

ANNUAL FINANCIAL REPORT

UPDATE DOCUMENT

For The

COUNTY of Franklin

County of Franklin

For the Fiscal Year Ended 12/31/2012

AUTHORIZATION

ARTICLE 3, SECTION 30 of the GENERAL MUNICIPAL LAW:

1. ***Every Municipal Corporation *** shall annually make a report of its financial condition to the Comptroller. Such report shall be made by the Chief Fiscal Officer of such Municipal Corporation ***

5. All reports shall be certified by the officer making the same and shall be filed with the Comptroller *** It shall be the duty of the incumbent officer at the time such reports are required to be filed with the Comptroller to file such report ***

Financial Information for the following funds and account groups are included in the Annual Financial Report filed by your government for the fiscal year ended 2011 and has been used by the OSC as the basis for preparing this update document for the fiscal year ended 2012:

- (A) GENERAL
- (CB) HOUSING AUTHORITY
- (CD) SPECIAL GRANT
- (CM) MISCELLANEOUS SPECIAL REV
- (D) COUNTY ROAD
- (DM) ROAD MACHINERY
- (EI) ENTERPRISE INFIRMARY
- (H) CAPITAL PROJECTS
- (K) GENERAL FIXED ASSETS
- (S) WORKERS COMPENSATION
- (TA) AGENCY
- (V) DEBT SERVICE
- (W) GENERAL LONG-TERM DEBT

All amounts included in this update document for 2011 represent data filed by your government with OSC as reviewed and adjusted where necessary.

*** ARRA SECTION ***

The American Recovery and Reinvestment Act (ARRA) section of your Annual Financial Report is designed to report revenues and expenditures of federal stimulus money for the current fiscal year ended.

*** SUPPLEMENTAL SECTION ***

The Supplemental Section includes the following sections:

- 1) Statement of Indebtedness
- 2) Schedule of Time Deposits and Investments
- 3) Bank Reconciliation
- 4) Local Government Questionnaire
- 5) Schedule of Employee and Retiree Benefits
- 6) Schedule of Energy Costs and Consumption
- 7) Schedule of Other Post Employment Benefits (OPEB)

All numbers in this report will be rounded to the nearest dollar.

Balance Sheet

Code/Description	2011	EdpCode	2012
Assets			
Cash	2,202,261	A200	388,825
Cash In Time Deposits	2,042,818	A201	1,025,706
Petty Cash	1,656	A210	1,756
TOTAL Cash	4,246,735		1,416,287
Returned School Taxes Receivable	3,183,881	A280	3,405,411
City School Taxes Receivable	420,951	A290	347,898
Delinquent Village Taxes Rec	1,027,997	A295	836,615
Taxes Receivable, Pending	584,135	A300	823,975
Tax Sale Certificates	8,328,207	A320	9,376,527
Property Acquired For Taxes	3,512,132	A330	4,118,157
Allowance For Uncollectible Taxes	-173,606	A342	-154,668
TOTAL Taxes Receivable (net)	16,883,696		18,753,915
Accounts Receivable	189,293	A380	1,220,830
Accrued Interest Receivable	849,115	A381	889,935
Allowance For Receivables	-500,000	A389	-500,000
TOTAL Other Receivables (net)	538,407		1,610,765
State And Federal, Social Services	2,576,797	A400	3,708,539
State & Federal, Other	6,182,558	A410	5,436,733
TOTAL State And Federal Aid Receivables	8,759,355		9,145,272
Due From Other Funds		A391	249,616
TOTAL Due From Other Funds	0		249,616
Towns & Cities	13,495	A430	24,061
Due From Other Governments	398,227	A440	398,347
TOTAL Due From Other Governments	411,722		422,408
Inventory	29,113	A445	23,825
TOTAL Inventories	29,113		23,825
Prepaid Expenses	774,607	A480	843,021
TOTAL Prepaid Expenses	774,607		843,021
Cash, Special Reserves	143,462	A230	142,463
Cash In Time Deposits, Spec Res	945,745	A231	1,475,948
TOTAL Restricted Assets	1,089,207		1,618,411
TOTAL Assets	32,732,842		34,083,521

Balance Sheet

Code/Description	2011	Fund Code	2012
Liabilities			
Accounts Payable	1,899,656	A600	3,215,400
TOTAL Accounts Payable	1,899,656		3,215,400
Accrued Liabilities	1,312,552	A601	1,143,820
TOTAL Accrued Liabilities	1,312,552		1,143,820
Overpayments & Clearing Account	91	A690	24,461
TOTAL Other Liabilities	91		24,461
Due To Other Funds	2,003,000	A630	1,371,500
TOTAL Due To Other Funds	2,003,000		1,371,500
Due To School Districts	8,423,034	A660	8,841,321
Due To Village, Delinquent Taxes	1,055,470	A668	857,525
TOTAL Due To Other Governments	9,478,504		9,698,846
Deferred Revenues	571,736	A691	854,096
Deferred Tax Revenues	12,084,100	A694	13,997,223
TOTAL Deferred Revenues	12,655,836		14,851,319
TOTAL Liabilities	27,349,639		30,305,347
Not in Spendable Form	803,720	A806	866,847
TOTAL Nonspendable Fund Balance	803,720		866,847
Unemployment Insurance Reserve	11,472	A815	232,416
Retirement Contribution Reserve	607,446	A827	405,109
Insurance Reserve	709,199	A863	856,336
Capital Reserve	390,931	A878	584,829
Reserve For Tax Stabilization	42,765	A880	42,874
Other Restricted Fund Balance		A899	
TOTAL Restricted Fund Balance	1,761,813		2,121,565
Committed Fund Balance	36,454	A913	156,876
TOTAL Committed Fund Balance	36,454		156,876
Unreserved Fund Balance Appropriated		A910	
Assigned Appropriated Fund Balance		A914	683,237
Assigned Unappropriated Fund Balance	350,842	A915	459,617
TOTAL Assigned Fund Balance	350,842		1,142,854
Unassigned Fund Balance	2,430,374	A917	-509,967
TOTAL Unassigned Fund Balance	2,430,374		-509,967
TOTAL Fund Equity	5,383,204		3,778,174
TOTAL Liabilities And Fund Equity	32,732,842		34,083,521

Results of Operation

Code Description	2011	Edp Code	2012
Revenues			
Real Property Taxes	12,992,309	A1001	12,700,223
Special Assessments	335,454	A1030	387,636
TOTAL Real Property Taxes	13,327,763		13,087,859
Gain From Sale of Tax Acq Property		A1051	468
Other Payments In Lieu of Taxes	150,536	A1081	64,578
Wind Power Payments In Lieu of Taxes		A1083	148,291
Interest & Penalties On Real Prop Taxes	1,544,868	A1090	1,619,262
TOTAL Real Property Tax Items	1,695,404		1,832,599
Sales And Use Tax	20,135,778	A1110	20,550,039
Emergency Telephone System Surcharge	143,315	A1140	142,389
TOTAL Non Property Tax Items	20,279,092		20,692,428
Treasurer Fees	78,571	A1230	34,426
Assessors Fees	45,911	A1250	40,306
Clerk Fees	1,350,955	A1255	1,506,249
Personnel Fees	1,643	A1260	
Attorney Fees	70,000	A1265	76,000
Other General Departmental Income	6,285,882	A1289	6,095,129
Sheriff Fees	103,080	A1510	106,906
Other Public Safety Departmental Income	15,068	A1589	11,396
Home Nursing Charges	3,495,198	A1610	2,919,418
Early Interven Fees For Serv	249,379	A1621	331,320
Other Transportation Departmental Income	15,213	A1789	46,948
Repay of Medical Assistance	601,541	A1801	519,939
Repayment of Family Assistance	241,141	A1809	229,454
Medical Incentive Earnings	73,184	A1811	68,405
Repayment of Child Care	120,266	A1819	123,838
Repayment of State Training School	1,979	A1829	556
Repayment of Safety Net Assistance	185,223	A1840	168,469
Repayment of Emergency Care For Adults		A1842	982
Repay of Public Facilities, Children	2,205	A1850	3,171
Social Services Charges	1,860	A1894	1,805
Charges-Programs For The Aging	271,573	A1972	278,510
Other Economic Assistance & Opportunity		A1989	24,879
TOTAL Departmental Income	13,209,870		12,588,107
General Services, Inter Government	266,605	A2210	51,605
Election Service Charges	438	A2215	195
Public Safety Services For Other Govts	23,667	A2260	77,838
Transportation Services, Other Govts	168,099	A2300	260,617
Programs For Aging, Other Govts	72,237	A2351	53,644
Refuse & Garbage Serv Other Govts	5,905,996	A2376	5,997,360
TOTAL Intergovernmental Charges	6,437,042		6,441,259
Interest And Earnings	24,017	A2401	13,660

Results of Operation

Code Description	2011	Edp Code	2012
Revenues			
Stop-Dwi Fines	104,540	A2615	108,834
Forfeiture of Crime Proceeds	16,594	A2625	
Forfeiture of Crime Proceeds Restricted	16,594	A2626	
TOTAL Fines And Forfeitures	197,495		223,856
Sales, Other	70,780	A2655	
Insurance Recoveries	26,763	A2680	32,049
Other Compensation For Loss	674,388	A2690	687,752
TOTAL Sale of Property And Compensation For Loss	771,931		719,801
Refunds of Prior Year's Expenditures	42,139	A2701	150,431
Gifts And Donations	1,741	A2705	
Employees Contributions	823,981	A2709	691,588
Premium On Obligations	520,112	A2710	1,238,366
Otb-Distributed Earnings	45,145	A2720	39,329
Vlt/tribal-State Compact Moneys		A2725	334,408
Unclassified (specify)	438,278	A2770	473,210
TOTAL Miscellaneous Local Sources	1,871,397		2,927,332
Interfund Revenues	2,040,384	A2801	1,841,573
TOTAL Interfund Revenues	2,040,384		1,841,573
State Aid Court Facilities	115,968	A3021	97,147
State Aid, Indigent Legal Services Fund	148,435	A3025	135,505
St Aid, District Attorney Salaries	69,343	A3030	81,205
St Aid Medical Examiner	5,271	A3035	
St Aid - Other (specify)	91,558	A3089	75,135
St Aid, Education of Handicapped Child	1,591,884	A3277	1,591,507
St Aid, Civil Defense	11,594	A3305	16,297
St Aid, Probation Services	365,347	A3310	573,828
St Aid, Snowmobile Law Enforce	159,085	A3317	124,008
St Aid, Other Public Safety	36,116	A3389	24,942
St Aid, Public Health	434,515	A3401	397,571
Early Intervention State Aid	320,871	A3449	314,265
St Aid, Public Health, Other	80,469	A3450	37,983
St Aid, Narcotic Guidance Council	361,102	A3484	418,996
St Aid, Narcotic Addiction Control	453,578	A3486	411,553
St Aid, Mental Health	2,143,892	A3490	2,006,373
St Aid, Other Transportation	9,531	A3589	63,978
ST. Aid Sp Needs (adult/family Ty Home)	2,996	A3606	3,987
St Aid, Family Assistance	177,106	A3609	185,320
St Aid, Social Services Administration	3,168,676	A3610	3,248,087
St Aid, Child Care	468,460	A3619	372,895
St Aid, Juvenile Delinquent		A3623	39,132
St Aid, Safety Net	314,845	A3640	393,233
St Aid, Emergency Aid For Adults	19,237	A3642	21,856

Results of Operation

Code Description	2011	EdpCode	2012
Revenues			
St Aid, Recreation For Elderly	281,389	A3801	264,599
St Aid, Youth Programs	54,752	A3820	34,397
St Aid Emergency Disaster Assistance	5,094	A3960	
TOTAL State Aid	13,004,820		12,907,391
Fed Aid, Civil Defense	123,605	A4305	393,856
Fed Aid, Crime Control	455,946	A4320	696,485
Fed Aid Other Public Safety	47,407	A4389	83,517
Early Intervention Federal	57,812	A4451	41,400
Fed Aid Other Health	1,152,016	A4489	51,387
Fed Aid, Family Assistance	1,180,785	A4609	1,391,517
Fed Aid, Social Services Administration	3,369,001	A4610	3,850,830
Fed Aid, Food Stamp Program Admin	1,154,963	A4611	604,554
Flexible Fund For Family Services (fffs)	1,348,350	A4615	2,313,956
Fed Aid, Safety Net	21,211	A4640	13,368
Title Iv-B Funds	44,049	A4661	36,814
Fed Aid, Services For Recipients	106,868	A4670	215,770
Fed Aid, Programs For Aging	758,639	A4772	782,143
Fed Aid Other Econ Assist & Opport	106,373	A4789	105,142
Fed Aid, Job Training Partnership	739,039	A4790	728,838
Fed Aid, Emergency Disaster Assistance	30,566	A4960	
TOTAL Federal Aid	10,696,630		11,309,577
TOTAL Revenues	84,232,401		85,276,786
Interfund Transfers		A5031	16,912
TOTAL Interfund Transfers	0		16,912
TOTAL Other Sources	0		16,912
TOTAL Detail Revenues And Other Sources	84,232,401		85,293,698

Results of Operation

Code/Description	2011	Edp Code	2012
Expenditures			
Legislative Board, Pers Serv	108,000	A10101	108,415
Legislative Board, Equip & Cap Outlay		A10102	3,666
Legislative Board, Contr Expend	63,237	A10104	54,615
Legislative Board, Empl Bnfts	31,773	A10108	35,244
TOTAL Legislative Board	203,010		201,940
Clerk of Legis Board,pers Serv	83,558	A10401	59,456
Clerk of Legis Board,contr Expend	4,269	A10404	6,550
Clerk of Legis Board,empl Bnfts	58,975	A10408	38,873
TOTAL Clerk of Legis Board	146,802		104,878
Municipal Court, Contr Expend	204,885	A11104	247,312
TOTAL Municipal Court	204,885		247,312
District Attorney, Pers Serv	722,447	A11651	646,410
District Attorney,equip & Cap Outlay	251,508	A11652	549,301
District Attorney,contr Expend	309,950	A11654	443,435
District Attorney,empl Bnfts	366,668	A11658	302,562
TOTAL District Attorney	1,650,572		1,941,709
Public Defender,pers Serv	425,137	A11701	424,731
Public Defender, Equip & Cap Outlay		A11702	4,945
Public Defender,contr Expend	55,879	A11704	69,664
Public Defender,empl Bnfts	266,934	A11708	257,848
TOTAL Public Defender	747,950		757,187
Med Examiners & Coroners,contr Expend	155,417	A11854	149,929
TOTAL Med Examiners & Coroners	155,417		149,929
Municipal Exec, Pers Serv	205,870	A12301	161,922
Municipal Exec, Equip & Cap Outlay		A12302	1,448
Municipal Exec, Contr Expend	8,310	A12304	9,888
Municipal Exec, Empl Bnfts	110,612	A12308	94,963
TOTAL Municipal Exec	324,792		268,220
Auditor, Pers Serv	53,814	A13201	79,114
Auditor, Equip & Cap Outlay		A13202	6,209
Auditor, Contr Expend	1,034	A13204	3,342
Auditor, Empl Bnfts	57,966	A13208	18,692
TOTAL Auditor	112,813		107,358
Treasurer, Pers Serv	328,269	A13251	331,049
Treasurer, Contr Expend	107,428	A13254	72,306
Treasurer, Empl Bnfts	189,845	A13258	201,630
TOTAL Treasurer	625,541		604,985
Budget, Contr Expend	219	A13404	2,120
TOTAL Budget	219		2,120
Assessment, Pers Serv	240,393	A13551	201,595
Assessment, Contr Expend	39,493	A13554	31,620
Assessment, Empl Bnfts	171,167	A13558	149,607

Results of Operation

Code/Description	2011	Edo Code	2012
Expenditures			
Exp On Prop Acq For Taxes, Contr Expend	4,148	A13644	497
TOTAL Exp On Prop Acq For Taxes	4,148		497
Clerk,pers Serv	711,766	A14101	714,007
Clerk,equip & Cap Outlay		A14102	8,298
Clerk,contr Expend	118,630	A14104	124,674
Clerk,empl Bnfts	420,759	A14108	418,324
TOTAL Clerk	1,251,155		1,265,303
Law, Pers Serv	68,466	A14201	68,603
Law, Contr Expend	4,836	A14204	8,635
Law, Empl Bnfts	37,546	A14208	38,523
TOTAL Law	110,847		115,761
Personnel, Pers Serv	134,728	A14301	143,940
Personnel, Contr Expend	7,381	A14304	7,421
Personnel, Empl Bnfts	96,845	A14308	59,912
TOTAL Personnel	238,954		211,273
Elections, Pers Serv	195,948	A14501	204,049
Elections, Equip & Cap Outlay		A14502	36,748
Elections, Contr Expend	128,340	A14504	203,432
Elections, Empl Bnfts	79,385	A14508	94,272
TOTAL Elections	403,674		538,500
Buildings, Pers Serv	498,267	A16201	426,854
Buildings, Equip & Cap Outlay		A16202	99,401
Buildings, Contr Expend	441,642	A16204	427,585
Buildings, Empl Bnfts	329,188	A16208	304,111
TOTAL Buildings	1,269,097		1,257,951
Central Comm System, Pers Serv	27,205	A16501	27,311
Central Comm System, Contr Expend	113,907	A16504	109,260
Central Comm System, Empl Bnfts	28,156	A16508	28,335
TOTAL Central Comm System	169,267		164,906
Central Storeroom, Contr Expend	127,931	A16604	182,853
TOTAL Central Storeroom	127,931		182,853
Central Data Process, Pers Serv	159,907	A16801	160,797
Central Data Process & Cap Outlay	11,656	A16802	68,692
Central Data Process, Contr Expend	98,746	A16804	117,653
Central Data Process, Empl Bnfts	89,161	A16808	91,762
TOTAL Central Data Process	359,471		438,904
Self Insurance Admin, Contr Expend	191,748	A17104	140,627
TOTAL Self Insurance Admin	191,748		140,627
Unallocated Insurance, Contr Expend	80,208	A19104	278,169
TOTAL Unallocated Insurance	80,208		278,169
Municipal Assn Dues, Contr Expend	5,857	A19204	6,433
TOTAL Municipal Assn Dues	5,857		6,433

