

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

CITY OF MADISON
JEFFERSON COUNTY, INDIANA

January 1, 2018 to December 31, 2018



FILED
07/23/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Rick Berry	01-01-16 to 12-31-19
Mayor	Damon L. Welch	01-01-16 to 12-31-19
President of the Board of Public Works and Safety	Damon L. Welch	01-01-18 to 12-31-19
President Pro Tempore of the Common Council	David Alcorn	01-01-18 to 12-31-19
Utility Office Manager	Mark Hill Rob Holt	01-01-18 to 03-26-18 03-27-18 to 12-31-19



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the City of Madison (City), which comprises the financial position and results of operations for the year ended December 31, 2018, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 to the financial statement, the City prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the City for the year ended December 31, 2018.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the City for the year ended December 31, 2018, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.


Other Information

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 27, 2019, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

June 27, 2019



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the City of Madison (City), which comprises the financial position and results of operations for the year ended December 31, 2018, and the related notes to the financial statement, and have issued our report thereon dated June 27, 2019, wherein we noted the City followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2018-001 and 2018-002, that we consider to be material weaknesses.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the City's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2018-002.

City of Madison's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The City's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

June 27, 2019

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the City. The financial statement and notes are presented as intended by the City.

CITY OF MADISON
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2018

Fund	Cash and Investments 01-01-18	Receipts	Disbursements	Cash and Investments 12-31-18
GENERAL FUND	\$ 1,290,969	\$ 5,992,133	\$ 5,800,789	\$ 1,482,313
MOTOR VEHICLE HIGHWAY	473,176	559,856	566,829	466,203
LOCAL ROAD & STREET	40,745	97,960	76,092	62,613
AVIATION	81,375	163,156	158,875	85,656
SEWAGE STATE REV LN FUNDS (598735-598738)	611,327	2,203	613,530	-
HRA INS RESERVE FUND	-	101,700	81,808	19,892
INVESTIGATION RE-IM. FUND	17	-	-	17
2017 WW SRF SERIES B (CFDA #66.458) (212596)	-	9,964,296	9,964,296	-
FARMERS MARKET	15,675	3,343	3,909	15,109
UNSAFE BLDG. FUND (35.58)	58,284	30,347	16,425	72,206
PARK & RECREATION-GEN.	902,081	1,151,745	1,396,167	657,659
RAINY DAY FUND(35.43)	535,191	-	-	535,191
POLICE K-9 FUND(35.55)	1,431	12,549	13,896	84
PARK NRO (35.18)	32,209	168,109	168,293	32,025
CUM CAP. DEV.(35.15)	213,924	200,367	226,109	188,182
COMMUNITY GARDEN (35.46)	3,087	600	91	3,596
POLICE D.A.R.E.	2,310	-	1,614	696
EQ.RESERVE NRO	39,828	393,186	312,950	120,064
COMMUNITY BAND	998	3,381	3,986	393
OLD SR 56/ MAIN ST.	640,000	130,000	-	770,000
P.A.C.E. NRO	62,981	100,190	68,649	94,522
CUM CAP IMPROV	71,636	27,974	43,370	56,240
TIF (35.27)	4,055,357	1,095,186	419,271	4,731,272
UST UNDERGROUND STORAGE TANKS	30,091	37	-	30,128
POLICE PENSION-CKING/INV	571,596	361,164	400,170	532,590
RIVERBOAT DIST. FUND	300,967	70,891	66,837	305,021
PETTY CASH	385	-	-	385
HISTORIC PRES. GRANT	96	-	-	96
PUBLIC SER.VIDEO (35.63)	21,887	34,025	35,831	20,081
EMER. RESPONSE TEAM	3,076	2,023	744	4,355
POLICE-CON'T EDUCATION	35,972	17,139	13,425	39,686
POLICE DONATION	7,833	19,646	18,613	8,866
INSURANCE	68,997	158,158	34,985	192,170
COMM DEV&EVENT (35.62)	14,395	55,862	68,760	1,497
BROADWAY FOUNTAIN	2,605	400	-	3,005
PARK DONATION	4,925	3,440	697	7,668
OPERATION PULLOVER GR	2,900	3,342	-	6,242
RIVERFRONT DEV GR (35.57)	1,850	10,000	-	11,850
MAD. CITY TREE (35.23)	4,809	37,000	40,345	1,464
CITY EMPLOYEE DONATION	1,923	8,318	5,472	4,769

