



MARION COUNTY, INDIANA

(Component Unit of the Consolidated City of Indianapolis-Marion County)

ANNUAL FINANCIAL REPORT

For the Year
Ended December 31, 2007

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(Component Unit of the Consolidated City of Indianapolis-Marion County)

ANNUAL FINANCIAL REPORT

For the Year
Ended December 31, 2007



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2007 County Elected Officials

	TERM
Auditor.....	Billie J. Breaux 1-01-07 to 12-31-10
Treasurer.....	Michael Rodman 1-01-05 to 12-31-08
Clerk.....	Elizabeth White 1-01-07 to 12-31-10
Sheriff.....	Frank Anderson 1-01-07 to 12-31-10
Recorder.....	Julie Vooxies 1-01-07 to 12-31-10
Assessor.....	Greg Bowes 1-01-07 to 12-31-10
Surveyor.....	Mary Catherine Barton 1-01-05 to 12-31-08**
Coroner.....	Dr. Kenneth Ackles, Sr. 1-01-05 to 12-31-08
Prosecutor.....	Carl Brizzi 1-01-07 to 12-31-10
County Executive.....	Bart Peterson 1-01-04 to 12-31-07*
Board of County Commissioners.....	Michael Rodman 1-01-05 to 12-31-08
Board of County Commissioners.....	Billie J. Breaux 1-01-07 to 12-31-10
Board of County Commissioners.....	Greg Bowes 1-01-07 to 12-31-10

*Greg Ballard elected in 2007 – term 01-01-08 to 12-31-11

**Debra S. Jenkins elected in 2007 – term 01-01-08 to 12-31-11

2007 Other Elected Officials and Department Heads

	TERM
Center Township Assessor.....	Eugene Ackles, Sr. 1-01-07 to 12-31-10
Decatur Township Assessor.....	Jason Holiday 1-01-07 to 12-31-10
Franklin Township Assessor.....	Becky L. Williams 1-01-07 to 12-31-10
Lawrence Township Assessor.....	Jeffrey Hill 1-01-07 to 12-31-10
Perry Township Assessor.....	Katherine A. Price 1-01-07 to 12-31-10
Pike Township Assessor.....	Barbara M. Hurst 1-01-07 to 12-31-10
Warren Township Assessor.....	Arlene Crooke 1-01-07 to 12-31-10
Washington Township Assessor.....	Joline Ohmart 1-01-07 to 12-31-10
Wayne Township Assessor.....	Michael McCormack 1-01-07 to 12-31-10
Voters Registration.....	Cindy Mowery Joel Miller
Marion County Cooperative Extension.....	Ronald Hoyt
Criminal Probation.....	Robert Bingham
Court Administrator.....	Ron Miller*
Guardian Home (Acting Director).....	Rose Butler
Community Corrections.....	Brian Barton
Forensic Services.....	Michael Medler
Chief Public Defender.....	David Cook
Metropolitan Emergency Communication Agency.....	Wendall Raney
Chief Information Officer.....	Shital Patel

*Glenn Lawrence – appointed 06-25-07

2007 City-County Council Members

President, Monroe Gray, Jr.
 Majority Leader, Lonnell Conley
 Minority Leader, Dr. Philip Borst
 Patrice Abdullallah
 Paul Bateman, Jr.
 Rozelle Boyd
 Vernon Brown
 Virginia Alig Cain
 Andre Carson
 Bob Cockrum
 N. Susie Day
 Sherron Franklin

Ron Gibson
 Scott Keller
 Lance Langsford
 Robert Lutz
 Dane Mahern
 Angela Mansfield
 Lynn McWhirter
 Mary Moriarty Adams
 Jackie Nytes
 William Oliver
 Marilyn Pfisterer
 Lincoln Plowman

Cherrish Pryor
 Issac Randolph, Jr.
 Joanne Sanders
 Scott Schneider
 Mike Speedy
 Ryan Vaughn

2007 Judiciary

CIRCUIT COURT Theodore Sosin
 Circuit – Paternity Alicia Gooden, Commissioner

SUPERIOR COURT

Criminal Division:

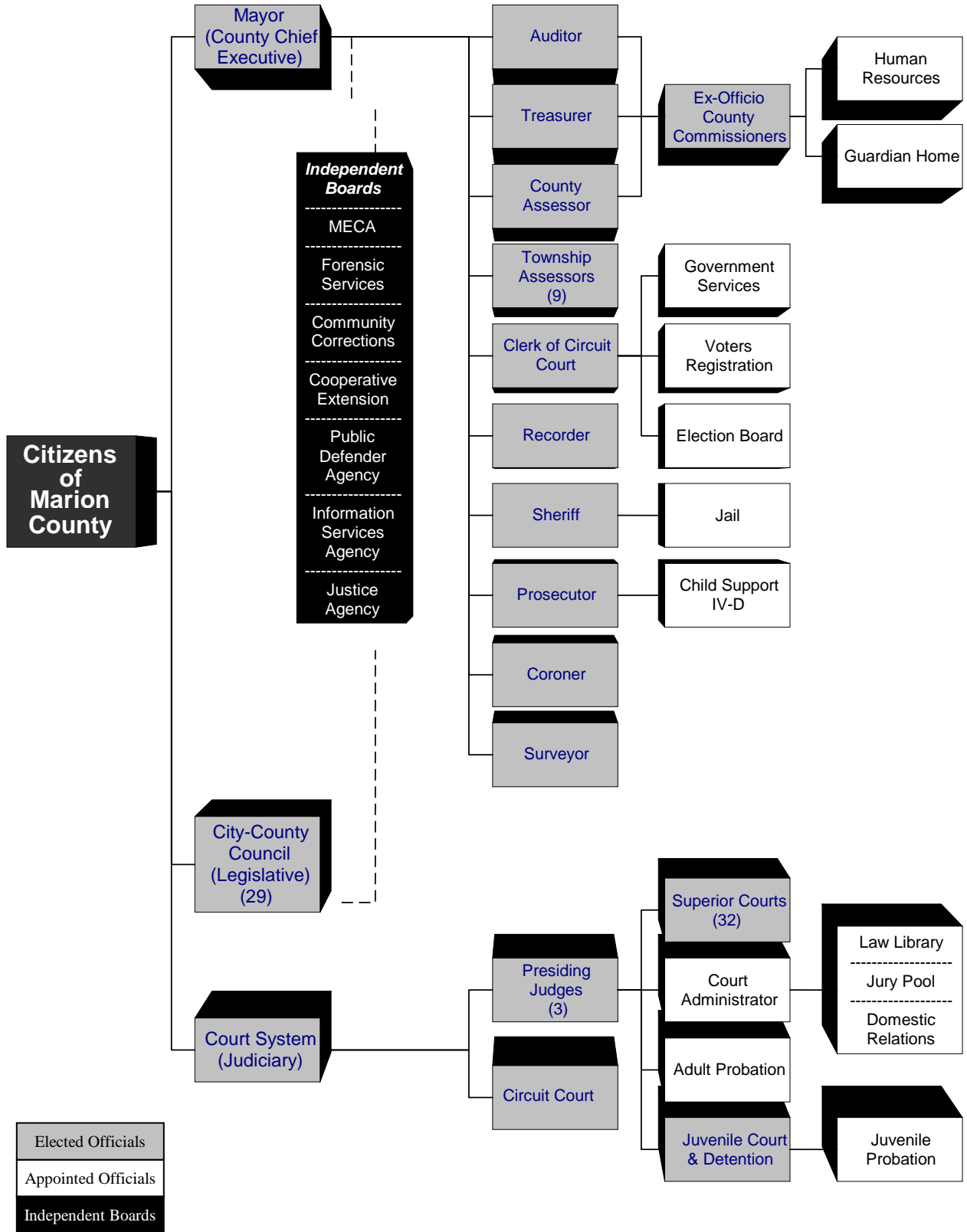
Court 1..... Tanya Walton-Pratt
 Court 2..... Robert Altice Jr.
 Court 3..... Sheila A. Carlisle
 Court 4..... Patricia J. Gifford
 Court 5..... Grant Hawkins
 Court 6..... Mark D. Stoner
 Court 7 Misdemeanor William J. Nelson
 Court 8 Misdemeanor Barbara Collins
 Court 9 D-Felony..... Heather A. Welch
 Court 10 Misdemeanor Linda E. Brown
 Court 11 Initial Hearing/APC..... Commissioners
 Court 12 Community Court Magistrate Louis Rosenberg
 Court 13 Traffic/Misdemeanor Marc Rothenberg, Commissioner
 Court 14 D-Felony Drug Court, Re-Entry Court Jose D. Salinas
 Court 15 Felony..... Lisa F. Borges
 Court 16 Domestic Violence Clark Rogers
 Court 17 Domestic Violence Annie Christ-Garcia
 Court 18 D-Felony..... Reuben Hill
 Court 19 Misdemeanor R. F. Pierson-Treacy
 Court 20 Felony Drug..... William Young
 Court 21 Domestic Violence David J. Certo
 Court 22 Major Felony Carol J. Orbison
 Court 23 Major Felony Drug..... Steve Eichholtz
 Court 24 D Felony..... John W. Hammel

Civil Division:

Court 1..... David Shaheed
 Court 2..... Kenneth H. Johnson
 Court 3..... Patrick L. McCarty
 Court 4..... Cynthia J. Ayers
 Court 5..... Gary L. Miller
 Court 6..... Thomas J. Carroll
 Court 7..... Gerald S. Zore
 Court 8 Probate Division Charles J. Deiter
 Court 9 Juvenile Division Marilyn A. Moores
 Court 10..... David Dreyer
 Court 11..... John Hanley
 Court 12..... Robyn Moberly
 Court 13..... S. K. Reid
 Environmental Court Michael D. Keele
 Title IV-D Court..... Carol Terzo, Commissioner

Marion County, Indiana

Government Organization Chart







KPMG LLP
Suite 1500
111 Monument Circle
Indianapolis, IN 46204

Independent Auditors' Report

The Honorable Gregory A. Ballard
Mayor, City of Indianapolis,
and the City-County Audit Committee
Marion County, Indiana:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Marion County, Indiana (a component unit of the Consolidated City of Indianapolis – Marion County) (County) as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As more fully described in Note 1 to the basic financial statements, the County prepared its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position—modified cash basis of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Marion County, Indiana as of December 31, 2007, and the respective changes in financial position—modified cash basis thereof for the year then ended, in conformity with the basis of accounting described in Note 1, except for Note 6 – Additional Pension Disclosures, on which we express no opinion.

The County has not presented Management's Discussion and Analysis as required supplementary information that U.S. generally accepted accounting principles have determined is necessary to supplement, although not required to be part of, the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2010 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or 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* and should be considered in assessing the results of our audit.

The budgetary comparison information on page 28; the schedules of funding progress and employer contributions on pages 29 and 30; and the notes to required supplementary information on pages 31 and 32 are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and schedules – other supplementary information on pages 36 through 49, are presented for purposes of additional analysis, and are not a required part of the basic financial statements. Such information, except the schedules of revenues and expenditures–budget and actual, on pages 38 through 45 which are unaudited, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole on the basis of accounting described in Note 1.

The information presented in the introductory section on pages 1 through 3, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

KPMG LLP

Indianapolis, Indiana
May 21, 2010



**BASIC
FINANCIAL STATEMENTS**



MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)
STATEMENT OF ACTIVITIES AND NET ASSETS - MODIFIED CASH BASIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2007

Functions/Programs	Program Cash Receipts			Net Cash Receipts (Disbursements) and Changes in Net Assets		
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:						
Administration and finance	\$ 49,975,366	\$ 22,394,290	\$ 5,105,747	\$ (22,475,329)	\$ —	\$ (22,475,329)
Protection of people and property program	78,600,760	19,967,501	5,636,327	(52,996,932)	—	(52,996,932)
Corrections program	60,793,394	2,412,017	5,443,603	(52,937,774)	—	(52,937,774)
Judicial program	76,392,540	14,105,509	7,540,978	(54,746,053)	—	(54,746,053)
Culture and recreation program	3,184,288	—	1,181,751	(2,002,537)	—	(2,002,537)
Real estate and assessments program	11,259,379	4,822,625	—	(6,436,754)	—	(6,436,754)
Health and welfare	83,365,484	609,192	—	(82,756,292)	—	(82,756,292)
Principal and interest on tax anticipation warrants	113,841,700	—	—	(113,841,700)	—	(113,841,700)
Principal and interest on long-term debt	26,505,771	—	—	(26,505,771)	—	(26,505,771)
Note issuance costs	330,403	—	—	(330,403)	—	(330,403)
Principal payment on loan from City of Indianapolis	1,100,000	—	—	(1,100,000)	—	(1,100,000)
Payment on refinanced note	7,150,000	—	—	(7,150,000)	—	(7,150,000)
Total governmental activities	512,499,085	64,311,134	24,908,406	(423,279,545)	—	(423,279,545)
Business-type activities:						
Drug testing laboratory	680,803	460,921	—	—	(219,882)	(219,882)
Total business-type activities	680,803	460,921	—	—	(219,882)	(219,882)
Total	\$ 513,179,888	\$ 64,772,055	\$ 24,908,406	(423,279,545)	(219,882)	(423,499,427)
General cash receipts:						
Property taxes				183,804,560	—	183,804,560
Financial institution tax				1,726,386	—	1,726,386
Excise tax				16,498,251	—	16,498,251
Local option income tax				36,229,348	—	36,229,348
Other state and local taxes				1,485,591	—	1,485,591
State wagering taxes				2,465,127	—	2,465,127
Unrestricted investment earnings				15,512,333	—	15,512,333
Other				1,205,463	992	1,206,455
Note proceeds				16,750,000	—	16,750,000
Tax anticipation warrant proceeds				148,930,297	—	148,930,297
Total general cash receipts				424,607,356	992	424,608,348
Change in net assets				1,327,811	(218,890)	1,108,921
Net assets – beginning of year				69,097,395	1,618	69,099,013
Net assets – end of year				\$ 70,425,205	\$ (217,272)	\$ 70,207,933
Cash and Investment Assets - December 31, 2007						
Cash and cash equivalents				\$ 68,011,561	\$ (217,272)	\$ 67,794,289
Cash with fiscal agents				1,026,840	—	1,026,840
Restricted cash and cash equivalents				386,804	—	386,804
Certificates of deposit				1,000,000	—	1,000,000
Total cash and investment assets - December 31, 2007				\$ 70,425,205	\$ (217,272)	\$ 70,207,933
Cash and Investment Net Assets - December 31, 2007						
Restricted for:						
Debt service				\$ 1,026,840	\$ —	\$ 1,026,840
Capital projects				75,986	—	75,986
Grantor purposes				5,460,929	—	5,460,929
Statutory purposes				22,218,606	—	22,218,606
Unrestricted				41,642,844	(217,272)	41,425,572
Total cash and investment net assets - December 31, 2007				\$ 70,425,205	\$ (217,272)	\$ 70,207,933

See accompanying notes to the basic financial statements.

