

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

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



FILED
07/18/2007

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information.....	5-6
Examination Result and Comment:	
Firefighting Equipment Purchase.....	7
Exit Conference	8

OFFICIALS

Office

Official

Term

Trustee

Robert L. Hampton

01-01-03 to 12-31-10

Chairman of the
Township Board

Robert Hole

01-01-05 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF FRANKLIN TOWNSHIP, MONTGOMERY 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 23, 2007

FRANKLIN TOWNSHIP, MONTGOMERY COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL 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	\$ 27,255	\$ 19,602	\$ 8,691	\$ 38,166
Township Assistance	8,140	3,215	1,904	9,451
Firefighting	82,999	14,016	18,980	78,035
Cumulative Fire	18,575	12,331	9,960	20,946
Dog	569	236	269	536
Park and Recreation	8,241	2,286	2,100	8,427
Totals	<u>\$ 145,779</u>	<u>\$ 51,686</u>	<u>\$ 41,904</u>	<u>\$ 155,561</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 38,166	\$ 21,298	\$ 9,330	\$ 50,134
Township Assistance	9,451	2,984	3,285	9,150
Firefighting	78,035	8,200	14,889	71,346
Cumulative Fire	20,946	11,170	10,260	21,856
Dog	536	400	236	700
Park and Recreation	8,427	2,046	2,200	8,273
Levy Excess	-	1,123	-	1,123
Totals	<u>\$ 155,561</u>	<u>\$ 47,221</u>	<u>\$ 40,200</u>	<u>\$ 162,582</u>

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

FRANKLIN TOWNSHIP, MONTGOMERY 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, 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.

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

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.

Note 6. Restatements and Reclassifications

For the year ended December 31, 2005, certain changes have been made to the financial information to more appropriately reflect financial activity of the Township. The following schedule presents a summary of restated beginning balances by fund. Prior Period adjustments represent a change in fund allocation pertaining to Certificates of Deposit.

<u>Fund</u>	<u>Balance as Reported December 31, 2004</u>	<u>Prior Period Adjustments</u>	<u>Balance as Restated January 1, 2005</u>
General	\$ 8,576	\$ 18,679	\$ 27,255
Firefighting	101,678	(18,679)	82,999

FRANKLIN TOWNSHIP, MONTGOMERY COUNTY
EXAMINATION RESULT AND COMMENT

FIREFIGHTING EQUIPMENT PURCHASE

The Township has entered into an agreement to purchase a new rescue truck jointly with another Township and other entities; however the title to the equipment is not in the Township's name.

Any two or more townships desiring to unite in the purchase, housing, care, maintenance, operation and use of firefighting equipment may purchase such equipment by executing conditional sales or mortgage contracts, notes, or bonds. The two or more townships may jointly employ firemen to fight fires and operate the equipment. The title to equipment purchased jointly shall vest and remain in the respective townships in proportion to their respective contributions toward purchase. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 9)

FRANKLIN TOWNSHIP, MONTGOMERY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on May 23, 2007, with Robert L. Hampton, Trustee. The official concurred with our finding.