CITY OF MADISON
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2018

Fund	Cash and Investments 01-01-18	Receipts	Disbursements	Cash and Investments 12-31-18
M.A.I.N. NRO	17	-	-	17
WALNUT ST. NRO	34,605	25,700	-	60,305
HARGAN MATTHEWS PARK FUND (35.66)	6,975	-	-	6,975
AVIATION-NRO (35.38)	119,013	389,308	321,736	186,585
SCBA FIRE DEPT(35.64)	228,521	39,000	-	267,521
AVIA ST. GRANT #3900101	6,772	325,111	330,507	1,376
BI-CENTENNIAL FUND(35.51)	102,501	-	75,000	27,501
COUNTY TAX FUND(35.48)	318,243	899,952	809,031	409,164
STAGE FUND NRO (35.59)	4,111	500	740	3,871
SENIOR CTZN. FUND	12,713	6,720	2,513	16,920
FIRE DEPT FED GR.(35.17)	1,418	-	-	1,418
AVIATION EVENTS NONREVERTING FUND	3,180	3,732	4,007	2,905
LOIT SPECIAL DISTRIBUTION	113,512	996,349	1,064,254	45,607
MICROLOAN FUND (35.32)	77,108	5,391	-	82,499
HERITAGE TRAILS (35.33)	201	-	-	201
MADISON STELLAR PROJECT FUND (35.47)	-	86,731	-	86,731
COMM DEV AC GR (35.28)	455,253	41,715	75,132	421,836
FIRE CO.INVEST. (35.19)	905,977	-	905,977	-
FIRE APPARATUS REPLACEMENT	-	954,095	209,316	744,779
REV LOAN INV (35.16)	510,889	14,828	-	525,717
UTILITY INS. CKS (35.42)	500	-	-	500
BNY MELLON 2017 WW SRF SERIES A (201231)	-	472,229	472,229	-
2017 WW SRF LOCAL CONTRIBUTION (208339)	122,493	1,944	-	124,437
PAYROLL FUND	303,391	7,640,581	7,257,003	686,969
TRANSFER STA. OPERATING	83,440	970,405	1,000,572	53,273
SEWAGE OPERATING	451,192	4,309,023	3,999,695	760,520
SEWER UTILITIES CAPITAL IMPROVEMENT	304,485	240,000	-	544,485
SEWAGE BOND & INT (144170)	401,325	1,367,480	962,335	806,470
SEWAGE DEBT RESERVE (144171)	899,810	170,295	-	1,070,105
J.CO.SEWAGE OPERATING	181,782	497,013	586,672	92,123
WATER OPERATING	266,497	1,848,220	1,882,927	231,790
WATER METER DEP CKING	64,966	41,250	35,425	70,791
WATER METER INVESTMENT	35,424	-	-	35,424
99 WATER BOND & INT (798527)	271,253	442,881	458,156	255,978
99 WATER BOND RESERVE (798528)	445,720	7,097	-	452,817
Totals	<u>\$ 16,940,195</u>	<u>\$ 42,777,276</u>	<u>\$ 41,076,055</u>	<u>\$ 18,641,416</u>

The notes to the financial statement are an integral part of this statement.

CITY OF MADISON
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The City was established under the laws of the State of Indiana. The City operates under a Council-Mayor form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, electric, gas, storm water, trash, aviation, and urban redevelopment and housing.

The accompanying financial statement presents the financial information for the City.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Taxes. Amounts received from one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the City.

Licenses and permits. Amounts received from businesses, occupations, or non-businesses that must be licensed before doing business within the government's jurisdiction, or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include the following: peddler licenses, animal licenses, auctioneer licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

Intergovernmental receipts. Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental receipts include, but are not limited to, the following: federal grants, state grants,

CITY OF MADISON
NOTES TO FINANCIAL STATEMENT
(Continued)

cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services. Amounts received for services including, but not limited to, the following: planning commission charges, building department charges, copies of public records, copy machines charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable TV receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits. Amounts received from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees. Amounts received from charges for current services.

