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July 14, 2014

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

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Franklin Township (Township), for the period of January 1, 2010 to December 31, 2013, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

Our procedures were designed solely to satisfy the requirements of Indiana Code 5-11-1. Because our procedures were not designed to opine on the Township's financial statements, we did not follow *generally accepted auditing standards*. Accordingly, we do not express an opinion on any basic financial statement of the Township.

Management is responsible for preparing and maintaining its accounting records and related documents, as well as compliance with applicable state laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The Township's Annual Financial Reports filed for years prior to 2011 can be found on the Indiana Transparency Portal website: [www.in.gov/itp/annual\\_reports/](http://www.in.gov/itp/annual_reports/). For years 2011 and later, the Annual Financial Reports filed by the Township can be found on the Gateway website: <https://gateway.ifionline.org/>.

The Comments contained herein describe the identified reportable instances of noncompliance found as a result of the procedures we performed. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.


**Current Period Comments**

- *Depository reconciliations of the fund balances to the bank account balances were not presented for review for 47 months. A reconciliation of the fund balances to the bank account balance at December 31, 2013, was presented; however, it contained errors. A detailed outstanding checklist with both the check number and amount was not included with the reconciliation. As of December 31, 2013, the bank account reconciliation identified cash necessary to balance in the amount of \$130.51.*
- *The records presented for review showed disbursements from the Riverboat fund in the amounts of \$7,846.64, \$17,032.00, and \$1,541.27 for the years 2010, 2011, and 2013, respectively, were expended without having appropriations by the Township Board. The records, also, showed disbursements of \$7,758.26 from the Rainy Day fund for the year 2013 were expended without an appropriation being approved by the Township Board.*

- *The Township did not present for review the Township Form 17 establishing the salaries of the Township employees for the years 2010, 2011, 2012, and 2013.*
- *The Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) for the year 2012 was inaccurate. The 2012 100R stated the Trustee's total compensation, Township Clerk's total compensation and the Township Board's total compensation were \$9,394, \$1,507, and \$2,310, respectively; however, the actual pay for the Trustee, Township Clerk, and the Township Board was \$8,520, \$1,360, and \$2,100, respectively, in 2012. The 2013 100R stated the Trustee's total compensation was \$9,394; however, the Trustee was actually paid \$8,394 in 2013.*
- *The Township did not have a Nepotism Policy for 2012 and 2013.*
- *Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 2012, and December 31, 2013.*
- *The Township did not have a Contracting Policy for 2012 and 2013.*
- *Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-21 (Contracting With a Unit) by December 31, 2012, and December 31, 2013.*
- *Township Assistance Standards were not established in accordance with Indiana Code 12-20-5.5-1.*
- *The Township did not timely file a Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) with the Indiana State Board of Accounts for 2010. The Report was filed on May 4, 2011, which is 93 days past the due date.*
- *The Township pays for expenditures on behalf of the Lanesville Fire Department such as utility bills, insurance, clothing allowance, etc. The Township did not present for review a contract with the Lanesville Fire Department documenting their contractual responsibilities.*

This letter is intended for the information and use of the governing body and management of the Township. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

The contents of this letter were discussed on May 20, 2014, with John (Bill) Lyskowinski, Trustee.

  
Paul D. Joyce, CPA  
State Examiner