

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

CITY OF FRANKLIN

JOHNSON COUNTY, INDIANA

January 1, 2013 to December 31, 2013



**FILED**  
01/30/2015



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Janet P. Alexander	01-01-12 to 12-31-15
Mayor	Joe McGuinness	01-01-12 to 12-31-15
President of the Board of Public Works and Safety	Joe McGuinness	01-01-13 to 12-31-14
President Pro Tempore of the Common Council	Stephen Barnett	01-01-13 to 12-31-14
Superintendent of Utilities	Charles Littleton, Jr.	01-01-13 to 12-31-14
Utility Office Manager	Sherry Phillips	01-01-13 to 12-31-14



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CITY OF FRANKLIN, JOHNSON COUNTY, INDIANA

We have examined the accompanying financial statement of the City of Franklin (City), for the year ended December 31, 2013. The financial statement is the responsibility of the City's management. Our responsibility is to express an opinion on the financial statement based on our examination.

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

As discussed in Note 1, the City 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 comprehensive 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 these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the City for the year ended December 31, 2013.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the City for the year ended December 31, 2013, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the City'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 examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

December 17, 2014

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## FINANCIAL STATEMENT

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

CITY OF FRANKLIN  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended December 31, 2013

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
GENERAL FUND	\$ 8,611,459	\$ 13,769,457	\$ 14,358,287	\$ 8,022,629
MOTOR VEHICLE HIGHWAY	1,955,630	1,919,792	1,806,928	2,068,494
LOCAL ROAD & STREET	478,282	272,321	310,226	440,377
ATHLETIC & RECREATION	67,897	738,170	740,006	66,061
FIRE MEDIC	200,622	1,830	32,580	169,872
LOCAL LAW ENF CONT ED	38,116	26,265	4	64,377
RECORD PERPETUATION	97,015	45,633	375	142,273
UNSAFE BLDG FUND	77,715	-	3,118	74,597
PSAP ENHANCED 911	18,445	-	12,728	5,717
PARK & RECREATION	1,245,176	1,519,960	1,435,960	1,329,176
USER FEES CONTROL (COURT)	67,001	168,999	169,484	66,516
RAINY DAY	3,793,844	1,046,347	990,989	3,849,202
LEVY EXCESS	167,769	-	167,769	-
CUM CAP IMP - CIG TAX	216,150	63,655	4,264	275,541
CUM CAP DEVELOPMENT	569,453	311,715	207,351	673,817
RDC CAPITAL	1,369,880	-	111,041	1,258,839
T.I.F. CONTROL	5,826,161	3,497,407	3,883,881	5,439,687
PRK/REC INFRSTRUCTURE IMP	64,310	20,580	-	84,890
GROUP INSURANCE	2,280,478	2,541,206	2,209,308	2,612,376
OLD POLICE PENSION	884,413	247,434	249,382	882,465
OLD FIRE PENSION	389,348	452,562	452,769	389,141
COURT AGENCY FUND	5,156	72,718	65,922	11,952
RIVERBOAT WAGRNG TAX REV	121,800	140,468	-	262,268
City Court	189,955	937,311	899,760	227,506
DONATION	13,813	4,922	771	17,964
GRANTS/POLICE	500	3,475	3,975	-
CDBG FACADE GRANT	-	64,242	51,938	12,304
CDBG-FLOOD BUY-OUT GRANT	33,219	12,146	45,365	-
US EPA BRWNFLD GRANT-ASAP	151	-	-	151
DISASTER RELIEF FUND	796,060	697,445	92,927	1,400,578
DONATION/PARK & REC	30,132	2,633	4,803	27,962
DEVLPR'S SHARE MUN IMPRV	10,150	-	-	10,150
FIRE-PUBLIC EDUCATION	1,051	-	-	1,051
MUNICIPAL BOND-GENERAL	41,899	231,653	253,005	20,547
PARK CONSTRUCTION	3,300,139	2,500	3,164,072	138,567
PARK & REC 2012 BOND	-	233,622	233,622	-
SIDEWALK/REPAIR REPLACMNT	1,608	2,645	2,514	1,739
B DICKUS MEM TIP LINE	-	25,000	-	25,000
GRANTS/PARK	3,506	5,636	5,577	3,565

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

CITY OF FRANKLIN  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended December 31, 2013  
(Continued)

