

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

EXAMINATION REPORT
OF
MADISON TOWNSHIP
CARROLL COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
10/31/2008

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OFFICIALS

Office

Official

Term

Trustee

Sandra L. Roth
Dwayne K. Ward

01-01-03 to 12-31-06
01-01-07 to 12-31-10

Chairman of the
Township Board

Dee Humbarger

01-01-06 to 12-31-08



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Madison Township (Township), for the period of January 1, 2006 to December 31, 2007. The Township's management is responsible for the financial information presented herein. 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 financial information presented herein 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 financial information referred to above presents fairly, in all material respects, the financial information of the Township for the years ended December 31, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

September 29, 2008

MADISON TOWNSHIP, CARROLL COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 30,641	\$ 6,821	\$ 9,499	\$ 27,963
Dog	370	36	70	336
Township Assistance	10,484	1,276	1,096	10,664
Firefighting	44,880	20,091	7,088	57,883
Cumulative Fire	70,842	11,773	-	82,615
Levy Excess	117	-	-	117
Rainy Day	920	-	-	920
Totals	<u>\$ 158,254</u>	<u>\$ 39,997</u>	<u>\$ 17,753</u>	<u>\$ 180,498</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 27,963	\$ 15,266	\$ 8,510	\$ 34,719
Dog	336	-	-	336
Township Assistance	10,664	632	871	10,425
Firefighting	57,883	11,077	7,298	61,662
Cumulative Fire	82,615	4,461	-	87,076
Levy Excess	117	-	-	117
Rainy Day	920	-	-	920
Totals	<u>\$ 180,498</u>	<u>\$ 31,436</u>	<u>\$ 16,679</u>	<u>\$ 195,255</u>

The accompanying notes are an integral part of the financial information.

MADISON TOWNSHIP, CARROLL COUNTY
NOTES TO FINANCIAL INFORMATION

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, culture and recreation, 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.

MADISON TOWNSHIP, CARROLL COUNTY
EXAMINATION RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were not presented for examination for the year ending December 31, 2007.

Indiana Code 5-13-6-1(e) states in part: "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 should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CONDITION OF RECORDS

Financial records contained several posting errors. The bank records could not be reconciled to the reported balances, with a difference of \$2,569.06 cash necessary to balance. The detail of receipts as reported on the annual report did not agree to the statement of receipts, disbursements, cash and investment balances.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

MADISON TOWNSHIP, CARROLL COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 29, 2008, with Dwaine K. Ward, Trustee.