Results of Operation

Code/Description	2011	Edp Code	2012
Expenditures			
Community College Tuition,contr Expend	255,860	A24904	299,144
TOTAL Community College Tuition	255,860		299,144
Contribution,community College,contr Expen	1,242,550	A24954	1,190,000
TOTAL Contribution	1,242,550		1,190,000
Education Handicapped Children,contr Expen	2,616,397	A29604	2,976,153
TOTAL Education Handicapped Children	2,616,397		2,976,153
Other Education Activities,contr Expend	1,620	A29804	1,620
TOTAL Other Education Activities	1,620		1,620
TOTAL Education	4,116,427		4,466,917
Public Safety Admin, Pers Serv	43,680	A30101	43,848
Public Safety Admin, Equip & Cap Outlay	33,067	A30102	54,228
Public Safety Admin, Contr Expend	106,886	A30104	114,154
Public Safety Admin, Empl Bnfts	32,830	A30108	28,679
TOTAL Public Safety Admin	216,463		240,909
Public Safety Comm Sys, Pers Serv	480,137	A30201	495,357
Public Safety Comm Sys, Equip & Cap Outlay	848	A30202	15,578
Public Safety Comm Sys, Contr Expend	229,013	A30204	221,297
Public Safety Comm Sys, Empl Bnfts	277,230	A30208	299,413
TOTAL Public Safety Comm Sys	987,229		1,031,645
Sheriff,pers Serv	200,313	A31101	209,749
Sheriff, Equip & Cap Outlay	333	A31102	5,430
Sheriff, Contr Expend	173,796	A31104	179,108
Sheriff, Empl Bnfts	63,889	A31108	68,447
TOTAL Sheriff	438,331		462,734
Probation, Pers Serv	906,551	A31401	927,327
Probation, Equip & Cap Outlay		A31402	4,396
Probation, Contr Expend	59,659	A31404	56,278
Probation, Empl Bnfts	560,108	A31408	578,826
TOTAL Probation	1,526,318		1,566,827
Jail, Pers Serv	2,532,201	A31501	2,586,686
Jail, Equip & Cap Outlay	28,000	A31502	86,977
Jail, Contr Expend	1,981,994	A31504	2,126,910
Jail, Empl Bnfts	1,372,178	A31508	1,411,917
TOTAL Jail	5,914,374		6,212,491
Traffic Control, Contr Expen	36,622	A33104	34,262
TOTAL Traffic Control	36,622		34,262
Stop Dwi,contr Expend	130,027	A33154	125,669
TOTAL Stop Dwi	130,027		125,669
Homeland Security, Personal Services	21,840	A36451	4,620
Homeland Security, Equip. And Capital Outl	29,342	A36452	678,720
Homeland Security, Contractual Expenditure	15,301	A36454	25,156
Homeland Security, Employee Benefits	1,620	A36455	1,620

(A) GENERAL

Results of Operation

Code Description	2011	Edp Code	2012
Expenditures			
Public Health, Equip & Cap Outlay	8,053	A40102	4,324
Public Health, Contr Expend	1,701,478	A40104	1,673,157
Public Health, Empl Bnfts	1,195,482	A40108	1,177,396
TOTAL Public Health	5,093,467		4,956,305
Medical Assist Clinic, Equip & Cap Outlay		A40172	1,783
Medical Assist Clinic, Contr Expend	31,590	A40174	22,981
TOTAL Medical Assist Clinic	31,590		24,764
Laboratory, Pers Serv	44,656	A40251	45,151
Laboratory, Equip & Cap Outlay	10,415	A40252	
Laboratory, Contr Expend	172,015	A40254	190,568
Laboratory, Empl Bnfts	17,865	A40258	20,391
TOTAL Laboratory	244,951		256,110
Rabies Control, Contr Expend	27,592	A40424	17,073
TOTAL Rabies Control	27,592		17,073
Child Health Program, Contr Expend	303,552	A40704	271,950
TOTAL Child Health Program	303,552		271,950
Environmental Health Prog, Pers Serv	41,453	A40901	42,093
Environmental Health Prog, Contr Expend	12,999	A40904	5,628
Environmental Health Program	15	A40908	
TOTAL Environmental Health Program	54,468		47,722
Mental Health Admin,pers Serv	120,955	A43101	125,420
Mental Health Admin,contr Expend	30,660	A43104	155,614
Mental Health Admin,empl Bnfts	58,104	A43108	40,335
TOTAL Mental Health Admin	209,719		321,368
Contracted Mental Health Service	3,276,422	A43224	3,265,423
TOTAL Contracted Mental Health Service	3,276,422		3,265,423
Psych Exp, Crim Act, Contr Expend	74,039	A43904	188,704
TOTAL Psych Exp	74,039		188,704
Reg Hosp Plan Council, Contr Expend	2,187	A45274	2,000
TOTAL Reg Hosp Plan Council	2,187		2,000
Other Health, Contr Expend	6,075	A49894	6,075
TOTAL Other Health	6,075		6,075
TOTAL Health	9,324,061		9,357,493
Joint Airport, Contr Expend	8,100	A56154	8,100
TOTAL Joint Airport	8,100		8,100
Bus Operations, Pers Serv	66,852	A56301	67,412
Bus Operations, Equip & Cap Outlay	114,918	A56302	1,876
Bus Operations, Contr Expend	1,241,455	A56304	1,065,158
Bus Operations, Empl Bnfts	43,186	A56308	46,627
TOTAL Bus Operations	1,466,411		1,181,072
TOTAL Transportation	1,474,511		1,189,172

Results of Operation

Code/Description	2011	Edp Code	2012
Expenditures			
Admin, Empl Bnfts	3,286,933	A60108	4,031,448
TOTAL Admin	11,099,880		11,773,829
Day Care, Contr Expend	1,227,660	A60554	798,679
TOTAL Day Care	1,227,660		798,679
Services For Recipients, Contr Expend	323,289	A60704	446,713
TOTAL Services For Recipients	323,289		446,713
Medical Assistance, Contr Expend	221,443	A61014	285,903
TOTAL Medical Assistance	221,443		285,903
Medical Assistance-Mmis, Contr Expend	10,823,849	A61024	10,021,167
TOTAL Medical Assistance-Mmis	10,823,849		10,021,167
Special Needs, ConT.	2,995	A61064	4,032
TOTAL Special Needs	2,995		4,032
Family Assistance, Contr Expend	3,379,759	A61094	2,812,369
TOTAL Family Assistance	3,379,759		2,812,369
Child Care, Contr Expend	2,136,291	A61194	1,729,463
TOTAL Child Care	2,136,291		1,729,463
Juvenile Delinquent, Contr Expend	36,309	A61234	2,665
TOTAL Juvenile Delinquent	36,309		2,665
State Training School, Contr Expend	145,473	A61294	300,000
TOTAL State Training School	145,473		300,000
Safety Net, Contr Expend	1,378,123	A61404	1,587,282
TOTAL Safety Net	1,378,123		1,587,282
Emergency Aid For Adults, Contr Expend	39,460	A61424	59,400
TOTAL Emergency Aid For Adults	39,460		59,400
Job Train Admin, Per Serv	408,125	A62901	352,542
Job Train Admin, Contr Expend	195,336	A62904	287,811
Job Train Admin, Empl Bnfts	190,996	A62908	158,902
TOTAL Job Train Admin	794,457		799,255
Publicity, Contr Expend	349,076	A64104	141,765
TOTAL Publicity	349,076		141,765
Promotion of Industry, Contr Expend		A64204	25,754
TOTAL Promotion of Industry	0		25,754
Veterans Service, Pers Serv	65,301	A65101	65,624
Veterans Service, Contr Expend	7,821	A65104	7,649
Veterans Service, Empl Bnfts	58,717	A65108	59,446
TOTAL Veterans Service	131,840		132,719
Consumer Affairs, Pers Serv	43,861	A66101	44,029
Consumer Affairs, Contr Expend	4,058	A66104	5,015
Consumer Affairs, Empl Bnfts	18,308	A66108	19,410
TOTAL Consumer Affairs	66,226		68,454
Programs For Aging, Pers Serv	257,347	A67721	255,479

Results of Operation

Code Description	2011	Edp Code	2012
Expenditures			
Other Eco & Dev, Pers Serv	68,961	A69891	70,302
Other Eco & Dev, Contr Expend	20,298	A69894	20,934
Other Econ & Dev, Empl Bnfts	31,887	A69898	40,294
TOTAL Other Econ & Dev	121,146		131,530
TOTAL Economic Assistance And Opportunity	34,934,506		33,708,555
Special Rec Facility, Contr Expend	173,935	A71804	138,858
TOTAL Special Rec Facility	173,935		138,858
Youth Prog, Equip & Cap Outlay	349	A73102	
Youth Prog, Contr Expend	1,031	A73104	628
TOTAL Youth Prog	1,380		628
Joint Youth Prog, Contr Expend	29,603	A73204	39,892
TOTAL Joint Youth Prog	29,603		39,892
Library, Contr Expend	14,205	A74104	14,489
TOTAL Library	14,205		14,489
Historian, Contr Expend	16,605	A75104	20,500
TOTAL Historian	16,605		20,500
Adult Recreation, Contr Expend	3,258	A76204	3,608
TOTAL Adult Recreation	3,258		3,608
TOTAL Culture And Recreation	238,985		217,975
Adirondack Park Rev Brd, Contr Expend	5,063	A80264	5,063
TOTAL Adirondack Park Rev Brd	5,063		5,063
Refuse & Garbage, Contr Expend	5,905,996	A81604	5,997,360
TOTAL Refuse & Garbage	5,905,996		5,997,360
Fish And Game, Contr Expend	810	A87204	810
TOTAL Fish And Game	810		810
Flood & Erosion Control, Contr Expend	60,750	A87454	60,750
TOTAL Flood & Erosion Control	60,750		60,750
Agriculture And Livestock, Contr Expend	234,431	A87504	235,793
TOTAL Agriculture And Livestock	234,431		235,793
TOTAL Home And Community Services	6,207,050		6,299,776
Unemployment Insurance, Empl Bnfts	324,188	A90508	306,127
Hospital & Medical (dental) Ins, Empl Bnft	7,924,827	A90608	7,265,485
TOTAL Employee Benefits	8,249,015		7,571,611
TOTAL Expenditures	82,706,574		82,736,086
Transfers, Other Funds	6,014,504	A99019	4,626,521
TOTAL Operating Transfers	6,014,504		4,626,521
TOTAL Other Uses	6,014,504		4,626,521
TOTAL Detail Expenditures And Other Uses	88,721,078		87,362,607

Changes in Fund Equity

Code\Description	2011	EppCode	2012
ANALYSIS OF CHANGES IN FUND EQUITY			
Fund Equity-Beginning of Year	9,322,768	A8021	5,383,204
Prior Period Adj-Increase To Fund Equity	567,346	A8012	679,770
Prior Period Adj - Decrease In Fund Equity	18,233	A8015	215,890
Restated Fund Equity - Beg of Year	9,871,881	A8022	5,847,084
ADD - REVENUES AND OTHER SOURCES	84,232,401		85,293,698
DEDUCT - EXPENDITURES AND OTHER USES	88,721,078		87,362,607
Fund Equity-End of Year	5,383,204	A8029	3,778,174

(A) GENERAL

Budget Summary

Code Description	2012	Edp Code	2013
Estimated Revenues			
Est Rev - Real Property Taxes	14,885,125	A1049N	14,989,181
Est Rev - Real Property Tax Items	1,653,000	A1099N	1,511,000
Est Rev - Non Property Tax Items	20,325,000	A1199N	21,000,000
Est Rev - Departmental Income	13,864,045	A1299N	12,034,283
Est Rev - Intergovernmental Charges	6,663,966	A2399N	6,573,659
Est Rev - Use of Money And Property	678,506	A2499N	694,745
Est Rev - Fines And Forfeitures	264,683	A2649N	319,183
Est Rev - Sale of Prop And Comp For Loss	737,000	A2699N	695,000
Est Rev - Miscellaneous Local Sources	5,155,389	A2799N	1,947,188
Est Rev - Interfund Revenues	2,071,373	A2801N	1,272,670
Est Rev - State Aid	12,682,777	A3099N	13,634,716
Est Rev - Federal Aid	8,937,234	A4099N	8,229,889
TOTAL Estimated Revenues	87,918,098		82,901,514
Appropriated Reserve		A511N	683,237
TOTAL Estimated Other Sources	0		683,237
TOTAL Estimated Revenues And Other Sources	87,918,098		83,584,751

(A) GENERAL

Budget Summary

Code	Description	2012	EdpCode	2013
Appropriations				
App - General Government Support		9,046,180	A1999N	8,533,026
App - Education		4,630,370	A2999N	4,783,307
App - Public Safety		10,473,305	A3999N	8,793,114
App - Health		8,898,670	A4999N	8,823,980
App - Transportation		8,100	A5999N	8,100
App - Economic Assistance And Opportunity		32,805,671	A6999N	32,552,749
App - Culture And Recreation		180,171	A7999N	176,094
App - Home And Community Services		17,243,773	A8999N	15,122,922
App - Employee Benefits			A9199N	
TOTAL Appropriations		83,286,240		78,793,292
App - Interfund Transfer		4,631,858	A9999N	4,791,459
TOTAL Other Uses		4,631,858		4,791,459
TOTAL Appropriations And Other Uses		87,918,098		83,584,751

Balance Sheet

Code/Description	2011	EdpCode	2012
Assets			
Cash	114,747	CB200	120,200
TOTAL Cash	114,747		120,200
Allowance For Receivables (credit)	71,590	CB389	67,852
TOTAL Other Receivables (net)	71,590		67,852
Due From Other Governments	-79	CB440	-74
TOTAL Due From Other Governments	-79		-74
TOTAL Assets	186,259		187,978

Balance Sheet

Code	Description	2011	EdbCode	2012
Liabilities				
	Due To Other Governments	1,551	CB631	1,551
	TOTAL Due To Other Governments	1,551		1,551
	Deferred Revenues	150,713	CB691	146,974
	TOTAL Deferred Revenues	150,713		146,974
	TOTAL Liabilities	152,264		148,525
	Assigned Unappropriated Fund Balance	33,995	CB915	39,452
	TOTAL Assigned Fund Balance	33,995		39,452
	TOTAL Fund Equity	33,995		39,452
	TOTAL Liabilities And Fund Equity	186,259		187,978

Results of Operation

Code	Description	2011	EdpCode	2012
Revenues				
	Interest And Earnings	1,379	CB2401	1,719
	TOTAL Use of Money And Property	1,379		1,719
	Unclassified (specify)	3,323	CB2770	3,739
	TOTAL Miscellaneous Local Sources	3,323		3,739
	TOTAL Revenues	4,702		5,457
	TOTAL Detail Revenues And Other Sources	4,702		5,457

Results of Operation

Code	Description	2011	EdpCode	2012
------	-------------	------	---------	------

Changes in Fund Equity

Code Description	2011	Edp Code	2012
ANALYSIS OF CHANGES IN FUND EQUITY			
Fund Equity-Beginning of Year	29,293	CB8021	33,995
Restated Fund Equity - Beg of Year	29,293	CB8022	33,995
ADD - REVENUES AND OTHER SOURCES	4,702		5,457
Fund Equity - End of Year	33,995	CB8029	39,450

Balance Sheet

Code	Description	2011	EdpCode	2012
Assets				
Cash		16,912	CD200	13,567
TOTAL Cash		16,912		13,567
Accounts Receivable			CD380	3,345
TOTAL Other Receivables (net)		0		3,345
TOTAL Assets		16,912		16,912

Balance Sheet

Code Description	2011	Edp Code	2012
Liabilities			
Due To Other Funds		CD630	16,912
TOTAL Due To Other Funds	0		16,912
TOTAL Liabilities	0		16,912
Assigned Unappropriated Fund Balance	16,912	CD915	
TOTAL Assigned Fund Balance	16,912		0
TOTAL Fund Equity	16,912		0
TOTAL Liabilities And Fund Equity	16,912		16,912

Results of Operation

Code/Description	2011	EdpCode	2012
Revenues			
Fed Aid, Job Training Partnership	2,455,300	CD4790	1,737,214
TOTAL Federal Aid	2,455,300		1,737,214
TOTAL Revenues	2,455,300		1,737,214
TOTAL Detail Revenues And Other Sources	2,455,300		1,737,214

Results of Operation

Code Description	2011	Edp Code	2012
Expenditures			
Job Train Admin, Per Serv	231,730	CD62901	146,022
Job Train Admin, Equip & Cap Outlay	6,382	CD62902	
Job Train Admin, Contr Expend	2,067,770	CD62904	1,487,352
Job Train Admin, Empl Bnfts	133,593	CD62908	103,840
TOTAL Job Train Admin	2,439,475		1,737,214
TOTAL Economic Assistance And Opportunity	2,439,475		1,737,214
TOTAL Expenditures	2,439,475		1,737,214
Transfers, Other Funds		CD99019	16,912
TOTAL Operating Transfers	0		16,912
TOTAL Other Uses	0		16,912
TOTAL Detail Expenditures And Other Uses	2,439,475		1,754,126