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
PAYROLL-NET SALARIES	-	269,229	269,229	-
PAYROLL W/H-FEDERAL	-	947,131	947,072	59
PAYROLL-W/H SOC SECURITY	-	478,709	478,709	-
PAYROLL-W/H MEDICARE	-	238,390	238,371	19
PAYROLL-W/H STATE	29,015	314,692	316,635	27,072
PAYROLL-W/H COUNTY	8,661	92,870	92,920	8,611
PAYROLL DIRECT DEPOSIT	-	6,711,578	6,711,578	-
PR-EMPLOYEE MED PRE-TAX	-	22,525	22,525	-
PR-DEPENDENT MED PRE-TAX	-	90,943	90,943	-
PR-FLEX SPENDING PRE-TAX	-	62,809	62,809	-
PR-CAFE DEPENDNT CARE 125	-	21,360	21,360	-
MET LIFE 457-\$ DED PRE-TX	-	46,196	46,196	-
MET LIFE 457-% DED PRE TX	-	8,875	8,875	-
ONE AMERICA	-	4,807	4,807	-
PR HM INSURANCE	-	18,149	18,149	-
PR UNITED WAY DEDUCTION	-	651	651	-
PR FIRE UNION DUES	-	19,803	19,803	-
PR STEEL TOE SHOES	-	93	93	-
PR SEWER BILL	-	7,435	7,435	-
PR CHILD SUPPORT 543	-	47,090	47,090	-
PR CHILD SUPRT ANUL FEE	-	275	275	-
PR GARNISHMENT-759	-	3,323	3,323	-
PR GARNISHMENT-446	-	8,488	8,488	-
PR PERF (1366-CIVILIAN)	155	120,620	118,788	1,987
PR IN FIREFIGHTER PENSION	3,049	148,651	151,570	130
PR IN POLICE PENSION	2,613	128,019	130,255	377
PR GARNISHMENT-113	-	1,816	1,816	-
OLD PERF 1366 (CIVILIAN)	3,286	-	-	3,286
INSURANCE TRUST	548,588	-	-	548,588
NEW FIRE PENSION 7742-200	13	-	-	13
NEW POLICE PENS 7742-100	184	-	-	184
CEMETERY TRUST	12,431	49	4,200	8,280
STORM WATER UTILITY FUND	576,770	565,774	445,021	697,523
SEWER UTILITY	4,027,249	3,037,495	4,131,005	2,933,739
SEWER BOND & INTEREST	1,126,836	1,925,885	3,052,721	-
SEWER IMPROVEMENT	442,454	131,003	113,080	460,377
SEWER DEBT SERVICE RESRVE	1,268,955	6,263	5,724	1,269,494
Totals	<u>\$ 41,018,562</u>	<u>\$ 44,560,745</u>	<u>\$ 49,542,217</u>	<u>\$ 36,037,090</u>

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

CITY OF FRANKLIN  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

The City was established under the laws of the State of Indiana. The City operates under a Council-Mayor form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, electric, gas, storm water, trash, aviation, and urban redevelopment and housing.

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

*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. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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 City.

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.

CITY OF FRANKLIN  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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, 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).

Utility fees which are comprised mostly of charges for current services.

Penalties which include fees received for late payments.

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.

CITY OF FRANKLIN  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

Utility operating expenses which include all outflows for operating the utilities.

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.

*F. Fund Accounting*

Separate funds are established, maintained, and reported by the City. 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 City. 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 City 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 City 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 City 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.

CITY OF FRANKLIN  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**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 City 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.

**Note 5. Risk Management**

The City 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 City 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 a cost-sharing 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 City 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 Capitol Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

CITY OF FRANKLIN  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*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. 1925 Police Officers' Pension Plan*

*Plan Description*

The 1925 Police Officers' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

*Funding Policy*

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute.

*On Behalf Payments*

The 1925 Police Officers' Pension Plan is funded by the State of Indiana through the Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

*C. 1937 Firefighters' Pension Plan*

*Plan Description*

The 1937 Firefighters' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-7). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

*Funding Policy*

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute.

*On Behalf Payments*

The 1937 Firefighters' Pension Plan is funded by the State of Indiana through the Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

CITY OF FRANKLIN  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*D. 1977 Police Officers' and Firefighters' Pension and Disability Fund*

*Plan Description*

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting, and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

INPRS 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 Capitol Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*Funding Policy*

The contribution requirements of plan members and the City are established by the Board of Trustees of INPRS.

