

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

EXAMINATION REPORT  
OF  
FRANKLIN TOWNSHIP  
MARION COUNTY, INDIANA  
January 1, 2005 to December 31, 2006



**FILED**  
07/11/2007



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OFFICIALS

Office

Official

Term

Trustee

Terry M. Royalty

01-01-03 to 12-31-10

Chairman of the  
Township Board

Michael Shaffer

01-01-05 to 12-31-07



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF FRANKLIN TOWNSHIP, MARION COUNTY, INDIANA

We have examined the financial information presented herein of Franklin Township (Township), for the period of January 1, 2005 to December 31, 2006. The Township's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

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

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Township for the years ended December 31, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

May 30, 2007

FRANKLIN TOWNSHIP, MARION COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Years Ended December 31, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
Township	\$ 296,692	\$ 591,367	\$ 639,339	\$ 248,720
Dog	422	392	578	236
Township Assistance	51,386	165,344	131,201	85,529
Firefighting	1,140,352	5,485,563	5,412,246	1,213,669
Donation	2,918	2,685	2,464	3,139
Township Debt	1,591	81,224	57,037	25,778
Fire Building Debt	1,368	723,469	497,110	227,727
Fire Equipment Debt	(30,110)	429,012	274,316	124,586
Building and Remodeling	33	-	33	-
Fire Equipment Debt	30,978	2,378,339	2,425,337	(16,020)
Cumulative Fire	578,224	382,210	236,622	723,812
FEMA Grant	33,250	299,255	332,505	-
Rainy Day Fund	10,961	110,000	-	120,961
Fiduciary Funds:				
Payroll Withholdings	(8,841)	3,418,665	3,351,648	58,176
Small Claims Court	3,362	576,659	568,194	11,827
Small Claims Court Trust	-	848,810	848,810	-
Totals	<u>\$ 2,112,586</u>	<u>\$ 15,492,994</u>	<u>\$ 14,777,440</u>	<u>\$ 2,828,140</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 248,720	\$ 649,402	\$ 626,200	\$ 271,922
Dog	236	764	100	900
Township Assistance	85,529	198,132	151,893	131,768
Firefighting	1,213,669	6,674,485	6,677,820	1,210,334
Donation	3,139	1,000	1,000	3,139
Township Debt	25,778	31,974	57,209	543
Fire Building Debt	227,727	266,004	497,626	(3,895)
Fire Equipment Debt	124,586	147,568	273,152	(998)
Capital Projects Fund	-	3,322,000	145,609	3,176,391
Fire Equipment Debt	(16,020)	1,653,199	1,655,318	(18,139)
Cumulative Fire	723,812	407,870	319,341	812,341
Rainy Day Fund	120,961	90,000	-	210,961
Fiduciary Funds:				
Payroll Withholdings	58,176	4,071,235	4,051,613	77,798
Small Claims Court	11,827	669,079	611,744	69,162
Small Claims Court Trust	-	1,463,671	1,463,671	-
Totals	<u>\$ 2,828,140</u>	<u>\$ 19,646,383</u>	<u>\$ 16,532,296</u>	<u>\$ 5,942,227</u>

The accompanying notes are an integral part of the financial information.

FRANKLIN TOWNSHIP, MARION COUNTY  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Township was established under the laws of the State of Indiana. The Township provides the following services: public safety, health and social services, culture and recreation, and general administrative services.

Note 2. Fund Accounting

The Township uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Township in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Township on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

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

State statute (IC 5-13-9) authorizes the Township to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

FRANKLIN TOWNSHIP, MARION COUNTY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

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

B. 1977 Firefighters' Pension and Disability Fund

Plan Description

The Township contributes to the 1977 Firefighters' Pension and Disability Fund, a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Employees' Retirement Plan (PERF) for all firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting and requirements for contributions by employers and by employees. Covered employees may retire at age 55 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 55. The plan also provides for death and disability benefits.

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

FRANKLIN TOWNSHIP, MARION COUNTY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Costs

Plan members are required to contribute 6% of the first-class firefighters' salary and the Township is to contribute at an actuarially determined rate. The current rate, which has not changed since the inception of the plan, is 21% of the first-class firefighters' salary. The contribution requirements of plan members and the Township are established by the Board of Trustees of PERF.

FRANKLIN TOWNSHIP, MARION COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on May 30, 2007, with Terry M. Royalty, Trustee; and Debbie S. Civils, Administrator. Our examination disclosed no material items that warrant comment at this time.