Changes in Fund Equity

Code Description	2011	EdpCode	2012
ANALYSIS OF CHANGES IN FUND EQUITY			
Fund Equity-Beginning of Year	1,087	CD8021	16,912
Restated Fund Equity - Beg of Year	1,087	CD8022	16,912
ADD - REVENUES AND OTHER SOURCES	2,455,300		1,737,214
DEDUCT - EXPENDITURES AND OTHER USES	2,439,475		1,754,126
Fund Equity-End of Year	16,912	CD8029	1

Balance Sheet

Code	Description	2011	EdpCode	2012
------	-------------	------	---------	------

Balance Sheet

Code	Description	2011	Edp Code	2012
------	-------------	------	----------	------

Results of Operation

Code/Description	2011	EdpCode	2012
------------------	------	---------	------

Results of Operation

Code	Description	2011	Edp Code	2012
------	-------------	------	----------	------

Changes In Fund Equity

Code	Description	2011	EdpCode	2012
ANALYSIS OF CHANGES IN FUND EQUITY				
	Fund Equity-Beginning of Year		CM8021	
	Restated Fund Equity - Beg of Year		CM8022	
	Fund Equity-End of Year		CM8029	

Balance Sheet

Code	Description	2011	EdpCode	2012
Assets				
Cash		31,238	D200	25,401
Cash In Time Deposits		32,112	D201	6,133
TOTAL Cash		63,350		31,534
Accounts Receivable			D380	1,088
TOTAL Other Receivables (net)		0		1,088
State & Federal Receivables		143,927	D410	651,712
TOTAL State And Federal Aid Receivables		143,927		651,712
Due From Other Funds		950,000	D391	868,500
TOTAL Due From Other Funds		950,000		868,500
TOTAL Assets		1,157,277		1,552,833

Balance Sheet

Code Description	2011	EdpCode	2012
Liabilities			
Accounts Payable	57,998	D600	9,513
TOTAL Accounts Payable	57,998		9,513
Accrued Liabilities	15,105	D601	17,558
TOTAL Accrued Liabilities	15,105		17,558
Overpayments & Clearing Account	8,000	D690	9,000
TOTAL Other Liabilities	8,000		9,000
Due To Other Funds	-39,269	D630	-41,504
TOTAL Due To Other Funds	-39,269		-41,504
TOTAL Liabilities	41,834		-5,433
Assigned Unappropriated Fund Balance	1,115,443	D915	1,558,267
TOTAL Assigned Fund Balance	1,115,443		1,558,267
Unassigned Fund Balance		D917	
TOTAL Unassigned Fund Balance	0		0
TOTAL Fund Equity	1,115,443		1,558,267
TOTAL Liabilities And Fund Equity	1,157,277		1,552,833

Results of Operation

Code/Description	2011	EdpCode	2012
Revenues			
Other General Departmental Income	3,244	D1289	5,769
TOTAL Departmental Income	3,244		5,769
Misc Revenue, Other Govts		D2389	24,615
TOTAL Intergovernmental Charges	0		24,615
Interest And Earnings	543	D2401	184
TOTAL Use of Money And Property	543		184
Sales, Other	35,749	D2655	150
Insurance Recoveries	6,075	D2680	4,185
TOTAL Sale of Property And Compensation For Loss	41,824		4,335
Refunds of Prior Year's Expenditures		D2701	17,849
TOTAL Miscellaneous Local Sources	0		17,849
St Aid, Consolidated Highway Aid	1,507,750	D3501	1,253,247
St Aid Emergency Disaster Assist	9,538	D3960	5,656
TOTAL State Aid	1,517,288		1,258,903
Fed Aid, Emergency Disaster Assistance	57,228	D4960	16,969
TOTAL Federal Aid	57,228		16,969
TOTAL Revenues	1,620,126		1,328,625
Interfund Transfers	3,749,963	D5031	3,387,863
TOTAL Interfund Transfers	3,749,963		3,387,863
TOTAL Other Sources	3,749,963		3,387,863
TOTAL Detail Revenues And Other Sources	5,370,089		4,716,488

(D) COUNTY ROAD

Results of Operation

Code Description	2011	Edp Code	2012
Expenditures			
Traffic Control, Pers Serv	92,498	D33101	92,668
Traffic Control, Contr Expen	127,325	D33104	25,600
Traffic Control, Empl Bnfts	10,106	D33108	13,490
TOTAL Traffic Control	229,930		131,758
TOTAL Public Safety	229,930		131,758
Street Admin, Pers Serv	76,355	D50101	100,187
Street Admin, Equip & Cap Outlay		D50102	2,031
Street Admin, Contr Expend	34,583	D50104	23,287
Street Admin, Empl Bnfts	184,200	D50108	177,719
TOTAL Street Admin	295,139		303,224
Maint of Streets, Pers Serv	947,562	D51101	741,962
Maint of Streets, Contr Expend	377,177	D51104	247,382
Maint of Streets, Empl Bnfts	535,529	D51108	426,682
TOTAL Maint of Streets	1,860,268		1,416,026
Perm Improve Highway, Pers Serv	34,045	D51121	34,307
Perm Improve Highway, Equip & Cap Outlay		D51122	318,589
Perm Improve Highway, Contr Expend	22,927	D51124	15,248
Perm Improve Highway, Empl Bnfts	7,719	D51128	11,952
TOTAL Perm Improve Highway	64,692		380,096
Snow Removal, Contr Expend	1,136,597	D51424	1,222,520
TOTAL Snow Removal	1,136,597		1,222,520
TOTAL Transportation	3,356,695		3,321,866
TOTAL Expenditures	3,586,625		3,453,624
Transfers, Other Funds	1,574,608	D99019	1,403,402
TOTAL Operating Transfers	1,574,608		1,403,402
TOTAL Other Uses	1,574,608		1,403,402
TOTAL Detail Expenditures And Other Uses	5,161,233		4,857,027

Changes in Fund Equity

Code Description	2011	EdpCode	2012
ANALYSIS OF CHANGES IN FUND EQUITY			
Fund Equity - Beginning of Year	35,723	D8021	1,115,443
Prior Period Adj.- Increase In Fund Equity	872,726	D8012	583,363
Prior Period Adj - Decrease In Fund Equity	1,862	D8015	
Restated Fund Equity - Beg of Year	906,586	D8022	1,698,805
ADD - REVENUES AND OTHER SOURCES	5,370,089		4,716,488
DEDUCT - EXPENDITURES AND OTHER USES	5,161,233		4,857,027
Fund Equity - End of Year	1,115,443	D8029	1,558,267

(D) COUNTY ROAD

Budget Summary

Code\Description	2012	EdpCode	2013
Estimated Revenues			
Est Rev - Use of Money And Property	500	D2499N	1,000
Est Rev - Sale of Prop And Comp For Loss	57,850	D2699N	7,800
Est Rev - State Aid	1,605,000	D3099N	
TOTAL Estimated Revenues	1,663,350		8,800
Estimated - Interfund Transfer	3,420,900	D5031N	3,513,817
TOTAL Estimated Other Sources	3,420,900		3,513,817
TOTAL Estimated Revenues And Other Sources	5,084,250		3,522,617

(D) COUNTY ROAD

Budget Summary

Code Description	2012	Edp Code	2013
Appropriations			
App - Transportation	2,834,605	D5999N	2,783,450
App - Employee Benefits	826,828	D9199N	644,167
TOTAL Appropriations	3,661,433		3,427,617
App - Interfund Transfer	1,422,817	D9999N	95,000
TOTAL Other Uses	1,422,817		95,000
TOTAL Appropriations And Other Uses	5,084,250		3,522,617

Balance Sheet

Code Description	2011	Edp Code	2012
Assets			
Cash	188,997	DM200	38,831
Cash In Time Deposits	59,414	DM201	9,492
TOTAL Cash	248,411		48,323
Accounts Receivable	24,455	DM380	27,452
TOTAL Other Receivables (net)	24,455		27,452
Due From Other Funds	643,000	DM391	975,000
TOTAL Due From Other Funds	643,000		975,000
Inventory of Materials & Supplies	313,088	DM445	294,975
TOTAL Inventories	313,088		294,975
TOTAL Assets	1,228,954		1,345,750

Balance Sheet

Code Description	2011	EdpCode	2012
Liabilities			
Accounts Payable	66,320	DM600	81,090
TOTAL Accounts Payable	66,320		81,090
Accrued Liabilities	3,085	DM601	3,756
TOTAL Accrued Liabilities	3,085		3,756
TOTAL Liabilities	69,404		84,847
Not in Spendable Form	313,088	DM806	294,975
TOTAL Nonspendable Fund Balance	313,088		294,975
Committed Fund Balance	18,775	DM913	105,903
TOTAL Committed Fund Balance	18,775		105,903
Assigned Appropriated Fund Balance		DM914	182,500
Assigned Unappropriated Fund Balance	827,687	DM915	677,526
TOTAL Assigned Fund Balance	827,687		860,026
TOTAL Fund Equity	1,159,549		1,260,904
TOTAL Liabilities And Fund Equity	1,228,954		1,345,750

Results of Operation

Code/Description	2011	EdpCode	2012
Revenues			
Transportation Services, Other Govts	304,277	DM2300	279,403
TOTAL Intergovernmental Charges	304,277		279,403
Interest And Earnings	257	DM2401	97
TOTAL Use of Money And Property	257		97
Sales, Other	11,431	DM2655	41,677
Insurance Recoveries		DM2680	21,000
TOTAL Sale of Property And Compensation For Loss	11,431		62,677
Refunds of Prior Year's Expenditures	678	DM2701	15,590
TOTAL Miscellaneous Local Sources	678		15,590
Interfund Revenues	117,522	DM2801	68,141
TOTAL Interfund Revenues	117,522		68,141
TOTAL Revenues	434,165		425,909
Interfund Transfers	803,652	DM5031	657,514
TOTAL Interfund Transfers	803,652		657,514
TOTAL Other Sources	803,652		657,514
TOTAL Detail Revenues And Other Sources	1,237,817		1,083,423

(DM) ROAD MACHINERY

Results of Operation

Code	Description	2011	EdpCode	2012
Expenditures				
	Machinery, Pers Serv	144,019	DM51301	148,368
	Machinery, Equip & Cap Outlay	387,670	DM51302	54,437
	Machinery, Contr Expend	675,015	DM51304	662,091
	Machinery, Empl Bnfts	115,864	DM51308	117,171
TOTAL Machinery		1,322,568		982,068
TOTAL Transportation		1,322,568		982,068
TOTAL Expenditures		1,322,568		982,068
TOTAL Detail Expenditures And Other Uses		1,322,568		982,068

Changes in Fund Equity

Code	Description	2011	Edp Code	2012
ANALYSIS OF CHANGES IN FUND EQUITY				
	Fund Equity - Beginning of Year	1,244,300	DM8021	1,159,549
	Restated Fund Equity - Beg of Year	1,244,300	DM8022	1,159,549
	ADD - REVENUES AND OTHER SOURCES	1,237,817		1,083,423
	DEDUCT - EXPENDITURES AND OTHER USES	1,322,568		982,068
	Fund Equity - End of Year	1,159,549	DM8029	1,260,904

(DM) ROAD MACHINERY

Budget Summary

Code Description	2012	Edp Code	2013
Estimated Revenues			
Intergovernmental Charges	248,000	DM2399N	313,341
Use of Money And Property	325	DM2499N	75
Sale of Property And ComP. For Loss	7,500	DM2699N	7,500
Interfund Revenues	171,500	DM2801N	
TOTAL Estimated Revenues	427,325		320,916
Interfund Transfers	586,314	DM5031N	645,123
Appropriated Fund Balance		DM599N	182,500
TOTAL Estimated Other Sources	586,314		827,623
TOTAL Estimated Revenues And Other Sources	1,013,639		1,148,539

(DM) ROAD MACHINERY

Budget Summary

Code	Description	2012	EdpCode	2013
Appropriations				
	Transportation	152,413	DM5999N	306,967
	App - Home And Community Services	731,095	DM8999N	741,426
	Employee Benefits	130,131	DM9199N	100,146
TOTAL Appropriations		1,013,639		1,148,539
TOTAL Appropriations And Other Uses		1,013,639		1,148,539

Balance Sheet

Code Description	2011	Eip Code	2012
Assets			
Cash	898,873	EI200	1,377
Petty Cash	1,050	EI210	1,050
TOTAL Cash	899,923		2,427
Accounts Receivable	909,570	EI380	549,699
TOTAL Other Receivables (net)	909,570		549,699
Due From Other Funds	410,000	EI391	
TOTAL Due From Other Funds	410,000		0
Inventory	90,996	EI445	72,637
TOTAL Inventories	90,996		72,637
Land	16,500	EI101	16,500
Buildings	3,854,693	EI102	3,865,790
Improvements Other Than Buildings	36,171	EI103	36,171
Equipment	771,345	EI104	834,202
Accum Deprec, Buildings	-3,491,411	EI112	-3,602,621
Accum Depr, Imp Other Than Bld	-19,374	EI113	-20,518
Accum Depr, Machinery & Equip	-654,439	EI114	-677,449
TOTAL Fixed Assets (net)	513,485		452,075
Misc. Current Assets	15,597	EI489	15,740
TOTAL Other	15,597		15,740
TOTAL Assets	2,839,571		1,092,578

Balance Sheet

Code	Description	2011	Edb Code	2012
Liabilities				
	Accounts Payable	110,362	EI600	496,582
	TOTAL Accounts Payable	110,362		496,582
	Due To Other Funds		EI630	50,000
	TOTAL Due To Other Funds	0		50,000
	TOTAL Liabilities	110,362		546,582
	Net Assets-Restricted For Other Purposes	1,659,913	EI923	1,659,913
	Net Assets-Unrestricted (deficit)	1,069,296	EI924	-1,113,917
	TOTAL Retained Earnings	2,729,209		545,996
	TOTAL Fund Equity	2,729,209		545,996
	TOTAL Liabilities And Fund Equity	2,839,571		1,092,578

Results of Operation

CodeDescription	2011	EdpCode	2012
Revenues			
Infirmary Income	8,197,962	EI1635	5,237,856
TOTAL Charges For Services Within Locality	8,197,962		5,237,856
Interfund Transfers	1,252,398	EI5031	
TOTAL Interfund Transfers	1,252,398		0
Interest And Earnings	401	EI2401	295
TOTAL Use of Money And Property	401		295
TOTAL Revenues	9,450,761		5,238,151
TOTAL Operating Revenue	9,450,761		5,238,151

(EI) ENTERPRISE INFIRMARY

Results of Operation

Code Description	2011	Exp Code	2012
Expenses			
Infirmary, Pers Serv	3,252,942	EI60201	3,194,918
TOTAL Infirmary	3,252,942		3,194,918
TOTAL Personal Services	3,252,942		3,194,918
Depreciation	123,240	EI19944	123,240
TOTAL Depreciation	123,240		123,240
Infirmary, Contr Expend	1,302,941	EI60204	1,613,054
TOTAL Infirmary	1,302,941		1,613,054
TOTAL Contractual Expenses	1,426,181		1,736,294
Infirmary, Empl Bnfts	2,205,931	EI60208	2,186,412
TOTAL Infirmary	2,205,931		2,186,412
TOTAL Employee Benefits	2,205,931		2,186,412
TOTAL Expenses	6,885,054		7,117,624
TOTAL Operating Expenses	6,885,054		7,117,624

Changes in Fund Equity

Code	Description	2011	EtpCode	2012
ANALYSIS OF CHANGES IN FUND EQUITY				
	Fund Equity - Beginning of Year	8,736	EI8021	2,729,209
	Prior Period Adj-Increase In Fund Equity	154,766	EI8012	
	Prior Period Adj-Decrease In Fund Equity		EI8015	303,740
	Restated Fund Equity - Beg of Year	163,502	EI8022	2,425,469
	ADD - REVENUES AND OTHER SOURCES	9,450,761		5,238,151
	DEDUCT - EXPENDITURES AND OTHER USES	6,885,054		7,117,624
	Fund Equity - End of Year	2,729,209	EI8029	545,996

(EI) ENTERPRISE INFIRMARY

Cash Flow

Code/Description	2011	EdpCode	2012
Cash Rec'd From Providing Svcs	4,544,398	EI7111	6,649,608
Cash Payments Contr Exp	-1,560,214	EI7112	-1,912,735
Cash Payments Pers Svcs & Bnfts	-5,438,982	EI7113	-5,365,038
Other Operating Rev	2,776,216	EI7114	20,107
TOTAL Cash Flows From Operating Activities	321,418		-608,058
Transfers To/from Other Funds	-450,602	EI7123	410,000
TOTAL Cash Flows From Non-Capital And Financing Activities	-450,602		410,000
Purchase of Investments	579,073	EI7151	-699,733
Interest Income	401	EI7153	295
TOTAL Cash Flows From Investing Activities	579,474		-699,438
Net Inc(dec) In Cash&cash Equiv	450,290	EI7161	-897,496
Cash&cash Equiv Beg of Year	253,523	EI7171	899,923
	703,813		2,427
Operating Income (loss)	2,558,046	EI7181	-1,879,473
Depreciation	123,240	EI7182	123,240
Inc/dec In Liabilities Other Than Cash	-1,388,774	EI7184	436,219
Other Reconciling Items	-588,699	EI7185	422,518
TOTAL Reconciliation of Operating Income To Cash	703,813		-897,496

