

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

EXAMINATION REPORT

OF

FRANKLIN TOWNSHIP

MARION COUNTY, INDIANA

January 1, 2009 to December 31, 2010



**FILED**  
09/15/2011



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis .....	6-7
Notes to Financial Information .....	8-12
Supplementary Information:	
Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis .....	14-18
Schedule of Capital Assets.....	19
Schedule of Long-Term Debt .....	20
Other Report .....	21
Exit Conference.....	22

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Terry Royalty Ross P. Hughes	01-01-07 to 12-31-10 01-01-11 to 12-31-14
Chairman of the Township Board	Paige Green	01-01-09 to 12-31-11



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial statements of Franklin Township (Township), for the period of January 1, 2009 to December 31, 2010. The Township's management is responsible for the financial statements. 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 statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis noted above is a different basis than that used in the prior year.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Township for the years ended December 31, 2009 and 2010, on the basis of accounting described in Note 1.

The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Township's management and Township Board and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

July 18, 2011

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FINANCIAL STATEMENTS

FRANKLIN TOWNSHIP, MARION COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2009

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Township	\$ 258,069	\$ 789,430	\$ 661,368	\$ 386,131
Township Assistance	59,444	184,594	213,936	30,102
Fire Fighting	4,453,133	23,322,668	22,858,438	4,917,363
Cumulative Fire	944,036	422,147	233,758	1,132,425
Dog	1,456	-	-	1,456
Fire Debt	85,966	39,238	72,980	52,224
Rainy Day	191,423	157,395	110,000	238,818
Township Debt	31	2,747	-	2,778
Loan And Interest Payment	17,784	1,799,264	1,800,992	16,056
Fire Building Debt	15,352	622,077	624,692	12,737
Capital Projects	349,638	93	133,048	216,683
Payroll Deductions	150,597	5,879,629	6,007,917	22,309
Donations	5,049	1,550	-	6,599
Court Fees and Trust	76,045	2,034,217	2,055,505	54,757
Totals	<u>\$ 6,608,023</u>	<u>\$ 35,255,049</u>	<u>\$ 34,772,634</u>	<u>\$ 7,090,438</u>

The notes to the financial statements are an integral part of this statement.

FRANKLIN TOWNSHIP, MARION COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2010

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Township	\$ 386,131	\$ 868,503	\$ 584,693	\$ 669,941
Township Assistance	30,102	286,443	177,671	138,874
Fire Fighting	4,917,363	11,982,257	16,541,205	358,415
Cumulative Fire	1,132,425	399,784	590,033	942,176
Dog	1,456	-	-	1,456
Fire Debt	52,224	305	52,484	45
Levy Excess	-	25,077	-	25,077
Rainy Day	238,818	225,899	-	464,717
Township Debt	2,778	9	2,778	9
Loan And Interest Payment	16,056	2,429,761	2,070,540	375,277
Fire Building Debt	12,737	1,076,701	624,692	464,746
Capital Projects	216,683	209,724	426,407	-
Payroll Deductions	22,309	3,249,593	3,227,572	44,330
Donation	6,599	255	-	6,854
Fema Grants	-	210,320	210,320	-
Court Fees and Trust	54,757	2,481,541	2,522,137	14,161
Totals	<u>\$ 7,090,438</u>	<u>\$ 23,446,172</u>	<u>\$ 27,030,532</u>	<u>\$ 3,506,078</u>

The notes to the financial statements are an integral part of this statement.

FRANKLIN TOWNSHIP, MARION COUNTY  
NOTES TO FINANCIAL INFORMATION

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Township was established under the laws of the State of Indiana. The Township operates under a township trustee/township board form of government and provides some or all of the following services: public safety (fire), health and social services (township assistance), and general administrative services.

The accompanying financial statements present the financial information for the Township (primary government), and do not include financial information for any of the Township's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the Township (primary government.)

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts may include, but are not limited to, the following sources:

Taxes, which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, food and beverage tax, county economic development income tax, boat and trailer excise tax county adjusted gross income tax, and other taxes that are set by the Township.