Other receipts. Amounts received from various sources, including, but not limited to, the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution, or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Personal services. Amounts disbursed for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies. Amounts disbursed for articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges. Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service - principal and interest. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the City. It includes all expenditures for the reduction of the principal and interest of the City's general obligation indebtedness.

Capital outlay. Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses. Amounts disbursed for operating the utilities.

CITY OF MADISON
NOTES TO FINANCIAL STATEMENT
(Continued)

Other disbursements. Amounts disbursed for various other purposes including, but not limited to, the following: interfund loan payments; loans made to other funds; internal service disbursements; and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The City may, from time to time, make transfers from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the City. Each fund is used to account for amounts received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the City. The amounts accounted for in a specific fund may only be available for use for certain, legally-restricted purposes. Additionally, some funds are used to account for assets held by the City in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and, therefore, the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the City submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the City in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by December 31 of the year preceding the budget year or January 15 of the budget year if the City is issuing debt after December 1 or intends on filing a shortfall appeal. These rates were based upon the assessed valuations adjusted for various tax credits from the preceding year's lien date of January 1. Taxable property is assessed at 100 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

CITY OF MADISON
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana, at year end, should be 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 statutes authorize the City to invest in securities including, but not limited to, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

The City may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the City to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) Defined Benefit Plan is a cost-sharing multiple-employer defined benefit plan and provides retirement, disability, and survivor benefits to plan members. PERF is administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2, IC 5-10.3) and administrative code (35 IAC 1.2), which governs most requirements of the system and gives the City authority to contribute to the plan.

My Choice: Retirement Savings Plan for Public Employees (My Choice) is a multiple-employer defined contribution plan. It is administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2, IC 5-10.3) and administrative code (35 IAC 1.2), which governs most requirements of the system and gives the City authority to contribute to the plan.

New employees hired have a one-time election to join either the Public Employees' Hybrid Plan (PERF Hybrid) or the My Choice: Retirement Savings Plan for Public Employees (My Choice), which is a multiple-employer defined contribution plan. PERF Hybrid consists of two components: PERF DB, the employer-funded monthly defined benefit component, and the Public Employees' Hybrid Members Defined Contribution Account, the defined contribution component.

CITY OF MADISON
NOTES TO FINANCIAL STATEMENT
(Continued)

Financial Report

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (844) 464-6777

Contributions

Members' contributions are set by state statute at 3 percent of compensation for both the defined contribution component of PERF Hybrid and My Choice. The employer may elect to make the contribution on behalf of the member of the defined contribution component of PERF Hybrid and My Choice members may receive additional employer contribution in lieu of the PERF DB. Contributions to the PERF DB are determined by INPRS Board based on actuarial valuation.

B. 1925 Police Officers' Pension Plan

Plan Description

The 1925 Police Officers' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute.

On Behalf Payments

The 1925 Police Officers' Pension Plan is funded by the State of Indiana through the Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

C. 1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS) for all police officers and firefighters hired after April 30, 1977, providing retirement, disability, and survivor benefits.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting, and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52.

CITY OF MADISON
NOTES TO FINANCIAL STATEMENT
(Continued)

Financial Report

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (844) 464-6777

Contributions

The contribution requirements of plan members and the City are established by the Board of Trustees of INPRS based on actuarial valuation. Employers may pay all or part of the member contribution for the member.

Note 7. Subsequent Events

Ordinance 2019-1 was adopted on April 2, 2019, approving the issuance of economic development revenue bonds. The bonds were issued on May 24, 2019. The Series 2019A bond is for the Riverton, LLC project to pay for the costs of construction of a new hotel with a par amount of \$4,615,000, an interest rate of 4.30 percent, and a maturity date of February 1, 2034. Series 2019B bond is for the Clifty Commercial Properties, LLC project to pay for the costs of construction of a plastic coating manufacturing project with a par amount of \$2,680,000, an interest rate of 4.21 percent, and a maturity date of August 1, 2019.

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OTHER INFORMATION - UNAUDITED

The City's Annual Financial Report information can be found on the Indiana Gateway for Government Units website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the City's Annual Financial Report referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The other information presented was approved by management of the City. It is presented as intended by the City.