Balance Sheet

Code/Description	2011	EdpCode	2012
Assets			
Cash	742,553	H200	11,201
TOTAL Cash	742,553		11,201
State & Federal Receivables	401,015	H410	1,970,660
TOTAL State And Federal Aid Receivables	401,015		1,970,660
Due From Other Funds	-39,269	H391	-41,504
TOTAL Due From Other Funds	-39,269		-41,504
TOTAL Assets	1,104,299		1,940,357

Balance Sheet

Code Description	2011	Edp Code	2012
Liabilities			
Accounts Payable	122,582	H600	419,705
TOTAL Accounts Payable	122,582		419,705
Due To Other Funds		H630	654,703
TOTAL Due To Other Funds	0		654,703
TOTAL Liabilities	122,582		1,074,408
Assigned Appropriated Fund Balance	547,183	H914	
Assigned Unappropriated Fund Balance	434,534	H915	865,949
TOTAL Assigned Fund Balance	981,717		865,949
TOTAL Fund Equity	981,717		865,949
TOTAL Liabilities And Fund Equity	1,104,299		1,940,357

Results of Operation

Code	Description	2011	EdpCode	2012
Revenues				
	Interest And Earnings	2,541	H2401	1,222
	TOTAL Use of Money And Property	2,541		1,222
	St Aid, Highway Cap Projects	130,156	H3591	789,668
	State Aid Emergency Disaster		H3960	10,936
	TOTAL State Aid	130,156		800,603
	Fed Aid, Transp Cap Proj	687,352	H4597	4,130,677
	TOTAL Federal Aid	687,352		4,130,677
	TOTAL Revenues	820,050		4,932,502
	Interfund Transfers	1,171,955	H5031	1,359,902
	TOTAL Interfund Transfers	1,171,955		1,359,902
	TOTAL Other Sources	1,171,955		1,359,902
	TOTAL Detail Revenues And Other Sources	1,992,005		6,292,404

(H) CAPITAL PROJECTS

Results of Operation

Code Description	2011	Edp Code	2012
Expenditures			
Highway, Capital Projects	2,380,554	H51972	6,408,172
TOTAL Highway	2,380,554		6,408,172
TOTAL Transportation	2,380,554		6,408,172
TOTAL Expenditures	2,380,554		6,408,172
TOTAL Detail Expenditures And Other Uses	2,380,554		6,408,172

Changes In Fund Equity

Code Description	2011	EdbCode	2012
ANALYSIS OF CHANGES IN FUND EQUITY			
Fund Equity - Beginning of Year	2,302,362	H8021	981,717
Prior Period Adj - Decrease In Fund Equity	932,097	H8015	
Restated Fund Equity - Beg of Year	1,370,266	H8022	981,717
ADD - REVENUES AND OTHER SOURCES	1,992,005		6,292,404
DEDUCT - EXPENDITURES AND OTHER USES	2,380,554		6,408,172
Fund Equity - End of Year	981,717	H8029	865,946

(K) GENERAL FIXED ASSETS

Balance Sheet

Code Description	2011	EdpCode	2012
Assets			
Land	145,493	K101	145,493
Buildings	23,898,442	K102	23,898,442
Machinery & Equipment	11,678,758	K104	12,207,638
Construction Work In Progress	2,612,362	K105	5,748,854
Infrastructure	24,170,469	K106	26,263,287
Other Capital Assets	28,134,204	K107	29,302,297
TOTAL Fixed Assets (net)	90,639,728		97,566,011
TOTAL Assets	90,639,728		97,566,011

Balance Sheet

CodeDescription	2011	EdpCode	2012
Fund Equity			
Total Non-Current Govt Assets	90,639,728	K159	97,566,011
TOTAL Investments in Non-Current Government Assets	90,639,728		97,566,011
TOTAL Fund Equity	90,639,728		97,566,011
TOTAL Liabilities And Fund Equity	90,639,728		97,566,011

Balance Sheet

Code	Description	2011	Edp Code	2012
Assets				
Cash		265,996	S200	33,572
Cash In Time Deposits		1,462,664	S201	1,416,566
TOTAL Cash		1,728,661		1,450,138
Accounts Receivable		594	S380	594
Assessments Rec, Workers Comp		278	S382	278
TOTAL Other Receivables (net)		872		872
TOTAL Assets		1,729,533		1,451,010

Balance Sheet

Code Description	2011	EdpCode	2012
Liabilities			
Accrued Liabilities	908	S601	1,100
TOTAL Accrued Liabilities	908		1,100
TOTAL Liabilities	908		1,100
Contributed Reserve	400,000	S853	400,000
TOTAL Contributed Capital	400,000		400,000
Assigned Unappropriated Fund Balance	1,328,624	S915	1,049,910
TOTAL Assigned Fund Balance	1,328,624		1,049,910
TOTAL Fund Equity	1,728,624		1,449,910
TOTAL Liabilities And Fund Equity	1,729,533		1,451,010

Results of Operation

Code Description	2011	Edc Code	2012
Revenues			
Participants Assessments	897,008	S2222	977,864
TOTAL Intergovernmental Charges	897,008		977,864
Interest And Earnings	5,180	S2401	3,939
TOTAL Use of Money And Property	5,180		3,939
Refunds of Prior Year's Expenditures	92,599	S2701	62,955
TOTAL Miscellaneous Local Sources	92,599		62,955
TOTAL Revenues	994,787		1,044,759
TOTAL Detail Revenues And Other Sources	994,787		1,044,759

(S) WORKERS COMPENSATION

Results of Operation

Code Description	2011	Edp Code	2012
Expenditures			
Self Insurance Admin, Pers Serv	45,461	S17101	45,629
Self Insurance Admin, Contr Expend	269,299	S17104	254,948
TOTAL Self Insurance Admin	314,760		300,577
Benefits And Awards, Contr Expend	650,724	S17204	990,359
TOTAL Benefits And Awards	650,724		990,359
TOTAL General Government Support	965,484		1,290,935
Social Security , Empl Bnfts	31,857	S90308	32,539
TOTAL Employee Benefits	31,857		32,539
TOTAL Expenditures	997,341		1,323,474
TOTAL Detail Expenditures And Other Uses	997,341		1,323,474

(S) WORKERS COMPENSATION

Changes in Fund Equity

Code	Description	2011	Edp Code	2012
ANALYSIS OF CHANGES IN FUND EQUITY				
	Fund Equity - Beginning of Year	1,731,178	S8021	1,728,625
	Restated Fund Equity - Beg of Year	1,731,178	S8022	1,728,625
	ADD - REVENUES AND OTHER SOURCES	994,787		1,044,759
	DEDUCT - EXPENDITURES AND OTHER USES	997,341		1,323,474
	Fund Equity - End of Year	1,728,625	S8029	1,449,911

Balance Sheet

Code	Description	2011	EdpCode	2012
Assets				
Cash		858,291	TA200	1,009,265
Time Deposits		890,789	TA201	842,632
Cash, Court & Trust		16,760	TA205	27,537
TOTAL Cash		1,765,840		1,879,434
TOTAL Assets		1,765,840		1,879,434

Balance Sheet

Code/Description	2011	Exp Code	2012
Liabilities			
Group Insurance	5,092	TA20	4,887
Bail Deposits	292,400	TA35	235,650
Court Order Deposits	201,013	TA36	36,516
Social Services Trust	638,944	TA53	864,544
Infirmity Patients Fund	19,079	TA55	19,189
State Training School	935	TA56	29
Mortgage Tax	76,713	TA58	86,518
Court & Trust Fund	16,760	TA61	27,537
Descendents Ss & Unemployment Benefits	3,369	TA63	2,387
Other Funds (specify)	511,536	TA85	602,176
TOTAL Agency Liabilities	1,765,840		1,879,434
TOTAL Liabilities	1,765,840		1,879,434
TOTAL Liabilities And Fund Equity	1,765,840		1,879,434

Balance Sheet

Code	Description	2011	EdpCode	2012
Assets				
Cash				
		187	V200	188
TOTAL Cash		187		188
TOTAL Assets		187		188

Balance Sheet

Code/Description	2011	Edp Code	2012
Fund Equity			
Assigned Appropriated Fund Balance	187	V914	188
TOTAL Assigned Fund Balance	187		188
TOTAL Fund Equity	187		188
TOTAL Liabilities And Fund Equity	187		188

Results of Operation

Code\Description	2011	EdpCode	2012
Revenues			
Interest And Earnings	4	V2401	0
TOTAL Use of Money And Property	4		0
Interfund Revenues	898,725	V2801	895,185
TOTAL Interfund Revenues	898,725		895,185
TOTAL Revenues	898,729		895,185
Interfund Transfers	611,144	V5031	624,644
TOTAL Interfund Transfers	611,144		624,644
TOTAL Other Sources	611,144		624,644
TOTAL Detail Revenues And Other Sources	1,509,873		1,519,829

(V) DEBT SERVICE

Results of Operation

Code	Description	2011	Edp Code	2012
Expenditures				
	Debt Principal, Serial Bonds	1,280,000	V97106	1,340,000
TOTAL Debt Principal		1,280,000		1,340,000
	Debt Interest, Serial Bonds	229,869	V97107	179,829
TOTAL Debt Interest		229,869		179,829
TOTAL Expenditures		1,509,869		1,519,829
TOTAL Detail Expenditures And Other Uses		1,509,869		1,519,829

Changes in Fund Equity

Code	Description	2011	EdpCode	2012
ANALYSIS OF CHANGES IN FUND EQUITY				
	Fund Equity - Beginning of Year	183	V8021	187
	Restated Fund Equity - Beg of Year	183	V8022	187
	ADD - REVENUES AND OTHER SOURCES	1,509,873		1,519,829
	DEDUCT - EXPENDITURES AND OTHER USES	1,509,869		1,519,829
	Fund Equity - End of Year	187	V8029	188

Balance Sheet

Code	Description	2011	Edp Code	2012
Assets				
Total Non-Current Govt Liabilities		45,263,645	W129	43,873,396
TOTAL Provision To Be Made In Future Budgets		45,263,645		43,873,396
TOTAL Assets		45,263,645		43,873,396

Balance Sheet

Code Description	2011	Edp Code	2012
General Long Term Debt			
Other Post Employment Benefits	38,753,817	W683	38,753,817
Compensated Absences	1,059,828	W687	1,009,579
TOTAL Other Liabilities	39,813,645		39,763,396
Bonds Payable	5,450,000	W628	4,110,000
TOTAL Bond And Long Term Liabilities	5,450,000		4,110,000
TOTAL Liabilities	45,263,645		43,873,396
TOTAL General Long Term Debt	45,263,645		43,873,396

Adjustment Reason

Account Code A8012 Adjusting audit entry.

Account Code A8015 Adjusting audit entry.

(D) COUNTY ROAD

Adjustment Reason

Account Code D8012 Adjusting audit entry.

(EI) ENTERPRISE INFIRMARY

Adjustment Reason

Account Code EI8015 Adjusting audit entry

Revenues

Code Description	Code	Amount
Fed Aid Other Health	A4489	6,548
Total ARRA Revenues:		6,548

Expenditures

Code	Description	Code	Amount
	Public Health, Contr Expend	A40104	5,055
	Serv From Other Serv Dis, Contr Expend	A61914	1,493
	Total ARRA Expenditures:		6,548

COUNTY OF Franklin
Statement of Indebtedness
For the Fiscal Year Ending 2012

4

In
60100000000

description	Cops Flag	Comp Flag	Date of Issue	Date of Maturity	Int. Rate	Var?	Amt. Orig. Issued	O/S Beg. of Year	Paid Dur. Year	Redeemed Bond Proc.	Prior Yr. Adjust.
Public Improvement	Y		11/05/2009	11/01/2019	2.50%	Y	\$5,500,000	\$4,595,000	\$485,000	\$0	\$0
Finance of County Jail lease			09/10/1998	11/01/2012	3.80%			\$855,000	\$855,000	\$0	\$0
Total for Type/Exempt Status - Sums Issued Amts only made in AFR Year							\$0	\$5,450,000	\$1,340,000	\$0	\$0
Year Total for All Debt Types - Sums Issued Amts only made in AFR Year							\$0	\$5,450,000	\$1,340,000	\$0	\$0

CASH:

On Hand	9Z2001	<u>\$35,363.14</u>
Demand Deposits	9Z2011	<u>\$5,053,473.71</u>
Time Deposits	9Z2021	<u>\$4,340,387.37</u>
Total		<u>\$9,429,224.22</u>

COLLATERAL:

- FDIC Insurance	9Z2014	<u>\$3,050,086.85</u>
Collateralized with securities held in possession of municipality or its agent	9Z2014A	<u>\$10,190,867.66</u>
Total		<u>\$13,240,954.51</u>

INVESTMENTS:

- Securities (450)		
Book Value (cost)	9Z4501	<u> </u>
Market Value at Balance Sheet Date	9Z4502	<u> </u>
Collateralized with securities held in possession of municipality or its agent	9Z4504A	<u> </u>
- Repurchase Agreements (451)		
Book Value (cost)	9Z4511	<u> </u>
Market Value at Balance Sheet Date	9Z4512	<u> </u>
Collateralized with securities held in possession of municipality or its agent	9Z4514A	<u> </u>

Include All Checking, Savings and C.D. Accounts

Bank Account Number	Bank Balance	Add: Deposit In Transit	Less: Outstanding Checks	Adjusted Bank Balance
*****-10	\$994,035	\$149,206	\$829,334	\$313,907
*****-11	\$22,666	\$0	\$0	\$22,666
*****-12	\$427,446	\$0	\$0	\$427,446
*****-13	\$142,463	\$0	\$0	\$142,463
*****-14	\$389,969	\$0	\$0	\$389,969
*****-15	\$77,462	\$0	\$32,587	\$44,875
*****-16	\$39,033	\$0	\$36,151	\$2,882
*****-17	\$585	\$0	\$0	\$585
*****-18	\$26,493	\$83	\$0	\$26,576
*****-19	\$21,339	\$0	\$21,339	\$0
*****-20	\$65,007	\$0	\$65,007	\$0
*****-21	\$1,003,040	\$0	\$0	\$1,003,040
*****-22	\$42,874	\$0	\$0	\$42,874
*****-23	\$584,829	\$0	\$0	\$584,829
*****-24	\$22,497	\$850	\$0	\$23,347
*****-25	\$180,202	(\$44,910)	\$60,336	\$74,957
*****-26	\$86,834	\$21,283	\$0	\$108,117
*****-27	\$61,208	\$7,492	\$0	\$68,700
*****-28	\$152,878	\$0	\$147,750	\$5,128
*****-29	\$3,368	\$0	\$0	\$3,368
*****-30	\$16,815	\$0	\$8,453	\$8,362
*****-31	\$4,447	\$0	\$677	\$3,770
*****-32	\$2,979	\$0	\$1,127	\$1,852
*****-33	\$88,794	\$35,683	\$14,725	\$109,752
*****-34	\$46,948	\$0	\$7,796	\$39,152
*****-35	\$79,979	\$8,713	\$13,550	\$75,143
*****-36	\$58,201	\$0	\$0	\$58,201

Include All Checking, Savings and C.D. Accounts

Bank Account Number	Bank Balance	Add: Deposit In Transit	Less: Outstanding Checks	Adjusted Bank Balance
****-40	\$291	\$0	\$40	\$251
****-41	\$206	\$0	\$0	\$206
****-42	\$1,370	\$0	\$0	\$1,370
****-43	\$13,528	\$0	\$0	\$13,528
****-44	\$1,667	\$0	\$0	\$1,667
****-45	\$2,203	\$0	\$0	\$2,203
****-46	\$1,754	\$0	\$0	\$1,754
****-47	\$1,298	\$0	\$0	\$1,298
****-48	\$3,349	\$0	\$0	\$3,349
****-49	\$2,161	\$0	\$0	\$2,161
****-50	\$51	\$0	\$0	\$51
****-51	\$262	\$0	\$0	\$262
****-52	\$5,099	\$0	\$0	\$5,099
****-53	\$3,118	\$0	\$0	\$3,118
****-54	\$352	\$0	\$0	\$352
****-55	\$10,076	\$0	\$0	\$10,076
****-56	\$125	\$0	\$0	\$125
****-57	\$352	\$0	\$0	\$352
****-58	\$0	\$0	\$0	\$0
****-59	\$201	\$0	\$0	\$201
****-60	\$51	\$0	\$0	\$51
****-61	\$966,024	\$127	\$23,457	\$942,694
****-62	\$170,788	\$270	\$18,262	\$152,796
****-63	\$29,191	\$0	\$29,191	\$0
****-64	\$86,518	\$0	\$0	\$86,518
****-65	\$0	\$0	\$0	\$0
****-66	\$56,516	\$0	\$20,000	\$36,516

Include All Checking, Savings and C.D. Accounts

Bank Account Number	Bank Balance	Add: Deposit In Transit	Less: Outstanding Checks	Adjusted Bank Balance
*****-70	\$106,727	\$0	\$81,326	\$25,401
*****-71	\$6,133	\$0	\$0	\$6,133
*****-72	\$41,306	\$17,931	\$20,406	\$38,831
*****-73	\$9,492	\$0	\$0	\$9,492
*****-74	\$48,387	\$0	\$14,815	\$33,572
*****-75	\$1,416,566	\$0	\$0	\$1,416,566
*****-76	\$122,458	\$0	\$121,556	\$901
*****-77	\$19,310	\$0	\$19,310	\$0
*****-78	\$476	\$0	\$0	\$476
*****-79	\$1,304,438	\$0	\$1,293,236	\$11,201
*****-80	\$188	\$0	\$0	\$188
*****-81	\$0	\$0	\$0	\$0
*****-82	\$13,972	\$0	\$405	\$13,567
*****-83	\$119,811	\$389	\$0	\$120,200
*****-84	\$0	\$0	\$0	\$0

