



# STATE OF INDIANA

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STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

July 14, 2016

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

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Madison 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.

The 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.

### ***Unresolved Comments from Prior Report***

- *The official bonds for Paul E. Shafer, former Trustee, were not filed in the Office of the County Recorder for 2013 or 2014. The official bond for Mike Burch, Trustee, was not filed in the Office of the County Recorder for 2015.*
- *The Township did not timely file a Certified Reports of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) with the Indiana State Board of Accounts for 2012. The report was filed on July 8, 2013, which is 158 days past the due date.*
- *Depository reconciliations of the fund balances to the bank account balances were not retained and, therefore, were not presented for review for 33 out of 48 months.*

**Current Period Comments**

- The Annual Financial Report filed on Gateway for 2012 and 2014 contained a number of errors and did not properly reflect the financial activity of the Township.

<u>Years</u>	<u>Fund</u>	<u>(Beg Bal, Receipt, Disb, End Bal) Category</u>	<u>Amount Per Gateway</u>	<u>Amount Per Township Ledger</u>	<u>Difference</u>
2012	Township	Beg Bal	\$ 147,435.29	\$ 148,448.91	\$ (1,013.62)
2012	Township	Receipt	44,586.72	45,155.96	(569.24)
2012	Township	Disbursement	31,798.60	31,958.60	(160.00)
2012	Township	End Bal	160,223.41	161,646.27	(1,422.86)
2012	Fire Fighting	Beg Bal	193,885.48	193,685.48	200.00
2012	Fire Fighting	End Bal	214,906.80	214,706.80	200.00
2014	Levy Excess	Beg Bal	-	523.75	(523.75)
2014	Levy Excess	Disbursement	-	523.75	(523.75)


- 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>
2012	Township Assistance	\$ 1,560.33
2012	Fire Fighting	22,646.09

- The Township did not adopt a resolution establishing salaries of Township officers and employees for 2012, 2013, 2014, and 2015.
- The Certified Reports of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) was inaccurate. The 2012, 2013, and 2014 100-R stated net compensation for all officials or employees, instead of gross. As well as the amount paid to the Trustee for rent was included in his compensation. The contracted payments to volunteer firemen were also included on the 100-R.
- The Annual Report for 2013 was not filed electronically until March 10, 2014, which was nine days past the due date.
- 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, and 2014.
- The Township did not have a Contracting Policy for 2012.
- 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, and 2014.
- The Township did not have a Nepotism Policy for 2012.

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 April 28, 2016, with Mike Burch, Trustee. Any Official Response attached to this letter was not verified for accuracy.

  
Paul D. Joyce, CPA  
State Examiner