



# STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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March 5, 2024

TO: THE OFFICIALS OF MADISON TOWNSHIP, DUBOIS 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, 2019 to December 31, 2022, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

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 Township's Annual Financial Reports filed by management can be found on the Gateway Website: [www.gateway.ifionline.org](http://www.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.

## **Comments**

### **ANNUAL FINANCIAL REPORTS**

#### *Condition and Context*

The total fiscal year-end cash and investment balances reported in Annual Financial Reports (AFRs) filed in the Indiana Gateway for Government Units financial reporting system did not agree with the Township's ledgers. The total fiscal year-end cash and investment balances reported in the AFR were greater than the Township's ledgers by \$36,390, \$46,417, and \$34,856 as of December 31, 2019, 2020, and 2022, respectively. The December 31, 2021 total fiscal year-end cash and investment balance in the AFR was less than the Township's ledgers by \$9,320. Additionally, a 2022 License Excise Tax distribution to the Fire Fighting Fund in the amount of \$6,132 was not recorded within the AFR, which understated receipts reported in the AFR.

#### *Criteria*

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

## **BANK ACCOUNT RECONCILIATIONS**

### *Condition and Context*

The Township did not provide comprehensive bank reconciliations for any month of the engagement period. Additionally, the fiscal year-end comprehensive bank account reconciliations prepared by Indiana State Board of Accounts for use in the engagement did not agree with the Township ledgers' fiscal year-end cash and investment balances as shown in the table below.

<u>Fiscal Year End</u>	<u>Reconciled Bank Accounts</u>	<u>Ledger Cash and Investments</u>	<u>Difference</u>
December 31, 2019	\$ 498,321	\$ 461,710	\$ 36,611
December 31, 2020	524,398	463,706	60,692
December 31, 2021	549,883	540,551	9,332
December 31, 2022	574,593	509,798	64,795

### *Criteria*

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

## **PENALTIES, INTEREST, AND OTHER CHARGES**

### *Condition and Context*

The Township paid \$2,559 for penalties and interest fees for late payments to the Internal Revenue Service.

### *Criteria*

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the unit. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the unit. Any penalties, interest, or other charges paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

The Schedule of Cash and Investment Balances - Regulatory Basis is presented as other information. It has not been subjected to any auditing procedures, and, accordingly, we do not express an opinion or provide any assurance on it.

SCHEDULE OF CASH AND INVESTMENT  
BALANCES - REGULATORY BASIS  
As of December 31, 2022

Fund	Cash and Investments 12-31-22
Township	\$ 42,754
Park And Recreation	3,296
Township Assistance	9,911
Fire Fighting	433,577
Rainy Day	18,486
Payne Cemetery	<u>1,774</u>
Total	<u>\$ 509,798</u>

Any Official Response to the Comments, incorporated within this report, was not verified for accuracy.

The contents of this report were communicated to Scott A. Blazey, Trustee, on February 15, 2024.

Respectfully,



Beth Kelley, CPA, CFE  
Deputy State Examiner