Total Adjusted Bank Balance			\$6,588,905
Petty Cash			\$2,806.00
Adjustments			\$-.31
Total Cash	9ZCASH	*	\$6,591,711
Total Cash Balance All Funds	9ZCASHB	*	\$6,591,711

* Must be equal

	Response
1) Does your municipality have a written procurement policy?	Yes
2) Have the financial statements for your municipality been independently audited?	No
If not, are you planning on having an audit conducted?	Yes
3) Does your local government participate in an insurance pool with other local governments?	Yes
4) Does your local government participate in an investment pool with other local governments?	Yes
5) Does your municipality have a Length of Service Award Program (LOSAP) for volunteer firefighters?	No
6) Does your municipality have a Capital Plan?	No
7) Has your municipality prepared and documented a risk assessment plan?	No
If yes, has your municipality used the results to design the system of internal controls?	
8) Have you had a change in chief executive or chief fiscal officer during the last year?	No
9) Has your Local Government adopted an investment policy as required by General Municipal Law, Section 39?	Yes

Account Code	Description	Total Expenditures (All Funds)	# of Full Time Employees	# of Part Time Employees	# of Retirees
90108	State Retirement System	\$3,372,085.00	461	38	
90158	Police and Fire Retirement				
90258	Local Pension Fund				
90308	Social Security	\$1,549,583.00	502	63	
90408	Worker's Compensation Insurance	\$504,112.00	502	63	
90458	Life Insurance				
90508	Unemployment Insurance	\$306,127.00			
90558	Disability Insurance	\$60,237.00	446	33	
90608	Hospital and Medical (Dental) Insurance	\$7,405,611.56	387	12	215
90708	Union Welfare Benefits				
90858	Supplemental Benefit Payment to Disabled Fire Fighters				
91890	Other Employee Benefits				
Total		\$13,197,755.56			
Computed Total From Financial Section (comparative purposes only)		\$20,942,818.60			

Gasoline	\$157,401	49,420	gallons	
Diesel Fuel	\$190,639	56,328	gallons	
Fuel Oil	\$275,620	79,369	gallons	
Natural Gas	\$87,857	53,745	cubic feet	LPG gallons
Electricity	\$247,960	2,795,709	kilowatts	
Coal			tons	

1. Type of Other Post Employment Benefits Plan	Single-Employer Defined Benefits
2. Annual Required Contribution(ARC)	\$3,446,479.00
3. Interest on Net OPEB Obligation	\$671,835.00
4. Adjustment to Annual Required Contribution	(\$648,042.00)
5. Annual OPEB Expense	\$3,470,272.00
6. Less: Actual Contribution Made	\$1,184,000.00
7. Increase in Net OPEB Obligation	\$2,286,272.00
8. Net OPEB Obligation - beginning of year	\$16,795,884.00
9. Net OPEB Obligation - end of year	\$19,082,156.00
10. Total Other Post Employment Benefits as reported in Accounts 683 in Financial Section, Current Fiscal Year	\$38,753,817.00
11. Percentage of Annual OPEB Cost Contributed (Actual Contribution Made/Annual OPEB Cost)	34.12%

Funded Status and Funding Process

12. Actuarial Accrued Liability(AAL)	\$40,967,812.00
13. Less: Actuarial Value of Plan Assets	\$0.00
14. Unfunded Actuarial Accrued Liability(UAAL)	\$40,967,812.00
15. Funded Ratio(Actuarial Value of Plan Assets/AAL)	0.0000
16. Annual Covered Payroll (of active employees covered by the plan)	\$0.00
17. UAAL as Percentage of Annual Covered Payroll	

Other OPEB Information

18. Date of most recent actuarial valuation	12/31/2012
19. Actuarial method used	Aggregate
20. Assumed rate of return on investments discount rate	4.00%
21. Amortization period of UAAL(in years)	30.00

I, Bryon A. Varin, hereby certify that I am the Chief Fiscal Officer of
the County of Franklin, and that the information provided in the annual
financial report of the County of Franklin, for the fiscal year ended 12/31/2012
, is TRUE and correct to the best of my knowledge and belief.

By entering the personal identification number assigned by the Office of the State Comptroller to me as
the Chief Fiscal Officer of the County of Franklin, and adopted by me as
my signature for use in conjunction with the filing of the County of Franklin's
annual financial report, I am evidencing my express intent to authenticate my certification of the
County of Franklin's annual financial report for the fiscal year ended 12/31/2012
and filed by means of electronic data transmission.

Name of Report Preparer if different
than Chief Fiscal Officer

Bryon A. Varin

Name

(518) 481-1513

Telephone Number

County Treasurer

Title

355 W. Main Street Malone NY 1295

Official Address

04/17/2013

Date of Certification

(518) 481-1514

Official Telephone Number

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the County of Franklin have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. FINANCIAL REPORTING ENTITY

The County of Franklin, which was incorporated in 1808, is governed by County Law and other general laws of the State of New York and various local laws. The Franklin County Legislature, which is the legislative body responsible for the overall operation of the County of Franklin, consists of seven legislators. The Chairman of the Board serves as chief executive officer, the County manager serves as the chief operations officer, and the County treasurer serves as chief fiscal officer.

The financial reporting entity includes organizations, functions, and activities over which elected officials exercise oversight responsibility. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters.

All governmental activities and functions performed for the County of Franklin are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

The financial reporting entity consists of (a) the primary government which is the County of Franklin, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statement No. 14 and 39.

The decision to include a potential unit in the County of Franklin's reporting entity is based on several criteria set forth in GASB Statement No. 14 and 39 including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of certain entities considered in determining the County of Franklin's reporting entity.

1. Included in the Reporting Entity:

a. Soil and Water Conservation District

The Franklin County Legislature has declared the County to be a Soil and Water Conservation District in accordance with provisions of the Soil and Water

- i. Members of the Board of Directors are appointed by the County Legislature.
- ii. Administrative costs of the Soil and Water Conservation District are provided primarily through County appropriations.
- iii. The County Legislature retains general oversight responsibilities, including monitoring Soil and Water Conservation District activities, through detailed reporting to the County Legislature by the district directors of its work and transactions in such form and for such periods as the Legislature may direct.

The Soil and Water Conservation District is a component unit, part of the primary government, and reported as a special revenue fund type.

b. Franklin County Nursing Home

The Franklin County Nursing Home is an operating unit of the County of Franklin. The Nursing Home is a discretely blended component unit. It is part of the primary government and reported as a proprietary fund type.

c. Franklin County Industrial Development Agency

Franklin County Industrial Development Agency is a public benefit corporation, created by the Franklin County Board of Legislators in 1970 under the provisions of Chapter 18A, encouraging economic growth and the state legislation to promote the economic welfare, recreation opportunities, and prosperity of the County's inhabitants. The Franklin County Industrial Development Agency is exempt from federal, state, and local taxes. Although the Agency was established by the Franklin County Board of Legislators, it is considered a separate entity and operates independently. Members are appointed by a municipal governing body and exercise oversight responsibility. The members have complete responsibility for management of the Agency and accountability for its fiscal matters. The Franklin County Industrial Development Agency is considered a component unit of the County of Franklin and is discretely presented.

d. Franklin County Civic Development Corporation

The Corporation was created on June 23, 2010 by the Franklin County Board of Legislators under the provisions of Chapter 18A encouraging economic growth in Franklin County, New York. The Corporation is exempt from federal, state and local income taxes. The Corporation, although established by the Franklin County Board of Legislators, is a separate entity and operated independently of Franklin County. The Franklin County Civic Development Corporation is considered a component unit of the County of Franklin and is discretely presented.

e. County of Franklin Solid Waste Management Authority

The County of Franklin Solid Waste Management Authority was created as a public benefit corporation under New York State Public Authorities Law Sec. 2041, Title

- ii. acquire interest in real and personal property and dispose of them;
- iii. receive, transport, process, dispose of, sell, store, convey, recycle, and deal with solid waste and energy generated by operation of a solid waste management facility;
- iv. contract with governments, including the County of Franklin and local governments within the County, in relation to its activities;
- v. borrow money and issue bonds; and
- vi. fix and collect rates, rentals, fees, and other charges for the use of the facilities of, or services rendered by, or any commodities furnished by, the Authority.

The Solid Waste Management Authority's Board is comprised of seven members appointed by the Legislature of Franklin County. The Authority is considered a component unit of the County and is discretely presented.

f. Rainbow Lake Water Protection District

The Rainbow Lake Water Protection District was created by New York County Law Section 264(A) on September 9, 1993, to provide a method of levying assessments on landowners within the District, all of whom benefit from the Lake Kushaqua Dam. The District also provides for the study, maintenance, administration, and ultimate replacement of the dam.

The Franklin County Legislature appoints seven Commissioners of the district. Five of the Commissioners are residents of the District. Of the remaining two commissioners, one is a County employee and the other is an employee of the Department of Environmental Conservation. There is no salary or compensation related to serving as a commissioner. Each commissioner is appointed to a four year term. The Rainbow Lake Water Protection District is considered a component unit of the County and is discretely presented.

Complete financial statements of individual component units can be obtained from their respective administrative offices located in Malone, New York.

2. Other Organizations Not Included in Reporting Entity

The Clinton-Essex-Franklin Library System and the North Country Community College are activities undertaken jointly with other municipalities and are excluded from these financial statements. See Note IV for additional disclosure regarding these joint ventures.

B. BASIS OF PRESENTATION

1. Governmentwide Statements

The Statement of Net Assets and the Statement of Activities present financial information about the County of Franklin's governmentwide activities. These statements include the financial activities of the overall government in its entirety,

business-type activities generally financed in whole or in part with fees charged to external customers. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the County's governmentwide activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2. Fund Accounting

The County of Franklin uses funds to report on its financial position and the results of its operations. Fund accounting is designated to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The County records its transactions in the fund types described below.

Fund Categories

- a. Governmental Funds-** Governmental funds are those through which most governmental functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus of the governmental funds is upon the determination of financial position and changes in financial position (sources, uses, and balances of current financial resources). The following are the County's governmental fund types.

General Fund (Major Fund)

The General Fund is the principal fund and includes all operations not required to be recorded in the other funds.

Special Revenue Funds (Nonmajor Funds)

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The Special Revenue Funds of the County include the following:

- i. **County Roads Fund** - is used to account for expenditures for highway purposes

- pursuant to Section 133 of the Highway Law.
- iii. Special Grant Fund - is used to account for funds received under the Workforce Investment Act. The program includes revenues for and expenditures to subrecipients.
 - iv. Soil and Water Conservation District - is used to account for activities performed pursuant to the Soil and Water Conservation Districts Law.

Debt Service Funds (Nonmajor Funds)

Debt Service Funds account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest on general obligation long-term debt. Debt Service funds are used when legally mandated and for financial resources accumulated in a reserve for payment of future principal and interest on long-term indebtedness.

Capital Projects Fund (Nonmajor Fund)

The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the acquisition or construction, or renovation of capital facilities and other capital assets other than those financed by the proprietary funds.

- b. **Proprietary Fund Statements-** used to account for ongoing organizations or activities which are similar to those often found in the private sector. The measurement focus is upon the determination of operating income, Changes in net assets, financial position, and cash flows. The following proprietary funds are utilized.

Enterprise Funds- used to account for operations (a) where the intent of the governing body is that the cost of providing goods and services to the general public on a continuing basis be financed and recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate. Included are the following operations:

- i. County Home and Infirmary - The Franklin County Nursing Home follows the accounting and reporting requirements contained in the *New York State Residential Health Care Facility Accounting and Reporting Manual* issued by the New York State Department of Health. The accounting principles and concepts described in the *Hospital Audit Guide* of the American Institute of Certified Public Accountants serve as the foundation for this manual.
- ii. Internal Service Fund - is used to account for the workers' compensation benefits program. This is a proprietary fund reported with governmental activities in the governmentwide statements.

Workers' Compensation Fund - is used to account for the accumulation of

government in a trustee or custodial capacity.

Trust and Agency funds are used for the purpose of accounting for money and property received and held in the capacity of trustee, custodian, or agent. Securities pledged by banking institutions to secure funds on deposit are not included herein since such securities are not assets of the governmental reporting entity.

Expendable Trust funds are accounted for in essentially the same manner as governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of the results of operations.

d. Discrete Presentation

Franklin County Industrial Development Agency

Resources received and used for economic development are accounted for in the Industrial Development Agency. The agency's financial statements are presented in separate columns in the combined financial statements and accounted for as a proprietary fund type.

Franklin County Civic Development Corporation

Resources received and used for economic development are accounted for in the Civic Development Corporation. The Corporation's financial statements are presented in separate columns in the combined financial statements and accounted for as a proprietary fund type.

County of Franklin Solid Waste Management Authority

The Solid Waste Management Authority's financial statements are prepared using the accrual basis in accordance with generally accepted accounting principles for public authorities. The Authority's financial statements for the year ended June 30, 2012, are presented in a separate column in the combined financial statements and accounted for as a proprietary fund type.

Rainbow Lake Water Protection District

The District's financial statements are presented in separate columns in the combined financial statements and accounted for as a proprietary fund type.

C. BASIS OF ACCOUNTING, MEASUREMENT FOCUS, AND FINANCIAL STATEMENT PRESENTATION

Basis of accounting refers to when revenues and expenditures/expenses and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

relevant Governmental Accounting Standards Board (GASB) pronouncements. The governmentwide, proprietary fund, and component unit financial statements apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The Countywide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction took place. Nonexchange transactions, in which the County of Franklin gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Modified Accrual Basis- All governmental funds are accounted for using the modified accrual basis of accounting. Under this method, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County of Franklin considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after the end of the fiscal year, except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the year.

Accrual Basis- Proprietary funds and component units are accounted for on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recorded when incurred. Capital assets and long-term liabilities related to these activities are recorded within the funds.

Operating income or loss reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales and services provided. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

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

Allocation of Indirect Expenses

The County of Franklin allocates indirect expenses primarily composed of central governmental services to operating functions and programs benefitting from those

determined by various allocation methodologies. These charges are reported in the statement of activities.

Component Units

- a. The Franklin County Industrial Development Agency's financial statements have been prepared in conformity with generally accepted accounting principles for industrial development agencies.
- b. The Franklin County Civic Development Corporation's financial statements have been prepared in conformity with generally accepted accounting principles.
- c. The County of Franklin Solid Waste Management Authority's financial statements are prepared using the accrual basis in accordance with generally accepted accounting principles for public authorities. The Authority follows the guidelines provided by the Financial Accounting Standards Board (FASB) except for those that conflict with or contradict Government Accounting Standards Board (GASB) pronouncements.
- d. The Rainbow Lake Water Protection District's financial statements are prepared using the accrual basis as an enterprise fund which means that the financial statements are prepared as if the district were an independent nonprofit organization.

D. BUDGETARY DATA

1. Budget Policies

The County of Franklin's budget policies are as follows:

- a. No later than October 1, the budget officer submits a tentative budget to the County Board of Legislators for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing for the General Fund and Special Revenue Funds.
- b. After public hearings are conducted to obtain taxpayer comments, but no later than December 20, the Board of Legislators adopts the County budget.
- c. The budget officer is authorized to transfer certain budgeted amounts within departments or within a fund; however, all revisions that alter total appropriations of any department or fund must be approved by the Board of Legislators.
- d. Budgetary controls are established for the Capital Projects Fund through resolutions authorizing individual projects which remain in effect for the life of the project. Budgets are prepared for proprietary funds primarily to establish the estimated contribution required from other funds.

2. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in the General and Special Revenue Funds. Encumbrances are reported as restricted, commitments, or assignments of fund balances since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the

Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year. All unencumbered budget appropriations lapse at the end of each fiscal year.

E. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

F. ASSETS, LIABILITIES AND FUND EQUITY

1. Cash and Cash Equivalents

For the purpose of reporting cash flows, cash and cash equivalents include cash on hand and savings instruments with an original maturity of less than three months.

2. Investments

The County of Franklin invests in authorized investment pools, funds, and U.S. Government Securities. Investments are carried at fair value. Management's intent is to hold all investments to maturity.

The County of Franklin Solid Waste Management Authority's restricted investments consist of marketable equity securities held by the bond trustee. The authority has entered into a repurchase agreement with regard to the 1995, 2000, and 2003 Debt Service Revenue Funds.

3. Receivables

All receivables of the primary government are reported at their settlement amount and, when appropriate, are reduced by the estimated portion that is expected to be uncollectible. Past-due accounts receivable of the Franklin County Industrial Development Agency, referred to below, are deemed immaterial to the financial statements of the reporting entity.

The County of Franklin Solid Waste Management Authority and the Franklin County Nursing Home consider accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If, in the future, management determines that amounts may be uncollectible, an allowance will be established and operations will be charged when that determination is made.

Bad debts are recognized by the Franklin County Industrial Development Agency in the year in which they are determined uncollectible. The Agency experienced **(NOT AVAILABLE)** loan charge-offs during the year ended December 31, 2012. No

The amounts reported on the Statement of Net Assets for due to and due from other funds represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the individual fund balances at year-end is provided subsequently in these notes.

5. Inventory

Inventory is valued at cost utilizing the first-in, first-out method in the General Fund. Inventory is stated at the lower of cost or market in the Enterprise Fund.