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2007

	General	Welfare Sinking	Nonmajor Governmental Funds	Total Governmental Funds
Receipts				
Taxes	\$ 189,237,372	\$ 29,849,548	\$ 23,122,342	\$ 242,209,262
Intergovernmental	15,711,992	—	9,196,414	24,908,406
Interest	15,443,372	—	68,961	15,512,333
Charges for services	21,619,578	—	20,906,539	42,526,117
Miscellaneous	251,572	—	904,166	1,155,738
Total receipts	242,263,886	29,849,548	54,198,422	326,311,856
Disbursements				
Current:				
General government	99,869,033	—	24,252,563	124,121,596
Public safety	115,195,096	—	23,756,204	138,951,300
Welfare	83,134,454	—	—	83,134,454
Culture and recreation	1,066,212	—	264	1,066,476
Capital outlay	893,786	—	1,362,928	2,256,714
Debt service:				
Principal on notes	—	24,565,000	—	24,565,000
Principal payment on loan from City of Indianapolis	1,100,000	—	—	1,100,000
Principal and interest on tax anticipation warrants	113,841,700	—	—	113,841,700
Interest	489,709	1,451,062	—	1,940,771
Note issuance costs	330,403	—	—	330,403
Total disbursements	415,920,393	26,016,062	49,371,959	491,308,414
Excess (deficiency) of receipts over disbursements	(173,656,507)	3,833,486	4,826,463	(164,996,558)
Other Financing Sources (Uses)				
Transfers in (out)	16,385,498	—	(16,385,498)	—
Proceeds from note issuances	16,750,000	—	—	16,750,000
Proceeds from tax anticipation warrants	148,930,297	—	—	148,930,297
Payment on refinanced note	(7,150,000)	—	—	(7,150,000)
Sale of capital assets	22,320	—	27,405	49,725
Total other financing sources (uses)	174,938,115	—	(16,358,093)	158,580,022
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,281,608	3,833,486	(11,531,630)	(6,416,536)
Cash and investment fund balances - beginning of year	24,619,859	7,770,095	30,057,555	62,447,509
Cash and investment fund balances - end of year	\$ 25,901,467	\$ 11,603,581	\$ 18,525,925	\$ 56,030,973

Amounts reported for governmental activities in the statement of activities and net assets - modified cash basis are different because:

Internal service funds are used by management to charge the costs of certain services to individual funds. The cash and investment assets of the internal service fund is included in governmental activities in the statement of activities and net assets - modified cash basis.

14,394,232

Cash and investment net assets of governmental activities

\$ 70,425,205

Cash and Investment Assets - December 31, 2007

Cash and cash equivalents	\$ 23,874,627	\$ 11,603,581	\$ 18,525,925	\$ 54,004,133
Cash with fiscal agents	1,026,840	—	—	1,026,840
Certificates of deposit	1,000,000	—	—	1,000,000
Total cash and investment assets - December 31, 2007	\$ 25,901,467	\$ 11,603,581	\$ 18,525,925	\$ 56,030,973

Cash and Investment Fund Balances - December 31, 2007

Unreserved, reported in:				
General fund	\$ 25,901,467	\$ —	\$ —	\$ 25,901,467
Special revenue funds	—	—	17,855,685	17,855,685
Debt service funds	—	11,603,581	14,097	11,617,678
Capital projects funds	—	—	656,143	656,143
Total cash and investment fund balances - December 31, 2007	\$ 25,901,467	\$ 11,603,581	\$ 18,525,925	\$ 56,030,973

See accompanying notes to the basic financial statements.

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)
STATEMENT OF ASSETS AND NET ASSETS AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS
PROPRIETARY FUNDS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Enterprise Fund</u>	
	<u>Drug Testing Laboratory</u>	<u>Internal Service Funds</u>
Operating receipts:		
Charges for services	\$ 460,921	\$ 34,104,492
Miscellaneous	992	2,128,120
Total operating receipts	<u>461,913</u>	<u>36,232,612</u>
Operating disbursements:		
Services and charges	680,803	25,765,662
Administration including salaries and wages	—	2,671,525
Other	—	51,079
Total operating disbursements	<u>680,803</u>	<u>28,488,266</u>
Excess (deficit) of operating receipts over operating disbursements	(218,890)	7,744,346
Cash and investment net assets – beginning of year	<u>1,618</u>	<u>6,649,886</u>
Cash and investment net assets – end of year	<u>\$ (217,272)</u>	<u>\$ 14,394,232</u>
 <u>Cash and Investment Assets - December 31, 2007</u>		
Cash and cash equivalents	\$ (217,272)	\$ 14,007,428
Restricted cash and cash equivalents	<u>—</u>	<u>386,804</u>
Total cash and investment assets - December 31, 2007	<u>\$ (217,272)</u>	<u>\$ 14,394,232</u>
 <u>Cash and Investment Net Assets - December 31, 2007</u>		
Cash and investment net assets - unrestricted - December 31, 2007	<u>\$ (217,272)</u>	<u>\$ 14,394,232</u>

See accompanying notes to the basic financial statements.

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS–MARION COUNTY)
STATEMENT OF ASSETS AND NET ASSETS AND ADDITIONS, DEDUCTIONS,
AND CHANGES IN NET ASSETS – MODIFIED CASH BASIS
FIDUCIARY FUNDS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2007

	Pension Trust Funds	Agency Funds
Additions		
Contributions:		
Employer	\$ 9,038,098	
Employee	233,142	
Total contributions	9,271,240	
Investment income:		
Interest and dividends	2,832,918	
Realized gain on sales, net	2,898,196	
Net investment receipts	5,731,114	
Total additions	15,002,354	
Deductions		
Investment management fees	450,047	
Benefits	8,480,891	
Total deductions	8,930,938	
Excess of total additions over total deductions	6,071,416	
Cash and investment net assets – beginning of year	142,642,386	
Cash and investment net assets – end of year	\$ 148,713,802	
<u>Cash and Investment Assets - December 31, 2007</u>		
Cash and cash equivalents	\$ 5,262,725	\$ 169,308,374
Investments (cost basis):		
Exchange-traded funds	16,255,698	—
Common stocks	7,718,999	—
Mutual funds	119,476,380	—
Total cash and investment assets – December 31, 2007	\$ 148,713,802	\$ 169,308,374
<u>Cash and Investment Net Assets – December 31, 2007</u>		
Cash and investment net assets – December 31, 2007	\$ 148,713,802	\$ 169,308,374

See accompanying notes to the basic financial statements.

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS–MARION COUNTY)
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

Marion County (County) is a unit of local government created by the State of Indiana, governed by the following officials, each of whom is granted certain independent executive authority under the State Constitution:

County Auditor	County Prosecutor	County Surveyor
County Treasurer	County Recorder	Clerk of the Circuit Court
County Coroner	County Sheriff	Judge of the Circuit Court

The legislature of the State of Indiana has provided for certain additional elected officials who are not mentioned in the Constitution to exercise certain independent executive authority. These are the county assessor, township assessors, and superior court judges.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, the County is considered a component unit of the Consolidated City of Indianapolis-Marion County. The County and the Consolidated City share a common executive and legislative body. Otherwise, the County is considered a separate legal entity, with its elected officials directly and separately (from City officials) responsible for financial independence, operations, and accountability for fiscal matters.

Based on the criteria established in GASB Statement No. 14, the County has no component units under the current financial reporting requirements.

The County has an investment in the Indianapolis-Marion County Building Authority (Building Authority); a joint venture with the City of Indianapolis (City). Because the County shares joint control equally with the City, the County and City retain an ongoing financial responsibility, information concerning this joint venture is included in note 9.

B. Government-wide and Fund Financial Statements

The government-wide financial statement (i.e., statement of activities and net assets - modified cash basis) reports information on all of the nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities and net assets - modified cash basis demonstrates the degree to which the direct disbursements of a given function are offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function. Program receipts include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes and other items not properly included among program receipts.

Following the government-wide financial statement are separate financial statements for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statement. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The County has determined that the General and Welfare Sinking funds are major governmental funds. All other governmental funds are reported in one column labeled "Nonmajor Governmental Funds." The County has one enterprise fund (business-type activities), the Drug Testing Laboratory fund. This enterprise fund is not considered a major fund within the fund financial statements. Additionally, the County has one internal service fund (governmental activities) that accounts for the operations of the Information Services Agency. The County also has two fiduciary fund types: pension trust funds and agency funds.

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS–MARION COUNTY)
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007

C. Basis of Accounting and Financial Statement Presentation

The government-wide, governmental fund, propriety fund, and fiduciary fund financial statements are presented using a modified cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. Receipts are recorded when received and disbursements are recorded when paid. Investments are recorded at historical cost. The modified cash basis is referred to as the cash and investment basis throughout the footnotes.

The cash and investment basis of accounting differs from U.S. generally accepted accounting principles in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when the liability is incurred.

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

The fund financial statements of the County are organized on the basis of funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its' cash and investment basis assets, fund balances/net assets, receipts, and disbursements. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the basic financial statements. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The acquisition, uses, and balances of the County's expendable financial resources on the cash and investment basis are accounted for through governmental funds.

The following are the County's major governmental funds:

The General Fund is used to account for all receipts and disbursements applicable to the general operations of governmental agencies of the County, except those required to be accounted for in another fund. All operating receipts that are not restricted as to use by sources external to the County are recorded in the General Fund.

The Welfare Sinking Fund, a debt service fund, is used to account for the resources devoted to the payment of interest and principal on short-term notes payable outstanding for child services.

The other governmental funds of the County are considered nonmajor. They are special revenue funds, which account for the proceeds of specific receipts that are restricted to disbursements for specific purposes; debt service funds, which account for the accumulation of resources for, and repayment of, general obligation long-term debt principal, interest, and related costs; and capital projects funds, which account for resources designated to construct or acquire major capital facilities.

Proprietary Fund Types

Proprietary funds are used to account for activities that are similar to those found in the private sector.

The following are the County's proprietary fund types:

Enterprise – Enterprise funds are used to account for operations that are financed and operated in a manner similar to private sector business enterprises – where the intent of the governing body is that the costs of operations are financed primarily through user charges. An enterprise fund has been established for the Drug Testing Laboratory fund. The Drug Testing Laboratory fund is used to account for fees collected by the Marion Superior Court drug testing laboratory.

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Internal Service – Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost reimbursement basis. An internal service fund has been established for the County’s Information Services Agency, which provides information technology services to other agencies of the County, or to other governmental units on a cost-reimbursement basis.

Proprietary funds distinguish operating receipts and disbursements from nonoperating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operation. All disbursements in the enterprise fund are reported as operating disbursements as they reflect the cost of services and administration. Operating disbursements for the internal service fund primarily include the cost of services and charges, and administrative disbursements. All receipts and disbursements not meeting this definition are reported as nonoperating receipts and disbursements.

Fiduciary Fund Types

Fiduciary – Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, or other governmental units. These include pension trust funds and agency funds. Pension trust funds are accounted for and reported similar to proprietary funds. The pension trust funds account for the Marion County Law Enforcement Personnel Retirement Plan and the Marion County Law Enforcement Personnel Dependents and Disability Benefits Plan. Agency funds are custodial in nature and do not present results of operations. These funds account for the collection, distribution, and escrow of various tax types, fees, and set aside funding.

When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources first, then unrestricted resources as they are needed.

D. Cash, Investments, and Restricted Cash and Cash Equivalents

Investments are stated at cost. Any changes in fair value of investments are reported as realized gains or losses in the year of the sale of investment as investment earnings.

Cash and cash equivalents are defined as all highly liquid investments including certificates of deposit with an original maturity of three months or less at the date of purchase.

Proceeds from the Information Service Agency fund’s capital lease with JUSTIS.Net, amounting to \$386,804 at December 31, 2007, are classified as restricted cash and cash equivalents on the statement of activities and net assets - modified cash basis, as these funds are restricted for the purchase of software or hardware equipment relating to JUSTIS.Net, the Marion County Court’s case management IT system.

E. Property Taxes

Property taxes levied for all governmental entities located within Marion County are collected by the Treasurer of Marion County, Indiana (Treasurer). These taxes are then distributed by the Auditor of Marion County, Indiana (Auditor) to the City and the other governmental entities at June 30 and December 31 of each year. The City and the other governmental entities can request advances of their portion of the collected taxes from the Treasurer once the levy and tax rates are certified by the Indiana Department of Local Government Finance. The Indiana Department of Local Government Finance typically certifies the levy on or before February 15 of the year following the property tax assessment.

The County’s 2007 property taxes were levied based on assessed valuations determined by the Auditor as of the March 1, 2006 assessed valuations, which were adjusted for estimated appeals, tax credits and deductions. The lien date for the 2007 property taxes was March 1, 2006 (assessment date); the amount of property tax to be collected cannot be measured until the levy and tax rates are certified in the subsequent year. Taxable property is assessed at 100% of the true tax value. In 2007, taxes were due and payable to the Marion County Treasurer in two installments on May 10, 2007 and November 10, 2007. However, the 2006 assessment involved a new procedure for assessing properties which resulted in homeowner assessments being increased excessively while business assessments stayed nearly stagnant. The spring bills were sent out and a public outcry led the Governor of Indiana to require Marion County to review and reperform new assessments and the Governor instructed the public to pay an amount for the 2007 spring billing equal to only one-half of their 2006 tax bill. It was determined that the new assessments could not be completed until the spring of 2008 and therefore, the taxpayers were

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asked to again pay only one-half of the 2006 bill for the fall billing for 2007 property taxes. Most of the property taxes collected in 2007 were distributed to the units of government by December 31, 2007. In June 2008 the final reconciliation bill was sent out based on the final assessments. The final distribution of taxes for 2007 occurred in August 2008.

F. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental, proprietary fund, or government-wide operations are accounted for as capital outlay disbursements of the fund upon payment.

G. Debt

Long-term debt

Long-term debt arising from cash transactions are not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources or general receipts and payments of principal and interest are reported as disbursements.

