

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

EXAMINATION REPORT
OF
MADISON TOWNSHIP
PUTNAM COUNTY, INDIANA
January 1, 2003 to December 31, 2005



FILED
12/11/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Jeffrey W. Alexander	01-01-03 to 12-31-06
Chairman of the Township Board	Jerry Alexander Jennifer Vermillion	01-01-03 to 12-31-05 01-01-06 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF MADISON TOWNSHIP, PUTNAM COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Madison 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 16, 2006

MADISON TOWNSHIP, PUTNAM COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY 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	\$ 49,317	\$ 1,272	\$ 33,475	\$ 17,114
Dog	1,257	878	1,407	728
Township Assistance	7,484	18	1,071	6,431
Firefighting	3,304	20,504	23,500	308
Fire Equipment Debt	15,047	13,946	27,771	1,222
Cumulative Fire	189	19	105	103
Fiduciary Fund:				
Payroll Withholdings	510	2,280	2,220	570
Totals	<u>\$ 77,108</u>	<u>\$ 38,917</u>	<u>\$ 89,549</u>	<u>\$ 26,476</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 17,114	\$ 58,556	\$ 49,191	\$ 26,479
Dog	728	820	732	816
Township Assistance	6,431	514	321	6,624
Firefighting	308	24,014	23,500	822
Fire Equipment Debt	1,222	66,081	66,504	799
Cumulative Fire	103	13,844	4,793	9,154
Rainy Day	-	2,457	-	2,457
Fiduciary Fund:				
Payroll Withholdings	570	2,520	2,460	630
Totals	<u>\$ 26,476</u>	<u>\$ 168,806</u>	<u>\$ 147,501</u>	<u>\$ 47,781</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 26,479	\$ 17,439	\$ 27,332	\$ 16,586
Dog	816	815	516	1,115
Township Assistance	6,624	-	1,320	5,304
Firefighting	822	18,588	19,401	9
Fire Equipment Debt	799	37,159	31,482	6,476
Cumulative Fire	9,154	7,545	1,144	15,555
Rainy Day	2,457	-	-	2,457
Fiduciary Fund:				
Payroll Withholdings	630	2,640	2,610	660
Totals	<u>\$ 47,781</u>	<u>\$ 84,186</u>	<u>\$ 83,805</u>	<u>\$ 48,162</u>

The accompanying notes are an integral part of the schedules.

MADISON TOWNSHIP, PUTNAM 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.

Note 6. Long-Term Debt

The Township has entered into a loan for a fire truck. The outstanding principal at December 31, 2005, was \$107,364.

MADISON TOWNSHIP, PUTNAM COUNTY
EXAMINATION RESULTS AND COMMENTS

CAPITAL ASSET RECORDS

Information presented for audit indicated some large purchases were not added to the inventory records. During the audit period, the Township purchased a Motorola radio and a Pierce Manufacturing fire truck. Neither were recorded.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Asset Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

APPROPRIATIONS

The records presented for audit indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
Fire Equipment Debt	2004	<u>\$ 2,955</u>

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined."

MADISON TOWNSHIP, PUTNAM COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 16, 2006, with Jeffrey W. Alexander, Trustee.
The official concurred with our findings.