Special assessments which includes amounts levied against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

Intergovernmental receipts which includes receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts includes, but is not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state,

FRANKLIN TOWNSHIP, MARION COUNTY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: copies of public records; copy machine charges; emergency medical service fees; ordinance violations; fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which includes receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Net proceeds from borrowings which includes receipts from general obligation bonds, notes and loans.

Intergovernmental loan activity which includes amounts received from other funds as loans on a temporary basis.

Transfers in which includes funds authorized by statute, ordinance, resolution or court order to be transferred in from another fund.

Internal service receipts which are comprised mostly of fees received for services performed for other funds.

Fiduciary receipts which are comprised mostly of contributions to the pensions funds from state and local sources.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements may include, but are not limited to, the following uses:

Personal services which includes outflows for salaries, wages and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which includes articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which includes, but is not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance; and rental charges.

Debt service principle and interest which includes fixed obligations resulting from financial transactions previously entered into by the Township. It includes all expenditures for the reduction of the principal and interest of the Township's general obligation indebtedness.

FRANKLIN TOWNSHIP, MARION COUNTY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Capital outlay which includes all outflows for land, infrastructure, buildings, improvements, machinery and equipment having an appreciable and calculable period of usefulness.

Interfund loan payments and loans made which includes amounts that are owed to a particular fund by another fund.

Transfers out which includes funds authorized by statute, ordinance, resolution or court order to be transferred to another fund.

F. Interfund Transfers

The Township may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the Township. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Township. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the Township in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Township submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Township in June and December; however, situations can arise which would delay the distributions. 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 normally become delinquent if not paid by May 10 and November 10, respectively.

FRANKLIN TOWNSHIP, MARION COUNTY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 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.

Note 5. Risk Management

The Township may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Township to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the Township by recording as a disbursement and replacement items purchased.

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Township authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

FRANKLIN TOWNSHIP, MARION COUNTY  
 NOTES TO FINANCIAL INFORMATION  
 (Continued)

Public Employees' Retirement Fund  
 Harrison Building, Room 800  
 143 West Market Street  
 Indianapolis, IN 46204  
 Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

Note 7 Restatement and Reclassification

For the year ended December 31, 2008, a change has been made to the financial statements to more appropriately reflect the financial activity of the Township. A prior period adjustment has to be made due to an overstatement in receipts in the prior financial schedule. The monthly receipt balances for court fees were used for compilation of the prior financial schedule instead of actually monthly receipt collections. In some instances court fees are held for six months prior to disbursement; therefore, using the balance of those receipts versus the actual month's collections overstated the receipts reported by a substantial amount. The following schedule presents a summary of the restated beginning balance by fund type:

Fund	Balance as Reported December 31, 2008	Prior Period Adjustments	Balance as Restated January 1, 2009
Court Fees and Trust	\$ 1,075,682	\$ (999,637)	\$ 76,045

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Township's Annual Reports can be found on the Indiana Transparency Portal website: [www.in.gov/itp/annual\\_reports/](http://www.in.gov/itp/annual_reports/).

FRANKLIN TOWNSHIP, MARION COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2009

	Township	Township Assistance	Fire Fighting	Cumulative Fire	Dog	Fire Debt	Rainy Day	Township Debt
Cash and investments - beginning	\$ 258,069	\$ 59,444	\$ 4,453,133	\$ 944,036	\$ 1,456	\$ 85,966	\$ 191,423	\$ 31
Receipts:								
Taxes	534,525	172,353	6,830,185	422,147	-	39,238	-	2,747
Charges for services	-	-	413,566	-	-	-	-	-
Fines and forfeits	237,929	-	-	-	-	-	-	-
Other receipts	16,976	12,241	16,078,917	-	-	-	157,395	-
Total receipts	<u>789,430</u>	<u>184,594</u>	<u>23,322,668</u>	<u>422,147</u>	<u>-</u>	<u>39,238</u>	<u>157,395</u>	<u>2,747</u>
Disbursements:								
Personal services	447,569	43,081	8,727,273	-	-	-	-	-
Supplies	19,707	595	188,125	-	-	-	-	-
Other services and charges	164,472	4,969	812,531	-	-	72,980	-	-
Capital outlay	4,620	-	-	233,758	-	-	-	-
Other disbursements	25,000	165,291	13,130,509	-	-	-	110,000	-
Total disbursements	<u>661,368</u>	<u>213,936</u>	<u>22,858,438</u>	<u>233,758</u>	<u>-</u>	<u>72,980</u>	<u>110,000</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>128,062</u>	<u>(29,342)</u>	<u>464,230</u>	<u>188,389</u>	<u>-</u>	<u>(33,742)</u>	<u>47,395</u>	<u>2,747</u>
Cash and investments - ending	<u>\$ 386,131</u>	<u>\$ 30,102</u>	<u>\$ 4,917,363</u>	<u>\$ 1,132,425</u>	<u>\$ 1,456</u>	<u>\$ 52,224</u>	<u>\$ 238,818</u>	<u>\$ 2,778</u>

