

B35985

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

EXAMINATION REPORT

OF

MADISON TOWNSHIP

ST. JOSEPH COUNTY, INDIANA

January 1, 2007 to December 31, 2009



FILED
04/01/2010

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OFFICIALS

Office

Official

Term

Trustee

Richard E. Mochel

01-01-07 to 12-31-10

Chairman of the
Township Board

Kurt Laidig

01-01-07 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF MADISON TOWNSHIP, ST. JOSEPH COUNTY, INDIANA

We have examined the financial information presented herein of Madison Township (Township), for the period of January 1, 2007 to December 31, 2009. 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, 2007, 2008, and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. The Schedule of Capital Assets has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on the Schedule.

STATE BOARD OF ACCOUNTS

January 21, 2010

MADISON TOWNSHIP TOWNSHIP, ST. JOSEPH COUNTY
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2007, 2008, And 2009

| | Cash and Investments 01-01-07 | Receipts | Disbursements | Cash and Investments 12-31-07 |
|---------------------|-------------------------------------|-------------------|------------------|-------------------------------------|
| Governmental Funds: | | | | |
| Township | \$ 41,818 | \$ 20,196 | \$ 21,599 | \$ 40,415 |
| Township Assistance | 10,234 | 463 | 1,550 | 9,147 |
| Firefighting | 32,580 | 73,106 | 73,427 | 32,260 |
| Cumulative Fire | 201,362 | 54,788 | - | 256,150 |
| Totals | <u>\$ 285,994</u> | <u>\$ 148,553</u> | <u>\$ 96,576</u> | <u>\$ 337,971</u> |

| | Cash and Investments 01-01-08 | Receipts | Disbursements | Cash and Investments 12-31-08 |
|---------------------|-------------------------------------|------------------|------------------|-------------------------------------|
| Governmental Funds: | | | | |
| Township | \$ 40,415 | \$ 12,397 | \$ 21,215 | \$ 31,597 |
| Township Assistance | 9,147 | 319 | 1,032 | 8,434 |
| Firefighting | 32,260 | 21,252 | 61,998 | (8,486) |
| Cumulative Fire | 256,150 | 45,236 | - | 301,385 |
| RainyDay | - | 2,766 | - | 2,766 |
| Totals | <u>\$ 337,971</u> | <u>\$ 81,970</u> | <u>\$ 84,245</u> | <u>\$ 335,696</u> |

| | Cash and Investments 01-01-09 | Receipts | Disbursements | Cash and Investments 12-31-09 |
|---------------------|-------------------------------------|-------------------|-------------------|-------------------------------------|
| Governmental Funds: | | | | |
| Township | \$ 31,597 | \$ 30,775 | \$ 20,917 | \$ 41,455 |
| Township Assistance | 8,434 | 3,615 | 2,216 | 9,833 |
| Firefighting | (8,486) | 133,396 | 80,669 | 44,241 |
| Cumulative Fire | 301,385 | 123,157 | 376,481 | 48,061 |
| Rainy Day | 2,766 | - | - | 2,766 |
| Levy Excess | - | 4,238 | - | 4,238 |
| Totals | <u>\$ 335,696</u> | <u>\$ 295,182</u> | <u>\$ 480,283</u> | <u>\$ 150,594</u> |

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

MADISON TOWNSHIP, ST. JOSEPH 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, ST. JOSEPH COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 As of December 31, 2009

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

| <u>Primary Government</u> | <u>Ending Balance</u> |
|--|---------------------------|
| Governmental activities: | |
| Capital assets, not being depreciated: | |
| Land | \$ 115,000 |
| Buildings | 209,000 |
| Machinery and equipment | <u>614,351</u> |
| Total governmental activities, capital assets not being depreciated | <u>\$ 938,351</u> |

MADISON TOWNSHIP, ST. JOSEPH COUNTY
EXAMINATION RESULTS AND COMMENTS

DISBURSEMENT DOCUMENTATION

Some payments were observed which did not contain adequate supporting documentation such as receipts, and invoices.

A payment in the amount of \$16,999 representing an addition to the original contract for the purchase of a fire truck was not approved by the Board.

A payment for \$1,033.25, was made based on a statement only and not on any invoices and a reimbursement to an employee for \$134 was made based on a Pay-Pal statement and not on an invoice.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

ALCOHOL PURCHASES

Two alcohol purchases, totaling \$6.59 were paid from public funds.

Purchases of alcoholic beverages may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

MADISON TOWNSHIP, ST. JOSEPH COUNTY
EXIT CONFERENCE

The contents of this report were discussed on January 21, 2010, with Richard E. Mochel, Trustee.