ending | <u>\$ 550</u> | <u>\$ 565</u> | <u>\$ 310</u> | <u>\$ 35</u> | <u>\$ -</u> | <u>\$ 1,000</u> |
| <u>Cash and Investment Assets - December 31</u> | | | | | | |
| Cash and investments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted assets: | | | | | | |
| Cash and investments | 550 | 565 | 310 | 35 | - | 1,000 |
| Total cash and investment assets - December 31 | <u>\$ 550</u> | <u>\$ 565</u> | <u>\$ 310</u> | <u>\$ 35</u> | <u>\$ -</u> | <u>\$ 1,000</u> |
| <u>Cash and Investment Fund Balance - December 31</u> | | | | | | |
| Restricted for: | | | | | | |
| Public safety | \$ 550 | \$ - | \$ - | \$ - | \$ - | \$ 1,000 |
| Highways and streets | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - |
| Culture and recreation | - | 565 | 310 | 35 | - | - |
| Economic development | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - |
| Other purposes | - | - | - | - | - | - |
| Unrestricted | - | - | - | - | - | - |
| Total cash and investment fund balance - December 31 | <u>\$ 550</u> | <u>\$ 565</u> | <u>\$ 310</u> | <u>\$ 35</u> | <u>\$ -</u> | <u>\$ 1,000</u> |

FRANKLIN 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)

| | Sheriff's Service of Process | Recorder's County ID Protection | Recorder Enhancement DoxPop | Levy Excess Welfare | Jail Lease Rental | Government Center Bond |
|--|------------------------------------|---------------------------------------|-----------------------------------|------------------------|----------------------|---------------------------|
| Receipts: | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ 279,070 | \$ 133,170 |
| Special assessments | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | 43,884 | 11,440 |
| Charges for services | - | 9,504 | 100 | - | - | - |
| Fines and forfeits | 2,418 | - | - | - | - | - |
| Other | - | - | - | - | - | - |
| Total receipts | 2,418 | 9,504 | 100 | - | 322,954 | 144,610 |
| Disbursements: | | | | | | |
| General government | - | - | - | - | - | - |
| Public safety | - | - | - | - | 5,815 | - |
| Highways and streets | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - |
| Debt service: | | | | | | |
| Principal | - | - | - | - | 220,000 | - |
| Interest | - | - | - | - | 13,000 | - |
| Capital outlay: | | | | | | |
| General government | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | - |
| Total disbursements | - | - | - | - | 238,815 | - |
| Excess (deficiency) of receipts over disbursements | 2,418 | 9,504 | 100 | - | 84,139 | 144,610 |
| Other financing sources (uses) | | | | | | |
| Transfers in | - | - | - | - | 60,507 | - |
| Transfers out | - | - | - | - | - | (99,822) |
| Total other financing sources (uses) | - | - | - | - | 60,507 | (99,822) |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 2,418 | 9,504 | 100 | - | 144,646 | 44,788 |
| Cash and investment fund balance - beginning | - | - | - | 48,064 | 200,098 | - |
| Cash and investment fund balance - ending | \$ 2,418 | \$ 9,504 | \$ 100 | \$ 48,064 | \$ 344,744 | \$ 44,788 |
| <u>Cash and Investment Assets - December 31</u> | | | | | | |
| Cash and investments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted assets: | | | | | | |
| Cash and investments | 2,418 | 9,504 | 100 | 48,064 | 344,744 | 44,788 |
| Total cash and investment assets - December 31 | \$ 2,418 | \$ 9,504 | \$ 100 | \$ 48,064 | \$ 344,744 | \$ 44,788 |
| <u>Cash and Investment Fund Balance - December 31</u> | | | | | | |
| Restricted for: | | | | | | |
| Public safety | \$ 2,418 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Highways and streets | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - |
| Health and welfare | - | - | - | 48,064 | - | - |
| Culture and recreation | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - |
| Debt service | - | - | - | - | 344,744 | 44,788 |
| Other purposes | - | 9,504 | 100 | - | - | - |
| Unrestricted | - | - | - | - | - | - |
| Total cash and investment fund balance - December 31 | \$ 2,418 | \$ 9,504 | \$ 100 | \$ 48,064 | \$ 344,744 | \$ 44,788 |