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## SUPPLEMENTARY INFORMATION - UNAUDITED

For additional financial information, the City'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 City which is referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

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

CITY OF FRANKLIN  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013

	GENERAL FUND	MOTOR VEHICLE HIGHWAY	LOCAL ROAD & STREET	ATHLETIC & RECREATION	FIRE MEDIC	LOCAL LAW ENF CONT ED	RECORD PERPETUATION
Cash and investments - beginning	\$ 8,611,459	\$ 1,955,630	\$ 478,282	\$ 67,897	\$ 200,622	\$ 38,116	\$ 97,015
Receipts:							
Taxes	6,287,132	1,028,520	-	-	-	-	-
Licenses and permits	94,510	-	-	-	-	17,390	-
Intergovernmental	6,485,943	856,609	237,931	-	925	-	-
Charges for services	203,772	19,574	-	738,170	905	2,224	-
Fines and forfeits	274,346	-	-	-	-	4,763	45,633
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	423,754	15,089	34,390	-	-	1,888	-
Total receipts	<u>13,769,457</u>	<u>1,919,792</u>	<u>272,321</u>	<u>738,170</u>	<u>1,830</u>	<u>26,265</u>	<u>45,633</u>
Disbursements:							
Personal services	9,505,430	802,286	-	-	-	-	-
Supplies	566,711	111,566	64,656	740,006	32,565	-	-
Other services and charges	2,985,672	444,315	-	-	15	-	375
Debt service - principal and interest	27,336	-	-	-	-	-	-
Capital outlay	286,086	448,761	245,570	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	987,052	-	-	-	-	4	-
Total disbursements	<u>14,358,287</u>	<u>1,806,928</u>	<u>310,226</u>	<u>740,006</u>	<u>32,580</u>	<u>4</u>	<u>375</u>
Excess (deficiency) of receipts over disbursements	<u>(588,830)</u>	<u>112,864</u>	<u>(37,905)</u>	<u>(1,836)</u>	<u>(30,750)</u>	<u>26,261</u>	<u>45,258</u>
Cash and investments - ending	<u>\$ 8,022,629</u>	<u>\$ 2,068,494</u>	<u>\$ 440,377</u>	<u>\$ 66,061</u>	<u>\$ 169,872</u>	<u>\$ 64,377</u>	<u>\$ 142,273</u>

CITY OF FRANKLIN  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	UNSAFE BLDG FUND	PSAP ENHANCED 911	PARK & RECREATION	USER FEES CONTROL (COURT)	RAINY DAY	LEVY EXCESS	CUM CAP IMP - CIG TAX
Cash and investments - beginning	\$ 77,715	\$ 18,445	\$ 1,245,176	\$ 67,001	\$ 3,793,844	\$ 167,769	\$ 216,150
Receipts:							
Taxes	-	-	1,211,343	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	113,608	-	-	-	63,655
Charges for services	-	-	177,335	-	-	-	-
Fines and forfeits	-	-	-	168,999	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	17,674	-	1,046,347	-	-
Total receipts	-	-	1,519,960	168,999	1,046,347	-	63,655
Disbursements:							
Personal services	-	-	906,671	-	149,927	-	-
Supplies	-	-	104,528	-	-	-	-
Other services and charges	3,118	12,728	424,637	169,484	5,390	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	138,587	-	4,264
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	124	-	697,085	167,769	-
Total disbursements	3,118	12,728	1,435,960	169,484	990,989	167,769	4,264
Excess (deficiency) of receipts over disbursements	(3,118)	(12,728)	84,000	(485)	55,358	(167,769)	59,391
Cash and investments - ending	\$ 74,597	\$ 5,717	\$ 1,329,176	\$ 66,516	\$ 3,849,202	\$ -	\$ 275,541

