



STATE OF INDIANA
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B47445

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December 30, 2016

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

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Madison Township (Township), for the period of January 1, 2013 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.

Current Period Comments

- As of December 31, 2015, the depository reconciliation of the Total All Funds cash balance to the bank account balances reconciled; however, the total of the individual funds' cash balances did not agree with the Total All Funds cash balance. The following schedule shows a difference of \$238,550.88:

<i>Fund</i>	<i>Cash and Investment Balance per Gateway</i>	<i>Cash and Investment Balance per Ledger</i>	<i>Difference</i>
<i>Township</i>	\$ 35,637.85	\$ 267,730.92	\$ (232,093.07)
<i>Township Assistance</i>	82,242.76	88,700.57	(6,457.81)
<i>Totals</i>	<u>\$ 117,880.61</u>	<u>\$ 356,431.49</u>	<u>\$ (238,550.88)</u>

In reviewing the financial transactions in the Township's Ledger, the discrepancies were mainly due to postings of bank transfers in as receipts in the individual funds but not posting the transfers as disbursements.

The Township did correctly report the individual fund's transactions and cash balance of each of the individual funds on the Gateway Annual Report for 2015. Also, the necessary corrections were made to the Financial Ledger for the beginning cash balances of the individual funds as of January 1, 2016.

- *The financial institution did not return the actual cancelled checks with the monthly bank statements, but instead returned only an optical image of the front side of the checks. The back side or endorsement side of the checks was not returned for the months of October, November, and December 2015.*
- *Compensation paid to the Township Clerk in 2013, 2014, and 2015 was paid from the Township Assistance fund. This compensation should have been paid from the Township fund.*
- *In May 2013, the Township began paying its monthly electric bill and internet service bill for the Township office through electronic withdrawals from the Township's depository account. No supporting documentation was presented to substantiate the services received since that date.*
- *No resolution approved by the Township Board, authorizing electronic withdrawals as required by Indiana Code 36-1-8-11.5 was presented.*
- *In 2014, a payment of \$1,000 was made to a local community recreation organization which was not supported by a written contract.*
- *Township Assistance Standards were not established in accordance with Indiana Code 12-20-5.5-1.*
- *Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 2013, December 31, 2014, and December 31, 2015.*
- *The Township did not have a Contracting Policy for 2013 and 2014.*
- *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, 2013, December 31, 2014, and December 31, 2014.*
- *The Annual Financial Report (AFR) for 2014 was not filed electronically until March 23, 2015, which was 22 days past the due date.*
- *The Township did not timely file a Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) with the Indiana State Board of Accounts for 2014. The report was filed on March 12, 2015, which was 40 days past the due date.*

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 November 2, 2016, with Patrick Heitz, Trustee; Michael Schafer, Township Assistance Clerk; and Maribel Gullien, Township Clerk. Any Official Response attached to this letter was not verified for accuracy.

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