



STATE OF INDIANA
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B47415

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December 30, 2016

TO: THE OFFICIALS OF FRANKLIN TOWNSHIP, HENDRICKS 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, 2012 to December 31, 2015, 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 auditing standards generally accepted in the United States of America. 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.

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 Annual Financial Report (AFR) for 2013 and 2014 was not filed electronically until March 2, 2014 and March 9, 2015, which was one and eight days late, respectively.*
- *The Township did not timely file a Certified Report of Names, Addresses, Duties a Compensation of Public Employees (Form 100-R or its equivalent) with the Indiana State Board of Accounts for 2013. The report was filed on February 9, 2014, which was nine days past the due date.*
- *Depository reconciliations of the fund balances to the bank account balances were conducted; however, they did not balance for 2012, 2013, 2014, and 2015. The ledger did not contain all interest and savings account activity and contained posting errors.*
- *The AFR filed for 2012, 2013, 2014, and 2015 did not match the Township's records as shown below:*

<u>Years</u>	<u>Fund</u>	<u>Category</u>	<u>Amount per AFR</u>	<u>Amount per Township Ledger</u>	<u>Difference</u>
2012	Township	Receipt	\$ 9,744.28	\$ 9,743.35	\$ (0.93)
2012	Township	Disb	10,046.14	9,758.49	(287.65)
2012	Township	End Bal	94,512.61	94,736.13	223.52
2012	Township Assistance	Disb	11,499.84	11,499.83	(0.01)
2012	Township Assistance	End Bal	24,308.60	24,338.60	30.00
2012	Fire Fighting	Receipt	51,475.67	52,475.57	999.90
2012	Fire Fighting	End Bal	47,092.18	47,092.08	(0.10)
2012	Cumulative Fire	Receipt	8,590.29	5,291.48	(3,298.81)
2013	Township	Beg Bal	94,891.68	94,736.13	(155.55)
2013	Township	Receipt	8,978.58	8,905.45	(73.13)
2013	Township	Disb	11,991.75	12,084.10	92.35
2014	Township	Beg Bal	91,878.51	91,587.48	(291.03)
2014	Township	Receipt	13,686.57	13,559.79	(126.78)
2014	Township	End Bal	68,302.24	68,011.21	(291.03)
2014	Fire Fighting	Receipt	53,136.85	53,180.85	44.00
2014	Fire Fighting	Disb	24,441.00	24,440.00	(1.00)
2014	Fire Fighting	End Bal	53,310.41	53,311.41	1.00
2015	Cumulative Fire	Receipt	8,476.56	4,858.36	(3,618.20)
2015	Township	Beg Bal	92,884.43	115,439.36	22,554.93
2015	Township	Receipt	14,613.21	14,613.25	0.04
2015	Township	End Bal	92,983.21	92,983.25	0.04
2015	Excess Levy	End Bal	6.24	6.84	0.60

- The records presented for review indicated the following disbursements in excess of budgeted appropriations:


<u>Year</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2013	Cumulative Fire	\$ 40,881.00

- The Township Board did not fix the salaries of all officers and employees for 2012, 2013, 2014, and 2015.
- Compensation paid to employees was not in accordance with the budgeted amount in 2015 for the Trustee. Budgeted salary was approved for \$4,572 and Trustee actually was paid \$4,191.
- The Township paid \$6,972 in 2012, \$6,491 in 2013, \$6,472 in 2014, and \$6,491 in 2015 of compensation in advance of the actual date the services were provided for the Trustee, Township Board, and bookkeeper.
- Payments made for fire protection did not comply with the amount in the written contract for 2012 and 2014.
- The Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) was inaccurate. The 2015 100-R stated the Trustee's compensation was \$4,572, but the Trustee actually was paid \$4,191.
- The Trustee's Surety Bond was insufficient per the Indiana Code 5-4-1-1. The bond recorded in County Recorder's office for 2012 and 2013 was for \$15,000 instead of the required \$30,000. In addition, no bond was recorded for 2014 and 2015.
- 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, 2013, 2014, and 2015.*
- *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, 2013, 2014, and 2015.*
- *Payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records for 2012 and 2013. Payment was observed in 2012 paid to US Treasury for penalties and interest without supporting documents. In addition, payment was made for an F350 fire truck without adequate supporting documentation in 2013.*
- *The Township paid penalties, interest and other charges to the US Treasury in the amount of \$230.58 because the Township did not remit payments on a timely basis.*
- *Township Assistance payment was made without an Application for Township Assistance on file in 2014. In addition, Township Assistance payments were made in 2013 and 2014 without supporting documentation.*

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 November 29, 2016, with Sharon Fruits, Trustee, and Sandra McCammack, Accounting Service.


Paul D. Joyce, CPA
State Examiner