CITY OF FRANKLIN  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	CUM CAP DEVELOPMENT	RDC CAPITAL	T.I.F. CONTROL	PRK/REC INFRASTRUCTURE IMP	GROUP INSURANCE	OLD POLICE PENSION	OLD FIRE PENSION
Cash and investments - beginning	\$ 569,453	\$ 1,369,880	\$ 5,826,161	\$ 64,310	\$ 2,280,478	\$ 884,413	\$ 389,348
Receipts:							
Taxes	284,987	-	3,053,700	-	-	-	-
Licenses and permits	-	-	-	20,424	-	-	-
Intergovernmental	26,728	-	-	-	-	247,434	452,562
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	443,707	156	2,541,206	-	-
Total receipts	<u>311,715</u>	<u>-</u>	<u>3,497,407</u>	<u>20,580</u>	<u>2,541,206</u>	<u>247,434</u>	<u>452,562</u>
Disbursements:							
Personal services	-	-	-	-	-	249,058	452,607
Supplies	-	-	-	-	-	164	-
Other services and charges	-	-	3,883,881	-	2,209,308	160	162
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	207,351	111,041	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>207,351</u>	<u>111,041</u>	<u>3,883,881</u>	<u>-</u>	<u>2,209,308</u>	<u>249,382</u>	<u>452,769</u>
Excess (deficiency) of receipts over disbursements	<u>104,364</u>	<u>(111,041)</u>	<u>(386,474)</u>	<u>20,580</u>	<u>331,898</u>	<u>(1,948)</u>	<u>(207)</u>
Cash and investments - ending	<u>\$ 673,817</u>	<u>\$ 1,258,839</u>	<u>\$ 5,439,687</u>	<u>\$ 84,890</u>	<u>\$ 2,612,376</u>	<u>\$ 882,465</u>	<u>\$ 389,141</u>

CITY OF FRANKLIN  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	COURT AGENCY FUND	RIVERBOAT WAGRNG TAX REV	City Court	DONATION	GRANTS/POLICE	CDBG FACADE GRANT	CDBG-FLOOD BUY-OUT GRANT
Cash and investments - beginning	\$ 5,156	\$ 121,800	\$ 189,955	\$ 13,813	\$ 500	\$ -	\$ 33,219
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	140,468	-	-	550	51,718	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	72,718	-	937,311	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	-	4,922	2,925	12,524	12,146
Total receipts	<u>72,718</u>	<u>140,468</u>	<u>937,311</u>	<u>4,922</u>	<u>3,475</u>	<u>64,242</u>	<u>12,146</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	771	3,975	-	-
Other services and charges	-	-	-	-	-	51,938	12,143
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	65,922	-	899,760	-	-	-	33,222
Total disbursements	<u>65,922</u>	<u>-</u>	<u>899,760</u>	<u>771</u>	<u>3,975</u>	<u>51,938</u>	<u>45,365</u>
Excess (deficiency) of receipts over disbursements	<u>6,796</u>	<u>140,468</u>	<u>37,551</u>	<u>4,151</u>	<u>(500)</u>	<u>12,304</u>	<u>(33,219)</u>
Cash and investments - ending	<u>\$ 11,952</u>	<u>\$ 262,268</u>	<u>\$ 227,506</u>	<u>\$ 17,964</u>	<u>\$ -</u>	<u>\$ 12,304</u>	<u>\$ -</u>

CITY OF FRANKLIN  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	US EPA BRWNFLD GRANT-ASAP	DISASTER RELIEF FUND	DONATION/PARK & REC	DEVLPR'S SHARE MUN IMPRV	FIRE-PUBLIC EDUCATION	MUNICIPAL BOND-GENERAL	PARK CONSTRUCTION
Cash and investments - beginning	\$ 151	\$ 796,060	\$ 30,132	\$ 10,150	\$ 1,051	\$ 41,899	\$ 3,300,139
Receipts:							
Taxes	-	-	-	-	-	211,790	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	37,495	-	-	-	19,863	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	659,950	2,633	-	-	-	2,500
Total receipts	-	697,445	2,633	-	-	231,653	2,500
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	4,730	-	-	-	-
Other services and charges	-	36,429	73	-	-	253,005	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	30,269	-	-	-	-	3,164,072
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	26,229	-	-	-	-	-
Total disbursements	-	92,927	4,803	-	-	253,005	3,164,072
Excess (deficiency) of receipts over disbursements	-	604,518	(2,170)	-	-	(21,352)	(3,161,572)
Cash and investments - ending	\$ 151	\$ 1,400,578	\$ 27,962	\$ 10,150	\$ 1,051	\$ 20,547	\$ 138,567