FRANKLIN 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 Ditch Note Redemption | Cumulative Bridge | Cumulative Capital Development | General Drain Improvement | Park Nonreverting | Totals |
|---|----------------------------------|----------------------|--------------------------------------|------------------------------|----------------------|---------------------|
| Receipts: | | | | | | |
| Taxes | \$ - | \$ 309,794 | \$ 199,474 | \$ - | \$ - | \$ 2,243,743 |
| Special assessments | - | - | - | - | - | 3,315 |
| Licenses and permits | - | - | - | - | - | 14,008 |
| Intergovernmental | - | 72,261 | 24,573 | - | - | 2,567,647 |
| Charges for services | - | - | - | - | - | 587,060 |
| Fines and forfeits | - | - | - | - | - | 3,068 |
| Other | 170 | 8,520 | 3,484 | - | - | 165,923 |
| Total receipts | 170 | 390,575 | 227,531 | - | - | 5,584,764 |
| Disbursements: | | | | | | |
| General government | - | - | - | - | - | 1,135,396 |
| Public safety | - | - | - | - | - | 677,557 |
| Highways and streets | - | - | - | - | - | 1,069,670 |
| Sanitation | - | - | - | - | - | 19,336 |
| Health and welfare | - | - | - | - | - | 1,522,410 |
| Culture and recreation | - | - | - | - | - | 252,384 |
| Economic development | - | - | - | - | - | 4,840 |
| Debt service: | | | | | | |
| Principal | - | - | - | - | - | 220,000 |
| Interest | - | - | - | - | - | 13,000 |
| Capital outlay: | | | | | | |
| General government | - | - | 335,764 | - | - | 335,764 |
| Public safety | - | - | 102,996 | - | - | 102,996 |
| Highways and streets | - | 899,132 | - | - | - | 899,132 |
| Total disbursements | - | 899,132 | 438,760 | - | - | 6,252,485 |
| Excess (deficiency) of receipts over disbursements | 170 | (508,557) | (211,229) | - | - | (667,721) |
| Other financing sources (uses) | | | | | | |
| Transfers in | - | - | 259,471 | - | - | 319,978 |
| Transfers out | - | - | - | - | - | (160,329) |
| Total other financing sources (uses) | - | - | 259,471 | - | - | 159,649 |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 170 | (508,557) | 48,242 | - | - | (508,072) |
| Cash and investment fund balance - beginning | 2,816 | 864,117 | 456,551 | 8,315 | 11,405 | 5,585,953 |
| Cash and investment fund balance - ending | <u>\$ 2,986</u> | <u>\$ 355,560</u> | <u>\$ 504,793</u> | <u>\$ 8,315</u> | <u>\$ 11,405</u> | <u>\$ 5,077,881</u> |
| Cash and Investment Assets - December 31 | | | | | | |
| Cash and investments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 65,992 |
| Restricted assets: | | | | | | |
| Cash and investments | 2,986 | 355,560 | 504,793 | 8,315 | 11,405 | 5,011,889 |
| Total cash and investment assets - December 31 | \$ 2,986 | \$ 355,560 | \$ 504,793 | \$ 8,315 | \$ 11,405 | \$ 5,077,881 |
| Cash and Investment Fund Balance - December 31 | | | | | | |
| Restricted for: | | | | | | |
| Public safety | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 634,610 |
| Highways and streets | - | 355,560 | - | - | - | 1,065,221 |
| Sanitation | - | - | - | - | - | 3,678 |
| Health and welfare | - | - | - | - | - | 974,504 |
| Culture and recreation | - | - | - | - | 11,405 | 365,835 |
| Economic development | - | - | - | - | - | 55,160 |
| Debt service | - | - | - | - | - | 389,532 |
| Other purposes | 2,986 | - | 504,793 | 8,315 | - | 1,523,349 |
| Unrestricted | - | - | - | - | - | 65,992 |
| Total cash and investment fund balance - December 31 | \$ 2,986 | \$ 355,560 | \$ 504,793 | \$ 8,315 | \$ 11,405 | \$ 5,077,881 |

