

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

EXAMINATION REPORT  
OF  
FRANKLIN TOWNSHIP  
RIPLEY COUNTY, INDIANA  
January 1, 2003 to December 31, 2005



**FILED**  
12/18/2006



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report .....	3
Schedules of Receipts, Disbursements, and Cash and Investment Balances.....	4
Notes to Schedules .....	5
Examination Results and Comments:	
Advance Payments of Wages.....	6
Prescribed Form .....	6
Assessing Expenses.....	6
Exit Conference.....	7

OFFICIALS

Office

Official

Term

Trustee

Garry W. Sapp

01-01-03 to 12-31-06

Chairman of the  
Township Board

Dorothy Berger

01-01-03 to 12-31-06



**STATE OF INDIANA**  
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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the schedules of receipts, disbursements, and cash and investment balances of Franklin Township (Township), for the period of January 1, 2003 to December 31, 2005. The Township's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the Township for the years ended December 31, 2003, 2004, and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

October 11, 2006

FRANKLIN TOWNSHIP, RIPLEY COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2003, 2004, And 2005

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 19,077	\$ 11,737	\$ 18,440	\$ 12,374
Dog	584	262	284	562
Township Assistance	4,369	479	2,610	2,238
Firefighting	10,690	8,663	12,857	6,496
Levy Excess	489	232	489	232
Totals	<u>\$ 35,209</u>	<u>\$ 21,373</u>	<u>\$ 34,680</u>	<u>\$ 21,902</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 12,374	\$ 26,524	\$ 19,085	\$ 19,813
Dog	562	241	262	541
Township Assistance	2,238	3,276	3,907	1,607
Firefighting	6,496	19,465	12,800	13,161
Rainy Day	-	232	-	232
Levy Excess	232	-	232	-
Totals	<u>\$ 21,902</u>	<u>\$ 49,738</u>	<u>\$ 36,286</u>	<u>\$ 35,354</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 19,813	\$ 21,581	\$ 20,078	\$ 21,316
Dog	541	230	241	530
Township Assistance	1,607	9,914	1,845	9,676
Firefighting	13,161	22,151	12,800	22,512
Rainy Day	232	-	-	232
Totals	<u>\$ 35,354</u>	<u>\$ 53,876</u>	<u>\$ 34,964</u>	<u>\$ 54,266</u>

The accompanying notes are an integral part of the schedules.

FRANKLIN TOWNSHIP, RIPLEY COUNTY  
NOTES TO SCHEDULES

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.

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, RIPLEY COUNTY  
EXAMINATION RESULTS AND COMMENTS

ADVANCE PAYMENTS OF WAGES

A review of ledger postings and cancelled checks showed that compensation to the Trustee and the Clerk was being paid at the beginning of each month.

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)

PRESCRIBED FORM

Township Form 17 (Resolution Recommending Salaries of Township Officers and Employees) was not in use.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

ASSESSING EXPENSES

The Township paid \$499 to Appraisal Research Corporation for software maintenance which is used for assessing and \$1,100 for a new computer system to Southeastern REMC. Both payments were for assessing related expenses.

A similar comment was included in the prior examination report.

No part of the expense of assessing is to be paid from township funds. (Township Bulletin and Uniform Compliance Guidelines, February 1996)

FRANKLIN TOWNSHIP, RIPLEY COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on October 11, 2006, with Garry W. Sapp, Trustee.