CITY OF FRANKLIN  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	PARK & REC 2012 BOND	SIDEWALK/REPAIR REPLACMNT	B DICKUS MEM TIP LINE	GRANTS/PARK	PAYROLL-NET SALARIES	PAYROLL W/H-FEDERAL	PAYROLL-W/H SOC SECURITY
Cash and investments - beginning	\$ -	\$ 1,608	\$ -	\$ 3,506	\$ -	\$ -	\$ -
Receipts:							
Taxes	231,750	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	1,872	-	-	-	-	-	-
Charges for services	-	2,645	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	25,000	5,636	269,229	947,131	478,709
Total receipts	<u>233,622</u>	<u>2,645</u>	<u>25,000</u>	<u>5,636</u>	<u>269,229</u>	<u>947,131</u>	<u>478,709</u>
Disbursements:							
Personal services	-	-	-	2,870	-	-	-
Supplies	-	2,514	-	2,707	-	-	-
Other services and charges	250	-	-	-	-	-	-
Debt service - principal and interest	233,372	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	269,229	947,072	478,709
Total disbursements	<u>233,622</u>	<u>2,514</u>	<u>-</u>	<u>5,577</u>	<u>269,229</u>	<u>947,072</u>	<u>478,709</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>131</u>	<u>25,000</u>	<u>59</u>	<u>-</u>	<u>59</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 1,739</u>	<u>\$ 25,000</u>	<u>\$ 3,565</u>	<u>\$ -</u>	<u>\$ 59</u>	<u>\$ -</u>

CITY OF FRANKLIN  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	PAYROLL-W/H MEDICARE	PAYROLL-W/H STATE	PAYROLL-W/H COUNTY	PAYROLL DIRECT DEPOSIT	PR-EMPLOYEE MED PRE-TAX	PR-DEPENDENT MED PRE-TAX	PR-FLEX SPENDING PRE-TAX
Cash and investments - beginning	\$ -	\$ 29,015	\$ 8,661	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	238,390	314,692	92,870	6,711,578	22,525	90,943	62,809
Total receipts	238,390	314,692	92,870	6,711,578	22,525	90,943	62,809
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	238,371	316,635	92,920	6,711,578	22,525	90,943	62,809
Total disbursements	238,371	316,635	92,920	6,711,578	22,525	90,943	62,809
Excess (deficiency) of receipts over disbursements	19	(1,943)	(50)	-	-	-	-
Cash and investments - ending	\$ 19	\$ 27,072	\$ 8,611	\$ -	\$ -	\$ -	\$ -

CITY OF FRANKLIN  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	PR-CAFE DEPENDNT CARE 125	MET LIFE 457-\$ DED PRE-TX	MET LIFE 457-% DED PRE TX	ONE AMERICA	PR HM INSURANCE	PR UNITED WAY DEDUCTION	PR FIRE UNION DUES
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	21,360	46,196	8,875	4,807	18,149	651	19,803
Total receipts	<u>21,360</u>	<u>46,196</u>	<u>8,875</u>	<u>4,807</u>	<u>18,149</u>	<u>651</u>	<u>19,803</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	21,360	46,196	8,875	4,807	18,149	651	19,803
Total disbursements	<u>21,360</u>	<u>46,196</u>	<u>8,875</u>	<u>4,807</u>	<u>18,149</u>	<u>651</u>	<u>19,803</u>
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF FRANKLIN  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	PR STEEL TOE SHOES	PR SEWER BILL	PR CHILD SUPPORT 543	PR CHILD SUPRT ANUL FEE	PR GARNISHMENT-759	PR GARNISHMENT-446	PR PERF (1366-CIVILIAN)
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 155
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	93	7,435	47,090	275	3,323	8,488	120,620
Total receipts	<u>93</u>	<u>7,435</u>	<u>47,090</u>	<u>275</u>	<u>3,323</u>	<u>8,488</u>	<u>120,620</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	93	7,435	47,090	275	3,323	8,488	118,788
Total disbursements	<u>93</u>	<u>7,435</u>	<u>47,090</u>	<u>275</u>	<u>3,323</u>	<u>8,488</u>	<u>118,788</u>
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	1,832
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,987</u>