County Option Income Tax

In 2007, Marion County received \$9,600,000 in proceeds from the City of Indianapolis from the City's issuance of \$36,000,000 of County Option Income Tax Anticipation Notes during the year. These notes matured on January 12, 2009, and the County repaid the City its portion of proceeds at this time. As of December 31, 2007, the County has pledged future County Option Income Tax receipts to repay this debt and related interest.

Notes payable

On April 16, 2007, the County's Indiana Limited Recourse Notes, Series 2007 A were issued in the amount of \$7,150,000 with a maturity date of March 1, 2008. The County used the proceeds to refinance the Indiana Limited Recourse Notes, Series 2006, which were outstanding in the amount of \$7,150,000. Interest is payable at maturity at a rate of 4.54% per annum.

Tax anticipation warrants

During 2007, tax anticipation warrants were issued on the taxes levied in 2006 and collected in 2007. The City-County Council authorizes the temporary borrowing pending the receipt of taxes levied and repayment of loans on June 30 and December 31 of the year borrowed. This procedure assures the County of sufficient funds for operating disbursements between the property tax distribution dates.

<u>Fund</u>	<u>Balance January 1, 2007</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance December 31, 2007</u>
General fund	\$ —	94,086,744	71,022,172	\$ 23,064,572
Agency funds	—	54,843,553	41,360,426	13,483,127
	\$ —	148,930,297	112,382,598	\$ 36,547,699

As of December 31, 2007, the County has pledged future property tax receipts to repay these outstanding warrants and related interest.

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H. Interfund Transactions

In the process of aggregating the financial information for the government-wide statement of activities and net assets – modified cash basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Transfers

Legally authorized transfers are reported as transfers in by the recipient fund and as transfers out by the disbursing fund.

Interfund Services Provided/Used

Charges or collections for services rendered by one fund for another are recognized as receipts (interfund services provided) of the recipient fund and disbursements (interfund services used) of the disbursing fund. These transactions are recorded as interfund services because they would be treated as receipts and disbursements if they involved organizations external to the County.

Certain internal payments are treated as program receipts, such as internal services provided and used. Certain internal payments are treated as a reduction of disbursements, such as reimbursements.

Elimination of interfund activity has been made for governmental activities in the government-wide financial statement.

I. Receipts and Disbursements

Program Receipts

In the government-wide financial statement, amounts reported as program receipts include (1) collection of cash from customers or applicants for goods, services, or privileges provided, and (2) operating grants and contributions. Internally dedicated resources are reported as general cash receipts rather than program cash receipts. Likewise, general cash receipts include all taxes.

Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds result from providing services.

J. Fund Balance / Net Assets

Government-wide Financial Statement

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

Restricted net assets consist of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments or (2) law through constitutional provisions or enabling legislation. Restricted net assets are classified as restricted for capital projects, grantor purposes, and statutory purposes on the government-wide statement.

Unrestricted net assets - All other net assets that do not meet the definition of “restricted.”

Fund Financial Statements

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

K. Pensions

The County has separate defined benefit pension plans that cover substantially all employees. The Indiana Public Employees’ Retirement Fund (PERF), administered by the State of Indiana, applies to County employees. The Marion County Law Enforcement Personnel Retirement Plan (Retirement Plan) and the Marion County Law Enforcement Personnel Dependents

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and Disability Benefits Plan (Disability Plan) cover employees of the Sheriff’s Department. The policy of the County is to fund accrued pension costs for the plans.

The Retirement and Disability Plans are accounted for under the cash and investment basis of accounting as pension trust funds of the County. Employee and employer contributions are recognized as receipts in the period received, pursuant to final commitments, as well as statutory or contractual requirements; and disbursements, including benefits paid and refunds, are recorded when the corresponding payments are made. Investments are recorded at cost.

NOTE 2—STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a budgetary basis. All annual appropriations lapse at the end of the calendar year, except for capital project funds, which are budgeted on a project basis.

Prior to the first required publication, the Mayor submits to the City-County Council a proposed operating budget for the year commencing the following January 1st. Prior to adoption, the budget is advertised and public hearings are conducted by the City-County Council to obtain taxpayer comments. In September of each year, the City-County Council, through the passage of a resolution/ordinance, approves the budget for the next year. The budget becomes legally certified after approval from the State of Indiana Department of Local Government Finance.

Revisions to transfer appropriations between agencies or character of expenditure require approval of the City-County Council. Revisions to increase the appropriations for tax supported funds require approval of the City-County Council and the State of Indiana Department of Local Government Finance.

NOTE 3—CASH AND INVESTMENTS

A summary of all cash and investments at December 31, 2007 is as follows:

Cash and cash equivalents and certificates of deposit	\$	68,794,289
Cash with fiscal agents		1,026,840
Restricted cash and cash equivalents		386,804
Cash and cash equivalents and investments		
– Pension Trust Funds		
Cash and cash equivalents		5,262,725
Investments (cost basis)		143,451,077
Cash and cash equivalents – Agency Funds		169,308,374
	\$	388,230,109

Investment Policy - Primary Government (excluding Sheriff’s Department Personnel Retirement and Disability Benefit Plans)

Investments are recorded at cost. It is the policy of the County to invest public funds in a manner that will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the County and conforming to all state/local statutes governing the investment of public funds.

The primary objectives, in priority order, of the County’s investment activities are:

Safety: Safety of principal is the foremost objective of the investment program. Investments of the County shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

Liquidity: The County’s investment portfolio will remain sufficiently liquid to enable the County to meet all operating requirements that might be reasonably anticipated.

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Return on Investments: The County’s investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the County’s investment risk constraints and the cash flow characteristics of the portfolio.

State statutes authorize the County to invest in certificates of deposit, obligations of the U.S. government and U.S. government agencies, and repurchase agreements. The statutes further require that repurchase agreements must be collateralized at 100% of market value on the day of trade by U.S. government or U.S. government agency obligations. These investments are required by statute to have a stated final maturity of not more than two years.

Investment Policy - Sheriff’s Department Personnel Retirement and Disability Benefit Plans

The primary objectives for the Sheriff’s Retirement and Disability Benefit Plans’ investment activities shall be:

Time Horizon: Investment guidelines are based upon an investment horizon of greater than five years.

Risk Tolerances: To achieve the plans’ long-term objectives, the following factors were considered when establishing the risk tolerance.

1. The Plans’ financial condition.
2. Liquidity reserves are established, and any remaining assets are fully invested at all times.
3. The Marion County Sheriff’s Pension Board (Board) has set a shortfall constraint that current plans’ assets must be equal to 90% of the annual benefit obligation.

Performance Expectations: The desired investment objective is a long-term rate of return on assets that is at least 8.00%. Additionally, it is expected the return will be at least 4.75% greater than the anticipated rate of inflation as measured by the Consumer Price Index.

Asset Allocation Constraints: The Board has reviewed the long-term performance characteristics of various asset classes, focusing on balancing risks and rewards and has selected the following asset classes for allowable investments:

1. Domestic large capitalization equities
2. Domestic small capitalization equities
3. International equities
4. Domestic fixed income
5. Cash equivalents

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be adversely affected by a change in interest rates. The County’s investment policy provides that the County seeks to minimize the risk that the fair value of securities in its portfolio will decrease due to changes in general interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

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As of December 31, 2007, the County's investments consisted of the following:

<u>Investment type</u>	<u>Cost</u>	<u>Investment maturities (in years)</u> <u>Less than 1</u>	<u>Fair value</u>
Certificate of deposit	\$ 1,000,000	1,000,000	1,000,000
Exchange-traded funds	16,255,698	16,255,698	15,632,383
Common stocks	7,718,999	7,718,999	8,399,244
Mutual funds	119,476,380	119,476,380	138,499,444
	<u>\$ 144,451,077</u>	<u>144,451,077</u>	<u>163,531,071</u>

Total cash and cash equivalent deposits at December 31, 2007 amounted to \$243,779,032.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is measured using credit quality ratings of investments in debt securities as described by nationally recognized rating agencies such as Moody's Investor Services. The County uses the highest integrity when choosing an instrument of investment. The County keeps its credit risk as it pertains to investments at a low rate by requiring all investments of the County, which are rated, to be rated in the three highest ratings categories by Moody's Investor Service, Standard & Poor's Corporation, or Fitch's Ratings Service. Investments were rated as follows by Moody's Investors Service, Standard & Poor's Corporation, or Fitch's Rating Service at December 31, 2007:

<u>Investments</u>	<u>Cost</u>	<u>Rating</u>	<u>Fair value</u>
Certificate of deposit	\$ 1,000,000	Not rated	\$ 1,000,000
Exchange-traded funds	16,255,698	Not rated	15,632,383
Common stocks	7,718,999	Not rated	8,399,244
Mutual funds	119,476,380	Not rated	138,499,444
	<u>\$ 144,451,077</u>		<u>\$ 163,531,071</u>

Concentration of Credit Risk

The County policy provides that the County may invest up to 30% of their investment pool in negotiable certificates of deposit having maturities of less than two years and in multiples of one million dollars providing that market yields on certificates of deposit exceed treasury bills of comparable maturity duration. The County has investments of certificates of deposits at December 31, 2007 in the amount of \$75,020,000, which represents approximately 20% of total cash and investments. Of this total, \$74,020,000 are included in cash and cash equivalents at December 31, 2007.

NOTE 4—INTERFUND TRANSACTIONS AND BALANCES

Funds are transferred from one fund to support expenditures of other funds in accordance with authority established for the individual fund.

Interfund transfers for the year ended December 31, 2007 consisted of the following:

<u>Transfer to</u>	<u>Transfer from Nonmajor governmental funds</u>
General fund	\$ 16,385,498
	<u>\$ 16,385,498</u>

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NOTE 5—PENSIONS

The County maintains two benefit plans for law enforcement personnel, which are reported as pension trust funds. Additionally, the County contributes to the statewide Indiana Public Employees Retirement Fund (PERF).

A. Plan Description

Marion County Law Enforcement Personnel Retirement Plan

The Retirement Plan is a single-employer contributory defined benefit retirement plan covering certain employees of the Marion County Sheriff's Department other than those deputies that are employed by the Civil Sheriff. The Retirement Plan is administered in accordance with state statutes, which require the County to make minimum contributions necessary to keep the plan sound on an actuarial basis according to state law. The Retirement Plan provides that each employee contributes 4.25% of their earnings to the plan, which is maintained in a reserve for member contributions and accumulates at a rate of 3.00% compounded annually. Contributions required of the employee may cease, at the election of the employee, following the completion of 20 years or more of credited service and prior to termination of employment.

Retirement Plan benefits begin to vest after 10 years of service. As of December 31, 2007, there are 99 fully vested employees (over 20 years of service), 78 partially vested (between 10 and 20 years of services), and 188 nonvested employees. Law enforcement employees who retire at or after age 55 with 10 years of credited services are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.50% of the highest monthly average of consecutive five-year salary per year of service up to a maximum of 20 years; plus 2.00% of such salary per year of service in excess of 20 years, if any, up to an additional 12 years; plus \$1 for each year of service up to a maximum of \$20. Full benefits do not commence before attainment of age 50; however, employees with 20 years of service can elect earlier benefits at a reduced rate. As of December 31, 2007, there are 293 retirees and beneficiaries receiving benefits, 8 terminated members entitled to benefits but not yet receiving benefits, and 365 current active members.

Although it has not expressed any intent to do so, the County has the right to discontinue its contributions to the Retirement Plan at any time. Doing so in three consecutive years terminates the plan. In the event of plan termination, participants are entitled to their amount of contributions and a proportionate amount of any excess after certain benefits and expenses.

The County does not issue a separate financial report for this plan, which is included as a pension trust fund in this report.

Marion County Law Enforcement Personnel Dependents and Disability Benefits Plan

The Disability Plan is a single-employer defined benefit plan covering all participants in the Retirement Plan. The Disability Plan provides benefits to the beneficiaries of disabled employees and payments of pensions to dependent parents, surviving spouses, and dependent children under age 18 for deceased employees. This plan is accounted for in a single fund in accordance with state statutes, which require the County to make minimum contributions necessary to keep the Disability Plan sound on an actuarial basis. At December 31, 2007, there are 79 benefit recipients and no vested employees.

During 1997, the County conducted a cost of living actuarial study. As a result of this study, the Council adopted general ordinance number 162-97, which amended the plan to include cost of living adjustments. Effective January 1, 1998, and each year thereafter, all participants in payment status (both current and future) are eligible for a cost of living increase. Benefit increases are not available to terminated vested participants or the beneficiaries of participants. Applicable increases, if any, may be payable on the July 1 following the later of retirement date or attaining of age 55. The amount of the annual increase, if any, will depend on the change in the Consumer Price Index and will never exceed 2.00%.

The County does not issue a separate financial report for this plan, which is included as a pension trust fund in this report.

PERF

PERF is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for state employees and employees of participating political subdivisions of the State of Indiana, in accordance with Indiana Codes 5-10.2 and 5-10.3.

PERF provides a contributory defined benefit plan. Substantially all County employees are covered by the plan except those covered by the Retirement and Disability Plans. The County pays the employee contribution portion, 3.00% of annual salary,

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which is mandated by state statute, in addition to the employer contribution amount, which is actuarially determined and is currently 5.00% of annual covered payroll.

PERF retirement benefits vest after 10 years of service. Under the defined benefit component, County employees who retire at or after age 65 with 10 or more years of creditable service; age 60 with 15 or more years creditable service; or if the sum of age and creditable service is greater than or equal to 85 (but not earlier than age 55) are entitled to an annual retirement benefit, payable monthly for life with 60 months guaranteed. Employees who have reached 50 years of age and have 15 years of credited service will qualify for early retirement with reduced benefits. PERF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute and county ordinance.

PERF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing PERF, Harrison Building, Suite 800, 143 West Market Street, Indianapolis, IN 46204.

B. Funding Policy

The County is obligated by state law to make all required contributions to the Retirement and Disability Plans based upon an annual actuarial valuation. The required contributions are actuarially determined. The costs of administering the plan are financed through plan assets. There are no long-term contracts for contributions to the plan. For PERF, the County pays the employee contribution portion, 3.00% of annual salary, which is mandated by state statute, in addition to the employer contribution amount, which is actuarially determined and is currently 5.00%.