6. Capital Assets

Capital assets are recorded at actual (historical) or estimated historical cost. Land and vehicles were recorded at historical cost. Leased equipment was recorded at the present value of the minimum lease payments at the inception of the lease. In the case of gifts and contributions, the fair market value at the time received was used. Depreciation is computed using the straight-line method over the estimated useful life of the related asset, ranging from 3 to 40 years, as follows:

	Estimated Useful Lives	Capitalization Threshold
Buildings	40 years	\$1,000
Infrastructure	20 years	\$1,000
Improvements	15 years	\$1,000
Furniture, Fixtures, and Equipment	3-7 years	\$1,000

Capital assets are stated at cost for the Franklin County Nursing Home, the Franklin County Industrial Development Agency, and the Rainbow Lake Water Protection District. Depreciation is provided by the straight-line method at rates sufficient to recognize the cost of such assets over their estimated useful lives.

Property, plant and equipment are also recorded at cost for the County of Franklin Solid Waste Management Authority. Expenditures for acquisitions, renewals, and betterments are capitalized, whereas maintenance and repair costs are expensed as incurred. When equipment is retired or otherwise disposed of, the appropriate accounts are relieved of costs and accumulated depreciation, and any resultant gain or loss is credited or charged to operations.

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives on the straight-line basis, except for the landfill cell, which is depreciated based on capacity used. The estimated lives used in determining depreciation for property, plant and equipment (other than the landfill cell) vary from five to twenty years.

The Enterprise Fund (Nursing Home), as trustee, holds patient funds in an escrow account. This account is maintained by Franklin County. These funds are expended at the direction of the patients for personal items.

8. Deferred Revenue

Deferred revenues arise when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Deferred revenues also arise when resources are received by the County of Franklin before they have a legal claim to them, such as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the County of Franklin has legal claim to the resources, the liability for deferred revenues is removed and revenues are recognized.

Deferred revenue in the General Fund consists of taxes, which are included in taxes receivable. These taxes receivable will not be collected within 60 days after the year end. Consequently, they are classified as deferred revenue.

Loan repayments of Department of Housing and Urban Development funds are recorded as miscellaneous revenue when received by the Franklin County Industrial Development Agency.

9. Environmental and Closure Accruals

State and federal laws and regulations require that the County of Franklin Solid Waste Management Authority place a final cap on its landfills when closed and perform certain maintenance and monitoring functions at the landfill sites after closure.

The Authority maintains a reserve for closure of the regional landfill as established in the 1993 Series Bond Agreement. The balance in the reserve totaled \$1,921,323 at June 30, 2012. These funds are reported herein as restricted cash equivalents and investments.

The Authority's policy regarding closure and monitoring costs for its landfills is to accrue these costs and charge them to expense over the useful operating life of each landfill. Management believes this policy accurately matches closure and monitoring costs against revenues generated by each landfill. The accrual is based on the percentage of total landfill capacity used as of the end of each year, multiplied by the total estimated closure and monitoring costs. These estimates are generated by management, with assistance from an independent consulting and engineering firm.

10. Fair Value of Financial Instruments

For the Franklin County Solid Waste Management Authority, the carrying values of cash and cash equivalents, investments, accounts receivable, accrued interest, accounts payable and current portion of long-term debt and bonds payable approximate fair market value because of the short maturity of those instruments. The

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as due within one year. The remaining portion of such obligations is reported as a liability in the governmental activity and due in more than one year. Long-term liabilities expected to be financed from proprietary fund or component unit operations are accounted for within those funds.

12. Fund Balance

There are five classifications of fund balance in the Fund Balance Statements:

a. Non-Spendable:

The non-spendable fund balances include amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the General Fund and County Road Fund.

b. Restricted:

The restricted fund balances include amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or law or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General Fund are classified as restricted fund balances. The County has established the following restricted fund balances:

Unemployment Insurance Reserve

This reserve is used to accumulate funds to pay the cost of reimbursement to the New York State Unemployment Insurance Fund for payments made to claimants. Excess reserve amounts may be either transferred to another reserve or applied to the appropriations of the succeeding year's budget. The reserve is accounted for in the General Fund.

Health Insurance Reserve

This reserve is used to accumulate funds to pay the cost of the self-insured health insurance plan. Excess reserve amounts may be either transferred to another reserve or applied to the appropriations of the succeeding year's budget. The reserve is accounted for in the General Fund.

Tax Stabilization Reserve

This reserve is used to finance an unanticipated revenue loss or an unanticipated expenditure chargeable to the eligible portion of the annual budget. This reserve may be used to lessen or prevent projected increases in excess of 2.5 percent of

exceed 10 percent of the eligible portion of the annual budget. This reserve is accounted for in the General Fund.

E911 Reserve

This reserve is used to monitor revenues and expenditures for the emergency 911 program. This reserve is accounted for in the General Fund.

Reserve for Retirement

This reserve is used to accumulate funds for future payments of retirement contributions. The reserve is accounted for in the General Fund.

Capital Reserve

This reserve is used to accumulate funds to finance all or a portion of future capital projects for which bonds may be issued. Voter authorization is required for both the establishment of the reserve and payments from the reserve. The reserve is accounted for in the Capital Fund. The County has also designated a Capital reserve in the General fund for mortgage tax receipts received to be used for capital improvements with regards to County owned property.

Reserve for Debt Service

This reserve is used to account for proceeds from the sale of property that was financed by obligations still outstanding, interest and earnings on outstanding obligations, and remaining bond proceeds not to be utilized for the intended purpose. These moneys must be used to pay the debt service of the obligations from which they originated. This reserve is accounted for in the General Fund.

c. Committed:

The committed portion of the fund balance includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the Board. The County has no committed fund balance as of December 31, 2012.

d. Assigned:

The assigned portion of the fund balance includes amounts that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund. The reserve for encumbrances represents the amount of outstanding encumbrances at the end of the fiscal year to be potentially expended in the subsequent year. \$0 has been designated in the General Fund as the amount estimated to be appropriated to reduce taxes for the subsequent year.

e. Unassigned:

The unassigned portion of the fund balance includes all other General Fund net assets that do not meet the definition of the above four classifications and are

The County's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the General Fund are classified as restricted fund balance. In the General Fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance. The unassigned portion of the fund balance includes all other General Fund net assets that do not meet the definition of the above classification and are deemed to be available for general use by the County.

13. Net Assets

The governmental and business-type activities utilize a net assets presentation. Net assets are categorized as invested in capital assets (net of related debt), restricted and unrestricted.

- Invested in Capital Assets, Net of Related Debt - This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- Restricted Net Assets - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Assets - This category represents net assets not restricted for any project or other purpose.

G. REVENUES AND EXPENDITURES

1. Real Property Taxes

County real property taxes are levied annually no later than December 31 and are due and become a lien on January 1. Taxes are collected during the period January 1 to March 31. Taxes for County purposes are levied together with taxes for town and special district purposes as a single bill. The towns and special districts receive the full amount of their levies annually out of the first amounts collected on the combined bills. The County of Franklin assumes enforcement responsibility for all taxes levied in the towns.

The County of Franklin has adopted an installment plan for delinquent taxes. After taxes are turned over by the town to the County, land owners can enroll in the installment plan having a minimum 25 percent down payment of all delinquent taxes and paying monthly installments plus interest on the remaining 75 percent. This procedure includes the County's withdrawal of foreclosure on the property. The

taxes in the subsequent year.

2. Patient Service Income

The Franklin County Nursing Home reports patient service income at the estimated net realizable amounts from residents, third-party payors, and others for services rendered.

Revenue under third-party payor agreements is subject to audit and retroactive adjustment. Provisions for estimated third-party payor settlements are provided in the period the related services are rendered. Differences between the estimated amounts accrued and final settlements are reported in operations in the year of settlement. Approximately 90 percent of the patient service income is derived from the Medicare and Medicaid programs.

3. Interfund Transactions

The Franklin County Nursing Home participates in a Countywide plan for general and workers' compensation insurance coverage. The nursing home also participates in a countywide plan that allocates overhead costs for central, personnel, and data processing services.

4. Revolving Funds: Industrial Development Agency

The Franklin County Industrial Development Agency has established a revolving loan fund offering low-interest loans to area businesses. The loans are approved by the governing board after giving consideration to the major criteria, i.e., enhancement of the economic environment. Revenue recognition on these loans is limited to the receipt of interest.

5. Industrial Revenue Bond and Note Transactions

Certain industrial development revenue bonds and notes issued by the Franklin County Industrial Development Agency are secured by property which is leased to companies and is retired by lease payments. The bonds and notes are not obligations of the Agency or the State of New York. The Franklin County Industrial Development Agency does not record the assets or liabilities resulting from completed bond and note issues in its accounts since its primary function is to arrange the financing between the borrowing companies and the bond and note holders, and funds arising therefrom are controlled by trustees or banks acting as fiscal agents. For providing this service, the Agency receives bond administration fees from the borrowing companies. Such administrative fee income is recognized immediately upon issuance of bonds and notes.

6. Grants: Franklin County Industrial Development Agency

The Franklin County Industrial Development Agency provided grant funds to the Franklin County Local Development Corporation. The objective of these grants is to

Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated.

8. Vacation and Sick Leave and Compensatory Absences

County employees are granted vacation and sick leave and earn compensatory absences in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation, sick leave, and unused compensatory absences. Payment to employees is determined by various rates and is subject to certain limitations.

Estimated vacation and sick leave and compensatory absences accumulated by governmental fund-type employees have been recorded as long-term debt in the governmentwide funds, and for business-type employees they are recorded as an expense when earned in the proprietary fund types.

Payment of vacation and sick leave recorded as long-term debt is dependent upon many factors; therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payments of vacation and sick leave and compensatory absences when such payments become due. The liability for compensated absences is disclosed in Note IV(B)(3)(a).

9. Post-Retirement Benefits

In addition to providing pension benefits, the County of Franklin provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the County's employees may become eligible for these benefits if they reach normal retirement age while working for the County. In 2012 the County pays a third party provider for all retirees over 65 years of age as supplemental insurance. The premiums are paid by the retired employees and are used to offset the cost incurred by the County. The County of Franklin had 76 retirees participating in the County Plan and 139 in the supplemental plan as of December 31, 2012. In July 2004, the GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postretirement Benefits Other Than Pensions*. This statement establishes standards for the measurement, recognition and display of other postretirement benefits expenses/expenditures and related liabilities (assets), note disclosures and required supplementary information in the financial reports of state and local government employees. The provisions of this Statement are effective for the County for periods beginning after December 15, 2007, but the County early implemented the statement in 2007. The County has had an actuarial calculation of the liability. The County will amortize the liability over 30 years.

H. Accounting Standards Issued But Not Yet Implemented

(FASB) and American Institute of Certified Public Accountants (AICPA) pronouncements. This statement incorporates into the GASB's authoritative literature the applicable guidance issued before November 30, 1989 from FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the AICPA's Committee on Accounting Procedure. The requirements of the statement are effective for periods beginning after December 15, 2011, which is the fiscal year beginning January 1, 2012 for the County. This statement is not expected to have a material effect on the financial statements of the County.

- GASB Statement No. 63 -"Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Deferred outflows and inflows are the consumption and acquisition of net assets by a governmental entity that is applicable to a future reporting period. This statement amends the net asset reporting requirements in Statement No. 34 -"Basic Financial Statements -and Management's Discussion and Analysis -for State and Local Governments" and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The requirements of this statement are effective for periods beginning after December 15, 2011, which is the fiscal year beginning December 1, 2012 for the County. This statement is not expected to have a material effect on the financial statements of the County.

- GASB Statement No. 65 -"Items Previously Reported as Assets and Liabilities" establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources such as changes in the determination of the major fund calculations and limiting the use of the term deferred in the financial statement presentations. The requirements of this statement are effective for periods beginning after December 15, 2012, which is the fiscal year beginning January 1, 2013 for the County. This statement is not expected to have a material effect on the financial statements of the County.

- GASB Statement No. 66 -"Technical Corrections -2012 -an Amendment of GASB Statements No. 10 and No. 62" improves accounting and financial reporting for a governmental entity by resolving conflicting guidance that resulted from the issuance of two pronouncements. Statements No. 54 -"Fund Balance Reporting and Governmental Fund Type Definitions" and No. 62 -"Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements." This statement amends Statement No. 10 by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type. This statement also amends Statement No. 62 by modifying the specific guidance on accounting for (1) operating lease payments that

this statement are effective for periods beginning after December 15, 2012, which is the fiscal year beginning January 1, 2013 for the County. This statement is not expected to have a material effect on the financial statements of the County.

- GASB Statement No. 67 -"Financial Reporting for Pension Plans -an Amendment of GASB Statement No. 25" replaces existing standards for financial reporting and note disclosure for most pension plans that are administered through trusts or equivalent arrangements. The statement specifies the required approach for measuring the pension liability of all employers and nonemployer contributing entities participating in a pension plan and details required note disclosures for financial reporting. The requirements of this statement are effective for periods beginning after June 15, 2013, which is the fiscal year beginning January 1, 2014 for the County. This statement is not expected to have a material effect on the financial statements of the County.
- GASB Statement No. 68 -"Accounting and Financial Reporting for Pensions -an Amendment of GASB Statement No. 27" replaces existing standards of accounting and financial reporting for pension plans that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. The statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources and deferred inflows of resources, and expense/expenditures. The requirements of this statement are effective for periods beginning after June 15, 2014, which is the fiscal year beginning January 1, 2015 for the County. This statement is not expected to have a material effect on the financial statements of the County.

NOTE II - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND COUNTYWIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the Countywide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds.

A. TOTAL FUND BALANCES OF GOVERNMENTAL FUNDS VS. NET ASSETS OF GOVERNMENTAL ACTIVITIES

Total fund balances of the County of Franklin's governmental funds differ from "net assets" of governmental activities reported in the Statement of Net Assets. This difference primarily results from the additional long-term economic focus of the Statement of Net Assets versus the solely current financial resources focus of the governmental fund balance sheets.

The costs of building and acquiring capital assets (lands, buildings and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Assets includes those capital assets among the assets of the County as a whole, and

\$ 48,825,237

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets are taxes receivable that are offset by deferred revenue in the governmental funds, and consequently are not included in fund balance.

Adjustment of Deferred Tax Revenue \$ 13,997,223

Long-term liabilities are reported in the Statement of Net Assets, but not in the governmental funds, because they are not due and payable in the current period. Balances at year end were:

	Due in One Year	Due After One Year	Total
Bonds Payable	\$ 505,000	3,605,000	4,110,000
Compensated Absences	99,540	895,861	995,401
Post Employment Benefit Obligations	1,143,204	17,818,689	18,961,893
	<u>\$ 1,747,744</u>	<u>22,319,550</u>	<u>24,067,294</u>

As indicated in Note 1, the amounts reported on the Statement of Net Assets for due to and due from other funds represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. A summary of governmental interfund receivable/payable eliminations is as follows:

	Interfund Receivable	Interfund Payable
General Fund	-	1,171,885
Special Revenue Fund	1,785,084	-
Capital Project Fund	-	613,199
	<u>\$ 1,785,084</u>	<u>1,785,084</u>

Interest on short- and long-term debt is recorded as an expenditure in governmental funds when it is due, and thus requires the use of current financial resources. On the Statement of Net Assets, interest is recognized as it accrues, regardless of when it is due. A summary of additional accrued interest on debt as of December 31, 2012 is as follows:

Serial Bonds \$ 21,253

B. STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE VS. STATEMENT OF ACTIVITIES

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories. The amounts shown below represent:

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenue when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

2. Capital Related Differences

Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.

3. Long-Term Debt Transaction Differences

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Assets.

Differences between the governmental funds Operating Statement and Statement of Activities

Total Revenue and Other Funding Sources of Governmental Funds

Total revenue and other funding sources of governmental funds	\$ 94,618,590
Because property taxes will not be collected for several months after the County's year end, they are not considered as "available" revenues in the governmental funds.	1,913,123
Net revenues of certain internal service funds are reported with governmental activities on the Statement of Activities, net of intercompany charges.	540,647
Elimination of interfund revenue from governmental funds:	
Intergovernmental Charges - SWMA	(5,997,360)
Interfund transfers In	(6,046,836)
Interfund transfers Out	<u>6,046,836</u> <u>-</u>
Total revenues and other funding sources of governmental activities in the Statement of Activities	<u>\$ 91,075,000</u>

Total expenditures reported in governmental funds

\$ 96,853,906

In the Statement of Activities, certain operating expenses (compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). The estimated liability for compensated absences was more than payments by \$44,574

44,574

When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation of \$4,324,498 and loss on disposal of equipment of \$79,471 did not exceed capital expenditures of \$7,538,570 in the current year.

(3,134,600)

Repayment of bond principal debt and long term lease are expenditures in the governmental funds, but they reduce long term liabilities in the Statement of Net Assets, and do not affect the Statement of Activities

(1,340,000)

Net operating expenses of certain internal service funds are reported with governmental activities on the Statement of Net Assets, less corresponding intercompany charges.

819,361

Home and Community Services -SWMA advances which are offset by intergovernmental charges

(5,997,360)

Estimated net Other Post Employment Benefits Obligation for 2012

2,166,009

Interest on long term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The net interest reported in the Statement of Activities is the result of accrued interest on bonds payable.

(8,718)

Total expenses of governmental activities

\$ 89,403,172

DEFICIT FUND BALANCE AND RETAINED EARNINGS

Component Unit: Solid Waste Management Authority

Deficit retained earnings is due to prior-year net losses, which include noncash expenses for depreciation of fixed assets and amortization of capitalized pre-operational and financing costs.