CITY OF FRANKLIN  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	PR IN FIREFIGHTER PENSION	PR IN POLICE PENSION	PR GARNISHMENT-113	OLD PERF 1366 (CIVILIAN)	INSURANCE TRUST	NEW FIRE PENSION 7742-200	NEW POLICE PENS 7742-100
Cash and investments - beginning	\$ 3,049	\$ 2,613	\$ -	\$ 3,286	\$ 548,588	\$ 13	\$ 184
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	148,651	128,019	1,816	-	-	-	-
Total receipts	148,651	128,019	1,816	-	-	-	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	151,570	130,255	1,816	-	-	-	-
Total disbursements	151,570	130,255	1,816	-	-	-	-
Excess (deficiency) of receipts over disbursements	(2,919)	(2,236)	-	-	-	-	-
Cash and investments - ending	\$ 130	\$ 377	\$ -	\$ 3,286	\$ 548,588	\$ 13	\$ 184

CITY OF FRANKLIN  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	CEMETERY TRUST	STORM WATER UTILITY FUND	SEWER UTILITY	SEWER BOND & INTEREST	SEWER IMPROVEMENT	SEWER DEBT SERVICE RESERVE	Totals
Cash and investments - beginning	\$ 12,431	\$ 576,770	\$ 4,027,249	\$ 1,126,836	\$ 442,454	\$ 1,268,955	\$ 41,018,562
Receipts:							
Taxes	-	-	-	-	-	-	12,309,222
Licenses and permits	-	-	-	-	-	-	132,324
Intergovernmental	-	-	-	-	-	-	8,737,361
Charges for services	-	-	-	-	-	-	1,144,625
Fines and forfeits	-	-	-	-	-	-	1,503,770
Utility fees	-	541,879	2,941,776	-	131,000	-	3,614,655
Penalties	-	18,046	69,687	-	-	-	87,733
Other receipts	49	5,849	26,032	1,925,885	3	6,263	17,031,055
Total receipts	49	565,774	3,037,495	1,925,885	131,003	6,263	44,560,745
Disbursements:							
Personal services	-	125,129	711,596	-	-	-	12,905,574
Supplies	-	-	-	-	-	-	1,634,893
Other services and charges	4,200	-	-	-	-	-	10,497,283
Debt service - principal and interest	-	-	-	3,052,721	-	-	3,313,429
Capital outlay	-	-	22,382	-	113,080	-	4,771,463
Utility operating expenses	-	133,307	1,362,360	-	-	-	1,495,667
Other disbursements	-	186,585	2,034,667	-	-	5,724	14,923,908
Total disbursements	4,200	445,021	4,131,005	3,052,721	113,080	5,724	49,542,217
Excess (deficiency) of receipts over disbursements	(4,151)	120,753	(1,093,510)	(1,126,836)	17,923	539	(4,981,472)
Cash and investments - ending	\$ 8,280	\$ 697,523	\$ 2,933,739	\$ -	\$ 460,377	\$ 1,269,494	\$ 36,037,090

CITY OF FRANKLIN  
 SCHEDULE OF PAYABLES AND RECEIVABLES  
 December 31, 2013

Government or Enterprise	Accounts Payable	Accounts Receivable
Wastewater	\$ 80,793	\$ 366,125
Storm Water	294	79,264
Governmental activities	<u>593,719</u>	<u>487,219</u>
Totals	<u>\$ 674,806</u>	<u>\$ 932,608</u>

CITY OF FRANKLIN  
SCHEDULE OF LEASES AND DEBT  
December 31, 2013

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Purchase land and building for Police & Street Departments	\$ 2,925,000	\$ 249,705
General obligation bonds	2012 Park Construction Bond	<u>3,595,000</u>	<u>238,925</u>
Total governmental activities		<u>6,520,000</u>	<u>488,630</u>
Wastewater:			
Revenue bonds	2013 Sewage Works Refunding Bonds	<u>3,360,000</u>	<u>960,201</u>
Totals		<u>\$ 9,880,000</u>	<u>\$ 1,448,831</u>

CITY OF FRANKLIN  
 SCHEDULE OF CAPITAL ASSETS  
 December 31, 2013

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.

	Ending Balance
Governmental activities:	
Land	\$ 2,437,878
Infrastructure	31,065,764
Buildings	15,700,746
Improvements other than buildings	5,456,131
Machinery, equipment, and vehicles	7,395,932
Construction in progress	5,460
Total governmental activities	62,061,911
Storm Water:	
Infrastructure	650,003
Machinery, equipment, and vehicles	62,782
Total Storm Water	712,785
Wastewater:	
Infrastructure	30,394,783
Buildings	3,221,513
Improvements other than buildings	2,597,737
Machinery, equipment, and vehicles	958,182
Total Wastewater	37,172,215
Total capital assets	\$ 99,946,911

CITY OF FRANKLIN  
EXAMINATION RESULT AND COMMENT

***POLICE AND FIREFIGHTER PENSION BENEFITS***

The review of the City's police and firefighter pension benefits paid revealed that benefits paid to one retiree and seven surviving spouses were not calculated in accordance with Indiana Code 36-8-6 and Indiana Code 36-8-7.