The annual required contribution and actual contribution made for each plan is as follows for the year ending December 31, 2007:

<u>Plan</u>	<u>Annual required contribution (ARC)</u>	<u>Actual contribution</u>
Retirement	\$ 3,804,775	\$ 4,389,806
Disability	1,045,907	1,045,907
PERF	4,925,141	4,494,201

C. Concentration of Investments

As of December 31, 2007, investments that represent 5% or more of the Retirement and Disability Plans' assets included the following:

<u>Investment</u>	<u>Retirement</u>	<u>Disability</u>
Mutual funds:		
Passive bond market fund	\$ 10,273,303	\$ 11,458,489
Hartford retirement fund	27,332,844	—
Vanguard institutional index fund 94	39,982,941	—
Fidelity diversified international fund 325	12,602,912	—
Barrow Hanley	8,499,433	—
	<u>\$ 98,691,433</u>	<u>\$ 11,458,489</u>
Exchange-traded funds:		
iShares trust russell 2000	\$ 16,255,698	\$ —
	<u>\$ 16,255,698</u>	<u>\$ —</u>

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D. Financial Statements

Combining schedule for the statement of assets and net assets and additions, deductions, and changes in net assets – modified cash basis – pension trust funds, as of and for the year ended December 31, 2007, are as follows:

	<u>Retirement</u>	<u>Disability</u>	<u>Total</u>
Additions			
Contributions:			
Employer	\$ 8,029,685	\$ 1,008,413	\$ 9,038,098
Employee	233,142	—	233,142
Total contributions	<u>8,262,827</u>	<u>1,008,413</u>	<u>9,271,240</u>
Investment income:			
Interest and dividends	2,808,022	24,896	2,832,918
Realized gain on sales, net	2,897,756	440	2,898,196
Net investment receipts	<u>5,705,778</u>	<u>25,336</u>	<u>5,731,114</u>
Total additions	<u>13,968,605</u>	<u>1,033,749</u>	<u>15,002,354</u>
Deductions			
Investment management fees	434,562	15,485	450,047
Benefits	<u>7,423,852</u>	<u>1,057,039</u>	<u>8,480,891</u>
Total deductions	<u>7,858,414</u>	<u>1,072,524</u>	<u>8,930,938</u>
Excess (deficiency) of total additions over total deductions	6,110,191	(38,775)	6,071,416
Cash and investment net assets – beginning of year	<u>130,981,993</u>	<u>11,660,393</u>	<u>142,642,386</u>
Cash and investment net assets – end of year	<u>\$ 137,092,184</u>	<u>\$ 11,621,618</u>	<u>\$ 148,713,802</u>
<u>Cash and Investment Assets - December 31, 2007</u>			
Cash and cash equivalents	\$ 5,099,596	\$ 163,129	\$ 5,262,725
Investments:			
Exchange-traded funds	16,255,698	—	16,255,698
Common stocks	7,718,999	—	7,718,999
Mutual funds	<u>108,017,891</u>	<u>11,458,489</u>	<u>119,476,380</u>
Total cash and investment assets – December 31, 2007	<u>\$ 137,092,184</u>	<u>\$ 11,621,618</u>	<u>\$ 148,713,802</u>
<u>Cash and Investment Net Assets – December 31, 2007</u>			
Cash and investment net assets – December 31, 2007	<u>\$ 137,092,184</u>	<u>\$ 11,621,618</u>	<u>\$ 148,713,802</u>

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NOTE 6—ADDITIONAL PENSION DISCLOSURES (UNAUDITED)

The County obtains an actuarial valuation of the Retirement, Disability, and PERF plans each year. Although information related to the actuarial valuation is not required to be presented under the cash and investment basis of accounting, the following disclosures are presented for additional information.

A. Annual Pension Cost and Net Pension Asset

The significant actuarial assumptions used to determine the annual pension cost for each pension plan are summarized below:

	<u>Retirement Plan</u>	<u>Disability Plan</u>	<u>County Employees (PERF)</u>
Valuation date	1/01/08	1/01/08	7/01/07
Actuarial cost method	Frozen initial liability	Aggregate	Entry age normal cost
Asset valuation method	75% of expected actuarial value plus 25% of market value	75% of expected actuarial value plus 25% of market value	75% of expected actuarial value plus 25% of market value
Investment return	7.5%	7.5%	7.25%
Inflation rate	4.0%	4.0%	*****
Projected salary increases	5.0%*	5.0%	*****
Postretirement increases	**	**	1.5% compounded annually after retirement
Amortization method	Fixed period level annual installments	N/A*****	Level dollar
Amortization period	20-year period	N/A*****	Open 30-year period***

* 4.0% increase due to inflation and 1.0% due to merit / seniority.

** Assumed during the first 10 years of retirement, none thereafter.

*** 30 year period phased in commencing July 1, 1998.

**** The aggregate actual cost method does not identify or separately amortize unfunded actuarial liabilities.

***** Based on PERF experience 2000-2005.

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Marion County Law Enforcement Personnel Retirement Plan

For the plan year 2007, the County’s annual pension cost of \$4,011,294 for the Retirement Plan was more than the required annual contribution of \$3,804,775 but less than the actual County contribution of \$4,389,806. The required contribution was determined as part of the January 1, 2007 valuation using frozen entry age actuarial cost method. Under the accrual basis of accounting, the calculation of the annual pension cost and the net pension asset (NPA) is as follows for the Retirement Plan:

Annual required contribution (ARC)	\$	3,804,775
Interest on net pension asset		(181,128)
Adjustment to ARC		<u>387,647</u>
Annual pension cost		4,011,294
Actual contribution made		<u>(4,389,806)</u>
Increase in net pension asset		378,512
Net pension asset at beginning of year		<u>2,415,041</u>
Net pension asset at end of year	\$	<u><u>2,793,553</u></u>

The above calculation is determined under the accrual basis of accounting and is not reflected within the accompanying financial statements due to the financial statements being prepared under the cash and investment basis of accounting.

Marion County Law Enforcement Personnel Dependents and Disability Benefits Plan

For the plan year 2007, the County’s annual pension cost of \$1,047,140 for the Disability Plan was more than the required annual contribution of \$1,045,907, and the actual County contribution of \$1,045,907. The required contribution was determined as part of the January 1, 2007 valuation using aggregate actuarial cost method. Under the accrual basis of accounting, the calculation of the annual pension cost and the NPA is as follows for the Disability Plan:

Annual required contribution (ARC)	\$	1,045,907
Interest on net pension asset		(1,081)
Adjustment to ARC		<u>2,314</u>
Annual pension cost		1,047,140
Actual contribution made		<u>(1,045,907)</u>
Decrease in net pension asset		(1,233)
Net pension asset at beginning of year		<u>14,419</u>
Net pension asset at end of year	\$	<u><u>13,186</u></u>

The above calculation is determined under the accrual basis of accounting and is not reflected within the accompanying financial statements due to the financial statements being prepared under the cash and investment basis of accounting.

PERF

For the plan year 2007, the County’s annual pension cost of \$4,947,083 for PERF was more than the required annual contribution of \$4,925,141 and the actual County contribution of \$4,494,201. The required contribution was determined as part of the July 1, 2007 valuation using entry age normal cost liability method.

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Under the accrual basis of accounting, the calculation of the annual pension cost and the NPA is as follows for PERF:

Annual required contribution (ARC)	\$	4,925,141
Interest on net pension asset		(157,201)
Adjustment to ARC		<u>179,143</u>
Annual pension cost		4,947,083
Actual contribution made		<u>(4,494,201)</u>
Decrease in net pension asset		(452,882)
Net pension asset at beginning of year		<u>2,168,295</u>
Net pension asset at end of year	\$	<u><u>1,715,413</u></u>

The above calculation is determined under the accrual basis of accounting and is not reflected within the accompanying financial statements due to the financial statements being prepared under the cash and investment basis of accounting.

B. Trend Information

Selected trend information for the years ended December 31, 2005, 2006, and 2007 is as follows:

<u>Valuation date</u>	<u>Annual pension cost</u>	<u>Percentage contributed</u>	<u>Net pension asset</u>
Marion County law enforcement personnel:			
Retirement plan			
1/01/05	\$ 4,439,205	104 %	\$ 2,166,182
1/01/06	4,857,256	105	2,415,041
1/01/07	4,011,294	109	2,793,553
Disability plan			
1/01/05	963,357	100	15,767
1/01/06	965,256	100	14,419
1/01/07	1,047,140	100	13,186
County employees (PERF)			
6/30/05	3,505,712	98	2,500,468
6/30/06	4,283,714	92	2,168,295
6/30/07	4,947,083	91	1,715,413

NOTE 7—RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is self-insured for vehicle, workers' compensation, and general liability. Additionally, the County purchases commercial insurance for claims for all other risks of loss. Settled claims have not exceeded the insurance coverage in any of the past four years. Due to the cash and investment basis of accounting, unpaid claims are not included within the accompanying financial statements.

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NOTE 8—DEFERRED COMPENSATION PLAN

Employees of Marion County are eligible to participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code (IRC) Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments). The deferred compensation plan is available to all employees of the County. Under this plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. During 1997, the deferred compensation plan was amended to comply with the amendments to Section 457 of the IRC. Plan provisions were amended so that plan assets are held in trust by an independent trustee for the exclusive benefit of participants and their beneficiaries and are not included within the accompanying financial statements.

NOTE 9—JOINT VENTURE

The Building Authority is a joint venture of the County and the City. The Building Authority finances, acquires, constructs, improves, renovates, equips, operates, maintains, and manages lands, governmental buildings, and communication systems for governmental entities in Marion County. The Building Authority has no stockholders nor equity holders, and all bond and note loan proceeds, rentals, and other revenues must be disbursed for specific purposes in accordance with provisions of Indiana Code 36-9-13 et seq. and several trust indentures and loan agreements executed for the security of the holders of the bonds and notes.

The buildings are financed through the Building Authority's general obligation debt, which is repaid from rent received under long-term lease agreements with the County and City. All of the leases contain lease renewals and purchase options. If these options are not exercised, the leases provide for transfer, upon expiration of the lease, of ownership of the properties to the lessees free and clear of all obligations of the lease. The governing Indiana statute with respect to each of the Building Authority's leases provides that the government lessee(s) shall be obligated to levy annually a tax sufficient to produce each year the necessary funds to pay the lease rentals to the Building Authority. These leases provide for sufficient rent to service the debt and provide for operating costs.

The County's share of the joint venture consists primarily of an allocation determined by the amount of space utilized by County agencies in the City-County Building and nearby parking lot determined by floor space, 100% of the Marion County Jail and Jail II, the Marion County Juvenile Detention Center, and the Marion County Sheriff's Roll Call Site. The City-County Building is an office building that houses the majority of the operations of the County and City. The City's share of the joint venture consists primarily of an allocation determined by the amount of space utilized by City departments in the City-County Building and parking lot, 100% of the Municipal Garage, Belmont Garage, the Public Safety Training Academy, and Public Safety Properties. The Environment Control Services Building is leased to other units of government and private parties. Public Safety Communications System operating costs are paid by the County agency Metropolitan Emergency Communication Agency.

The Building Authority has five members on the Board of Trustees, two of whom are appointed by the City-County Council of the Consolidated City of Indianapolis-Marion County, one by the Mayor of the City in his capacity as the municipal executive of Indianapolis, one by the Mayor of the City in his capacity as the county executive of the County, and one by the Marion County Board of Commissioners. The Trustees appoint the five members of the Board of Directors, which is the governing body of the Building Authority. The Building Authority is subject to the budgetary authority of the City-County Council, which equally represents the County and the City.

The Building Authority has various long-term debt obligations, which are secured by the rent payments received from the County and City. During 2007, the County paid \$3,595,000 and \$6,234,201 in rent and maintenance, respectively. A copy of the separately issued financial statements of the Building Authority, which is prepared on a basis other than U.S. generally accepted accounting principles, is available upon request.

NOTE 10—RELATED-PARTY TRANSACTIONS

The legislative body of the County is the same in several respects as that of the City, and the position of County Executive is held by the Mayor of the City. The County provides certain information technology and telephone services to the City. Receipts from these services were \$15,719,870 in 2007. In 2007, the County received \$280,581 of 911 dispatch fees from the City.

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The City and County purchase certain insurance policies that cover risks of both entities. The City and County pay premiums associated with their own respective portions of the coverage. The City provides certain administrative services to the County, including purchasing, legal, and other general administration. The City funds such services through a countywide tax levy. The County does not compensate the City for these services, except for legal services. Conversely, the County provides, at no compensation, criminal, civil, juvenile, and probate court services to all municipalities and unincorporated areas in Marion County, administers the property tax administration and collection system for the same jurisdictions, and operates the County jail and lockup.

The County acted as either a subrecipient or a pass-through agent for various state and federal grant programs with the City during 2007.

In 2007, Marion County entered into various contracts with Health and Hospital Corporation of Marion County (HHC). HHC is a separate municipal corporation and is considered to be a component unit of the Consolidated City of Indianapolis-Marion County. HHC has its own governing board separate from the County’s legislative body. HHC has within it the division of public health and the division of public hospitals. HHC provides medical care to the inmates of the Marion County Jail through its division of public hospitals via a contract with the Marion County Sheriff’s Department. In 2007, the cost of medical care provided to inmates for Marion County was \$4,388,411. Additionally, in 2007, the County made \$1,426,233 in mental health distributions to HHC as allowed by law.

NOTE 11—COMMITMENTS AND CONTINGENCIES

In 2007, Indiana law limits the liability of municipalities to \$500,000 per person and \$5,000,000 per occurrence. In 2008, the per person limit was increased to \$700,000.

The County participates in a number of federal and state financial assistance programs. These programs are subject to financial and compliance audits by federal agencies. The amount, if any, of disbursements that may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

NOTE 12—DEFICIT FUND BALANCES/NET ASSETS

At December 31, 2007, the following nonmajor governmental and enterprise funds had a deficit fund balance/net assets:

<u>Nonmajor Capital Projects Fund</u>	
Public Safety Capital Projects	\$ 12,244
<u>Nonmajor Special Revenue Funds</u>	
Supplemental Public Defender Fee	\$ 28,717
Community Corrections Home Detention	1,311,248
MC Sheriff's Civil Division Fees	2,743,741
<u>Enterprise</u>	
Drug Testing Labatory	\$ 217,272

The County intends to reduce the deficit in the MC Sheriff’s Civil Division Fees, Supplemental Public Defender Fee and Drug Testing Laboratory funds by increasing charges for services accounted for in those funds. The deficit in the Public Safety Capital Projects and Community Corrections Home Detention funds will be funded by a transfer from the General Fund.

