

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

COMPLIANCE REPORT

OF

FRANKLIN TOWNSHIP

OWEN COUNTY, INDIANA

January 1, 2012 to December 31, 2016



**FILED**  
06/22/2017



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Leroy Gentry	01-01-11 to 12-31-18
Chairman of the Township Board	Denise Line	01-01-12 to 12-31-17



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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TO: THE OFFICIALS OF FRANKLIN TOWNSHIP, OWEN 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), Owen County, for the period January 1, 2012 to December 31, 2016, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

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

The Annual Financial Reports filed by the Township can be found on the Gateway website: <https://gateway.ifionline.org/>.

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

May 8, 2017

FRANKLIN TOWNSHIP, OWEN COUNTY  
RESULTS AND COMMENTS

**ANNUAL FINANCIAL REPORT ERRORS**

The Annual Financial Report (AFR) filed on Gateway for 2012, 2013, 2014, 2015, and 2016 did not match the Township's records.

<u>Years</u>	<u>Fund</u>	<u>Category</u>	<u>Amount per Township Ledger</u>	<u>Amount per AFR</u>	<u>Difference</u>
2012	Township	Receipts	\$ 9,943.64	\$ 9,307.36	\$ 636.28
		Disbursements	16,478.54	16,737.32	(258.78)
		Ending Balance	26,473.74	26,024.93	448.81
	Township Assistance	Disbursements	4,255.15	4,090.37	164.78
		Ending Balance	12,479.70	12,500.20	(20.50)
		Fire Fighting	Receipts	20,635.61	21,582.39
2013	Township	Beginning Balance	26,473.74	26,024.93	448.81
		Receipts	4,903.37	4,596.42	306.95
		Ending Balance	13,762.37	13,236.77	525.60
	Township Assistance	Beginning Balance	12,479.70	12,500.20	(20.50)
		Receipts	4,328.38	4,505.30	(176.92)
		Ending Balance	12,081.38	12,278.80	(197.42)
Fire Fighting	Receipts	29,317.53	31,091.38	(1,773.85)	
	Ending Balance	9,894.39	11,668.24	(1,773.85)	
	2014	Township	Receipts	13,229.86	13,166.29
Disbursements			18,096.79	18,479.19	(382.40)
Ending Balance			8,369.84	7,923.87	445.97
Township Assistance		Receipts	1,221.49	1,128.49	93.00
		Disbursements	2,686.43	3,065.40	(378.97)
		Ending Balance	10,401.89	10,341.89	60.00
Fire Fighting	Receipts	25,725.46	24,408.63	1,316.83	
	Ending Balance	6,610.54	16,076.87	(9,466.33)	
	2015	Township	Beginning Balance	8,370.26	7,923.87
Receipts			15,391.35	15,457.44	(66.09)
Disbursements			16,896.99	17,754.42	(857.43)
Township Assistance		Ending Balance	6,864.62	5,626.89	1,237.73
		Beginning Balance	10,692.37	10,341.89	350.48
		Disbursements	2,473.17	2,630.91	(157.74)
Fire Fighting	Ending Balance	10,096.48	9,588.26	508.22	
	Beginning Balance	6,610.54	16,076.87	(9,466.33)	
	Receipts	25,807.87	25,844.87	(37.00)	
2016	Township	Ending Balance	12,452.41	21,921.74	(9,469.33)
		Beginning Balance	6,864.62	5,626.89	1,237.73
		Receipts	24,048.86	24,005.34	43.52
	Township Assistance	Disbursements	18,060.89	18,643.83	(582.94)
		Ending Balance	12,859.73	10,988.40	1,871.33
		Beginning Balance	10,096.48	9,588.26	508.22
Fire Fighting	Ending Balance	9,303.09	8,794.87	508.22	
	Beginning Balance	12,452.41	21,921.74	(9,469.33)	
	Ending Balance	11,047.60	20,516.93	(9,469.33)	

FRANKLIN TOWNSHIP, OWEN COUNTY  
RESULTS AND COMMENTS  
(Continued)

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

**PAYROLL DEDUCTIONS**

Employees of the Township were paid without the Township withholding the employee's share of Social Security and Medicare taxes.

W-2s were not issued for all Township employees.

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**OFFICIAL BOND**

The Trustee's Surety Bond was insufficient per the Indiana Code 5-4-1-18. The Trustee's official bond was for \$15,000.

Indiana Code 5-4-1-18(e) states in part:

- "(1) The amount must equal thirty thousand dollars (\$30,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).
- (2) The amount may not be less than thirty thousand dollars (\$30,000) nor more than three hundred thousand dollars (\$300,000) unless the fiscal body approves a greater amount for the officer or employee. . . ."

FRANKLIN TOWNSHIP, OWEN COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on May 8, 2017, with Leroy Gentry, Trustee.