

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF
FRANKLIN COUNTY, INDIANA
January 1, 2012 to December 31, 2012



FILED
01/31/2014

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-5
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance With Government Auditing Standards	6-7
Financial Statement:	
Statement of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis	10-12
Notes to Financial Statement	13-17
Supplementary Information - Unaudited:	
Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis	20-43
Schedule of Payables and Receivables	44
Schedule of Leases and Debt	45
Schedule of Capital Assets.....	46
Other Reports.....	47
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance.....	50-52
Schedule of Expenditures of Federal Awards	54
Notes to Schedule of Expenditures of Federal Awards.....	55
Schedule of Findings and Questioned Costs	56-58
Auditee Prepared Schedule:	
Corrective Action Plan.....	59
Exit Conference.....	60

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Erica Hudson Veronica Voelker Stephen Brack	01-01-11 to 12-05-12 12-06-12 to 12-19-12 12-20-12 to 12-31-14
Treasurer	Rebecca Oglesby Veronica Voelker	01-01-09 to 12-31-12 01-01-13 to 12-31-16
Clerk	Karla J. Bauman	01-01-11 to 12-31-14
Sheriff	Kenneth A. Murphy	01-01-11 to 12-31-14
Recorder	Pamela Beneker	01-01-09 to 12-31-16
President of the Board of County Commissioners	Thomas Wilson	01-01-12 to 12-31-13
President of the County Council	Jeffery C. Koch	01-01-12 to 12-31-13



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF FRANKLIN COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of Franklin County (County), which comprises the financial position and results of operations for the year ended December 31, 2012, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement 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 statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the County prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the County for the year ended December 31, 2012.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the County for the year ended December 31, 2012, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated November 7, 2013, 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, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Accompanying Information

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. 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 financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

Other Information

Included in the financial statement are the receipts and disbursements activity from emergency telephone system fees (IC 36-8-16), enhanced wireless emergency telephone fees (IC 36-8-16.5), and statewide 911 services fees (IC 36-8-16.7). In accordance with Indiana Code 36-8-16-14, Indiana Code 36-8-16.5-41, and Indiana Code 36-8-16.7-38, these fees have been subject to an annual audit performed by the Indiana State Board of Accounts and, in our opinion, are fairly stated, in all material respects, in relation to the financial statement taken as a whole.


Paul D. Joyce, CPA
State Examiner

November 7, 2013



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

TO: THE OFFICIALS OF FRANKLIN COUNTY, INDIANA

We have audited, 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, the financial statement of Franklin County (County), which comprises the financial position and results of operations for the year ended December 31, 2012, and the related notes to the financial statement, and have issued our report thereon dated November 7, 2013, wherein we noted the County followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

November 7, 2013

(This page intentionally left blank.)

FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the County. The financial statement and notes are presented as intended by the County.

FRANKLIN COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2012

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
General	\$ 1,332,333	\$ 5,879,053	\$ 6,121,606	\$ 1,089,780
Statewide 911	-	408,141	174,130	234,011
Highway	437,914	1,721,722	1,926,094	233,542
Local Road And Street	559,865	256,161	279,420	536,606
Accident Report	3,905	2,104	-	6,009
Firearms Training	13,291	7,210	2,063	18,438
Health	21,879	320,626	333,854	8,651
Choices/Saturday Program	16,722	9,714	22,860	3,576
Franklin County Economic Development	157,780	70,000	54,751	173,029
County Law Enforcement Continuing Education	5,304	-	3,364	1,940
Clerks Record Perpetuation	15,030	8,423	584	22,869
Deferral Program	34,034	6,490	2,000	38,524
Election	54,605	101,637	126,724	29,518
Riverboat Wagering Tax Revenue	-	636,766	636,766	-
E911 Landline	87,520	125,429	212,949	-
Drug Free Community Fund	73,311	28,300	47,022	54,589
Drainage Maintenance	22,092	8,240	15,119	15,213
Emergency Planning/Right To Know	8,125	3,526	2,416	9,235
Park And Recreation	35,775	250,356	259,159	26,972
Title IV-D Prosecuting Attorney	3,518	-	289	3,229
Supplemental Juvenile Probation	32,080	6,053	3,873	34,260
Supplemental Adult Probation	36,124	96,743	92,826	40,041
Recorders Records Perpetuation	55,501	40,852	21,045	75,308
Co Users Fee - Jury Fee	35,002	2,096	-	37,098
Covered Bridge	43,498	3,700	-	47,198
Marijuana Eradication	18	-	-	18
Health Maintenance	30,215	181,817	40,764	171,268
Pretrial Diversion-User Fees	24,907	33,299	40,087	18,119
Guardian Ad Litem/Court User Fee	3,605	-	-	3,605
Plat Book Fees	58,615	6,675	7,625	57,665
County Misdemeanant	69,546	14,625	25,076	59,095
Supplemental Public Defender	3,742	-	-	3,742
Title IV-D County Clerk Incentive	17,916	11,977	14,171	15,722
Surveyors Corner Perpetuation	26,084	5,074	5,044	26,114
CAGIT	-	4,600,850	4,600,850	-
Rainy Day	901,980	201,747	217,526	886,201
Inmate Medical	8,774	811	-	9,585
County Sales Disclosure Fee	24,420	2,720	6,918	20,222
EDIT Tax	-	1,155,844	1,155,844	-
Flu Vaccine	14,229	310	-	14,539
Levy Excess Fund County	-	117,634	-	117,634
County ID Protection (Recorder)	29,408	2,434	14,120	17,722
Collection Agency Fund	-	391	391	-
E911 Wireless	191,964	42,651	234,615	-
Title IV-D Prosecutor	26,625	18,016	15,786	28,855
Title IV-D County Clerk Incentive	5	-	-	5
Highway EDIT	614,761	907,787	947,747	574,801
2017 Reassessment	173,646	190,371	-	364,017
Auditors Ineligible Deductions	22,642	15,905	11,602	26,945
Co Elected Officials Training	660	2,723	289	3,094

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

FRANKLIN COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2012
(Continued)