NOTE 13—SUBSEQUENT EVENTS

A. Property Tax Assessment

The 2006 property tax assessment involved a new procedure for assessing properties, which resulted in homeowner assessments being increased while business assessments stayed nearly stagnant. The spring bills for 2007 were sent out based on the 2006 assessments and a public outcry led the Governor of Indiana to require the County to review and reperform new assessments and the Governor instructed the public to pay an amount for the spring billing for 2007 equal to only one-half of

MARION COUNTY, INDIANA
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DECEMBER 31, 2007

the 2006 tax bill. It was determined that the new assessments could not be completed until the spring of 2008, and therefore, the taxpayers were asked to again pay only one-half of the 2006 tax bill for the fall billing for 2007 property taxes. Most of the property taxes collected in 2007 were distributed to the units of government by December 31, 2007. In June 2008, the final reconciliation bill was sent out based on the final assessments. The final distribution of taxes for 2007 occurred in August 2008. These property tax delays caused the County to collect less receipts than budgeted and the County utilized short-term borrowing using tax anticipation warrants to supplement the lower than expected receipts. These tax warrants were not fully repaid by the end of 2007 or 2008 (see note 13.B below).

B. Issuance of Tax Anticipation Warrants

The County issued tax anticipation warrants in advance of property tax collections in each of the years 2007 through 2010. Due to the property tax reassessment issues discussed in note 13.A above, the County did not repay all of the tax anticipation warrants at the end of 2007, 2008, or 2009. Amounts borrowed and repaid by year by fund as well as the outstanding balance at the financial statement issuance date are as follows:

<u>2008</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>December 31, 2008</u>
General Fund	\$ 36,547,699	126,091,470	109,837,358	52,801,811
Property Reassessment Fund	—	308,829	308,829	—
Cumulative Capital Development Fund	—	1,132,374	1,132,374	—
Nonmajor funds	—	10,333,902	10,333,902	—
Agency funds	13,483,127	47,777,390	39,956,406	21,304,111
Total	<u>\$ 50,030,826</u>	<u>185,643,965</u>	<u>161,568,869</u>	<u>74,105,922</u>

<u>2009</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>December 31, 2009</u>
General Fund	\$ 52,801,811	150,052,094	105,466,642	97,387,263
Agency funds	21,304,111	—	21,304,111	—
Total	<u>\$ 74,105,922</u>	<u>150,052,094</u>	<u>126,770,753</u>	<u>97,387,263</u>

<u>2010</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance at Financial statement issuance date</u>
General Fund	\$ 97,387,263	—	62,558,484	34,828,779

C. Credit Market Conditions

Recent market conditions have resulted in an unusually high degree of volatility and increased the risk associated with certain investments held by the County, which could impact the value of investments after the date of these financial statements.

D. Child Welfare Juvenile Incarceration Takeover by State

As a result of 2008 legislative changes to Indiana statute, beginning January 1, 2009, the state took over the costs of the child welfare program and juveniles incarcerated in state facilities. These costs were previously part of the local property tax levy within Marion County, but with the change, the levy also transferred to the state. In 2007, the activity related to the child welfare program was accounted for in the Family and Children Services Agency Fund and the activity of the juvenile incarceration program was accounted for in the General Fund.

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DECEMBER 31, 2007

E. Closure of Children’s Guardian Home

As of June 1, 2009, no additional juveniles were placed in the Children’s Guardian Home. As such, the Children’s Guardian Home was closed in July 2009. A reuse committee has been established and the committee members are working on a plan to utilize the building.



**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**



MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS–MARION COUNTY)
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
(UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance with
Revenues	Original	Final	Amounts	Final Budget –
				Positive
				(Negative)
Taxes	\$ 169,355,998	\$ 230,659,991	\$ 189,341,969	\$ (41,318,022)
Intergovernmental	12,181,401	12,181,401	13,626,938	1,445,537
Charges for services	20,440,740	20,440,740	15,974,595	(4,466,145)
Interest	18,355,000	18,355,000	24,366,036	6,011,036
Miscellaneous	992,000	992,000	79,140	(912,860)
Total revenues	221,325,139	282,629,132	243,388,678	(39,240,454)
Expenditures				
Current:				
General government	90,669,110	91,767,040	101,616,152	(9,849,112)
Public safety	128,720,605	126,230,605	112,530,323	13,700,282
Welfare	7,638,300	83,425,419	83,130,447	294,972
Culture and recreation	1,112,768	1,112,768	1,064,279	48,489
Debt service:				
Principal on tax anticipation warrants	—	112,382,598	112,382,598	—
Bond and note issuance costs	—	330,043	330,043	—
Total expenditures	228,140,783	415,248,473	411,053,842	4,194,631
Excess (deficiency) of revenues over expenditures	(6,815,644)	(132,619,341)	(167,665,164)	(43,435,085)
Other financing sources:				
Sale of capital assets	60,500	60,500	22,067	(38,433)
Proceeds on tax anticipation warrants	—	148,923,078	148,923,078	—
Transfers in	6,122,428	6,122,428	15,285,498	9,163,070
Total other financing sources	6,182,928	155,106,006	164,230,643	9,124,637
Excess (deficiency) of revenues over expenditures and other financing sources	\$ (632,716)	\$ 22,486,665	\$ (3,434,521)	\$ (34,310,448)

See accompanying independent auditors' report and notes to the required supplementary information.

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS–MARION COUNTY)
REQUIRED PENSION SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS
(UNAUDITED)
DECEMBER 31, 2007

<u>Valuation date</u>	<u>(1) Net assets available for benefits</u>	<u>(2) Actuarial accrued liability</u>	<u>(3) Assets in excess of actuarial liability (AEAAL) (1)-(2)</u>	<u>(4) Funded ratio (1)/(2)</u>	<u>(5) Annual covered payroll</u>	<u>AEAAL as a percentage of covered payroll (3)/(5)</u>
Marion County Law Enforcement Personnel:						
Retirement Plan						
1/1/03	\$ 123,778,462	\$ 134,331,050	\$(10,552,588)	92.1%	\$ 20,011,664	52.7%
1/1/04	129,541,475	139,649,262	(10,107,878)	92.8	21,262,246	47.5
1/1/05	136,580,198	146,179,457	(9,599,259)	93.4	22,106,306	43.4
1/1/06	144,128,766	156,011,793	(11,883,027)	92.4	23,202,469	51.2
1/1/07	153,072,407	164,402,575	(11,330,168)	93.1	21,774,201	52.0
1/1/08	160,461,469	170,363,749	(9,902,280)	94.2	21,337,954	46.4
County Employees*						
7/1/2005	\$ 67,450,700	\$ 73,441,525	\$ (5,990,825)	92.0%	\$ 78,667,253	7.6%
7/1/2006	77,213,769	78,541,458	(1,327,689)	98.0	83,278,350	1.6
7/1/2007	85,898,382	85,370,625	527,757	101.0	86,572,232	0.6

*Information required for only most recent actuarial valuation and the two preceding valuations.

Analysis of the dollar amounts of net assets available for benefits, actuarial accrued liability, and excess of actuarial accrued liability (assets in excess of actuarial accrued liability) in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the actuarial accrued liability provides one indication of the County's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the plan is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan. Trends in funding status and annual covered payroll are both affected by inflation. Expressing the funding status as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the County's progress made in accumulating sufficient assets to pay benefits when due. Generally, the higher this percentage, the stronger the plan.

In accordance with GASB No. 25, a schedule of funding progress is not required to be disclosed for the disability plan as supplementary information since the aggregate actuarial cost method used by the disability plan does not identify or separately amortize unfunded actuarial liabilities. Under this method, the excess of the Actuarial Present Value of Projected Benefits of the group over Actuarial Value of Assets is allocated on a level basis over the earnings of the group.

See accompanying independent auditors' report and notes to the required supplementary information.

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS–MARION COUNTY)
REQUIRED PENSION SUPPLEMENTARY INFORMATION
SCHEDULES OF EMPLOYER CONTRIBUTIONS
(UNAUDITED)
DECEMBER 31, 2007

<u>Valuation date</u>	<u>Annual required contributions</u>	<u>Percentage contributed</u>	
Marion County Law Enforcement Personnel:			
Retirement Plan			
1/1/02	\$ 2,665,033	107.1%	
1/1/03	3,434,668	110.5	
1/1/04	4,061,769	110.3	
1/1/05	4,270,397	108.5	
1/1/06	4,672,018	109.3	
1/1/07	3,804,775	115.4	
Disability Plan			
1/1/02	\$ 949,714	100.0%	
1/1/03	956,210	100.0	
1/1/04	928,311	100.0	
1/1/05	961,883	105.0	
1/1/06	963,908	100.0	
1/1/07	1,045,907	100.0	
County Employees			
07/01/02	\$ 2,028,297	106.8%	
07/01/03	3,194,174		71.6
07/01/04	2,559,233	116.9	
07/01/05	3,479,739	98.8	
07/01/06	4,258,411	92.8	
07/01/07	4,925,141	91.3	

See accompanying independent auditors' report and notes to the required supplementary information.

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS–MARION COUNTY)
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)
DECEMBER 31, 2007

NOTE 1—BUDGETS AND BUDGETARY ACCOUNTING

Budgets:

Budgets, detailed to the agency (i.e., department) and character level, are adopted for all governmental funds except Clerk’s Title IV D Incentive (Special Revenue Fund), Sheriff Commissary (Special Revenue Fund), Prosecutor’s Title IV D Incentive (Special Revenue Fund), Federal and State Grants (Special Revenue Fund), Campaign Finance Fees (Special Revenue Fund), Court Violations Bureau (Special Revenue Fund), and Sheriff’s Continuing Education (Special Revenue Fund) which are not legally required to do so. Section 102 HAVA Reimbursement (Special Revenue Fund), County Sinking (Debt Service Fund), Capital Improvement Sinking (Debt Service Fund), Public Safety Interest Escrow (Capital Projects Fund), and Public Safety Capital Projects (Capital Projects Fund) were not budgeted during 2007 due to no expenditure activity.

A separate budgetary report has been prepared, which is detailed to the agency and character level and is available upon request. The budgetary basis of accounting is essentially the cash basis with the exception of revenues received in the current year but budgeted for in a prior year and that encumbrances and certain accounts payable are treated as expenditures.

The timetable for the budgetary process is as follows:

June 1	Office of Finance and Management provides guidelines to County agencies
July 1	County officials submit budgets
August	Office of Finance and Management recommends budget to City-County Council
August	Council committees review/amend budgets based on public testimony
September	Council approves budget by last meeting of September
December	State of Indiana, Department of Local Government Finance reviews/adjusts and gives final approval to budget
January 1	Budget becomes effective

Revisions to transfer appropriations between agencies or character of expenditure require approval of the City-County Council. Revisions to increase the appropriations require approval of the City-County Council and if the increased appropriation occurs in a fund which has a tax rate, then the State of Indiana Department of Local Government Finance also must approve the increase.

During the year, the following supplementary appropriations were properly approved for the General Fund:

	<u>General Fund</u>
Original appropriation	\$ 228,140,783
Revisions	<u>187,107,690</u>
Revised appropriation	<u><u>\$ 415,248,473</u></u>

Unencumbered appropriations lapse at year-end and represent fund balances available for future commitment, except for capital projects funds, which are budgeted on a project basis.

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS–MARION COUNTY)
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED) (CONTINUED)
DECEMBER 31, 2007

NOTE 2—BUDGET / CASH AND INVESTMENT BASIS REPORTING DIFFERENCES

Adjustments required to convert the results of 2007 operations from a budgetary basis to a cash and investment basis are as follows:

	<u>General Fund</u>
Excess (deficiency) of revenues over expenditures and other financing sources (budgetary basis)	\$ (3,434,521)
Adjustments:	
Prior year revenue	8,873,178
Prior year expense	(3,934,730)
Expenditures from prior year encumbrances	(596,520)
Vouchers payable outstanding	<u>374,201</u>
Excess of receipts and other financing sources over disbursements and other financing uses	\$ <u><u>1,281,608</u></u>





**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS
AND SCHEDULES—OTHER SUPPLEMENTARY INFORMATION**



NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for operating revenues that are restricted for particular purposes by state or federal statute or that are designated by authority of the City-County Council to be maintained in separate funds.

IDENTIFICATION SECURITY PROTECTION—This fund was created by IC 36-2-7.5-11 for the purpose of purchasing, upgrading, implementing, or maintaining redacting technology used in the office of the County Recorder.

ADULT PROBATION—Established to account for receipt of adult probation fees to be appropriated by the City-County Council for the courts' use in providing probation services to adults.

SECTION 102 HAVA REIMBURSEMENT—Established by City-County Council Special Resolution No. 54 for the reimbursement of outstanding obligations relating to the purchase of the County's voting system. If the obligations are paid in full, the funds will be used for the improvement of elections for federal office in the County.

SURVEYOR'S CORNER PERPETUATION—Established to account for receipt of fees collected by the County Recorder to be appropriated by the City-County Council for establishing or relocating corners and the keeping of the corner record book.

COUNTY RECORDS PERPETUATION—Established to account for certain fees that are collected by the County Recorder for the preservation of records and the improvement of recording systems and equipment.

PROPERTY REASSESSMENT—Used for the purpose of receiving and holding in escrow tax distribution for the funding for the next property reassessment. Funds held in escrow until distributions are authorized by the State Legislature; whereby, the distribution is made to each township assessor.

PROSECUTOR'S DIVISION—Established to account for collection of user fees related to the operation of pretrial diversion programs. All moneys collected in this fund must be appropriated by the City-County Council and can be used only as the Prosecuting Attorney directs for pretrial diversion programs.

PROSECUTOR'S LAW ENFORCEMENT—Established to account for the payment of restitution by certain offenders.

CLERK'S TITLE IV D INCENTIVE—This fund was created by IC 12-17-2-26. The revenues received in this fund are an incentive from the state/federal government for enhancing child support enforcement. These funds per the statute are eligible to be spent without appropriation.

SHERIFF COMMISSARY—Established to account for moneys collected in the jail commissary, which is required to be spent according to IC 36-8-10-21.

COUNTY EXTRADITION—Established to account for the collection of certain court fees to be appropriated by the City-County Council to offset extradition expense.

COUNTY MISDEMEANANT—Established by the State of Indiana to provide incentive to counties to locally house misdemeanants. This fund may be used only for funding the operation of a county jail, jail programs, or other local correctional facilities.

ALCOHOL AND DRUG SERVICES—Established to account for the collection of court fees to be appropriated by the City-County Council for the operation of an alcohol and drug services program.

COMMUNITY CORRECTIONS HOME DETENTION—Established to collect user fees related to the supervision of home detention.

SUPPLEMENTAL PUBLIC DEFENDER FEE—Established to account for the collection of fees assessed, at the discretion of the judge, on a defendant to cover costs incurred by the County as a result of court appointed legal services rendered to the defendant.

