

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

AUDIT REPORT  
OF  
COUNTY AUDITOR  
FRANKLIN COUNTY, INDIANA  
January 1, 2010 to December 31, 2010



**FILED**  
08/15/2011



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Susan A. Jones Erica Hudson	01-01-08 to 12-31-10 01-01-11 to 12-31-14
President of the County Council	Hollie Maxie Jeffery C. Koch	01-01-10 to 12-31-10 01-01-11 to 12-31-11
President of the Board of County Commissioners	Eric Roberts Thomas Wilson	01-01-10 to 12-31-10 01-01-11 to 12-31-11



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF FRANKLIN COUNTY

We have audited the records of the County Auditor for the period from January 1, 2010 to December 31, 2010, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Audit Result(s) and Comment(s). The financial transactions of this office are reflected in the Annual Report of Franklin County for the year 2010.

STATE BOARD OF ACCOUNTS

June 16, 2011

COUNTY AUDITOR  
FRANKLIN COUNTY  
AUDIT RESULT(S) AND COMMENT(S)

**ANNUAL REPORT**

The 2010 Annual Report for Franklin County was not prepared properly. The following items were noted:

1. All investments were not included in the Cash and Investment Balance as of January 1, 2010, resulting in the understating of the Cash and Investment Balance as of December 31, 2010.
2. The Treasurer's Cash Book activity for 2010 was not properly presented.
3. Total Monies on Deposit investments as of January 1, 2010, were classified as General Fund and Dare Ditch Fund investments resulting in the overstating of Cash and Investment Balance as December 31, 2010.
4. The County Commissioner's secretary who had maintained the Health Insurance Fund records until the funds were transferred to the County Auditor in 2010 submitted a Supplemental CAR-1 (CAR-1) report to the County Auditor for inclusion in the County Annual Report. The CAR-1 showed an ending balance of the funds which were transferred, instead of, showing zero ending cash balance of the actual cash on hand. Therefore, the County Auditor included the transactions from the CAR-1 report with the Health Insurance Fund's transactions of the Fund established on the County Auditor's records when the funds were transferred. As a result the receipts and Cash and Investment balance as of December 31, 2010, were overstated. Since the CAR-1 did not show the transfer of the funds, the disbursements were understated.

Indiana Code 5-11-1-4(a) concerning municipal Annual Reports, states in part:

". . . These reports shall be prepared, verified, and filed with the state examiner no later than thirty (60) days after the close of each fiscal year. The reports must be filed electronically, in a manner prescribed by the state examiner that is compatible with the technology employed by the political subdivision."

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

COUNTY AUDITOR  
FRANKLIN COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on June 16, 2011, with Erica Hudson, County Auditor, and Susan A. Jones, former Auditor. The officials concurred with our audit finding.