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
Park Nonreverting	12,671	93	1,290	11,474
Cumulative Bridge	463,913	693,003	589,940	566,976
Cumulative Capital Development	434,848	171,903	209,146	397,605
General Drain Improvement	8,315	-	-	8,315
Dare Ditch	11,769	91	-	11,860
Sheriff Service (Police Pension)	9,183	5,429	-	14,612
City And Town Court Cost	2,938	5,262	5,556	2,644
Tax Sale Surplus	129,115	274,146	145,401	257,860
Tax Sale Redemption	5,712	47,190	47,190	5,712
Surplus Tax	16,665	42,100	45,478	13,287
Fines And Forfeitures	12,109	69,514	69,565	12,058
Sales Disclosure	215	2,720	2,765	170
Sewage Fees	-	28,545	10,923	17,622
Infractions And Judgements	460	12,656	12,825	291
Inheritance Tax	234,835	122,409	357,244	-
Death Benefits	90	1,855	1,850	95
Education Plate Fees	-	731	731	-
Innkeepers Tax	148,013	88,733	77,235	159,511
Financial Institutions Tax	-	85,579	85,579	-
Mortgage Fee(Recorder)	263	3,200	3,160	303
Child Restraint Violation	-	375	375	-
Interstate Compact Fee	125	1,125	1,250	-
Commercial Vehicle Excise Tax	-	88,699	88,699	-
HEA 1001-2008 State HSC	488	-	-	488
DLGF Homestead Property Database	11	15	26	-
Settlement	-	16,273,458	16,273,458	-
Co Offender Transportation	625	1,125	-	1,750
Enhanced 911 Act	(560)	8,408	7,848	-
Co General IV-D Incentive	30,780	11,977	-	42,757
EMA Performance Grant	-	3,571	3,571	-
Cemetery Commission Brookville Foundation Grant	390	-	390	-
MRC State (Health)	-	-	1,056	(1,056)
Public Health System Quality Improvement	401	-	-	401
MRC Federal (Health)	1,917	10,000	7,095	4,822
Park Playground Donation	1,751	-	-	1,751
EMA Duke Energy Grant	22	-	-	22
Payroll Clearing	(81)	1,605,112	1,605,031	-
Ind Local Health Dept Trust	17,482	17,406	3,921	30,967
Levy Excess Welfare	4,548	-	4,548	-
Vaccine	-	5,426	416	5,010
Final HEA 1001-2007 PTRC & HEA	-	13	-	13
Open GIS WFS Grant	-	2,000	3,000	(1,000)
Interoperable Emergency Communications	-	21,879	21,879	-
Digitization Grant	-	781	781	-
PHC Base/Cri Public Health Coordinator	-	-	8,600	(8,600)
EMA Weather Radios	-	3,500	3,497	3
Rush Shelby Energy Grant	-	2,500	2,500	-
Title II HAVA Clerk	-	25,000	25,000	-
Donation Fund (Health Dept)	973	539	577	935
Stayin' Alive DUI	8,378	10,000	15,041	3,337

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

FRANKLIN COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2012
(Continued)

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
Reassessment 2006 / 2009	224,940	8,153	126,155	106,938
In Home Detention	19,586	4,900	2,251	22,235
Surplus Dog	308	-	-	308
Park Donations	215	-	-	215
Cholesterol	27	-	-	27
Waste Management & Recycling	22,001	12,200	13,433	20,768
Salary Donations	10	-	-	10
Operation Pullover	1,188	11,863	10,171	2,880
Bulletproof Vest Program	-	950	950	-
Tobacco Money	149,145	-	149,145	-
Park Grants	1	-	-	1
Historic Metamora	665	-	-	665
Public Mass Transportation	-	320,420	320,420	-
Records Check Fee Sheriff	600	-	-	600
Bio-Terrorism	2,144	-	-	2,144
Restricted Sac Donations	2,865	45	-	2,910
WW Valley REMC Sheriff Grant	576	-	-	576
Open Alcohol Beverages	1,031	-	-	1,031
Natural Disaster Grant	1,400	-	-	1,400
Pandemic Influenza	2,000	-	-	2,000
Prosecutor ARRA	10,380	-	-	10,380
Clerk ARRA	15,483	-	-	15,483
Local Public Health Coordinator	(7,998)	17,719	7,504	2,217
Marine Patrol Grant	1,624	-	166	1,458
Coroner Training Fund	72	918	895	95
Health Dept Grant Brookville Foundation	551	650	550	651
Landscaping Grant Brookville Foundation	100	-	-	100
Teppco G.P. / EMA	986	-	-	986
Law Enforcement Continuing Education	12,064	4,010	2,304	13,770
State Assessment Training Fund	-	1	1	-
Tower Maintenance	15,648	4,104	1,665	18,087
Radio E911	890	-	-	890
Bond 2 Government Center	26,924	579,667	420,883	185,708
Gov't Building Renovations	25	-	-	25
Rex Road Repairs	189,750	6	-	189,756
Victim Assistance	22	-	-	22
Commissioner Certificate Sale	4,083	-	-	4,083
Treasurer	368,248	249,905	368,248	249,905
Health Self Insurance	1,716,673	1,857,246	1,679,127	1,894,792
Restricted Cemetery Donations	724	2,455	122	3,057
Recorder Enhancement	6,660	-	6,660	-
State Share Delinquent Taxes	-	1	1	-
Inmate Trust Fund	1,728	7,885	7,170	2,443
Jail Commissary Fund	20,933	21,460	10,232	32,161
Clerk	292,896	1,845,127	1,818,207	319,816
Clerk Child Support	6,728	431,962	434,382	4,308
Totals	<u>\$ 10,001,230</u>	<u>\$ 42,636,718</u>	<u>\$ 42,802,448</u>	<u>\$ 9,835,500</u>

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

FRANKLIN COUNTY
NOTES TO FINANCIAL STATEMENT

Note 1. 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 some or all of the following services: public safety (police), highways and streets, health welfare and social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

The accompanying financial statement presents the financial information for the County.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), 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 regulatory 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.

C. Cash and Investments

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

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the County.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state,

FRANKLIN COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the County.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the County. It includes all expenditures for the reduction of the principal and interest of the County's general obligation indebtedness.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

FRANKLIN COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

F. Interfund Transfers

The County may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the County. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the County. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the County submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

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

Note 4. Deposits and Investments

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

State statutes authorize the County to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

FRANKLIN COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. Risk Management

The County may be 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; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the County to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

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

B. County Police Retirement Plan

Plan Description

The County Police Retirement Plan 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.