NOTE IV - DETAIL NOTES ON ALL FUNDS AND COMPONENT UNITS

A. ASSETS

1. Cash, Restricted Cash and Investments

The County investment policies are governed by state statutes. In addition, the County has its own written investment policy. County monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The County Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements, and obligations of New York State or its localities

Collateral is required for demand deposits and certificates of deposit at 100 percent of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

a. Cash and Deposits

The County's policies regarding deposits of cash are discussed above. The table presented below is designed to disclose the level of custody credit risk assumed by the County based upon how its deposits were insured or secured with collateral at December 31, 2012. The categories of credit risk are defined as follows:

Category 1 - Insured by FDIC or collateralized with securities held by the County or by its agent in the County's name.

Category 2 - Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the County's name.

Category 3 - Uninsured and uncollateralized.

Type of Deposit	Custody Credit Risk Category				Total Carrying Value
	Total Bank Balance	1	2	3	
Demand Deposits	\$ 5,053,474	2,572,172	2,481,302	-	2,407,686
Time Deposits	4,340,387	477,915	3,862,472	-	4,262,357
Cash on Hand	-	-	-	-	35,363

Unrestricted Cash, including Time Deposits - Governmental Activity	\$ 3,189,143
Unrestricted Cash, including Time Deposits - Business-Type Activity	1,377
Restricted Cash, including Time Deposits	1,635,452
Fiduciary Fund Cash, including Time Deposits	1,879,434
	<u>\$ 6,705,406</u>

b. Investment Pool

The County of Franklin participates in a multi-municipal cooperation investment pool agreement pursuant to New York State General Municipal Law Article 5-G, Section 119-0, whereby it holds a portion of the investments in cooperation with other participants. At December 31, 2012, the County held \$0 in investments.

The investment pool is categorically exempt from the New York State collateralization requirements.

c. Restricted Assets

Governmental funds report restricted assets for cash deposited in bank accounts legally restricted for specified uses such as Emergency 911, unemployment and health insurance, county road projects, and bonded debt.

The following is a detail of restricted assets of the component unit Solid Waste Management Authority as of June 30, 2012:

Cash and Cash Equivalents	\$ 6,008,072
Investments, Restricted	2,558,792
Accrued Interest on Restricted Bonds	16,302
	<u>\$ 8,583,166</u>

Restricted cash and cash equivalents are held in money market funds and are legally restricted in use and purposes by the Authority bond document.

Investments are presented at cost which approximates current market value or the value at the date management anticipates liquidating the investment. Restricted investments consist of marketable securities held by the bond trustee. These investments will be liquidated and expended for the construction and acquisition of capital assets, bond interest and principal payments, and environmental and closure costs in accordance with the bond trust indentures.

The Authority has entered into a repurchase agreement. The agreement requires collateralization of cash at 100 percent and securities at 103 percent. Approximately \$2,000,000 relating to the 1995, 2000 and 2003 Debt Service Reserve funds were subject to the agreement. The funds can be repurchased on demand to provide for shortfall in regularly scheduled payments of principal and interest on the bonds. The funds cannot be repurchased for reinvestment. The

are in excess of the Federal Deposit Insurance Corporation limit. There were no deposits that exceed the FDIC insurance at June 30, 2012.

All of the Solid Waste Management Authority's investments are either registered in the Authority's name or held in trust by a third-party custodian in the Authority's name.

	Face Value	Unamortized Premium (Discount)	Total	Fair Market Value
US Treasury Bill	\$ 24,200	-	24,200	24,200
US Treasury Note	558,000	6,000	564,000	571,359
Tri-Party Repo Bond	846,065	-	846,065	846,065
Tri-Party Repo Bond	1,124,527	-	1,124,527	1,124,520
	<u>\$ 2,552,792</u>	<u>\$ 6,000</u>	<u>\$ 2,558,792</u>	<u>\$ 2,566,144</u>

2. Taxes Receivable

At December 31, 2012, real property tax assets of \$18,908,583 are reported net of the allowance for uncollectible taxes in the amount of \$154,668. Current-year returned village and school taxes of approximately \$4,589,924 are offset by liabilities to the villages and school districts, which will be paid no later than April 1, 2013. The remaining portion of tax assets, \$14,318,659, is offset by deferred tax revenue of \$13,997,223, which represents an estimate of the county tax liens that will not be collected within the first 60 days of the subsequent year. The deferred tax revenue is recorded as income in the GASB 34 reconciliation.

3. Other Receivables, Net

The following is a list of other accounts receivable as of December 31, 2012, which are stated at net realizable value. County management considers these amounts to be fully collectible, except for Not for Profit and PHN:

Public Health Nurses, Net	\$ 889,933
Other Department Receivables	1,224,175
Allowance for Uncollectibles	(500,000)
Special Revenue Fund	
CDBG Note Receivable	67,852
Road Machinery	27,452
Soil and Water	495
Internal Service Fund	
Premiums	594
Assessments	278
Total Governmental Activities	<u>1,710,781</u>
Enterprise Fund	
Patients	<u>925,166</u>
Total Business Activities	<u>925,166</u>
IDA (Component Unit)	
Miscellaneous Receivables	not available
SWMA (Component Units)	
Accounts Receivable, Net	490,086
Accrued Interest	16,302
Total Component Units	<u>\$ 506,388</u>

4. Changes in Capital Assets

a. Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Non-depreciable</u>				
Land	\$ 145,493	-	-	145,493
Construction in Progress	800,616	5,036,014	(87,776)	5,748,854
<u>Depreciable</u>				
Buildings	23,898,442	-	-	23,898,442
Equipment	11,692,713	1,141,166	(626,241)	12,207,638
Roads	25,982,216	281,071	-	26,263,287
Bridges	28,134,204	1,168,093	-	29,302,297
Subtotal	90,653,684	7,626,344	(714,017)	97,566,011
Accumulated Depreciation	(44,963,046)	(4,324,498)	546,770	(48,740,774)
Total	<u>\$ 45,690,638</u>	<u>3,301,846</u>	<u>(167,247)</u>	<u>48,825,237</u>

useful lives.

Depreciation expense of \$4,324,498 was charged to the following functions on the Statement of Activities:

General Support	\$ 1,053,344
Public Safety	224,483
Health	78,705
Transportation	2,810,425
Economic Assistance and Opportunity	36,808
Culture and Recreation	200
Home and Community Service	120,533
Unallocated	-
Total	<u>\$ 4,324,498</u>

b. Franklin County Nursing Home

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Nondepreciable</u>				
Land	\$ 16,500	-	-	16,500
<u>Depreciable</u>				
Land Improvements	36,171	-	-	36,171
Buildings	1,711,712	11,097	-	1,722,809
Fixed Equipment	2,142,981	-	-	2,142,981
Movable Equipment and Vehicles	<u>771,345</u>	<u>62,857</u>	-	<u>834,202</u>
Subtotal	4,678,709	73,954	-	4,752,663
Accumulated Depreciation	<u>(4,177,349)</u>	<u>(135,364)</u>	-	<u>(4,312,713)</u>
Total	<u>\$ 501,360</u>	<u>(61,410)</u>	-	<u>439,950</u>

Capital assets are stated at cost. Depreciation is provided by the straight-line method at rates sufficient to write-off the cost of such assets over their estimated useful lives. Depreciation charged to operations for the year ended December 31, 2012 was \$135,364.

c. Franklin County Industrial Development Agency

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Nondepreciable</u>				
Land	\$ 170,027	-	-	170,027
<u>Depreciable</u>				
Buildings	1,767,443	-	-	1,767,443
Office Equipment	<u>80,007</u>	-	-	<u>80,007</u>
Subtotal	2,017,477	-	-	2,017,477
Accumulated Depreciation	<u>(461,721)</u>	-	-	<u>(461,721)</u>

Capital assets are stated at cost. Depreciation is computed on a straight-line basis over the estimated useful life of the related asset. Depreciation charged to operations for the year ended December 31, 2012 was **not available**.

d. Solid Waste Management Authority

	June 30, 2011	Additions/ Deletions	June 30, 2012
<u>Nondepreciable</u>			
Land	\$ 266,460	167,349	433,809
<u>Depreciable</u>			
Land Improvements	2,040,041	-	2,040,041
Landfill Cell	13,441,201	-	13,441,201
Buildings	3,000,658	-	3,000,658
Waste Disposal Equipment, Machinery and Vehicles	2,879,750	39,181	2,918,931
Subtotal	21,361,650	39,181	21,400,831
Less: Accumulated Depreciation	(15,752,074)	(1,409,005)	(17,161,079)
Total Property, Plant and Equipment	\$ 5,876,036	(1,202,475)	4,673,561

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives on the straight-line basis. The estimated lives used in determining depreciation for property and equipment vary from five to seven years. Depreciation expense for the period ended June 30, 2012, totaled \$1,411,920.

e. Rainbow Lake Water Protection District

The County of Franklin owns the Lake Kushaqua Dam which it acquired from the Rainbow Lake Association, Inc., for \$5,000. The dam is being depreciated over the term of the repayment of the obligation to the Rainbow Lake Association, Inc. During the fiscal year ended December 31, 2006, significant improvements to the dam were begun that entail the replacement of the slotted boards as the means to control the height of the dam with mechanical gates and safety railings that can respond faster to changes of water level in the lake. A schedule of the dam and its related accumulated depreciation as of December 31, 2012, is as follows:

Dam	\$ 5,000
Dam Improvements	12,190
Less Accumulated Depreciation	(8,170)
Dam, Net	<u>\$ 9,020</u>

Depreciation expense was \$610 for the year ended December 31, 2012.

Solid Waste Management Authority

Engineering and financing costs relate to various initial start-up costs as well as those costs incurred prior to the Authority becoming fully operational.

A summary of capitalized engineering and financing costs at June 30, 2012, is as follows:

Construction and engineering costs	\$ 3,130,013
Discount on bonds payable	200,623
Bond, Issuance costs, including	
Underwriters' discount	743,229
Deferred amount on defeased 1993 bond	1,572,481
Expansion/Ton increase costs	<u>1,413,167</u>
Subtotal	7,059,513
Amortization	<u>(4,989,262)</u>
Capitalized engineering and	
Financing Costs, Net	<u>\$ 2,070,251</u>

Authority establishment costs are amortized over 20 years on a straight-line basis, beginning June 6, 1994, the date operations began. Financing costs and the deferred amount on the defeased 1993 bond are being amortized over the life of the bond using the straight-line method. The expansion/ton increase costs are being amortized over 6 years on a straight-line basis. Amortization expense related to the establishment and expansion costs and bond issue costs totaled \$288,554 for the year ended June 30, 2012. Amortization associated with bond defeasance and discounts, recorded as interest expense, was \$83,082 for the year ended June 30, 2012.

6. Other Assets

Organization Costs (Rainbow Lake Water Protection District)

At the time that the Rainbow Lake Water Protection District was created under New York County Law Section 264(A) by the Franklin County Legislature, the District had accrued financial obligations to its professional contractors and private sponsor in the fulfillment of all legal requirements for the creation of the District as well as obtaining the ownership of the dam. These obligations were as follows:

Franklin County Attorney Office	\$ 2,500
Smith, Dwyer & Bliss, P.C., Attorneys	12,467
Rainbow Lake Association, Inc.,	
Private Sponsor	<u>19,254</u>
Total Obligations	34,221
Less: Purchase of Dam	<u>(5,000)</u>
Total Organization Costs	29,221
Less: Accumulated Amortization	<u>(29,221)</u>
Total Organization Costs (Net)	

organization costs have been fully amortized.

B. LIABILITIES

1. Pension Plan

Plan Description

The County of Franklin, the Franklin County Nursing Home, and the Solid Waste Management Authority participate in the New York State and Local Employees' Retirement System (ERS) and the Public Employees' Group Life Insurance Plan. These are cost-sharing multiple-employer retirement systems. The plans provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law. As set forth in the New York State Retirement and Social Security Law, the Comptroller of the State of New York serves as sole trustee and administrative head of the plans. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the plans and for the custody and control of their funds. The plans issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State Local Retirement Systems, Gov. Alfred E. Smith State Office Building, Albany, NY 12244.

Funding Policy

The plans are noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3 percent of their salary. Employees in the system with more than ten years of service are no longer required to contribute. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

The County of Franklin is required to contribute at an actuarially determined rate. The required contributions for the current year and the two preceding years were:

	County of Franklin	NCCC	Franklin County Nursing Home	Solid Waste Management Authority
2012	\$ 2,846,179	328,773	525,906	142,216
2011	\$ 2,609,187	278,674	489,240	106,333
2010	\$ 1,962,804	193,733	355,241	56,710

The NCCC reimburses the County for its share of the retirement costs. Contributions made to the plans were equal to 100 percent of the contributions required for each year.

The following are deferred revenues included in the general fund:

Deferred Taxes	\$ 13,997,223
Deferred Revenue DA	\$ 389,571
Social Services Advances and Other	464,525
Total	<u>\$ 14,851,319</u>

3. Long-Term Debt

The changes in the County of Franklin's long-term indebtedness during the year ended December 31, 2012 are summarized as follows:

	Balance 1/01/12	Additions	Reductions	Balance 12/31/12	Due Within One Year
Governmental Activities:					
Courthouse Serial Bonds 2009	\$ 4,595,000	-	485,000	4,110,000	505,000
Correctional Facility - Serial Bonds - 1988	855,000	-	855,000	-	-
Compensated Absences	1,054,153	-	58,752	995,401	99,540
Post Employment Benefit	16,795,883	3,309,212	1,143,202	18,961,893	1,143,202
Total Long-Term Debt	<u>23,300,036</u>	<u>3,309,212</u>	<u>2,541,954</u>	<u>24,067,294</u>	<u>1,747,742</u>

a. Compensated Absences

Pursuant to contractual agreements, County employees are entitled to accrue an unlimited amount of sick leave and carry forward annually 21 days (or more with written permission of department head) of vacation leave. Upon retirement, unused sick leave may be converted to additional retirement credit up to a maximum of 165 days. No payments are made for unused sick leave.

i. Governmental Activities

The liability for these fringe benefits computed at current pay rates at December 31, 2012, amounts to \$1,054,153 and is recorded in the governmental funds.

ii. Business-Type Activities

The costs, attributable to the various compensated absences, are recognized in the period incurred. Any liability was deemed immaterial to the financial statements of the reporting entity.

b. Other Post Employment Benefits

The County has adopted GASB 45 for the year ended December 31, 2008 and is accruing annually the liability over 30 years. The following table is based on actuarial information, using a medical benefits inflation rate of 5% to 8% and a discount rate baseline of 4%. Medical benefits are based on pre and post 65 retirement. Pre 65 benefits is full health insurance with an employees portion, post 65 is based on supplemental insurance at a lower rate. The following schedule is in

Valuation Date 1/1/2011	Actuarial Value of Assets	Accrued Liability (UAL)	Funded Ratio	Covered Payroll	Percentage of Covered Payroll
General	- \$	34.0	34.0	0%	n/a
Nursing Home	-	4.0	4.0	0%	n/a
IDA	-	-	-	0%	n/a

The County has elected to amortize these costs over 30 years as allowed in GASB 43/45. The following are the Annual required contributions for 2012. The County recorded a liability for 18,961,893 for 2012 and \$16,795,883 for 2011. This is the annual required contribution for the County of \$3,309,212 less the benefit payouts of \$1,143,202.

December 31, 2012	Annual Required Contribution	Actual Contribution Made	Percentage Contributed
General	\$ 2,922,611	n/a	n/a
Nursing Home	386,453	n/a	n/a
IDA	148	n/a	n/a

c. Serial Bonds

The County of Franklin, like most governmental units, borrows money in order to acquire land or equipment or to construct and improve buildings. This policy enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of these capital assets. The provision to be made in the future budgets for capital indebtedness represents the amount, exclusive of interest, authorized by the County to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

- i. The Courthouse Public Improvement (Serial) bonds, issued in 2009 at interest rates of 2.50 percent to 3.50 percent, have a final maturity of November 1, 2019. Interest charged to the Debt Service Fund was \$139,644 for the year ended December 31, 2012. Interest on the Bonds will be payable on May 1, 2012 and November 1, 2012 and semi-annually thereafter on each May 1 and November 1 until maturity.
- ii. The Correctional Facility serial bonds, issued in 1998 at interest rates of 3.60 percent to 4.70 percent, had a final maturity of November 1, 2012, which includes zero coupon bonds maturing November 1, 2005. Interest charged to the Debt Service Fund was \$40,185 for the year ended December 31, 2012.

d. Debt Limits

It is the opinion of the County of Franklin and its legal counsel that the courthouse lease obligation does not constitute debt for the purposes of the State Constitution and New York State Local Finance Law, nor does it have to be reported as debt on a statement pursuant to Title 9 of the Finance Law. Generally accepted accounting

aggregated \$24,067,294. Of this amount, \$5,450,000 was subject to the constitutional debt limit.

e. Maturity Schedule

The following is a summary of capital lease and bond principal maturities and interest requirements:

Specific years for payment of compensated absences are not determinable.