Indiana Code 36-8-6 provides that the primary basis for benefit calculations for members of the 1925 Police Pension Fund who have not converted to the 1977 Police and Fire Plan is the salary of a first class patrolman plus longevity. Indiana Code 36-8-7 provides that the primary basis for benefit calculations for members of the 1937 Firefighters Pension Fund who have not converted to the 1977 Police and Fire Plan is the salary of a first class firefighter plus longevity. The amounts to be paid to each pensioner and surviving spouse were considered by the City each year during the budget process. However, the basis for the amounts actually paid could not be readily determined. Additionally, no written documentation of the policy or evidence of Council approval was provided for examination.

The provisions of the above statutes are a minimum amount. The statutes also make provisions for paying additional amounts to the surviving spouses if approved by the local ordinance. For the cases in which surviving spouses received more than the minimum amount, no ordinance allowing for such excess was identified.

Indiana Code 36-8-6-9(b) states in part:

"The 1925 fund shall be used to provide a member of the police department who retires from active duty after twenty (20) or more years of active duty an annual pension equal to fifty percent (50%) of the salary of a first class patrolman in the police department, plus:

- (1) for a member who retires before January 1, 1986, two percent (2%) of the first class patrolman's salary for each year of service; or
- (2) for a member who retires after December 31, 1985, one percent (1%) of the first class patrolman's salary for each six (6) months of service;

of the retired member over twenty (20) years. However, the pension may not exceed in any year an amount greater than seventy-four percent (74%) of the salary of a first class patrolman."

Indiana Code 36-8-6-9.6(b) states in part:

"A payment shall be made to the surviving spouse of a deceased member in an amount fixed by ordinance, but at least an amount equal to the following:

CITY OF FRANKLIN  
EXAMINATION RESULT AND COMMENT  
(Continued)

- (1) To the surviving spouse of a member who died before January 1, 1989, an amount equal to thirty percent (30%) of the monthly pay of a first class patrolman per month . . .
- (2) . . . to the surviving spouse of a member who dies after December 31, 1988, an amount per month, during the spouse's life, equal to the greater of:
- (A) thirty percent (30%) of the monthly pay of a first class patrolman; or
- (B) fifty-five percent (55%) of the monthly benefit the deceased member was receiving or was entitled to receive on the date of the member's death."

Indiana Code 36-8-7-12.1(b) states:

"A member who has been in service twenty (20) years, upon making a written application to the fire chief, may be retired from all service with the department without a medical examination or disability. Except as provided in subsection (f), the local board shall authorize the payment to the retired member of fifty percent (50%) of the salary of a fully paid first class firefighter of the unit at the time of the payment of the pension, plus:

- (1) for a member who retires before January 1, 1986, two percent (2%) of that salary for each year of service; or
- (2) for a member who retires after December 31, 1985, one percent (1%) of that salary for each six (6) months of service;

over twenty (20) years. However, the pension in one (1) year may not exceed an amount greater than seventy-four percent (74%) of the salary of a fully paid first class firefighter."

Indiana Code 36-8-7-12.2(d) states in part:

- "(1) the surviving spouse is entitled to receive an amount fixed by ordinance but not less than:
- (A) for the surviving spouse of a member who dies before January 1, 1989 thirty percent (30%) of the salary of a fully paid first class firefighter in the unit at the time of the payment of pension; and
- (B) for the surviving spouse of a member who dies after December 31, 1988, . . . an amount per month, during the spouse's life, equal to the greater of thirty percent (30%) of the monthly pay of a first class firefighter or fifty-five percent (55%) of the monthly benefit the deceased member was receiving or was entitled to receive on the date of the member's death . . ."

CITY OF FRANKLIN  
EXIT CONFERENCE

The contents of this report were discussed on December 17, 2014, with Janet P. Alexander, Clerk-Treasurer, and Joe McGuinness, Mayor.