FRANKLIN COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

The plan provides retirement, death, and disability benefits to plan members and beneficiaries. Funds designated for payments related to this plan are accounted for in a pension trust fund. The activity of this trust fund has not been reflected in the financial statement. 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

The contribution requirements of plan members for the County Police Retirement Plan are established by state statute.

C. County Police Benefit Plan

Plan Description

The County Police Benefit Plan 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. Funds designated for payments related to this plan are accounted for in a pension trust fund. The activity of this trust fund has not been reflected in the financial statement. 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

The contribution requirements of plan members for the County Police Benefit Plan are established by state statute.

Note 7. Restatement of County Offices

Certain funds that were included on the prior-year financial statement have been omitted from the current-year financial statement to more accurately reflect the financial activity of the County. These funds account for receipts and disbursements of County offices that are also eventually accounted for in the County's general ledger and financial statement.

Note 8. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of funds being set up for reimbursable grants. The reimbursements for expenditures made by the County were not received by December 31, 2012.

(This page intentionally left blank.)

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the County's Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Annual Report of the County which is referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was approved by management of the County. It is presented as intended by the County.

FRANKLIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012

	General	Statewide 911	Highway	Local Road And Street	Accident Report	Firearms Training	Health
Cash and investments - beginning	\$ 1,332,333	\$ -	\$ 437,914	\$ 559,865	\$ 3,905	\$ 13,291	\$ 21,879
Receipts:							
Taxes	2,072,439	-	-	-	-	-	166,120
Licenses and permits	50,293	-	-	-	-	-	8,270
Intergovernmental	2,866,081	104,474	1,645,024	254,502	-	-	1,414
Charges for services	284,845	15,945	63,035	-	2,104	7,210	4,822
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	605,395	287,722	13,663	1,659	-	-	140,000
Total receipts	<u>5,879,053</u>	<u>408,141</u>	<u>1,721,722</u>	<u>256,161</u>	<u>2,104</u>	<u>7,210</u>	<u>320,626</u>
Disbursements:							
Personal services	4,098,469	126,060	1,092,898	-	-	-	188,892
Supplies	304,460	-	424,371	279,420	-	-	2,153
Other services and charges	1,441,280	48,070	394,153	-	-	-	2,809
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	132,868	-	14,672	-	-	2,063	-
Other disbursements	144,529	-	-	-	-	-	140,000
Total disbursements	<u>6,121,606</u>	<u>174,130</u>	<u>1,926,094</u>	<u>279,420</u>	<u>-</u>	<u>2,063</u>	<u>333,854</u>
Excess (deficiency) of receipts over disbursements	<u>(242,553)</u>	<u>234,011</u>	<u>(204,372)</u>	<u>(23,259)</u>	<u>2,104</u>	<u>5,147</u>	<u>(13,228)</u>
Cash and investments - ending	<u>\$ 1,089,780</u>	<u>\$ 234,011</u>	<u>\$ 233,542</u>	<u>\$ 536,606</u>	<u>\$ 6,009</u>	<u>\$ 18,438</u>	<u>\$ 8,651</u>

FRANKLIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Choices/Saturday Program	Franklin County Economic Development	County Law Enforcement Continuing Education	Clerks Record Perpetuation	Deferral Program	Election	Riverboat Wagering Tax Revenue
Cash and investments - beginning	\$ 16,722	\$ 157,780	\$ 5,304	\$ 15,030	\$ 34,034	\$ 54,605	\$ -
Receipts:							
Taxes	-	70,000	-	-	-	99,672	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	842	-	1,191	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	9,714	-	-	6,835	6,490	-	-
Other receipts	-	-	-	746	-	774	636,766
Total receipts	9,714	70,000	-	8,423	6,490	101,637	636,766
Disbursements:							
Personal services	-	30,824	-	-	-	29,281	-
Supplies	-	278	-	-	-	24,704	-
Other services and charges	22,360	23,649	3,364	-	-	71,983	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	500	-	-	584	2,000	756	-
Other disbursements	-	-	-	-	-	-	636,766
Total disbursements	22,860	54,751	3,364	584	2,000	126,724	636,766
Excess (deficiency) of receipts over disbursements	(13,146)	15,249	(3,364)	7,839	4,490	(25,087)	-
Cash and investments - ending	\$ 3,576	\$ 173,029	\$ 1,940	\$ 22,869	\$ 38,524	\$ 29,518	\$ -

FRANKLIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	E911 Landline	Drug Free Community Fund	Drainage Maintenance	Emergency Planning/Right To Know	Park And Recreation	Title IV-D Prosecuting Attorney	Supplemental Juvenile Probation
Cash and investments - beginning	\$ 87,520	\$ 73,311	\$ 22,092	\$ 8,125	\$ 35,775	\$ 3,518	\$ 32,080
Receipts:							
Taxes	-	-	8,240	-	142,863	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	3,526	1,216	-	-
Charges for services	117,353	-	-	-	47,105	-	6,053
Fines and forfeits	-	28,300	-	-	-	-	-
Other receipts	8,076	-	-	-	59,172	-	-
Total receipts	<u>125,429</u>	<u>28,300</u>	<u>8,240</u>	<u>3,526</u>	<u>250,356</u>	<u>-</u>	<u>6,053</u>
Disbursements:							
Personal services	96,633	-	-	-	143,843	-	-
Supplies	518	-	-	-	12,319	-	-
Other services and charges	43,571	47,022	15,119	1,543	19,559	-	3,873
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	873	27,791	-	-
Other disbursements	72,227	-	-	-	55,647	289	-
Total disbursements	<u>212,949</u>	<u>47,022</u>	<u>15,119</u>	<u>2,416</u>	<u>259,159</u>	<u>289</u>	<u>3,873</u>
Excess (deficiency) of receipts over disbursements	<u>(87,520)</u>	<u>(18,722)</u>	<u>(6,879)</u>	<u>1,110</u>	<u>(8,803)</u>	<u>(289)</u>	<u>2,180</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 54,589</u>	<u>\$ 15,213</u>	<u>\$ 9,235</u>	<u>\$ 26,972</u>	<u>\$ 3,229</u>	<u>\$ 34,260</u>

FRANKLIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Supplemental Adult Probation	Recorders Records Perpetuation	Co Users Fee - Jury Fee	Covered Bridge	Marijuana Eradication	Health Maintenance
Cash and investments - beginning	\$ 36,124	\$ 55,501	\$ 35,002	\$ 43,498	\$ 18	\$ 30,215
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	3,700	-	32,672
Charges for services	96,743	40,071	-	-	-	-
Fines and forfeits	-	-	2,096	-	-	-
Other receipts	-	781	-	-	-	149,145
Total receipts	<u>96,743</u>	<u>40,852</u>	<u>2,096</u>	<u>3,700</u>	<u>-</u>	<u>181,817</u>
Disbursements:						
Personal services	65,486	511	-	-	-	40,737
Supplies	74	1,666	-	-	-	-
Other services and charges	23,738	17,775	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	3,528	600	-	-	-	-
Other disbursements	-	493	-	-	-	27
Total disbursements	<u>92,826</u>	<u>21,045</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,764</u>
Excess (deficiency) of receipts over disbursements	<u>3,917</u>	<u>19,807</u>	<u>2,096</u>	<u>3,700</u>	<u>-</u>	<u>141,053</u>
Cash and investments - ending	<u>\$ 40,041</u>	<u>\$ 75,308</u>	<u>\$ 37,098</u>	<u>\$ 47,198</u>	<u>\$ 18</u>	<u>\$ 171,268</u>

FRANKLIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Pretrial Diversion-User Fees	Guardian Ad Litem/Court User Fee	Plat Book Fees	County Misdemeanant	Supplemental Public Defender	Title IV-D County Clerk Incentive
Cash and investments - beginning	\$ 24,907	\$ 3,605	\$ 58,615	\$ 69,546	\$ 3,742	\$ 17,916
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	9,779	-	-	14,625	-	11,977
Charges for services	23,520	-	6,675	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>33,299</u>	<u>-</u>	<u>6,675</u>	<u>14,625</u>	<u>-</u>	<u>11,977</u>
Disbursements:						
Personal services	21,583	-	-	-	-	5,319
Supplies	4,990	-	-	-	-	1,032
Other services and charges	3,181	-	7,625	2,135	-	7,820
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	10,333	-	-	22,941	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>40,087</u>	<u>-</u>	<u>7,625</u>	<u>25,076</u>	<u>-</u>	<u>14,171</u>
Excess (deficiency) of receipts over disbursements	<u>(6,788)</u>	<u>-</u>	<u>(950)</u>	<u>(10,451)</u>	<u>-</u>	<u>(2,194)</u>
Cash and investments - ending	<u>\$ 18,119</u>	<u>\$ 3,605</u>	<u>\$ 57,665</u>	<u>\$ 59,095</u>	<u>\$ 3,742</u>	<u>\$ 15,722</u>

FRANKLIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Surveyors Corner Perpetuation	CAGIT	Rainy Day	Inmate Medical	County Sales Disclosure Fee	EDIT Tax
Cash and investments - beginning	\$ 26,084	\$ -	\$ 901,980	\$ 8,774	\$ 24,420	\$ -
Receipts:						
Taxes	-	3,450,546	-	-	-	1,155,844
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	1,150,182	-	-	-	-
Charges for services	4,370	-	-	811	2,720	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	704	122	201,747	-	-	-
Total receipts	<u>5,074</u>	<u>4,600,850</u>	<u>201,747</u>	<u>811</u>	<u>2,720</u>	<u>1,155,844</u>
Disbursements:						
Personal services	5,044	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	21,879	-	6,878	-
Other disbursements	-	4,600,850	195,647	-	40	1,155,844
Total disbursements	<u>5,044</u>	<u>4,600,850</u>	<u>217,526</u>	<u>-</u>	<u>6,918</u>	<u>1,155,844</u>
Excess (deficiency) of receipts over disbursements	<u>30</u>	<u>-</u>	<u>(15,779)</u>	<u>811</u>	<u>(4,198)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 26,114</u>	<u>\$ -</u>	<u>\$ 886,201</u>	<u>\$ 9,585</u>	<u>\$ 20,222</u>	<u>\$ -</u>

FRANKLIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Flu Vaccine	Levy Excess Fund County	County ID Protection (Recorder)	Collection Agency Fund	E911 Wireless	Title IV-D Prosecutor
Cash and investments - beginning	\$ 14,229	\$ -	\$ 29,408	\$ -	\$ 191,964	\$ 26,625
Receipts:						
Taxes	-	117,634	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	42,651	18,016
Charges for services	-	-	2,434	391	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	310	-	-	-	-	-
Total receipts	310	117,634	2,434	391	42,651	18,016
Disbursements:						
Personal services	-	-	-	-	18,333	11,473
Supplies	-	-	-	-	-	-
Other services and charges	-	-	8,730	391	716	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	5,390	-	-	-
Other disbursements	-	-	-	-	215,566	4,313
Total disbursements	-	-	14,120	391	234,615	15,786
Excess (deficiency) of receipts over disbursements	310	117,634	(11,686)	-	(191,964)	2,230
Cash and investments - ending	<u>\$ 14,539</u>	<u>\$ 117,634</u>	<u>\$ 17,722</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,855</u>

FRANKLIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Title IV-D County Clerk Incentive	Highway EDIT	2017 Reassessment	Auditors Ineligible Deductions	Co Elected Officials Training	Park Nonreverting
Cash and investments - beginning	\$ 5	\$ 614,761	\$ 173,646	\$ 22,642	\$ 660	\$ 12,671
Receipts:						
Taxes	-	791,980	188,269	15,905	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	108,510	1,259	-	-	-
Charges for services	-	-	-	-	2,434	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	7,297	843	-	289	93
Total receipts	-	907,787	190,371	15,905	2,723	93
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	725,299	-	-	-	-
Other services and charges	-	-	-	11,602	289	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	222,448	-	-	-	1,290
Other disbursements	-	-	-	-	-	-
Total disbursements	-	947,747	-	11,602	289	1,290
Excess (deficiency) of receipts over disbursements	-	(39,960)	190,371	4,303	2,434	(1,197)
Cash and investments - ending	\$ 5	\$ 574,801	\$ 364,017	\$ 26,945	\$ 3,094	\$ 11,474

FRANKLIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Cumulative Bridge	Cumulative Capital Development	General Drain Improvement	Dare Ditch	Sheriff Service (Police Pension)	City And Town Court Cost
Cash and investments - beginning	\$ 463,913	\$ 434,848	\$ 8,315	\$ 11,769	\$ 9,183	\$ 2,938
Receipts:						
Taxes	508,327	168,335	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	169,700	1,433	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	5,429	5,262
Other receipts	14,976	2,135	-	91	-	-
Total receipts	<u>693,003</u>	<u>171,903</u>	<u>-</u>	<u>91</u>	<u>5,429</u>	<u>5,262</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	558,622	-	-	-	-	-
Other services and charges	31,318	101,896	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	88,578	-	-	-	-
Other disbursements	-	18,672	-	-	-	5,556
Total disbursements	<u>589,940</u>	<u>209,146</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,556</u>
Excess (deficiency) of receipts over disbursements	<u>103,063</u>	<u>(37,243)</u>	<u>-</u>	<u>91</u>	<u>5,429</u>	<u>(294)</u>
Cash and investments - ending	<u>\$ 566,976</u>	<u>\$ 397,605</u>	<u>\$ 8,315</u>	<u>\$ 11,860</u>	<u>\$ 14,612</u>	<u>\$ 2,644</u>

FRANKLIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Tax Sale Surplus	Tax Sale Redemption	Surplus Tax	Fines And Forfeitures	Sales Disclosure	Sewage Fees
Cash and investments - beginning	\$ 129,115	\$ 5,712	\$ 16,665	\$ 12,109	\$ 215	\$ -
Receipts:						
Taxes	-	-	42,100	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	28,545
Fines and forfeits	-	-	-	69,514	-	-
Other receipts	274,146	47,190	-	-	2,720	-
Total receipts	<u>274,146</u>	<u>47,190</u>	<u>42,100</u>	<u>69,514</u>	<u>2,720</u>	<u>28,545</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	145,401	47,190	45,478	69,565	2,765	10,923
Total disbursements	<u>145,401</u>	<u>47,190</u>	<u>45,478</u>	<u>69,565</u>	<u>2,765</u>	<u>10,923</u>
Excess (deficiency) of receipts over disbursements	<u>128,745</u>	<u>-</u>	<u>(3,378)</u>	<u>(51)</u>	<u>(45)</u>	<u>17,622</u>
Cash and investments - ending	<u>\$ 257,860</u>	<u>\$ 5,712</u>	<u>\$ 13,287</u>	<u>\$ 12,058</u>	<u>\$ 170</u>	<u>\$ 17,622</u>

FRANKLIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Infractions And Judgements	Inheritance Tax	Death Benefits	Education Plate Fees	Innkeepers Tax	Financial Institutions Tax
Cash and investments - beginning	\$ 460	\$ 234,835	\$ 90	\$ -	\$ 148,013	\$ -
Receipts:						
Taxes	-	-	-	731	87,516	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	122,409	-	-	-	85,579
Charges for services	-	-	-	-	-	-
Fines and forfeits	12,656	-	1,855	-	1,217	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>12,656</u>	<u>122,409</u>	<u>1,855</u>	<u>731</u>	<u>88,733</u>	<u>85,579</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	12,825	357,244	1,850	731	77,235	85,579
Total disbursements	<u>12,825</u>	<u>357,244</u>	<u>1,850</u>	<u>731</u>	<u>77,235</u>	<u>85,579</u>
Excess (deficiency) of receipts over disbursements	<u>(169)</u>	<u>(234,835)</u>	<u>5</u>	<u>-</u>	<u>11,498</u>	<u>-</u>
Cash and investments - ending	<u>\$ 291</u>	<u>\$ -</u>	<u>\$ 95</u>	<u>\$ -</u>	<u>\$ 159,511</u>	<u>\$ -</u>

FRANKLIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Mortgage Fee(Recorder)	Child Restraint Violation	Interstate Compact Fee	Commercial Vehicle Excise Tax	HEA 1001-2008 State HSC	DLGF Homestead Property Database
Cash and investments - beginning	\$ 263	\$ -	\$ 125	\$ -	\$ 488	\$ 11
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	88,699	-	-
Charges for services	3,200	375	-	-	-	-
Fines and forfeits	-	-	1,125	-	-	-
Other receipts	-	-	-	-	-	15
Total receipts	<u>3,200</u>	<u>375</u>	<u>1,125</u>	<u>88,699</u>	<u>-</u>	<u>15</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	3,160	375	1,250	88,699	-	26
Total disbursements	<u>3,160</u>	<u>375</u>	<u>1,250</u>	<u>88,699</u>	<u>-</u>	<u>26</u>
Excess (deficiency) of receipts over disbursements	<u>40</u>	<u>-</u>	<u>(125)</u>	<u>-</u>	<u>-</u>	<u>(11)</u>
Cash and investments - ending	<u>\$ 303</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 488</u>	<u>\$ -</u>

FRANKLIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Settlement	Co Offender Transportation	Enhanced 911 Act	Co General IV-D Incentive	EMA Performance Grant	Cemetery Commission Brookville Foundation Grant
Cash and investments - beginning	\$ -	\$ 625	\$ (560)	\$ 30,780	\$ -	\$ 390
Receipts:						
Taxes	16,270,309	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	3,149	-	8,408	11,977	3,571	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	1,125	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>16,273,458</u>	<u>1,125</u>	<u>8,408</u>	<u>11,977</u>	<u>3,571</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	7,848	-	-	390
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	3,571	-
Other disbursements	16,273,458	-	-	-	-	-
Total disbursements	<u>16,273,458</u>	<u>-</u>	<u>7,848</u>	<u>-</u>	<u>3,571</u>	<u>390</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>1,125</u>	<u>560</u>	<u>11,977</u>	<u>-</u>	<u>(390)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 1,750</u>	<u>\$ -</u>	<u>\$ 42,757</u>	<u>\$ -</u>	<u>\$ -</u>

FRANKLIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	MRC State (Health)	Public Health System Quality Improvement	MRC Federal (Health)	Park Playground Donation	EMA Duke Energy Grant	Payroll Clearing
Cash and investments - beginning	\$ -	\$ 401	\$ 1,917	\$ 1,751	\$ 22	\$ (81)
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	10,000	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	1,605,112
Total receipts	-	-	10,000	-	-	1,605,112
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	1,056	-	100	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	6,995	-	-	-
Other disbursements	-	-	-	-	-	1,605,031
Total disbursements	1,056	-	7,095	-	-	1,605,031
Excess (deficiency) of receipts over disbursements	(1,056)	-	2,905	-	-	81
Cash and investments - ending	\$ (1,056)	\$ 401	\$ 4,822	\$ 1,751	\$ 22	\$ -

FRANKLIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Ind Local Health Dept Trust	Levy Excess Welfare	Vaccine	Final HEA 1001-2007 PTRC & HEA	Open GIS WFS Grant	Interoperable Emergency Communications
Cash and investments - beginning	\$ 17,482	\$ 4,548	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	13	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	17,406	-	-	-	2,000	21,879
Charges for services	-	-	5,071	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	355	-	-	-
Total receipts	17,406	-	5,426	13	2,000	21,879
Disbursements:						
Personal services	3,921	-	-	-	-	-
Supplies	-	-	78	-	-	-
Other services and charges	-	-	338	-	3,000	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	21,879
Other disbursements	-	4,548	-	-	-	-
Total disbursements	3,921	4,548	416	-	3,000	21,879
Excess (deficiency) of receipts over disbursements	13,485	(4,548)	5,010	13	(1,000)	-
Cash and investments - ending	\$ 30,967	\$ -	\$ 5,010	\$ 13	\$ (1,000)	\$ -

FRANKLIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Digitization Grant	PHC Base/Cri Public Health Coordinator	EMA Weather Radios	Rush Shelby Energy Grant	Title II HAVA Clerk	Donation Fund (Health Dept)
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 973
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	781	-	-	-	25,000	-
Charges for services	-	-	-	-	-	539
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	3,500	2,500	-	-
Total receipts	781	-	3,500	2,500	25,000	539
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	239	-	-	-	-
Other services and charges	-	7,071	-	-	-	577
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	1,290	3,497	2,500	25,000	-
Other disbursements	781	-	-	-	-	-
Total disbursements	781	8,600	3,497	2,500	25,000	577
Excess (deficiency) of receipts over disbursements	-	(8,600)	3	-	-	(38)
Cash and investments - ending	<u>\$ -</u>	<u>\$ (8,600)</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 935</u>

FRANKLIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Stayin' Alive DUI	Reassessment 2006 / 2009	In Home Detention	Surplus Dog	Park Donations	Cholesterol
Cash and investments - beginning	\$ 8,378	\$ 224,940	\$ 19,586	\$ 308	\$ 215	\$ 27
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	4,900	-	-	-
Other receipts	10,000	8,153	-	-	-	-
Total receipts	<u>10,000</u>	<u>8,153</u>	<u>4,900</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:						
Personal services	12,473	93,394	-	-	-	-
Supplies	315	1,907	-	-	-	-
Other services and charges	-	30,759	2,251	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	2,253	-	-	-	-	-
Other disbursements	-	95	-	-	-	-
Total disbursements	<u>15,041</u>	<u>126,155</u>	<u>2,251</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(5,041)</u>	<u>(118,002)</u>	<u>2,649</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 3,337</u>	<u>\$ 106,938</u>	<u>\$ 22,235</u>	<u>\$ 308</u>	<u>\$ 215</u>	<u>\$ 27</u>

FRANKLIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Waste Management & Recycling	Salary Donations	Operation Pullover	Bulletproof Vest Program	Tobacco Money	Park Grants
Cash and investments - beginning	\$ 22,001	\$ 10	\$ 1,188	\$ -	\$ 149,145	\$ 1
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	11,164	950	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	12,200	-	699	-	-	-
Total receipts	<u>12,200</u>	<u>-</u>	<u>11,863</u>	<u>950</u>	<u>-</u>	<u>-</u>
Disbursements:						
Personal services	3,106	-	10,171	-	-	-
Supplies	777	-	-	-	-	-
Other services and charges	9,550	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	950	149,145	-
Total disbursements	<u>13,433</u>	<u>-</u>	<u>10,171</u>	<u>950</u>	<u>149,145</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(1,233)</u>	<u>-</u>	<u>1,692</u>	<u>-</u>	<u>(149,145)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 20,768</u>	<u>\$ 10</u>	<u>\$ 2,880</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>

FRANKLIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Historic Metamora	Public Mass Transportation	Records Check Fee Sheriff	Bio-Terrorism	Restricted Sac Donations	WW Valley REMC Sheriff Grant
Cash and investments - beginning	\$ 665	\$ -	\$ 600	\$ 2,144	\$ 2,865	\$ 576
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	320,420	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	45	-
Total receipts	-	320,420	-	-	45	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	320,420	-	-	-	-
Total disbursements	-	320,420	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	45	-
Cash and investments - ending	\$ 665	\$ -	\$ 600	\$ 2,144	\$ 2,910	\$ 576

FRANKLIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Open Alcohol Beverages	Natural Disaster Grant	Pandemic Influenza	Prosecutor ARRA	Clerk ARRA	Local Public Health Coordinator
Cash and investments - beginning	\$ 1,031	\$ 1,400	\$ 2,000	\$ 10,380	\$ 15,483	\$ (7,998)
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	17,719
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	-	-	-	-	-	17,719
Disbursements:						
Personal services	-	-	-	-	-	6,911
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	593
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	7,504
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	10,215
Cash and investments - ending	<u>\$ 1,031</u>	<u>\$ 1,400</u>	<u>\$ 2,000</u>	<u>\$ 10,380</u>	<u>\$ 15,483</u>	<u>\$ 2,217</u>

FRANKLIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Marine Patrol Grant	Coroner Training Fund	Health Dept Grant Brookville Foundation	Landscaping Grant Brookville Foundation	Teppco G.P. / EMA	Law Enforcement Continuing Education
Cash and investments - beginning	\$ 1,624	\$ 72	\$ 551	\$ 100	\$ 986	\$ 12,064
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	918	-	-	-	3,960
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	650	-	-	50
Total receipts	<u>-</u>	<u>918</u>	<u>650</u>	<u>-</u>	<u>-</u>	<u>4,010</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	166	-	550	-	-	2,304
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	895	-	-	-	-
Total disbursements	<u>166</u>	<u>895</u>	<u>550</u>	<u>-</u>	<u>-</u>	<u>2,304</u>
Excess (deficiency) of receipts over disbursements	<u>(166)</u>	<u>23</u>	<u>100</u>	<u>-</u>	<u>-</u>	<u>1,706</u>
Cash and investments - ending	<u>\$ 1,458</u>	<u>\$ 95</u>	<u>\$ 651</u>	<u>\$ 100</u>	<u>\$ 986</u>	<u>\$ 13,770</u>

FRANKLIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	State Assessment Training Fund	Tower Maintenance	Radio E911	Bond 2 Government Center	Gov't Building Renovations	Rex Road Repairs
Cash and investments - beginning	\$ -	\$ 15,648	\$ 890	\$ 26,924	\$ 25	\$ 189,750
Receipts:						
Taxes	-	-	-	574,775	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	4,892	-	-
Charges for services	-	4,104	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	1	-	-	-	-	6
Total receipts	<u>1</u>	<u>4,104</u>	<u>-</u>	<u>579,667</u>	<u>-</u>	<u>6</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	1,665	-	-	-	-
Debt service - principal and interest	-	-	-	420,883	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	1	-	-	-	-	-
Total disbursements	<u>1</u>	<u>1,665</u>	<u>-</u>	<u>420,883</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>2,439</u>	<u>-</u>	<u>158,784</u>	<u>-</u>	<u>6</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 18,087</u>	<u>\$ 890</u>	<u>\$ 185,708</u>	<u>\$ 25</u>	<u>\$ 189,756</u>

FRANKLIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Victim Assistance	Commissioner Certificate Sale	Treasurer	Health Self Insurance	Restricted Cemetery Donations	Recorder Enhancement
Cash and investments - beginning	\$ 22	\$ 4,083	\$ 368,248	\$ 1,716,673	\$ 724	\$ 6,660
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	249,905	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	1,857,246	2,455	-
Total receipts	-	-	249,905	1,857,246	2,455	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	122	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	6,660
Other disbursements	-	-	368,248	1,679,127	-	-
Total disbursements	-	-	368,248	1,679,127	122	6,660
Excess (deficiency) of receipts over disbursements	-	-	(118,343)	178,119	2,333	(6,660)
Cash and investments - ending	<u>\$ 22</u>	<u>\$ 4,083</u>	<u>\$ 249,905</u>	<u>\$ 1,894,792</u>	<u>\$ 3,057</u>	<u>\$ -</u>

FRANKLIN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	State Share Delinquent Taxes	Inmate Trust Fund	Jail Commissary Fund	Clerk	Clerk Child Support	Totals
Cash and investments - beginning	\$ -	\$ 1,728	\$ 20,933	\$ 292,896	\$ 6,728	\$ 10,001,230
Receipts:						
Taxes	1	-	-	-	-	25,931,619
Licenses and permits	-	-	-	-	-	58,563
Intergovernmental	-	-	-	-	-	7,198,777
Charges for services	-	7,885	21,460	-	-	1,054,603
Fines and forfeits	-	-	-	1,845,127	431,962	2,433,607
Other receipts	-	-	-	-	-	5,959,549
Total receipts	<u>1</u>	<u>7,885</u>	<u>21,460</u>	<u>1,845,127</u>	<u>431,962</u>	<u>42,636,718</u>
Disbursements:						
Personal services	-	-	-	-	-	6,105,362
Supplies	-	-	-	-	-	2,343,222
Other services and charges	-	-	-	-	-	2,423,911
Debt service - principal and interest	-	-	-	-	-	420,883
Capital outlay	-	-	-	-	-	639,617
Other disbursements	<u>1</u>	<u>7,170</u>	<u>10,232</u>	<u>1,818,207</u>	<u>434,382</u>	<u>30,869,453</u>
Total disbursements	<u>1</u>	<u>7,170</u>	<u>10,232</u>	<u>1,818,207</u>	<u>434,382</u>	<u>42,802,448</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>715</u>	<u>11,228</u>	<u>26,920</u>	<u>(2,420)</u>	<u>(165,730)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 2,443</u>	<u>\$ 32,161</u>	<u>\$ 319,816</u>	<u>\$ 4,308</u>	<u>\$ 9,835,500</u>

FRANKLIN COUNTY
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2012

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 755,831</u>	<u>\$ -</u>

FRANKLIN COUNTY
 SCHEDULE OF LEASES AND DEBT
 December 31, 2012

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities: General obligation bonds	Government Center/Courthouse Renovations	<u>\$ 3,100,000</u>	<u>\$ 420,445</u>

FRANKLIN COUNTY
SCHEDULE OF CAPITAL ASSETS
December 31, 2012

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.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 41,800
Infrastructure	219,896,542
Buildings	13,625,773
Improvements other than buildings	119,807
Machinery, equipment, and vehicles	<u>4,486,562</u>
Total capital assets	<u>\$ 238,170,484</u>

FRANKLIN COUNTY
OTHER REPORTS

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

County Auditor
County Treasurer

(This page intentionally left blank.)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF FRANKLIN COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited Franklin County's (County) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Basis for Adverse Opinion on Formula Grants for Other Than Urbanized Areas

As described in item 2012-2 in the accompanying Schedule of Findings and Questioned Costs, the County did not comply with requirements regarding Subrecipient Monitoring that are applicable to its Formula Grants for Other Than Urbanized Areas. Compliance with such requirements is necessary, in our opinion, for the County to comply with requirements applicable to that program.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

Adverse Opinion on Formula Grants for Other Than Urbanized Areas

In our opinion, because of the significance of the noncompliance described in the *Basis for Adverse Opinion* paragraph, the County did not comply in all material respects, with the requirements referred to above that could have a direct and material effect on Formula Grants for Other Than Urbanized Areas.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the year ended December 31, 2012.

Other Matters

The County's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2012-1 to be material weaknesses.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

The County's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

November 7, 2013

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the County. The schedule and notes are presented as intended by the County.