FRANKLIN TOWNSHIP, MARION COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2009  
 (Continued)

	Loan And Interest Payment	Fire Building Debt	Capital Projects	Payroll Deductions	Donation	Court Fees and Trust	Totals
Cash and investments - beginning	\$ 17,784	\$ 15,352	\$ 349,638	\$ 150,597	\$ 5,049	\$ 76,045	\$ 6,608,023
Receipts:							
Taxes	1,799,264	622,077	-	-	-	-	10,422,536
Charges for services	-	-	-	-	-	-	413,566
Fines and forfeits	-	-	-	-	-	-	237,929
Other receipts	-	-	93	5,879,629	1,550	2,034,217	22,146,801
Total receipts	<u>1,799,264</u>	<u>622,077</u>	<u>93</u>	<u>5,879,629</u>	<u>1,550</u>	<u>2,034,217</u>	<u>35,255,049</u>
Disbursements:							
Personal services	-	-	-	-	-	-	9,217,923
Supplies	-	-	-	-	-	-	208,427
Other services and charges	-	624,692	-	-	-	-	1,679,644
Capital outlay	1,800,992	-	133,048	-	-	-	2,172,418
Other disbursements	-	-	-	6,007,917	-	2,055,505	21,494,222
Total disbursements	<u>1,800,992</u>	<u>624,692</u>	<u>133,048</u>	<u>6,007,917</u>	<u>-</u>	<u>2,055,505</u>	<u>34,772,634</u>
Excess (deficiency) of receipts over disbursements	<u>(1,728)</u>	<u>(2,615)</u>	<u>(132,955)</u>	<u>(128,288)</u>	<u>1,550</u>	<u>(21,288)</u>	<u>482,415</u>
Cash and investments - ending	<u>\$ 16,056</u>	<u>\$ 12,737</u>	<u>\$ 216,683</u>	<u>\$ 22,309</u>	<u>\$ 6,599</u>	<u>\$ 54,757</u>	<u>\$ 7,090,438</u>

FRANKLIN TOWNSHIP, MARION COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010

	Township	Township Assistance	Fire Fighting	Cumulative Fire	Dog	Fire Debt
Cash and investments - beginning	\$ 386,131	\$ 30,102	\$ 4,917,363	\$ 1,132,425	\$ 1,456	\$ 52,224
Receipts:						
Taxes	499,887	276,751	8,635,831	399,784	-	305
Intergovernmental	-	-	-	-	-	-
Charges for services	57,168	7,076	247,815	-	-	-
Fines and forfeits	288,808	-	-	-	-	-
Other receipts	22,640	2,616	3,098,611	-	-	-
Total receipts	<u>868,503</u>	<u>286,443</u>	<u>11,982,257</u>	<u>399,784</u>	<u>-</u>	<u>305</u>
Disbursements:						
Personal services	420,777	41,790	4,360,402	-	-	-
Supplies	14,107	605	56,697	-	-	-
Other services and charges	136,644	5,239	344,937	-	-	52,484
Capital outlay	12,733	647	-	590,033	-	-
Other disbursements	432	129,390	11,779,169	-	-	-
Total disbursements	<u>584,693</u>	<u>177,671</u>	<u>16,541,205</u>	<u>590,033</u>	<u>-</u>	<u>52,484</u>
Excess (deficiency) of receipts over disbursements	<u>283,810</u>	<u>108,772</u>	<u>(4,558,948)</u>	<u>(190,249)</u>	<u>-</u>	<u>(52,179)</u>
Cash and investments - ending	<u>\$ 669,941</u>	<u>\$ 138,874</u>	<u>\$ 358,415</u>	<u>\$ 942,176</u>	<u>\$ 1,456</u>	<u>\$ 45</u>