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

| | <u>Tax Sale Redemption</u> | <u>Tax Sale Surplus</u> | <u>State Fees</u> | <u>Inheritance Tax</u> | <u>Surplus Tax</u> | <u>Congressional Interest</u> |
|---|--------------------------------|-----------------------------|-------------------|----------------------------|--------------------|-----------------------------------|
| Additions: | | | | | | |
| Agency fund additions | <u>\$ 87,676</u> | <u>\$ 633,423</u> | <u>\$ 84,328</u> | <u>\$ 367,746</u> | <u>\$ 51,396</u> | <u>\$ 2,055</u> |
| Deductions: | | | | | | |
| Agency fund deductions | <u>80,497</u> | <u>320,423</u> | <u>82,506</u> | <u>382,679</u> | <u>54,325</u> | <u>2,232</u> |
| Excess (deficiency) of total additions over total deductions | 7,179 | 313,000 | 1,822 | (14,933) | (2,929) | (177) |
| Cash and investment fund balance - beginning | <u>10,996</u> | <u>228,320</u> | <u>16,789</u> | <u>48,128</u> | <u>10,965</u> | <u>38,084</u> |
| Cash and investment fund balance - ending | <u>\$ 18,175</u> | <u>\$ 541,320</u> | <u>\$ 18,611</u> | <u>\$ 33,195</u> | <u>\$ 8,036</u> | <u>\$ 37,907</u> |

FRANKLIN 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 Dog</u> | <u>Tax Distributions</u> | <u>Infraction Judgments</u> | <u>State Sales Disclosure Fees</u> | <u>City/Town Court Costs</u> | <u>Welfare Trust</u> |
|---|--------------------|------------------------------|---------------------------------|--|----------------------------------|----------------------|
| Additions: | | | | | | |
| Agency fund additions | \$ 830 | \$ 21,683,446 | \$ 16,102 | \$ 3,545 | \$ 6,284 | \$ 16,748 |
| Deductions: | | | | | | |
| Agency fund deductions | 331 | 21,683,446 | 15,571 | 3,360 | 7,135 | 17,259 |
| Excess (deficiency) of total additions over total deductions | 499 | - | 531 | 185 | (851) | (511) |
| Cash and investment fund balance - beginning | - | 2 | 643 | 245 | 4,021 | 3,513 |
| Cash and investment fund balance - ending | <u>\$ 499</u> | <u>\$ 2</u> | <u>\$ 1,174</u> | <u>\$ 430</u> | <u>\$ 3,170</u> | <u>\$ 3,002</u> |

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

| | Coroner's Training Continuing Education | State Assessment Training | Overweight Vehicle Fines | Levy Excess County | Mortgage Fee Recorder | County Treasurer |
|---|---|---------------------------------|-----------------------------|-----------------------|--------------------------|---------------------|
| Additions: | | | | | | |
| Agency fund additions | \$ 469 | \$ 724 | \$ 449 | \$ 40,978 | \$ 3,945 | \$ 23,144,389 |
| Deductions: | | | | | | |
| Agency fund deductions | 497 | - | 392 | - | 3,785 | 21,888,193 |
| Excess (deficiency) of total additions over total deductions | (28) | 724 | 57 | 40,978 | 160 | 1,256,196 |
| Cash and investment fund balance - beginning | 54 | 3,149 | - | - | 370 | 3,342,412 |
| Cash and investment fund balance - ending | <u>\$ 26</u> | <u>\$ 3,873</u> | <u>\$ 57</u> | <u>\$ 40,978</u> | <u>\$ 530</u> | <u>\$ 4,598,608</u> |

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

| | County Sheriff | County Sheriff Inmate Trust | Clerk of the Circuit Court | County Recorder | County Probation | Total |
|---|-------------------|--------------------------------|-------------------------------|--------------------|---------------------|---------------------|
| Additions: | | | | | | |
| Agency fund additions | \$ 896,820 | \$ 8,479 | \$ 2,726,131 | \$ 104,032 | \$ 71,148 | \$ 49,951,143 |
| Deductions: | | | | | | |
| Agency fund deductions | 899,650 | 8,564 | 2,609,292 | 112,102 | 76,876 | 48,249,115 |
| Excess (deficiency) of total additions over total deductions | (2,830) | (85) | 116,839 | (8,070) | (5,728) | 1,702,028 |
| Cash and investment fund balance - beginning | 3,306 | 895 | 206,462 | 8,070 | 5,728 | 3,932,152 |
| Cash and investment fund balance - ending | <u>\$ 476</u> | <u>\$ 810</u> | <u>\$ 323,301</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 5,634,180</u> |

FRANKLIN 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.

