



STATE OF INDIANA
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B43850

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July 14, 2014

TO: THE OFFICIALS OF FRANKLIN TOWNSHIP, FLOYD 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/. 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

- *The financial institution did not return the actual cancelled checks with the monthly bank statements, but instead returned only an optical image of the front side of the checks. The back side or endorsement side of the checks were not returned.*
- *The records presented for examination showed the following disbursements in excess of budgeted appropriations:*

<u>Years</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2010	Fire Fighting	\$ 1,061.00
2011	Township	389.63

- *The Township did not adopt a resolution establishing salaries of Township officers and employees for the years 2010, 2011, 2012, or 2013.*
- *The Township paid \$5,600 in salaries for officials and employees for 2010 and \$4,400 in salaries for officials and employees for each of the years 2011, 2012, and 2013 in advance of the actual date the services were provided.*
- *Payments made for cemetery mowing were not supported by a written contract.*
- *The Township paid penalties, interest, and other charges to the Internal Revenue Service due to not remitting payments on a timely basis. The payment was made on March 7, 2011, for the taxes payable in 2009; however, no supporting documentation was presented that detailed the amount of tax due versus penalties and interest accessed.*
- *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 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 2013.*
- *The Annual Report for 2011 that was due March 1, 2012, was not filed electronically until March 13, 2012.*
- *The Township did not timely file a Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100R or its equivalent) with the Indiana State Board of Accounts for 2010. The report was filed on May 9, 2011, which is 98 days past the due date.*

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 21, 2014, with Ernest Mayfield, Jr., Trustee.

Paul D. Joyce
 Paul D. Joyce, CPA
 State Examiner