DEFERRAL PROGRAM FEES—Established to account for the collection of traffic violation process fees for people who are released on their own recognizance.

COUNTY DRUG FREE COMMUNITY—Established to promote comprehensive local alcohol and drug abuse prevention initiatives by supplementing local funding for treatment, education, and criminal justice efforts.

CONDITIONAL RELEASE—Established to account for the pretrial diversion program fees collected by the Clerk.

STATE AND FEDERAL GRANTS—Established to account for state and federal grants program received from the U.S. Marshal, U.S. Department of Justice, U.S. Department of Health and Human Services, State of Indiana Department of Corrections, Indiana Criminal Justice Institute, Indiana Division of Family and Children, City of Indianapolis, and various other state and federal agencies.

ENHANCED ACCESS—Established for the replacement, improvement, and expansion of capital expenditures and the reimbursement of operating expenses incurred in providing enhanced access to public information.

PROSECUTOR'S LAW ENFORCEMENT EQUITABLE SHARE—Established in accordance with federal guidelines to track all funds received under the Equitable Sharing Program.

PROSECUTOR'S TITLE IV D INCENTIVE—Created by IC 12-17-2-26. The receipts received in this fund are an incentive from the state/federal government for enhancing child support enforcement. These funds per the statute are eligible to be spent without appropriation.

MC SHERIFF'S CIVIL DIVISION FEES—Created by the City-County Council, Ordinance No. 86 (2004). The fund shall consist of fees collected in the processing of real estate foreclosures and orders of eviction. Receipts received in this fund are for the purpose of carrying out the functions of the Marion County Sheriff's Department. Amounts shall be paid from this fund only pursuant to appropriations authorized by the City-County Council.

AUDITOR'S ENDORSEMENT FEE—Established to account for the receipt of fees charged on documents for endorsing a document affecting an interest in real property. This fund is to be used for the improvement and maintenance of the real property records systems and equipment.

COUNTY SALES DISCLOSURE—Established to account for the receipt of fees charged on the filing of a sales disclosure form. This fund is to be used for the administration of the sales disclosure function, training of assessing officials, or the purchasing of computer software or hardware for a property record system.

OTHER—Used to account for activities of 14 other less significant revenue sources and related expenditures.

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources devoted to the payment of principal, interest, and related costs on long-term general obligation debt.

COUNTY SINKING—Established to account for the resources devoted to the payment of interest and principal on long-term general obligation debt issued by the County. This fund had no activity in 2007.

JUVENILE INCARCERATION SINKING – Established to account for the resources devoted to the payment of the debt owed to the State of Indiana for the incarceration of juveniles at state-owned facilities.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for resources designated to construct or acquire major capital facilities.

CUMMULATIVE CAPITAL DEVELOPMENT— Used to account for financial resources to be used for the renovation/ and or construction of major capital facilities as approved by the City-County Council, other than those financed by proprietary funds.

PUBLIC SAFETY CAPITAL PROJECTS AND PUBLIC SAFETY INTEREST ESCROW—Established to account for the development of the County integrated justice system and the upgrade of equipment for the County Forensic Services lab and County Sheriff's Department.

CAPITAL IMPROVEMENT LEASE FUND—Established for the purpose of funding capital lease obligations of County offices. The fund shall consist of all taxes and miscellaneous receipts allocated to the capital lease fund. Amounts may be paid from this fund from appropriations authorized by the City-County Council.

MARION COUNTY, INDIANA
 (COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)
 COMBINING STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
 OTHER GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2007

	Special Revenues Funds											
	Identification Security Protection	Adult Probation	Section 102 HAVA Reimbursement	Surveyor's Corner Perpetuation	County Records Perpetuation	Property Reassessment	Prosecutor's Diversion	Prosecutor's Law Enforcement	Clerk's Title IV D Incentive	Sheriff Commissary	County Extradition	County Misdemeanant
Receipts:												
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,389,479	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Intergovernmental	—	—	—	—	—	—	—	—	—	—	—	—
Interest	—	—	—	—	—	39,127	—	—	—	—	—	—
Charges for services	346,049	2,514,170	—	228,410	1,162,540	—	763,494	716,406	—	2,599,695	106,550	—
Miscellaneous	—	28,795	—	—	95,920	—	—	65,671	—	—	77	604,601
Total receipts	<u>346,049</u>	<u>2,542,965</u>	<u>—</u>	<u>228,410</u>	<u>1,258,460</u>	<u>1,428,606</u>	<u>763,494</u>	<u>782,077</u>	<u>—</u>	<u>2,599,695</u>	<u>106,627</u>	<u>604,601</u>
Disbursements:												
Current:												
General government	—	2,529,806	—	70,380	3,352,203	2,550,500	—	—	—	—	—	—
Public safety	—	—	—	—	—	—	727,277	758,731	281,568	3,423,269	87,076	555,938
Culture and recreation	—	—	—	—	—	—	—	—	—	—	—	—
Capital outlay	—	—	—	—	250,552	22,000	—	40,792	9,543	—	—	5,804
Total disbursements	—	<u>2,529,806</u>	—	<u>70,380</u>	<u>3,602,755</u>	<u>2,572,500</u>	<u>727,277</u>	<u>799,523</u>	<u>291,111</u>	<u>3,423,269</u>	<u>87,076</u>	<u>561,742</u>
Excess (deficiency) of receipts over disbursements	<u>346,049</u>	<u>13,159</u>	<u>—</u>	<u>158,030</u>	<u>(2,344,295)</u>	<u>(1,143,894)</u>	<u>36,217</u>	<u>(17,446)</u>	<u>(291,111)</u>	<u>(823,574)</u>	<u>19,551</u>	<u>42,859</u>
Other financing sources (uses):												
Transfers out	—	—	—	—	—	—	—	—	—	—	—	—
Total other financing sources (uses)	—	—	—	—	—	—	—	—	—	—	—	—
Excess (deficiency) or receipts and other financing sources over disbursements and other financing uses	<u>346,049</u>	<u>13,159</u>	<u>—</u>	<u>158,030</u>	<u>(2,344,295)</u>	<u>(1,143,894)</u>	<u>36,217</u>	<u>(17,446)</u>	<u>(291,111)</u>	<u>(823,574)</u>	<u>19,551</u>	<u>42,859</u>
Cash and investment fund balances - beginning of year	361,192	411,277	2,396,275	1,239,469	5,697,407	1,554,553	273,738	1,555,495	1,182,428	1,039,419	97,630	125,477
Cash and investment fund balances - end of year	<u>\$ 707,241</u>	<u>\$ 424,436</u>	<u>\$ 2,396,275</u>	<u>\$ 1,397,499</u>	<u>\$ 3,353,112</u>	<u>\$ 410,659</u>	<u>\$ 309,955</u>	<u>\$ 1,538,049</u>	<u>\$ 891,317</u>	<u>\$ 215,845</u>	<u>\$ 117,181</u>	<u>\$ 168,336</u>

Cash and Investment Assets - December 31, 2007

Cash and cash equivalents	\$ 707,241	\$ 424,436	\$ 2,396,275	\$ 1,397,499	\$ 3,353,112	\$ 410,659	\$ 309,955	\$ 1,538,049	\$ 891,317	\$ 215,845	\$ 117,181	\$ 168,336
Total cash and investment assets - December 31, 2007	<u>\$ 707,241</u>	<u>\$ 424,436</u>	<u>\$ 2,396,275</u>	<u>\$ 1,397,499</u>	<u>\$ 3,353,112</u>	<u>\$ 410,659</u>	<u>\$ 309,955</u>	<u>\$ 1,538,049</u>	<u>\$ 891,317</u>	<u>\$ 215,845</u>	<u>\$ 117,181</u>	<u>\$ 168,336</u>

Cash and Investment Fund Balances - December 31, 2007

Unreserved	\$ 707,241	\$ 424,436	\$ 2,396,275	\$ 1,397,499	\$ 3,353,112	\$ 410,659	\$ 309,955	\$ 1,538,049	\$ 891,317	\$ 215,845	\$ 117,181	\$ 168,336
Total cash and investment fund balances - December 31, 2007	<u>\$ 707,241</u>	<u>\$ 424,436</u>	<u>\$ 2,396,275</u>	<u>\$ 1,397,499</u>	<u>\$ 3,353,112</u>	<u>\$ 410,659</u>	<u>\$ 309,955</u>	<u>\$ 1,538,049</u>	<u>\$ 891,317</u>	<u>\$ 215,845</u>	<u>\$ 117,181</u>	<u>\$ 168,336</u>

	Debt Service Funds			Capital Projects Funds					Total Nonmajor Funds
	County Sinking	Juvenile Incarceration Sinking	Total Debt Service	Public Safety Capital Projects	Cumulative Capital Development	Public Safety Interest Escrow	Capital Improvement Lease Fund	Total Capital Project	
Receipts:									
Taxes	\$ —	\$ 16,388,814	\$ 16,388,814	\$ —	\$ 5,094,651	\$ —	\$ 249,398	\$ 5,344,049	\$ 23,122,342
Intergovernmental	—	—	—	—	—	—	—	—	9,196,414
Interest	—	—	—	—	—	—	—	—	68,961
Charges for services	—	—	—	—	—	—	—	—	20,906,539
Miscellaneous	—	—	—	—	—	—	—	—	904,166
Total receipts	<u>—</u>	<u>16,388,814</u>	<u>16,388,814</u>	<u>—</u>	<u>5,094,651</u>	<u>—</u>	<u>249,398</u>	<u>5,344,049</u>	<u>54,198,422</u>
Disbursements:									
Current:									
General government	—	—	—	—	6,294,078	—	—	6,294,078	24,252,563
Public safety	—	—	—	—	—	—	2,007,000	2,007,000	23,756,204
Culture and recreation	—	—	—	—	—	—	—	—	264
Capital outlay	—	—	—	—	674,142	—	—	674,142	1,362,928
Total disbursements	—	—	—	—	<u>6,968,220</u>	—	<u>2,007,000</u>	<u>8,975,220</u>	<u>49,371,959</u>
Excess (deficiency) of receipts over disbursements	—	<u>16,388,814</u>	<u>16,388,814</u>	—	<u>(1,873,569)</u>	—	<u>(1,757,602)</u>	<u>(3,631,171)</u>	<u>4,826,463</u>
Other financing sources (uses):									
Transfers in (out)	—	(16,385,498)	(16,385,498)	—	(2,000,000)	—	2,000,000	—	(16,385,498)
Sale of capital assets	—	—	—	—	27,405	—	—	27,405	27,405
Total other financing sources (uses)	—	<u>(16,385,498)</u>	<u>(16,385,498)</u>	—	<u>(1,972,595)</u>	—	<u>2,000,000</u>	<u>27,405</u>	<u>(16,358,093)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	—	<u>3,316</u>	<u>3,316</u>	—	<u>(3,846,164)</u>	—	<u>242,398</u>	<u>(3,603,766)</u>	<u>(11,531,630)</u>
Cash and investment fund balances - beginning of year	10,781	—	10,781	(12,244)	3,920,466	1,684	350,003	4,259,909	30,057,555
Cash and investment fund balances - end of year	<u>\$ 10,781</u>	<u>\$ 3,316</u>	<u>\$ 14,097</u>	<u>\$ (12,244)</u>	<u>\$ 74,302</u>	<u>\$ 1,684</u>	<u>\$ 592,401</u>	<u>\$ 656,143</u>	<u>\$ 18,525,925</u>
Cash and Investment Assets - December 31, 2007									
Cash and cash equivalents	\$ 10,781	\$ 3,316	\$ 14,097	\$ (12,244)	\$ 74,302	\$ 1,684	\$ 592,401	\$ 656,143	\$ 18,525,925
Total cash and investment assets - December 31, 2007	<u>\$ 10,781</u>	<u>\$ 3,316</u>	<u>\$ 14,097</u>	<u>\$ (12,244)</u>	<u>\$ 74,302</u>	<u>\$ 1,684</u>	<u>\$ 592,401</u>	<u>\$ 656,143</u>	<u>\$ 18,525,925</u>
Cash and Investment Fund Balances - December 31, 2007									
Unreserved	\$ 10,781	\$ 3,316	\$ 14,097	\$ (12,244)	\$ 74,302	\$ 1,684	\$ 592,401	\$ 656,143	\$ 18,525,925
Total cash and investment fund balances - December 31, 2007	<u>\$ 10,781</u>	<u>\$ 3,316</u>	<u>\$ 14,097</u>	<u>\$ (12,244)</u>	<u>\$ 74,302</u>	<u>\$ 1,684</u>	<u>\$ 592,401</u>	<u>\$ 656,143</u>	<u>\$ 18,525,925</u>

See accompanying independent auditor's report.