CITY OF MADISON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	GENERAL FUND	MOTOR VEHICLE HIGHWAY	LOCAL ROAD & STREET	AVIATION	SEWAGE STATE REV LN FUNDS (598735-598738)
Cash and investments - beginning	\$ 1,290,969	\$ 473,176	\$ 40,745	\$ 81,375	\$ 611,327
Receipts:					
Taxes	5,345,891	-	-	152,704	-
Licenses and permits	49,980	-	-	-	-
Intergovernmental receipts	334,088	558,346	96,450	8,345	(1)
Charges for services	26,145	-	-	597	-
Fines and forfeits	5,290	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	230,739	1,510	1,510	1,510	2,204
Total receipts	5,992,133	559,856	97,960	163,156	2,203
Disbursements:					
Personal services	2,778,098	290,873	-	93,443	-
Supplies	387,059	31,443	-	5,364	-
Other services and charges	2,462,268	10,983	76,092	51,964	613,530
Debt service - principal and interest	-	-	-	-	-
Capital outlay	173,364	233,530	-	8,104	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	5,800,789	566,829	76,092	158,875	613,530
Excess (deficiency) of receipts over disbursements	191,344	(6,973)	21,868	4,281	(611,327)
Cash and investments - ending	\$ 1,482,313	\$ 466,203	\$ 62,613	\$ 85,656	\$ -

CITY OF MADISON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	HRA INS RESERVE FUND	INVESTIGATION RE-IM. FUND	2017 WW SRF SERIES B (CFDA #66.458) (212596)	FARMERS MARKET
Cash and investments - beginning	\$ -	\$ 17	\$ -	\$ 15,675
Receipts:				
Taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental receipts	-	-	9,964,296	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Utility fees	-	-	-	-
Other receipts	101,700	-	-	3,343
Total receipts	101,700	-	9,964,296	3,343
Disbursements:				
Personal services	81,808	-	-	-
Supplies	-	-	-	-
Other services and charges	-	-	-	3,909
Debt service - principal and interest	-	-	-	-
Capital outlay	-	-	-	-
Utility operating expenses	-	-	-	-
Other disbursements	-	-	9,964,296	-
Total disbursements	81,808	-	9,964,296	3,909
Excess (deficiency) of receipts over disbursements	19,892	-	-	(566)
Cash and investments - ending	\$ 19,892	\$ 17	\$ -	\$ 15,109

CITY OF MADISON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	UNSAFE BLDG. FUND (35.58)	PARK & RECREATION-GEN.	RAINY DAY FUND(35.43)	POLICE K-9 FUND(35.55)	PARK NRO (35.18)
Cash and investments - beginning	\$ 58,284	\$ 902,081	\$ 535,191	\$ 1,431	\$ 32,209
Receipts:					
Taxes	-	651,472	-	-	3,343
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	3,806	-	-	-
Charges for services	-	496,329	-	-	164,766
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	30,347	138	-	12,549	-
Total receipts	30,347	1,151,745	-	12,549	168,109
Disbursements:					
Personal services	-	893,676	-	-	52,160
Supplies	-	146,080	-	12,923	80,627
Other services and charges	16,425	266,892	-	973	35,506
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	84,663	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	4,856	-	-	-
Total disbursements	16,425	1,396,167	-	13,896	168,293
Excess (deficiency) of receipts over disbursements	13,922	(244,422)	-	(1,347)	(184)
Cash and investments - ending	\$ 72,206	\$ 657,659	\$ 535,191	\$ 84	\$ 32,025

CITY OF MADISON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	CUM CAP. DEV.(35.15)	COMMUNITY GARDEN (35.46)	POLICE D.A.R.E.	EQ.RESERVE NRO	COMMUNITY BAND
Cash and investments - beginning	\$ 213,924	\$ 3,087	\$ 2,310	\$ 39,828	\$ 998
Receipts:					
Taxes	188,796	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	10,458	600	-	-	-
Charges for services	-	-	-	-	3,381
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	1,113	-	-	393,186	-
Total receipts	<u>200,367</u>	<u>600</u>	<u>-</u>	<u>393,186</u>	<u>3,381</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	10,497	-	-	-	-
Other services and charges	184,535	91	1,614	312,950	3,986
Debt service - principal and interest	-	-	-	-	-
Capital outlay	31,077	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	<u>226,109</u>	<u>91</u>	<u>1,614</u>	<u>312,950</u>	<u>3,986</u>
Excess (deficiency) of receipts over disbursements	<u>(25,742)</u>	<u>509</u>	<u>(1,614)</u>	<u>80,236</u>	<u>(605)</u>
Cash and investments - ending	<u>\$ 188,182</u>	<u>\$ 3,596</u>	<u>\$ 696</u>	<u>\$ 120,064</u>	<u>\$ 393</u>