General infrastructure assets have been omitted by the County.

| <u>Primary Government</u> | <u>Ending Balance</u> |
|--|---------------------------|
| Governmental activities: | |
| Capital assets, not being depreciated: | |
| Land | \$ 56,775 |
| Buildings | 10,370,769 |
| Improvements other than buildings | 368,636 |
| Machinery and equipment | <u>6,003,140</u> |
| Total governmental activities, capital assets not being depreciated | <u>\$ 16,799,320</u> |

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

The County has entered into the following long-term debt:

| Description of Asset | Ending Balance | Due Within One Year |
|--|---------------------|---------------------------|
| Governmental Activities: | | |
| Capital leases: | | |
| Construction Equipment | \$ 146,625 | \$ 34,278 |
| Computer Software | 186,770 | 34,704 |
| Bonds payable: | | |
| General obligation bonds: | | |
| Government Center Renovation | <u>4,600,000</u> | <u>125,000</u> |
| Total governmental activities long-term debt | <u>\$ 4,933,395</u> | <u>\$ 193,982</u> |

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

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF FRANKLIN COUNTY, INDIANA

Compliance

We have audited the compliance of the Franklin County (County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2006. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2006.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

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

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

STATE BOARD OF ACCOUNTS

June 4, 2007

FRANKLIN 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 Office of Rural Affairs Community Development Block Grant | 14.228 | CF-04-121 | \$ 419,958 |
| <u>U.S. DEPARTMENT OF JUSTICE</u> | | | |
| Pass-Through Indiana Criminal Justice Institute Crime Victim Assistance | 16.575 | 05VA036 06VA035 | 2,322 <u>3,750</u> |
| Total for program | | | <u>6,072</u> |
| <u>U.S. DEPARTMENT OF TRANSPORTATION</u> | | | |
| Pass-Through Indiana Department of Transportation Highway Planning and Construction | 20.205 | BRO-9924(013) BR-NBIS(578) | 20,109 <u>16,128</u> |
| Total for program | | | <u>36,237</u> |
| Formula Grants for Other Than Urbanized Areas | 20.509 | IN-18-F024190 | <u>135,732</u> |
| Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants | 20.601 | Year 2005 J8-2006-04-04-01 OP-07-01-01-72 | 1,369 3,626 <u>5,700</u> |
| Total for program | | | <u>10,695</u> |
| Total for federal grantor agency | | | <u>182,664</u> |
| <u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u> | | | |
| Pass-Through Indiana Family and Social Services Administration Child Support Enforcement County Prosecutor's Expenditures County Clerk of the Circuit Court's Expenditures Indirect Costs | 93.563 | | 76,988 20,682 <u>7,719</u> |
| Total for federal grantor agency | | | <u>105,389</u> |
| <u>U.S. DEPARTMENT OF HOMELAND SECURITY</u> | | | |
| Pass-Through Indiana Department of Homeland Security Disaster Assistance Projects | 97.036 | Disaster #1542 JB-C015 | 15,970 <u>32,860</u> |
| Total for program | | | <u>48,830</u> |
| Homeland Security Grant Program | 97.067 | FY-05-06 EMPG SHSP | 7,432 17,990 <u>7,432</u> |
| Total for program | | | <u>32,854</u> |
| Total for federal grantor agency | | | <u>81,684</u> |
| Total federal awards expended | | | <u>\$ 795,767</u> |

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

FRANKLIN COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

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

II. Subrecipients

Of the federal expenditures presented in the schedule, the County provided federal awards to subrecipients as follows for the year ended December 31, 2006:

| Program Title | Federal CFDA Number | 2006 |
|-----------------------------------|---------------------------|------------|
| Community Development Block Grant | 14.228 | \$ 419,958 |

FRANKLIN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

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

Noncompliance material to financial statements noted? no

Federal Awards:

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

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

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

Identification of Major Programs:

| CFDA Number | Name of Federal Program or Cluster |
|----------------|------------------------------------|
| 14.228 | Community Development Block Grant |

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

FRANKLIN COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

FRANKLIN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 4, 2007, with Carol L. Monroe, Auditor; and Thomas Wilson, President of the Board of County Commissioners.