Year	Serial Bonds	
	Court House 2009	
	Principal	Interest
2013	505,000	127,519
2014	530,000	114,894
2015	560,000	110,319
2016	585,000	83,518
2017	620,000	65,968
2018-2019	1,310,000	68,319
Total	4,110,000	570,537

4. Long-Term Debt- Component Units

a. Notes Payable - Franklin County IDA

Notes payable Franklin County Local
Development Corporation, Due
September 12, 2011, interest accruing
At 5 1/4% per annum.

not available

b. Bonds Payable -Solid Waste Management Authority

A summary of the Solid Waste Management Authority's bonds payable at June 30, 2012, is as follows:

interest is payable semi-annually at 2.82%, principal installments of \$110,000 through \$170,000 payable annually on December 15, 2005 through 2015.	\$ 650,000
Solid Waste System Refunding bonds, Series 2003A	
Interest payable semi-annually at 3.00% to 4.375%, principal installments of \$555,000 through \$1,095,000, payable annually on June 1, 2004 through 2015.	3,225,000
Water Pollution Control Revolving Fund Revenue Bonds, Series 1995A	
Interest payable semi-annually at 2.01% to 2.89%, principal installments of \$345,000 through \$550,000, payable annually on May 15, 1996 through 2015.	1,620,000
Solid Waste System Revenue Bond Series 2008	
Interest Payable semiannually at 4.28%, principal installments of \$850,000 through \$1,035,000, payable annually on June 1, 2009 through 2014.	2,030,000
Solid Waste System Revenue Bond Series 2012	
Interest payable semiannually at 2.0% to 5.0% principal installments of \$200,000 through \$370,000 first payments due payable annually starting on June 1, 2015 through 2032	<u>4,810,000</u>
Subtotal	7,525,000
Less current installments	<u>(2,715,000)</u>
Total bonds Payable	<u>\$ 4,810,000</u>

In prior years the Authority defeased a portion of the 1993 Series Bonds by placing the proceeds for the 1995A Series Bonds in an irrevocable trust to provide for all future debt service payments on the 1993 bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the Authority's financial statements. At June 30, 2012, \$3,875,000 in bonds outstanding are considered defeased.

The Series 2003 Bonds are not subject to redemption prior to maturity, other than Sinking Fund Redemption of the Series 2003B Bonds. The Series 2003B Bonds have a redemption price of 100 percent.

A summary of the Solid Waste Management Authority's future minimum annual maturities for bonds payable is as follows:

2013	2,715,000	475,500
2014	2,830,000	363,553
2015	2,010,000	253,360
2016	375,000	180,797
2017	210,000	174,300
2018-2022	1,130,000	784,500
2023-2027	1,360,000	551,750
2028-2032	1,705,000	210,200
	<u>\$ 12,335,000</u>	<u>2,993,960</u>

Interest expense on the above indebtedness was \$476,720 for the year ended June 30, 2012. Interest paid was \$382,868 for the year ended June 30, 2012.

c. Other Long-Term Debt- Solid Waste Management Authority

A summary of the Solid Waste Management Authority's other long-term debt at June 30, 2012, is as follows:

First Niagara, installment loan payable in semiannual installments of \$16,355 including interest at 3.124%, due January 2016, secured by equipment	\$ 122,100
First Niagara, installment loan payable in semiannual installments of \$12,991 including interest at 3.14%, due February 2013, secured by equipment	25,387
Koch Financial Corp. installment loan payable in semi-annual installments of \$15,874 including interest at 5.46%, due August 2012, secured by equipment.	15,157
Caterpillar installment loan payable in semi-annual installments of \$52,645 including interest at 4.0%, due August 2012, secured by equipment.	<u>50,987</u>
Total	213,631
Less Current Portion	<u>(120,701)</u>
Net Other Long-Term Debt	<u>\$ 92,930</u>

Interest expense incurred and paid on the above indebtedness was \$16,055 for the year ended June 30, 2012.

A summary of the Authority's future annual minimum maturities of long-term debt at June 30, 2012, is as follows:

For the year ending June 30, 2013	120,701
2014	30,038
2015	30,983
2016	<u>31,909</u>
	<u>\$ 213,631</u>

The following is a summary of other liabilities as of December 31, 2012:

a. Primary Government

Governmental Activities

Overpayments	\$ 8,091
--------------	----------

Fiduciary Funds

Restricted Cash and Deposits Payable	\$ 1,765,840
--------------------------------------	--------------

b. Component Unit

Solid Waste Management Authority

i. Environmental and Closure Accrual for Landfill

A summary of the environmental and closure accrual, which includes the consulting engineer's estimate of the cost for environmental compliance, landfill closure, and post-closure through June 30, 2012, is as follows:

	<u>Regional Landfill</u>
Total landfill cell capacity	1,598,930 cubic yard
Total landfill cell capacity used through June 30, 2011	1,367,866 cubic yard
Percentage of total landfill capacity	86%
Estimated closure and post closure costs	\$ 3,630,909
Environmental and closure accrual	\$ 2,309,369
Anticipated closure date	2016

ii. Accrued Interest

Accrued Interest Payable	\$ 44,897
--------------------------	-----------

6. Operating Lease

The County is obligated by an operating lease for a building located on Catherine Street, Malone, New York for the Public Health Nurses and Office of Aging. The five-year lease requires monthly payments of \$7,800 starting July 1, 2010. The County also has two additional leases for the Board of Elections and District Attorney which ended in 2012. The District Attorney exercised their option for two additional year and the Board of Elections is paying month to month. The future minimum lease commitments as of December 31 are as follows:

Year	Street	Electricity	Attorney
2013	93,600	-	19,800
2014	93,600	-	-
2015	46,800	-	-
Total	234,000	-	19,800

C. DUE TO/FROM OTHER FUNDS

Due to/from other funds at December 31, 2012, were as follows:

	Due To	Due From
<u>Major Governmental Activities</u>		
General	\$ 1,121,885	-
<u>Other Governmental Activities</u>		
County Road	-	826,996
Road Machinery	-	975,000
Special Revenue	16,912	
Capital Projects	613,199	-
<u>Business-Type Activities</u>		
Nursing Home	50,000	-
Total	\$ 1,801,996	1,801,996

These amounts are eliminated with GASB #34. Any residual balances between governmental and business-type activities are reported in the governmentwide financial statements. Noncurrent portion of long-term Nursing Home loan receivables are reported as advances and as reservations of fund balance in the governmental fund statements. However, these balances are reported as unrestricted net assets in the government-wide statements of net assets.

D. INTERFUND TRANSFERS RECONCILIATION

Operating transfers in (other sources) and operating transfers out (other uses) for the year ended December 31, 2012 were as follows:

Fund	Other Sources	Other Uses
<u>Major Governmental Activities</u>		
General	\$ 16,912	4,626,521
<u>Other Governmental Activities</u>		
County Roads	3,387,863	1,403,402
Road Machinery	657,514	-
Special Revenue		16,912
Capital Projects	1,359,902	-
Debt Service	624,644	-
<u>Business-Type Activities</u>		
Enterprise	-	-
	\$ 6,046,835	6,046,835

statements. Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

E. FUND BALANCE CLASSIFICATIONS

The following have reserved portions of their fund balances for these designated purposes:

F. DEFERRED COMPENSATION PLAN

Employees of the County of Franklin may elect to participate in the County's deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years, usually after retirement. The County of Franklin has adopted GASB 32 with regard to financial reporting of deferred compensation plans in accordance with IRC Section 457. The County has established Citistreet as the trustee of its existing deferred compensation plan. Since the County is not the trustee for the plan, the plan does not meet the criteria for inclusion in the County's financial statements. Therefore, at December 31, 2012, the \$6,491,882 market value of deferred compensation plan assets is no longer displayed in the Agency Fund within the financial statements.

NOTE IV - JOINT VENTURES

The following are activities undertaken jointly with other municipalities which are excluded from the financial statements. Separate financial statements are issued for such joint ventures.

A. JOINT PUBLIC LIBRARY

The Clinton-Essex-Franklin Library System is jointly sponsored by Clinton, Essex, and Franklin Counties under provisions of Article 5 of the Education Law. As a joint venture, separate financial statements are published by the library. Each County's financial participation in the joint venture for the year ended December 31, 2012, was as follows:

Clinton	\$	39,089
Essex	\$	17,025
Franklin	\$	14,205

The following is a summary of financial information included in unaudited financial statements issued for the joint venture as of and for the year ended December 31, 2012:

Fund Equity:	
Reserved	1,697,657
Unreserved	<u>(98,180)</u>
Total Fund Equity	1,599,477
Total Revenues (2012)	\$ 1,319,422
Total Expenses (2012)	\$ 1,285,489

B. JOINT COMMUNITY COLLEGE

The North Country Community College is jointly sponsored by Franklin and Essex Counties under provisions of Article 126 of the Education Law. As a joint venture, separate financial statements are published by the community college. The two counties' financial participation in the joint venture for the 2011 - 2012 fiscal year is as follows:

Franklin	\$ 1,190,000
Essex	\$ 1,190,000

The following is a summary of the financial information in audited financial statements issued for the joint venture as of and for the year ended August 31, 2012:

Total Assets	\$ 9,554,839
Total Liabilities	<u>(4,089,502)</u>
Net Assets	<u>\$ 5,465,337</u>
Total Revenues (2011-12)	<u>\$ 16,159,794</u>
Total Expenditures (2011-12)	<u>\$ 15,763,197</u>

NOTE V - COMMITMENTS AND CONTINGENCIES

A. LITIGATION AND SUBSEQUENT EVENTS

The County has a total of xx active tort claims pending as of December 31, 2012. The County is also named in land claims by the Akwesasne Mohawk Indians seeking the return of claimed land and money damages. County management after considering all relevant facts, including the opinion of the County attorney and outside counsel in certain instances, is of the opinion that such litigation will not, in the aggregate, have a material adverse effect on the County's financial position.

The following are unpaid taxes on Indian Land Claims as of December 31, 2012, and are recorded as Accounts Receivable and Deferred Revenue:

	School Taxes	School Interest and Penalty	Town and County Tax	Base Lien Amount
Fort Covington	\$ 174,014	15,905	337,155	607,479
Bombay	<u>1,878,432</u>	<u>171,689</u>	<u>1,263,556</u>	<u>3,986,845</u>

The County of Franklin incurs costs related to a self-insured employee health plan. The health plan's objectives are to formulate, develop, and administer a program of health insurance, to obtain lower costs for that coverage, and to develop a comprehensive loss control program. RMSCO, Inc., the health plan claims administrator, bills the County for approved benefits due employees. The County of Franklin has stop-loss insurance, for medical coverage only, to provide protection for claims in excess of \$125,000 per individual and a specific insurance limit of \$375,000. Liabilities of the health plan are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation and recent claim settlement trends including frequency and amount payouts, and are based on a five-week lag per the health plan administrator. The balance of claim liabilities during the past fiscal year is as follows:

Unpaid Claims, Beginning of Fiscal Year	\$ 721,773
Plus: Incurred Claims (including IBNR's)	6,484,020
Less: Claim Payments	<u>(6,573,706)</u>
Unpaid Claims, End of Fiscal Year	<u>\$ 632,087</u>

C. FEDERAL AND STATE GRANTS

The local government has received grants in excess of \$30 million which are subject to audit by agencies of the state and federal governments. Such audits may result in disallowance and a request for a return of funds to the federal and state governments. Based on past audits, the local government administration believes disallowances, if any, will be immaterial.

D. UNEMPLOYMENT INSURANCE

The County of Franklin provides unemployment insurance through direct billings from the New York State Unemployment Insurance Fund. For the year ended December 31, 2012, the County paid \$306,127 of benefits from the unemployment insurance reserve. At December 31, 2012, the County recognized a liability for unpaid, unasserted claims of \$77,038 for the fourth quarter.

E. SELF-INSURED WORKERS' COMPENSATION

The County of Franklin sponsors and participates in a self-insurance plan for workers' compensation under Local Law No. 3, 1991, pursuant to Article 5 of the Workers' Compensation Law. The self-insurance plan is open to any eligible municipality or public entity for participation. There were 24 participants, including the County of Franklin, at December 31, 2012. The County is responsible for the administration of the self-insurance plan and its reserves and accounts for this self-insurance plan on the modified accrual basis in the Workers' Compensation Fund. The designated reserved retained earnings at December 31, 2012, was \$400,000. Additionally, the County has specific excess coverage for workers' compensation and employers' liability insurance for catastrophic losses.

The County of Franklin is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; natural disasters' etc. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

G. SERVICES AGREEMENT AND COMMITMENTS AND CONTINGENCIES

Solid Waste Management Authority

On May 1, 1993, the Solid Waste Management Authority entered into a services agreement with the County of Franklin, whereby the County will cause to be delivered to the Authority substantially all solid waste produced within the County. This agreement commenced upon operation by the Solid Waste Management Authority and will continue until the later of (a) the twentieth anniversary of the operation commencement date, or (b) the maturity date of outstanding Authority indebtedness, provided, however, that in no event shall the agreement have a term of greater than 25 years from the latest date of execution of the services agreement.

In consideration of the Authority's performance of certain activities relating to solid waste disposal, the County shall pay a service fee equal to the Authority's estimated debt service, plus operating and maintenance costs less estimated net investment earnings, if any, for each fiscal year, provided that in no event shall the service fee be less than zero. The County of Franklin shall pay the Authority one-twelfth of the current fiscal year's estimated service fee on the first day of each month.

Service fees paid by the County of Franklin to the Solid Waste Management Authority for the year ended June 30, 2012, totaled \$6,000,737.

The Solid Waste Management Authority is required to reimburse the County an amount equal to total tipping and user fees received in the prior month up to the aggregate estimated service fee paid by the County, as described above. Under this agreement, the Authority reimbursed the County \$6,000,737 for the year ended June 30, 2012. The Authority owed Franklin County \$464,157 at June 30, 2012 which is included in accounts payable.

Within ninety days of the end of each fiscal year, the Authority shall calculate a year-end adjustment which represents the Authority's actual service fee, calculated using the cash basis of accounting, less amounts paid by the County plus the aggregate amount of all Authority reimbursements to the County. A service fee surplus for any year end shall be maintained by the Authority in its operating cash account, provided that if such service fee surplus occurs in the final year of the services agreement, such amount shall be remitted to the County. A service fee shortfall for any year end shall be paid to the Authority by the County.

The Authority did not have any revenue sources accounting for more than 10 percent of the Authority's operating revenue.

future cash flows from operating activities will be sufficient to allow the Authority to meet its operating costs, debt service, and intended capital improvement programs if current contracts continue. Furthermore, management expects the Authority to continue as a going concern based on its services agreement with the County, in which the Authority's future debt service and operation and maintenance costs are guaranteed by the County as described in the Authority's bond documents.

NOTE VI - NET WORKING CAPITAL

	Net Working Capital (Deficit)	Current Assets	Current Liabilities
Solid Waste Management Authority	\$ (3,122,841)	712,627	3,835,468
Civic Development Corporation	Not available	-	-
Industrial Development Agency	Not available	-	-
Enterprise Fund	Not available	-	-

NOTE VII - TOBACCO SETTLEMENT PAYMENTS

In January 1997, the State of New York filed a lawsuit against the tobacco industry, seeking to recover the costs that the State and local governments had incurred in treating smoking related illnesses. Under an agreement reached with the tobacco industry referred to as the Master Settlement Agreement (MSA), the State and counties are entitled to receive annual payments. Payments received under the agreement in 2012 totaled \$687,752 and are recorded in the General Fund account - Other Compensation for Loss.

NOTE VIII - TRIBE-STATE GAMING COMPACT BETWEEN ST. REGIS MOHAWK TRIBE AND STATE OF NEW YORK

In 2004, the State of New York enacted legislation providing for an appropriation of revenue from slot machines at the tribal casino located in Akwesasne. The County of Franklin and the County of St. Lawrence shall receive 50% of the negotiated 25% of the net draw from slot machines made available to the Counties by the State. Franklin County did not record a receivable for 2011 or 2012 or a payable to the towns of Bombay and Fort Covington. Franklin County received \$334,408 in 2012 for 2011 and paid \$83,602 to both the towns of Bombay and Fort Covington. Any future payments will be based on the disagreement between the Tribe and New York State regarding the compact and issues regarding territorial rights, including gaming exclusivity.

NOTE IX – SUBSEQUENT EVENTS

Management has evaluated subsequent events through XXX, XX 2013 the date on which the financial statements were available to be issued.

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County of Franklin and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B - BASIS OF PRESENTATION

1. REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards presents the activity of federal financial assistance programs administered by Franklin County, New York, an entity as defined in the financial statements, except that it does not include the federal financial assistance programs, if any, of the Franklin County Industrial Development Agency or Franklin County Nursing Home.

2. PASS-THROUGH PROGRAMS

Where the County of Franklin receives funds from a government entity other than the federal government ("pass-through"), the funds are accumulated based upon the Catalog of Federal Domestic Assistance ("CFDA") number advised by the pass-through grantor.

Identifying numbers, other than CFDA numbers, which may be assigned by pass-through grantors, are not maintained in the County's financial management system.

3. NONMONETARY FEDERAL PROGRAMS

The County is the recipient of federal financial assistance programs that do not result in cash receipts or disbursements, termed "non-monetary programs". During the fiscal year ended December 31, 2012, Franklin County distributed \$11,593,254 worth of food stamps to eligible persons participating in the Food Stamps Program (CFDA Number 10.551).

In 2008, the State started to pay for all regular HEAP payments to individuals instead of the County. For 2012, the State paid \$4,049,721 in HEAP benefits to eligible Franklin County residents. This amount is not included in the schedule of expenditures of federal awards, only the portion for administrative reimbursement and emergency are included.

NOTE C - INDIRECT COSTS

Indirect costs are included in the reported expenditures to the extent such costs are included in the federal financial reports used as the source for the data presented.

Matching costs, i.e., the County of Franklin's share of certain program costs, are not included in the Schedule of Expenditures of Federal Awards.