

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

EXAMINATION REPORT  
OF  
FRANKLIN TOWNSHIP  
DEKALB COUNTY, INDIANA  
January 1, 2008 to December 31, 2009



**FILED**  
05/06/2010



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OFFICIALS

Office

Official

Term

Trustee

Sandra Harrison

01-01-07 to 12-31-10

Chairman of the  
Township Board

Loran King  
Walter Kryder

01-01-08 to 12-31-09  
01-01-10 to 12-31-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Franklin Township (Township), for the period of January 1, 2008 to December 31, 2009. 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, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets, 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

April 12, 2010

FRANKLIN TOWNSHIP, DEKALB 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, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 18,433	\$ 27,828	\$ 31,656	\$ 14,605
Township Assistance	27,281	4,088	5,884	25,485
Firefighting	48,807	24,389	15,565	57,631
Rainy Day	567	4,915	-	5,482
Levy Excess	794	-	794	-
Fire Debt	3,512	-	3,512	-
Cumulative Fire	76,636	4,742	-	81,378
Fiduciary Fund:				
Payroll Withholdings	324	-	324	-
Totals	<u>\$ 176,354</u>	<u>\$ 65,962</u>	<u>\$ 57,735</u>	<u>\$ 184,581</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 14,605	\$ 32,033	\$ 29,247	\$ 17,391
Township Assistance	25,485	3,121	5,984	22,622
Firefighting	57,631	32,453	18,902	71,182
Rainy Day	5,482	675	4,000	2,157
Cumulative Fire	81,378	12,877	26,204	68,051
Totals	<u>\$ 184,581</u>	<u>\$ 81,159</u>	<u>\$ 84,337</u>	<u>\$ 181,403</u>

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

FRANKLIN TOWNSHIP, DEKALB 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 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, DEKALB COUNTY  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
For The Year Ended December 31, 2009

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Machinery and equipment	<u>\$ 119,407</u>

FRANKLIN TOWNSHIP, DEKALB COUNTY  
EXAMINATION RESULT AND COMMENT

ADVANCE PAYMENTS

The Township Trustee made advance payments for both office rent and payroll. The Trustee paid J & S Farms (owned by her and her husband) the entire year's office rent in January and/or February for 2008 and 2009. The Trustee paid quarterly payroll payments to herself prior to the end of the quarter for all eight quarters in 2008 and 2009. She also paid the Clerk prior to the end of the quarter for seven of the eight quarters. A similar comment appeared in prior Report 33919.

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

FRANKLIN TOWNSHIP, DEKALB COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on April 12, 2010, with Sandra Harrison, Trustee.