FRANKLIN COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2012

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Justice</u>				
Bulletproof Vest Partnership Program Bulletproof Vest Partnership	Indiana Criminal Justice Institute	16.607	2012	\$ 950
<u>Department of Transportation</u>				
Highway Planning and Constuction Cluster Highway Planning and Construction Bridge 48 Bridge Inspections ARRA - Highway Planning and Construction	Indiana Department of Transportation	20.205	DES 0201280 Project 10000025 DES 0088440	26,057 106,511 <u>32,028</u>
Total - Highway Planning and Construction Cluster				<u>164,596</u>
Highway Safety Cluster Alcohol Impaired Driving Countermeasures Incentive Grants I Operaton Pullover	Indiana Criminal Justice Institute	20.601	032NHTSA4052012	<u>9,472</u>
Total - Highway Safety Cluster				<u>9,472</u>
Formula Grants for Other Than Urbanized Areas Public Transportation	Indiana Department of Transportation	20.509	A249-12-320290A	<u>196,481</u>
Total - Department of Transportation				<u>370,549</u>
<u>Department of Health and Human Services</u>				
Medical Reserve Corps Small Grant Program	National Association of County & City Health Officials	93.008	IMRCSG101005-01	<u>10,000</u>
Public Health Emergency Preparedness Local Public Health Co-ordinator	Indiana State Department of Health	93.069	5U90TP517024-10	<u>17,719</u>
Child Support Enforcement Prosecutor Direct Expenditures Clerk Direct Expenditures Clerk Incentive Prosecutors Incentive Indirect Costs	Indiana Department of Child Services	93.563	Prosecutor - 502IVD4005ADR12 Clerk - 502IVD4005ADR12 Clerk - 502IVDINCENF-11 Pros. - 502IVDINCENF-11 Indirect - 502IVDINCENF-11	86,097 48,605 14,171 15,786 <u>35,916</u>
Total - Child Support Enforcement				<u>200,575</u>
Voting Access for Individuals with Disabilities - Grants to States	Indiana Secretary of State	93.617	0630903INVOTE09	<u>25,000</u>
Total - Department of Health and Human Services				<u>253,294</u>
<u>Department of Homeland Security</u>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Indiana Department of Homeland Security	97.036	385PA1997000000	<u>63,324</u>
Emergency Management Performance Grants	Indiana Department of Homeland Security	97.042	C44P-1-112A C44P-2-331A	3,571 <u>8,923</u>
Total - Emergency Management Performance Grants				<u>12,494</u>
Interoperable Emergency Communications	Indiana Department of Homeland Security	97.055	2010-IP-T0-0037	<u>21,879</u>
Total - Department of Homeland Security				<u>97,697</u>
Total federal awards expended				<u>\$ 722,490</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

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Franklin County (County) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Note 2. Subrecipients

Of the federal expenditures presented in the schedule, the County provided federal awards to subrecipients as follows for the year ended December 31, 2012:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>2012</u>
Formula Grants for Other Than Urbanized Areas	20.509	<u>\$ 196,481</u>

FRANKLIN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unqualified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Child Support Enforcement- Unqualified; Formula Grants for Other Than Urbanized Areas- Adverse
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
20.509	Formula Grants for Other Than Urbanized Areas
93.563	Child Support Enforcement

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.

FRANKLIN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III – Federal Award Findings and Questioned Costs

FINDING 2012-1 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO FORMULA GRANTS FOR OTHER THAN URBANIZED AREAS

Federal Agency: Department of Transportation
Federal Program: Formula Grants for Other Than Urbanized Areas
CFDA Number: 20.509
Federal Award Number and Year (or Other Identifying Number): A249-12-320290A, 2012
Pass-Through Entity: Indiana Department of Transportation

Management of Franklin County (County) has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and compliance requirements that have a direct and material effect to the program. This includes the following compliance requirements; Cash Management; Procurement, Suspension and Debarment; Reporting; and Subrecipient Monitoring. The failure to establish an effective internal control system places the County at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the grant.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the County.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

We recommended that the County's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirements listed above.

FINDING 2012-2 - SUBRECIPIENT MONITORING

Federal Agency: Department of Transportation
Federal Program: Formula Grants for Other Than Urbanized Areas
CFDA Number: 20.509
Federal Award Number and Year (or Other Identifying Number): A249-12-320290A, 2012
Pass-Through Entity: Indiana Department of Transportation

FRANKLIN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Franklin County (County) received a federal award to provide services for public transportation and subsequently passed through the entire federal award to Franklin County Public Transportation to provide transportation services to the general public in and around Franklin County. The County could not provide any documentation that the expenditure of those funds were monitored. The County did not have procedures in place to monitor the reports compiled by Franklin County Public Transportation, nor did they complete any onsite visits or regular meetings with the Franklin County Public Transportation officials.

OMB Circular A-133__400(d) states in part:

"Pass-through entity responsibilities. A pass-through entity shall perform the following for the Federal awards it makes:

. . . (3) Monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved . . ."

Due to the lack of procedures and the lack of monitoring, the County could not ensure that the federal awards had been used in compliance with laws, regulations and the provisions of the grant agreement. Any misuse of the federal funds by the Franklin County Public Transportation would not have been detected by the County.

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the County.

We recommended that the County develop and implement a formal subrecipient monitoring plan to ensure that funds passed through to subrecipients are appropriately monitored.

FRANKLIN COUNTY AUDITOR

Stephen Brack

1010 Franklin Ave.
Brookville, IN 47012
auditor@franklincounty.in.gov
(765) 647-4631

Corrective Action Plan:

FINDING NO. 2012-1 – INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO FORMULA GRANTS FOR OTHER THAN URBANIZED AREAS.

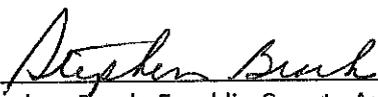
CONTACT PERSON – CATHY PELSON
TITLE: EXECUTIVE DIRECTOR
PHONE NUMBER – 765-647-3509
EXPECTED COMPLETION TIME:

The Auditor has met with the Executive Director and has established Job Description and Cash Handling procedure.

The Auditor and Executive Director will be meeting on a quarterly to discuss segregation of duties which are related to the grant agreement and compliance requirements related to the direct and material effect to the program.

FINDING 2012-2 – SKUBRECIPIENT MONITORING

The Auditor and Executive Director will be meeting quarterly to establish or develop and implement a subrecipient monitoring plan to ensure that funds passed through to subrecipients are properly monitored.



Stephen Brack, Franklin County Auditor
1010 Franklin Avenue
Brookville, IN 47012

FRANKLIN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 7, 2013, with Thomas Wilson, President of the Board of County Commissioners; Jeffery C. Koch, President of the County Council; and Stephen Brack, Auditor. The officials concurred with our audit findings.