CITY OF MADISON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	OLD SR 56/ MAIN ST.	P.A.C.E. NRO	CUM CAP IMPROV	TIF (35.27)	UST UNDERGROUND STORAGE TANKS
Cash and investments - beginning	\$ 640,000	\$ 62,981	\$ 71,636	\$ 4,055,357	\$ 30,091
Receipts:					
Taxes	-	-	-	1,050,749	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	100,190	27,974	-	-
Charges for services	130,000	-	-	2,975	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	-	-	-	41,462	37
Total receipts	130,000	100,190	27,974	1,095,186	37
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	10,691	200,883	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	32,679	218,388	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	68,649	-	-	-
Total disbursements	-	68,649	43,370	419,271	-
Excess (deficiency) of receipts over disbursements	130,000	31,541	(15,396)	675,915	37
Cash and investments - ending	\$ 770,000	\$ 94,522	\$ 56,240	\$ 4,731,272	\$ 30,128

CITY OF MADISON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	POLICE PENSION-CKING/INV	RIVERBOAT DIST. FUND	PETTY CASH	HISTORIC PRES. GRANT	PUBLIC SER.VIDEO (35.63)
Cash and investments - beginning	\$ 571,596	\$ 300,967	\$ 385	\$ 96	\$ 21,887
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	70,891	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	361,164	-	-	-	34,025
Total receipts	<u>361,164</u>	<u>70,891</u>	<u>-</u>	<u>-</u>	<u>34,025</u>
Disbursements:					
Personal services	400,170	-	-	-	-
Supplies	-	2,825	-	-	-
Other services and charges	-	54,012	-	-	35,831
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	10,000	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	<u>400,170</u>	<u>66,837</u>	<u>-</u>	<u>-</u>	<u>35,831</u>
Excess (deficiency) of receipts over disbursements	<u>(39,006)</u>	<u>4,054</u>	<u>-</u>	<u>-</u>	<u>(1,806)</u>
Cash and investments - ending	<u>\$ 532,590</u>	<u>\$ 305,021</u>	<u>\$ 385</u>	<u>\$ 96</u>	<u>\$ 20,081</u>

CITY OF MADISON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	EMER. RESPONSE TEAM	POLICE-CON'T EDUCATION	POLICE DONATION	INSURANCE	COMM DEV&EVENT (35.62)
Cash and investments - beginning	\$ 3,076	\$ 35,972	\$ 7,833	\$ 68,997	\$ 14,395
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	4,846	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	8,660	-	-	-
Utility fees	-	-	-	-	-
Other receipts	2,023	3,633	19,646	158,158	55,862
Total receipts	2,023	17,139	19,646	158,158	55,862
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	744	9,685	18,613	34,985	68,760
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	3,740	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	744	13,425	18,613	34,985	68,760
Excess (deficiency) of receipts over disbursements	1,279	3,714	1,033	123,173	(12,898)
Cash and investments - ending	\$ 4,355	\$ 39,686	\$ 8,866	\$ 192,170	\$ 1,497

CITY OF MADISON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	BROADWAY FOUNTAIN	PARK DONATION	OPERATION PULLOVER GR	RIVERFRONT DEV GR (35.57)	MAD. CITY TREE (35.23)
Cash and investments - beginning	\$ 2,605	\$ 4,925	\$ 2,900	\$ 1,850	\$ 4,809
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	10,000	37,000
Charges for services	-	3,440	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	400	-	3,342	-	-
Total receipts	400	3,440	3,342	10,000	37,000
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	40,345
Other services and charges	-	697	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	-	697	-	-	40,345
Excess (deficiency) of receipts over disbursements	400	2,743	3,342	10,000	(3,345)
Cash and investments - ending	\$ 3,005	\$ 7,668	\$ 6,242	\$ 11,850	\$ 1,464