Special Revenues Funds

Alcohol and Drug Services	Community Corrections Home Detention	Supplemental Public Defender Fee	Deferral Program Fees	County Drug Free Community	Conditional Release	State and Federal Grants	Enhanced Access	Prosecutor's Law Enforcement Equitable Share	Prosecutor's Title IV D Incentive	MC Sheriff's Civil Division Fees	Auditor's Endorsement Fee	County Sales Disclosure	Other	Total Special Revenue
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,389,479
—	—	—	—	—	—	8,928,786	—	—	—	—	—	—	267,628	9,196,414
—	—	—	—	—	—	—	—	29,834	—	—	—	—	—	68,961
832,600	1,948,685	167,984	5,655,073	445,598	511,844	—	330,139	50,750	—	1,030,800	250,185	100,187	1,145,380	20,906,539
—	695	—	—	—	—	6,550	—	—	27,870	—	—	—	—	73,987
<u>832,600</u>	<u>1,949,380</u>	<u>167,984</u>	<u>5,655,073</u>	<u>445,598</u>	<u>511,844</u>	<u>8,935,336</u>	<u>330,139</u>	<u>80,584</u>	<u>27,870</u>	<u>1,030,800</u>	<u>250,185</u>	<u>100,187</u>	<u>1,486,995</u>	<u>32,465,559</u>
608,813	—	236,978	4,366,778	100,382	2,809	1,137,485	400,168	—	—	—	1,000,000	500,000	1,102,183	17,958,485
—	3,514,657	—	—	526,285	253,666	7,296,166	—	78,867	492,553	3,639,641	—	—	113,510	21,749,204
—	—	—	—	—	—	—	—	—	—	—	—	—	264	264
—	3,455	—	59,939	—	—	295,022	—	1,219	—	—	—	—	460	688,786
<u>608,813</u>	<u>3,518,112</u>	<u>236,978</u>	<u>4,426,717</u>	<u>626,667</u>	<u>256,475</u>	<u>8,728,673</u>	<u>400,168</u>	<u>80,086</u>	<u>492,553</u>	<u>3,639,641</u>	<u>1,000,000</u>	<u>500,000</u>	<u>1,216,417</u>	<u>40,396,739</u>
223,787	(1,568,732)	(68,994)	1,228,356	(181,069)	255,369	206,663	(70,029)	498	(464,683)	(2,608,841)	(749,815)	(399,813)	270,578	(7,931,180)
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
223,787	(1,568,732)	(68,994)	1,228,356	(181,069)	255,369	206,663	(70,029)	498	(464,683)	(2,608,841)	(749,815)	(399,813)	270,578	(7,931,180)
493,240	257,484	40,277	1,723,960	562,734	513,799	1,435,561	778,880	414,462	470,961	(134,900)	1,261,323	527,612	1,507,112	25,786,865
<u>\$ 717,027</u>	<u>\$ (1,311,248)</u>	<u>\$ (28,717)</u>	<u>\$ 2,952,316</u>	<u>\$ 381,665</u>	<u>\$ 769,168</u>	<u>\$ 1,642,224</u>	<u>\$ 708,851</u>	<u>\$ 414,960</u>	<u>\$ 6,278</u>	<u>\$ (2,743,741)</u>	<u>\$ 511,508</u>	<u>\$ 127,799</u>	<u>\$ 1,777,690</u>	<u>\$ 17,855,685</u>
\$ 717,027	\$ (1,311,248)	\$ (28,717)	\$ 2,952,316	\$ 381,665	\$ 769,168	\$ 1,642,224	\$ 708,851	\$ 414,960	\$ 6,278	\$ (2,743,741)	\$ 511,508	\$ 127,799	\$ 1,777,690	\$ 17,855,685
\$ 717,027	\$ (1,311,248)	\$ (28,717)	\$ 2,952,316	\$ 381,665	\$ 769,168	\$ 1,642,224	\$ 708,851	\$ 414,960	\$ 6,278	\$ (2,743,741)	\$ 511,508	\$ 127,799	\$ 1,777,690	\$ 17,855,685
\$ 717,027	\$ (1,311,248)	\$ (28,717)	\$ 2,952,316	\$ 381,665	\$ 769,168	\$ 1,642,224	\$ 708,851	\$ 414,960	\$ 6,278	\$ (2,743,741)	\$ 511,508	\$ 127,799	\$ 1,777,690	\$ 17,855,685

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)
SCHEDULES OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS – NONMAJOR
(UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget— Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<u>Adult Probation</u>				
Revenues:				
Charges for services	\$ 2,307,500	\$ 2,307,500	\$ 2,307,641	\$ 141
Interest	—	—	451	451
Miscellaneous	—	—	19,814	19,814
Total revenues	<u>2,307,500</u>	<u>2,307,500</u>	<u>2,327,906</u>	<u>20,406</u>
Expenditures:				
General government	2,790,095	2,790,095	2,526,554	263,541
Excess (deficiency) of revenues over expenditures	<u>\$ (482,595)</u>	<u>\$ (482,595)</u>	<u>\$ (198,648)</u>	<u>\$ 283,947</u>
<u>Identification Security Protection</u>				
Revenues:				
Charges for services	\$ 400,000	\$ 400,000	\$ 287,191	\$ (112,809)
Expenditures:				
General government	—	—	—	—
Excess of revenues over expenditures	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ 287,191</u>	<u>\$ (112,809)</u>
<u>Survivor's Corner Perpetuation</u>				
Revenues:				
Charges for services	\$ 200,000	\$ 200,000	\$ 191,640	\$ (8,360)
Expenditures:				
General government	173,051	173,051	70,380	102,671
Excess of revenues over expenditures	<u>\$ 26,949</u>	<u>\$ 26,949</u>	<u>\$ 121,260</u>	<u>\$ 94,311</u>
<u>County Records Perpetuation</u>				
Revenues:				
Charges for services	\$ 1,300,000	\$ 1,300,000	\$ 1,018,081	\$ (281,919)
Miscellaneous	—	—	95,920	95,920
Total revenues	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,114,001</u>	<u>(185,999)</u>
Expenditures:				
General government	2,556,044	2,556,044	2,041,047	514,997
Excess (deficiency) of revenues over expenditures	<u>\$ (1,256,044)</u>	<u>\$ (1,256,044)</u>	<u>\$ (927,046)</u>	<u>\$ 328,998</u>
<u>Property Reassessment</u>				
Revenues:				
Taxes	\$ 1,713,041	\$ 1,713,041	\$ 1,388,915	\$ (324,126)
Interest	50,000	50,000	39,127	(10,873)
Miscellaneous	1,500	1,500	—	(1,500)
Total revenues	<u>1,764,541</u>	<u>1,764,541</u>	<u>1,428,042</u>	<u>(336,499)</u>
Expenditures:				
General government	3,058,317	3,058,317	2,553,326	504,991
Excess (deficiency) of revenues over expenditures	<u>\$ (1,293,776)</u>	<u>\$ (1,293,776)</u>	<u>\$ (1,125,284)</u>	<u>\$ 168,492</u>
<u>Prosecutor's Diversion</u>				
Revenues:				
Charges for services	\$ 650,000	\$ 650,000	\$ 694,389	\$ 44,389
Expenditures:				
Public safety	708,712	727,277	727,277	—
Excess (deficiency) of revenues over expenditures	<u>\$ (58,712)</u>	<u>\$ (77,277)</u>	<u>\$ (32,888)</u>	<u>\$ 44,389</u>

(Continued)

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)
SCHEDULES OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS – NONMAJOR
(UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget—</u>
				<u>Positive</u>
				<u>(Negative)</u>
<u>Prosecutor's Law Enforcement</u>				
Revenues:				
Intergovernmental	\$ 50,000	\$ 50,000	\$ —	\$ (50,000)
Charges for services	495,700	495,700	502,780	7,080
Total revenues	<u>545,700</u>	<u>545,700</u>	<u>502,780</u>	<u>(42,920)</u>
Expenditures:				
Public safety	1,163,129	1,393,791	796,563	597,228
Excess (deficiency) of revenues over expenditures	<u>\$ (617,429)</u>	<u>\$ (848,091)</u>	<u>\$ (293,783)</u>	<u>\$ 554,308</u>
 <u>County Extradition</u>				
Revenues:				
Charges for services	\$ 50,000	\$ 50,000	\$ 92,350	\$ 42,350
Expenditures:				
Public safety	135,539	135,539	87,076	48,463
Excess (deficiency) of revenues over expenditures	<u>\$ (85,539)</u>	<u>\$ (85,539)</u>	<u>\$ 5,274</u>	<u>\$ 90,813</u>
 <u>County Misdemeanant</u>				
Revenues:				
Miscellaneous	\$ 600,551	\$ 600,551	\$ 600,601	\$ 50
Expenditures:				
Public safety	616,933	616,933	556,396	60,537
Excess (deficiency) of revenues over expenditures	<u>\$ (16,382)</u>	<u>\$ (16,382)</u>	<u>\$ 44,205</u>	<u>\$ 60,587</u>
 <u>Alcohol and Drug Services</u>				
Revenues:				
Charges for services	\$ 825,000	\$ 825,000	\$ 756,426	\$ (68,574)
Expenditures:				
General government	606,163	606,163	605,870	293
Excess of revenues over expenditures	<u>\$ 218,837</u>	<u>\$ 218,837</u>	<u>\$ 150,556</u>	<u>\$ (68,281)</u>
 <u>Community Corrections Home Detention</u>				
Revenues:				
Charges for services	\$ 3,800,000	\$ 3,500,000	\$ 1,948,655	\$ (1,551,345)
Miscellaneous	—	—	670	670
Total revenues	<u>3,800,000</u>	<u>3,500,000</u>	<u>1,949,325</u>	<u>(1,550,675)</u>
Expenditures:				
Public safety	3,909,656	3,670,968	3,405,696	265,272
Excess (deficiency) of revenues over expenditures	<u>\$ (109,656)</u>	<u>\$ (170,968)</u>	<u>\$ (1,456,371)</u>	<u>\$ (1,285,403)</u>

(Continued)

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)
SCHEDULES OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS – NONMAJOR
(UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget—</u>
				<u>Positive</u>
				<u>(Negative)</u>
<u>Supplemental Public Defender Fee</u>				
Revenues:				
Charges for services	\$ 202,000	\$ 202,000	\$ 154,768	\$ (47,232)
Expenditures:				
General government	250,000	250,000	236,978	13,022
Excess (deficiency) of revenues over expenditures	<u>\$ (48,000)</u>	<u>\$ (48,000)</u>	<u>\$ (82,210)</u>	<u>\$ (34,210)</u>
<u>Deferral Program Fees</u>				
Revenues:				
Charges for services	\$ 3,500,000	\$ 3,500,000	\$ 5,331,563	\$ 1,831,563
Expenditures:				
Public safety	4,448,900	4,921,536	4,356,050	565,486
Excess (deficiency) of revenues over expenditures	<u>\$ (948,900)</u>	<u>\$ (1,421,536)</u>	<u>\$ 975,513</u>	<u>\$ 2,397,049</u>
<u>County Drug Free Community</u>				
Revenues:				
Charges for services	\$ 475,000	\$ 475,000	\$ 405,921	\$ (69,079)
Expenditures:				
General government	—	127,028	100,382	26,646
Public safety	575,000	512,972	318,640	194,332
Total expenditures	<u>575,000</u>	<u>640,000</u>	<u>419,022</u>	<u>220,978</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (100,000)</u>	<u>\$ (165,000)</u>	<u>\$ (13,101)</u>	<u>\$ 151,899</u>
<u>Conditional Release</u>				
Revenues:				
Charges for services	\$ —	\$ 300,000	\$ 506,624	\$ 206,624
Expenditures:				
Public safety	—	271,188	265,151	6,037
Excess of revenues over expenditures	<u>\$ —</u>	<u>\$ 28,812</u>	<u>\$ 241,473</u>	<u>\$ 212,661</u>
<u>Enhanced Access</u>				
Revenues:				
Charges for services	\$ 107,750	\$ 107,750	\$ 321,577	\$ 213,827
Expenditures:				
General government	101,600	101,600	168	101,432
Excess of revenues over expenditures	<u>\$ 6,150</u>	<u>\$ 6,150</u>	<u>\$ 321,409</u>	<u>\$ 315,259</u>

(Continued)

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)
SCHEDULES OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS – NONMAJOR
(UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget—</u>
				<u>Positive</u>
				<u>(Negative)</u>
<u>Prosecutor's Law Enforcement Equitable Share</u>				
Revenues:				
Charges for services	\$ 120,000	\$ 120,000	\$ 50,750	\$ (69,250)
Interest	7,000	7,000	18,874	11,874
Total revenues	<u>127,000</u>	<u>127,000</u>	<u>69,624</u>	<u>(57,376)</u>
Expenditures:				
Public safety	183,425	183,425	80,086	103,339
Excess (deficiency) of revenues over expenditures	<u>\$ (56,425)</u>	<u>\$ (56,425)</u>	<u>\$ (10,462)</u>	<u>\$ 45,963</u>
<u>Auditor's Endorsement Fee</u>				
Revenues:				
Charges for services	\$ 250,000	\$ 250,000	\$ 228,027	\$ (21,973)
Expenditures:				
General government	24,000	24,000	—	24,000
Excess of revenues over expenditures	<u>\$ 226,000</u>	<u>\$ 226,000</u>	<u>\$ 228,027</u>	<u>\$ 2,027</u>
<u>County Sales Disclosure</u>				
Revenues:				
Charges for services	\$ 105,000	\$ 105,000	\$ 86,166	\$ (18,834)
Expenditures:				
General government	—	—	—	—
Excess of revenues over expenditures	<u>\$ 105,000</u>	<u>\$ 105,000</u>	<u>\$ 86,166</u>	<u>\$ (18,834)</u>
<u>Other—MC Sheriff Medical Care for Inmates</u>				
Revenues:				
Charges for services	\$ 32,000	\$ 32,000	\$ 12,229	\$ (19,771)
Expenditures:				
Public safety	—	—	—	—
Excess (deficiency) of revenues over expenditures	<u>\$ 32,000</u>	<u>\$ 32,000</u>	<u>\$ 12,229</u>	<u>\$ (19,771)</u>
<u>Other—MC Sheriff's Civil Div Fees</u>				
Revenues:				
Charges for services	\$ 3,155,807	\$ 3,155,807	\$ 1,030,800	\$ (2,125,007)
Expenditures:				
Public safety	3,768,106	3,768,106	3,693,354	(74,752)
Excess (deficiency) of revenues over expenditures	<u>\$ (612,299)</u>	<u>\$ (612,299)</u>	<u>\$ (2,662,554)</u>	<u>\$ (2,050,255)</u>
<u>Other—Guardian Ad Litem</u>				
Revenues:				
Charges for services	\$ 185,000	\$ 185,000	\$ 393,381	\$ (208,381)
Expenditures:				
General government	185,000	185,000	182,564	2,436
Excess of revenues over expenditures	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (210,817)</u>

(Continued)

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)
SCHEDULES OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS – NONMAJOR
(UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget— Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<u>Other – County Grants</u>				
Revenues:				
Intergovernmental	\$ —	\$ 3,900	\$ 184,000	\$ 180,100
Miscellaneous	—	—	2,400	2,400
Total revenues	<u>—</u>	<u>3,900</u>	<u>186,400</u>	<u>182,500</u>
Expenditures:				
General government	27,917	44,957	37,945	7,012
Public safety	—	232,346	107,343	125,003
Culture and recreation	—	533	269	264
Total expenditures	<u>27,917</u>	<u>277,836</u>	<u>145,557</u>	<u>132,279</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (27,917)</u>	<u>\$ (273,936)</u>	<u>\$ 40,843</u>	<u>\$ 314,779</u>
 <u>Other – Child Advocacy</u>				
Revenues:				
Charges for services	\$ 2,000	\$ 2,000	\$ 3,827	\$ 1,827
Expenditures:				
General government	—	—	—	—
Excess of revenues over expenditures	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 3,827</u>	<u>\$ 1,827</u>
 <u>Other – Clerk's Perpetuation Fund</u>				
Revenues:				
Charges for services	\$ 340,000	\$ 340,000	\$ 276,051	\$ (63,949)
Expenditures:				
General government	338,010	338,010	159,522	178,488
Excess of revenues over expenditures	<u>\$ 1,990</u>	<u>\$ 1,990</u>	<u>\$ 116,529</u>	<u>\$ 114,539</u>
 <u>Other – Drug Treatment Diversion</u>				
Revenues:				
Charges for services	\$ —	\$ —	\$ 7,138	\$ 7,138
Expenditures:				
General government	—	53,858	47,640	6,218
Excess (deficiency) of revenues over expenditures	<u>\$ —</u>	<u>\$ (53,858)</u>	<u>\$ (40,502)</u>	<u>\$ 13,356</u>
 <u>Other – Juvenile Probation</u>				
Revenues:				
Charges for services	\$ 185,000	\$ 185,000	\$ 191,737	\$ 6,737
Expenditures:				
General government	599,648	599,648	421,791	177,857
Excess (deficiency) of revenues over expenditures	<u>\$ (414,648)</u>	<u>\$ (414,648)</u>	<u>\$ (230,054)</u>	<u>\$ 184,594</u>
 <u>Other – Jury Pay</u>				
Revenues:				
Charges for services	\$ 150,000	\$ 150,000	\$ 120,430	\$ (29,570)
Expenditures:				
General government	150,000	150,000	100,000	50,000
Excess of revenues over expenditures	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 20,430</u>	<u>\$ 20,430</u>