FRANKLIN TOWNSHIP, MARION COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	Levy Excess	Rainy Day	Township Debt	Loan And Interest Payment	Fire Building Debt	Capital Projects
Cash and investments - beginning	\$ -	\$ 238,818	\$ 2,778	\$ 16,056	\$ 12,737	\$ 216,683
Receipts:						
Taxes	25,077	-	9	2,429,761	800,186	-
Intergovernmental	-	225,899	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	276,515	209,724
Total receipts	<u>25,077</u>	<u>225,899</u>	<u>9</u>	<u>2,429,761</u>	<u>1,076,701</u>	<u>209,724</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	2,070,540	624,692	-
Capital outlay	-	-	-	-	-	3
Other disbursements	-	-	2,778	-	-	426,404
Total disbursements	<u>-</u>	<u>-</u>	<u>2,778</u>	<u>2,070,540</u>	<u>624,692</u>	<u>426,407</u>
Excess (deficiency) of receipts over disbursements	<u>25,077</u>	<u>225,899</u>	<u>(2,769)</u>	<u>359,221</u>	<u>452,009</u>	<u>(216,683)</u>
Cash and investments - ending	<u>\$ 25,077</u>	<u>\$ 464,717</u>	<u>\$ 9</u>	<u>\$ 375,277</u>	<u>\$ 464,746</u>	<u>\$ -</u>

FRANKLIN TOWNSHIP, MARION COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	Payroll Deductions	Donation	Fema Grants	Court Fees and Trust	Totals
Cash and investments - beginning	\$ 22,309	\$ 6,599	\$ -	\$ 54,757	\$ 7,090,438
Receipts:					
Taxes	-	-	-		13,067,591
Intergovernmental	-	-	210,320		436,219
Charges for services	-	-	-		312,059
Fines and forfeits	-	-	-		288,808
Other receipts	3,249,593	255	-	2,481,541	9,341,495
Total receipts	<u>3,249,593</u>	<u>255</u>	<u>210,320</u>	<u>2,481,541</u>	<u>23,446,172</u>
Disbursements:					
Personal services	-	-	-		4,822,969
Supplies	-	-	-		71,409
Other services and charges	-	-	-		3,234,536
Capital outlay	-	-	-		603,416
Other disbursements	3,227,572	-	210,320	2,522,137	18,298,202
Total disbursements	<u>3,227,572</u>	<u>-</u>	<u>210,320</u>	<u>2,522,137</u>	<u>27,030,532</u>
Excess (deficiency) of receipts over disbursements	<u>22,021</u>	<u>255</u>	<u>-</u>	<u>(40,596)</u>	<u>(3,584,360)</u>
Cash and investments - ending	<u>\$ 44,330</u>	<u>\$ 6,854</u>	<u>\$ -</u>	<u>\$ 14,161</u>	<u>\$ 3,506,078</u>

FRANKLIN TOWNSHIP, MARION COUNTY  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2010

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>Ending Balance</u>
Township capital assets:	
Capital assets, not being depreciated:	
Buildings	\$ 2,458,000
Machinery and equipment	<u>39,594</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 2,497,594</u>

FRANKLIN TOWNSHIP, MARION COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2010

The Township has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Township debt:		
General obligation bond:		
Fire building debt	\$ 1,758,177	\$ 624,692

FRANKLIN TOWNSHIP, MARION COUNTY  
OTHER REPORT

The report presented herein was prepared in addition to another official report prepared for the individual Township office listed below:

Marion County Small Claims Court, Franklin Township Division

FRANKLIN TOWNSHIP, MARION COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on July 18, 2011 with Ross P. Hughes, Trustee, and Terry Royalty, former Trustee. Our examination disclosed no material items that warrant comment at this time.