

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

EXAMINATION REPORT
OF
FRANKLIN TOWNSHIP
MARION COUNTY, INDIANA
January 1, 2007 to December 31, 2008



FILED
12/29/2009

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Terry M. Royalty	01-01-07 to 12-31-10
Chairman of the Township Board	Michael Shaffer Paige Green	01-01-07 to 12-31-08 01-01-09 to 12-31-09



STATE OF INDIANA
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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, 2007 to December 31, 2008. 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, 2007 and 2008, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

October 28, 2009

FRANKLIN TOWNSHIP 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, 2007 And 2008

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 271,922	\$ 699,391	\$ 690,199	\$ 281,114
Dog	900	556	-	1,456
Township Assistance	131,768	163,082	167,586	127,264
Firefighting	1,210,334	9,330,059	8,757,551	1,782,842
Donation	3,139	2,595	1,326	4,408
Township Debt	543	73,993	27,689	46,847
Fire Building Debt	(3,895)	986,086	704,889	277,302
Fire Equipment Debt	(998)	355,824	304,170	50,656
Capital Projects	3,176,391	2,327,440	4,236,475	1,267,356
Fire Equipment Debt	(18,139)	1,309,337	758,358	532,840
Cumulative Fire	812,341	376,681	430,361	758,661
Rainy Day	210,961	30,000	-	240,961
Fiduciary Funds:				
Payroll Withholdings	77,798	5,155,462	5,084,189	149,071
Small Claims Court	69,162	1,256,160	745,524	579,798
Small Claims Court Trust	-	1,425,846	1,425,846	-
Totals	<u>\$ 5,942,227</u>	<u>\$ 23,492,513</u>	<u>\$ 23,334,164</u>	<u>\$ 6,100,576</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 281,114	\$ 618,303	\$ 641,348	\$ 258,069
Dog	1,456	-	-	1,456
Township Assistance	127,264	100,651	168,471	59,444
Firefighting	1,782,842	21,352,397	18,682,106	4,453,133
Donation	4,408	2,050	1,409	5,049
Township Debt	46,847	39,850	86,666	31
Fire Building Debt	277,302	624,910	886,860	15,352
Fire Equipment Debt	50,656	108,289	72,979	85,966
Capital Projects	1,267,356	759,329	1,677,047	349,638
Fire Equipment Debt	532,840	2,235,779	2,750,835	17,784
Cumulative Fire	758,661	299,551	114,176	944,036
Rainy Day	240,961	150,462	200,000	191,423
Fiduciary Funds:				
Payroll Withholdings	149,071	5,884,758	5,883,232	150,597
Small Claims Court	579,798	1,118,986	623,102	1,075,682
Small Claims Court Trust	-	1,167,542	1,167,542	-
Totals	<u>\$ 6,100,576</u>	<u>\$ 34,462,857</u>	<u>\$ 32,955,773</u>	<u>\$ 7,607,660</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).

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.

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

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. Pension Plan

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.

FRANKLIN TOWNSHIP, MARION COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 DECEMBER 31, 2008

The Township has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Emergency loans payable	\$ 1,748,453	\$ 1,801,589
Bonds payable:		
General obligation bonds:		
Fire Equipment Loan of 2003	71,748	72,980
Fire Building and Equipment Loan Note for 2006	2,302,450	624,692
Revenue bonds:		
Tax Anticipation Warrant	<u>6,153,782</u>	<u>6,245,249</u>
Total governmental activities debt	<u>\$ 10,276,433</u>	<u>\$ 8,744,510</u>

FRANKLIN TOWNSHIP, MARION COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 28, 2009, with Terry M. Royalty, Trustee; and Debbie Civil, Township Administrator. Our examination disclosed no material items that warrant comment at this time.