(Continued)

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)
SCHEDULES OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS – NONMAJOR
(UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget— Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Other – Alternate Dispute Resolution</u>				
Revenues:				
Charges for services	\$ 85,000	\$ 85,000	\$ 75,887	\$ (9,113)
Miscellaneous	—	—	1,251	1,251
Total revenues	<u>85,000</u>	<u>85,000</u>	<u>77,138</u>	<u>(7,862)</u>
Expenditures:				
General government	128,583	128,583	69,648	58,935
Excess (deficiency) of revenues over expenditures	<u>\$ (43,583)</u>	<u>\$ (43,583)</u>	<u>\$ 7,490</u>	<u>\$ 51,073</u>
<u>Other – Local Emergency Planning</u>				
Revenues:				
Miscellaneous	\$ 70,000	\$ 70,000	\$ 42,345	\$ (27,655)
Expenditures:				
Public safety	100,000	100,000	87,515	12,485
Excess (deficiency) of revenues over expenditures	<u>\$ (30,000)</u>	<u>\$ (30,000)</u>	<u>\$ (45,170)</u>	<u>\$ (15,170)</u>

See accompanying independent auditors' report.

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)
SCHEDULES OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
DEBT SERVICE AND CAPITAL PROJECTS FUNDS
(UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget – Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Cumulative Capital Development - Capital Projects Fund</u>				
Revenues:				
Taxes	\$ 5,793,361	\$ 5,793,361	\$ 5,092,686	\$ (700,675)
Total revenues	<u>5,793,361</u>	<u>5,793,361</u>	<u>5,092,686</u>	<u>(700,675)</u>
Expenditures:				
Capital outlay	2,616,548	2,624,475	6,966,720	(4,342,245)
Total expenditures	<u>2,616,548</u>	<u>2,624,475</u>	<u>6,966,720</u>	<u>(4,342,245)</u>
Excess (deficiency) of revenues over expenditures	\$ 3,176,813	\$ 3,168,886	\$ (1,874,034)	\$ (5,042,920)
Other financing sources (uses):				
Transfers in (out)	—	—	1,250,000	(1,250,000)
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>1,250,000</u>	<u>(1,250,000)</u>
Excess (deficiency) of revenues over expenditures and other financing sources	<u>\$ 3,176,813</u>	<u>\$ 3,168,886</u>	<u>\$ (624,034)</u>	<u>\$ (6,292,920)</u>
<u>Capital Improvement Lease - Capital Projects Fund</u>				
Revenues:				
Taxes	\$ 314,980	\$ 314,980	\$ 249,292	\$ (65,688)
Expenditures:				
Public safety	2,258,400	2,258,400	2,007,000	251,400
Excess (deficiency) of revenues over expenditures	<u>\$ (1,943,420)</u>	<u>\$ (1,943,420)</u>	<u>\$ (1,757,708)</u>	<u>\$ (317,088)</u>
<u>Juvenile Incarceration Debt Service - Debt Service Fund</u>				
Revenues:				
Taxes	\$ 19,890,951	\$ 19,890,951	\$ 16,382,065	\$ (3,508,886)
Total revenues	<u>19,890,951</u>	<u>19,890,951</u>	<u>16,382,065</u>	<u>(3,508,886)</u>
Expenditures:				
Capital outlay	19,890,951	19,890,951	—	19,890,951
Total expenditures	<u>19,890,951</u>	<u>19,890,951</u>	<u>—</u>	<u>19,890,951</u>
Excess of revenues over expenditures	\$ —	\$ —	\$ 16,382,065	\$ 16,382,065
Other financing sources (uses):				
Transfers in (out)	—	—	(16,385,498)	16,385,498
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>(16,385,498)</u>	<u>16,385,498</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (3,433)</u>	<u>\$ 32,767,563</u>

(continued)

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS–MARION COUNTY)
SCHEDULES OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
DEBT SERVICE AND CAPITAL PROJECTS FUNDS
(UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget –
				Positive
				(Negative)
<u>Welfare Sinking Fund - Debt Service Fund</u>				
Revenues:				
Taxes	\$ 35,092,000	\$ 35,092,000	\$ 29,843,850	\$ (5,248,150)
Expenditures:				
Debt service:				
Principal on bonds	33,360,000	33,360,000	24,565,000	8,795,000
Interest on bonds	1,640,000	1,640,000	1,451,061	188,939
Total expenditures	35,000,000	35,000,000	26,016,061	8,983,939
Excess of revenues over expenditures	\$ 92,000	\$ 92,000	\$ 3,827,789	\$ (14,232,089)

See accompanying independent auditor's report.

FIDUCIARY FUND TYPES

PENSION TRUST FUNDS

Pension Trust Funds are those funds held in trust for disbursement to covered employees.

MARION COUNTY LAW ENFORCEMENT PERSONNEL RETIREMENT PLAN (RETIREMENT)—To account for assets held in the Marion County Law Enforcement Personnel Retirement Plan for eligible employees of the Marion County Sheriff's Department.

MARION COUNTY LAW ENFORCEMENT PERSONNEL DEPENDENTS AND DISABILITY BENEFITS PLAN (DISABILITY)—To account for assets held in the Marion County Law Enforcement Personnel Dependents and Disability Benefits Plan for eligible employees of the Marion County Sheriff's Department.

AGENCY FUNDS

Agency Funds are used to account for transactions related to assets of others held on their behalf by the County.

EXCISE TAX REFUNDS—Established to refund moneys to taxpayers where an error or overpayment has occurred in the payment of excise tax.

PROPERTY TAX REFUNDS—Established to refund moneys to taxpayers where an error has occurred in the assessment of property tax.

STATE TAXES—Established to account for inheritance taxes, forfeiture of bonds, and fines paid in all courts, which are collected by the County and remitted to the State of Indiana.

TAX SALE REDEMPTION—Established as an escrow account for funds received from property sold in a tax sale.

TAX SALE SURPLUS—Established to account for funds received over and above delinquent taxes received from property sold in a tax sale.

STATE PUBLIC SAFETY FEES—Established to account for various fees collected by the Courts and then remitted to the state. These include domestic violence fees, judicial fees, infraction judgments, state prosecutor fees, state docket fees, judicial salary fees, and victims of violent crimes fees.

SALE OF COUNTY-OWNED PROPERTY—Established to record funds received from the sale of County properties that were claimed for delinquent taxes.

TREASURER'S SURPLUS—Established to account for overpayment of taxes or misapplication of tax payments received.

TRUST CLEARANCE—Established as an escrow fund for assets held for disadvantaged children under the care of the Division of Family and Children. Authorization for receipts and disbursements is made through the Division of Family and Children by order of the Circuit Court.

COURT COSTS TO MUNICIPALITIES—Established to account for the portion of court costs collected and subsequently disbursed to various municipalities within Marion County.

HOMESTEAD CREDIT REBATE—Established to account for monies related to the property tax relief approved by the Indiana General Assembly in 2007. The rebates were distributed to homeowners who had a valid homestead deduction and were not delinquent on their property taxes.

TREASURER'S TAX COLLECTION—Established to account for advancement and final distribution of taxes collected by the County Treasurer for all taxing units within the County (including entities outside of Marion County's reporting entity).

FAMILY AND CHILDREN SERVICES—Established to fund the Children in Need of Services program and for delinquent children.

DELINQUENT BUSINESS PERSONAL PROPERTY—Established to account for monies collected on delinquent business personal property tax returns. The monies collected shall be to pay the contract for the audit of the business personal property returns, with any remaining balance distributed to the appropriate taxing units.

LAW ENFORCEMENT CONTINUING EDUCATION—Established to account for fees collected by the County and subsequently disbursed to various law enforcement agencies for continuing education programs.

PAYROLL—Established to account for the receipt of the gross payroll transfers from all County funds having personal services expenditures and the subsequent disbursements of net payroll checks and withholdings.

CLERK OF CIRCUIT COURT AND SHERIFF—Represent various custodial and fiduciary bank accounts maintained by the designated department in the course of normal operations.

IMAGIS—Established to account for the receipts collected by the County and subsequently disbursed as approved by the IMAGIS board (IMAGIS board is not part of Marion County's reporting entity).

OTHER—Represents 18 other less significant fiduciary funds that are maintained by Marion County on behalf of others.

MARION COUNTY, INDIANA
(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)
COMBINING STATEMENT OF ASSETS AND NET ASSETS AND ADDITIONS, DEDUCTIONS,
AND CHANGES IN NET ASSETS – MODIFIED CASH BASIS
PENSION TRUST FUNDS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Retirement</u>	<u>Disability</u>	<u>Total</u>
Additions			
Contributions:			
Employer	\$ 8,029,685	\$ 1,008,413	\$ 9,038,098
Employee	233,142	—	233,142
Total contributions	<u>8,262,827</u>	<u>1,008,413</u>	<u>9,271,240</u>
Investment income:			
Interest and dividends	2,808,022	24,896	2,832,918
Realized gain on sales, net	2,897,756	440	2,898,196
Net investment receipts	<u>5,705,778</u>	<u>25,336</u>	<u>5,731,114</u>
Total additions	<u>13,968,605</u>	<u>1,033,749</u>	<u>15,002,354</u>
Deductions			
Investment management fees	434,562	15,485	450,047
Benefits	7,423,852	1,057,039	8,480,891
Total deductions	<u>7,858,414</u>	<u>1,072,524</u>	<u>8,930,938</u>
Excess (deficiency) of total additions over total deductions	6,110,191	(38,775)	6,071,416
Cash and investment net assets – beginning of year	<u>130,981,993</u>	<u>11,660,393</u>	<u>142,642,386</u>
Cash and investment net assets – end of year	<u>\$ 137,092,184</u>	<u>\$ 11,621,618</u>	<u>\$ 148,713,802</u>
<u>Cash and Investment Assets - December 31, 2007</u>			
Cash and cash equivalents	\$ 5,099,596	\$ 163,129	\$ 5,262,725
Investments:			
Exchange-traded funds	16,255,698	—	16,255,698
Common stocks	7,718,999	—	7,718,999
Mutual funds	<u>108,017,891</u>	<u>11,458,489</u>	<u>119,476,380</u>
Total cash and investment assets – December 31, 2007	<u>\$ 137,092,184</u>	<u>\$ 11,621,618</u>	<u>\$ 148,713,802</u>
<u>Cash and Investment Net Assets - December 31, 2007</u>			
Cash and investment net assets – December 31, 2007	<u>\$ 137,092,184</u>	<u>\$ 11,621,618</u>	<u>\$ 148,713,802</u>

See accompanying independent auditors' report.

MARION COUNTY, INDIANA
 (COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS – MARION COUNTY)
 COMBINING STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN NET ASSETS – MODIFIED CASH BASIS
 AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Excise Tax Refunds	Property Tax Refunds	State Taxes	Tax Sale Redemption	Tax Sale Surplus	State Public Safety Fees	Sale of County- Owned Property	Treasurer's Surplus	Trust Clearance	Court Costs to Municipalities	Homestead Credit Rebate	Treasurer's Tax Collection
Additions:												
Agency fund additions	\$ 60	\$ 68,971,041	\$ 36,204,593	\$ 3,834,926	\$ 1,232	\$ 1,430,433	\$ 176,780	\$ 1,276,874	\$ 711,233	\$ 402,274	\$ 51,717,108	\$ 1,510,712,885
Deductions:												
Agency fund deductions	586	62,823,485	36,204,593	4,156,393	20,347,748	1,437,594	104,996	2,799,822	562,291	—	—	1,461,434,625
Excess (deficiency) of total additions over total deductions	(526)	6,147,556	—	(321,467)	(20,346,516)	(7,161)	71,784	(1,522,948)	148,942	402,274	51,717,108	49,278,260
Cash net assets – beginning of year	1,335	(3,771,262)	(3,222)	42,619	26,769,229	125,513	847,406	4,610,288	288,522	341,753	—	26,221,655
Cash net assets – end of year	\$ 809	\$ 2,376,294	\$ (3,222)	\$ (278,848)	\$ 6,422,713	\$ 118,352	\$ 919,190	\$ 3,087,340	\$ 437,464	\$ 744,027	\$ 51,717,108	\$ 75,499,915

	Family and Children Services	Delinquent Business Personal Property	Law Enforcement Continuing Education	Payroll	Clerk of Circuit Court	Sheriff	IMAGIS	Other	Total
Additions:									
Agency fund additions	\$ 84,980,333	\$ 11,022,711	\$ 196,794	\$ 147,102,289	\$ 216,128,501	\$ 482,136,260	\$ —	\$ 5,999,478	\$ 2,623,005,805
Deductions:									
Agency fund deductions	88,587,186	10,969,614	307,044	148,185,097	214,784,620	479,226,541	58,711	5,998,944	2,537,989,890
Excess (deficiency) of total additions over total deductions	(3,606,853)	53,097	(110,250)	(1,082,808)	1,343,881	2,909,719	(58,711)	534	85,015,915
Cash net assets – beginning of year	7,967,126	1,948,437	486,907	4,987,898	9,873,728	3,146,462	58,711	349,354	84,292,459
Cash net assets – end of year	\$ 4,360,273	\$ 2,001,534	\$ 376,657	\$ 3,905,090	\$ 11,217,609	\$ 6,056,181	\$ —	\$ 349,888	\$ 169,308,374

See accompanying independent auditors' report.