CITY OF MADISON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	CITY EMPLOYEE DONATION	M.A.I.N. NRO	WALNUT ST. NRO	HARGAN MATTHEWS PARK FUND (35.66)	AVIATION-NRO (35.38)
Cash and investments - beginning	\$ 1,923	\$ 17	\$ 34,605	\$ 6,975	\$ 119,013
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	389,308
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	8,318	-	25,700	-	-
Total receipts	8,318	-	25,700	-	389,308
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	321,736
Other services and charges	5,472	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	5,472	-	-	-	321,736
Excess (deficiency) of receipts over disbursements	2,846	-	25,700	-	67,572
Cash and investments - ending	\$ 4,769	\$ 17	\$ 60,305	\$ 6,975	\$ 186,585

CITY OF MADISON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	SCBA FIRE DEPT(35.64)	AVIA ST. GRANT #3900101	BI-CENTENNIAL FUND(35.51)	COUNTY TAX FUND(35.48)	STAGE FUND NRO (35.59)
Cash and investments - beginning	\$ 228,521	\$ 6,772	\$ 102,501	\$ 318,243	\$ 4,111
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	15,401	-	-	-
Charges for services	-	309,710	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	39,000	-	-	899,952	500
Total receipts	39,000	325,111	-	899,952	500
Disbursements:					
Personal services	-	-	-	35,000	-
Supplies	-	-	-	22,038	-
Other services and charges	-	315,106	75,000	609,360	740
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	15,401	-	142,633	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	-	330,507	75,000	809,031	740
Excess (deficiency) of receipts over disbursements	39,000	(5,396)	(75,000)	90,921	(240)
Cash and investments - ending	\$ 267,521	\$ 1,376	\$ 27,501	\$ 409,164	\$ 3,871

CITY OF MADISON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	SENIOR CTZN. FUND	FIRE DEPT FED GR.(35.17)	AVIATION EVENTS NONREVERTING FUND	LOIT SPECIAL DISTRIBUTION	MICROLOAN FUND (35.32)
Cash and investments - beginning	\$ 12,713	\$ 1,418	\$ 3,180	\$ 113,512	\$ 77,108
Receipts:					
Taxes	-	-	-	996,349	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	6,720	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	-	-	3,732	-	5,391
Total receipts	6,720	-	3,732	996,349	5,391
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	2,513	-	-	1,064,254	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	4,007	-	-
Total disbursements	2,513	-	4,007	1,064,254	-
Excess (deficiency) of receipts over disbursements	4,207	-	(275)	(67,905)	5,391
Cash and investments - ending	\$ 16,920	\$ 1,418	\$ 2,905	\$ 45,607	\$ 82,499

CITY OF MADISON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	HERITAGE TRAILS (35.33)	MADISON STELLAR PROJECT FUND (35.47)	COMM DEV AC GR (35.28)	FIRE CO.INVEST. (35.19)	FIRE APPARATUS REPLACEMENT
Cash and investments - beginning	\$ 201	\$ -	\$ 455,253	\$ 905,977	\$ -
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	86,731	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	-	-	41,715	-	954,095
Total receipts	-	86,731	41,715	-	954,095
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	75,132	905,977	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	209,316
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	-	-	75,132	905,977	209,316
Excess (deficiency) of receipts over disbursements	-	86,731	(33,417)	(905,977)	744,779
Cash and investments - ending	\$ 201	\$ 86,731	\$ 421,836	\$ -	\$ 744,779

CITY OF MADISON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	REV LOAN INV (35.16)	UTILITY INS. CKS (35.42)	BNY MELLON 2017 WW SRF SERIES A (201231)	2017 WW SRF LOCAL CONTRIBUTION (208339)
Cash and investments - beginning	\$ 510,889	\$ 500	\$ -	\$ 122,493
Receipts:				
Taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental receipts	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Utility fees	-	-	-	-
Other receipts	14,828	-	472,229	1,944
Total receipts	14,828	-	472,229	1,944
Disbursements:				
Personal services	-	-	-	-
Supplies	-	-	-	-
Other services and charges	-	-	472,229	-
Debt service - principal and interest	-	-	-	-
Capital outlay	-	-	-	-
Utility operating expenses	-	-	-	-
Other disbursements	-	-	-	-
Total disbursements	-	-	472,229	-
Excess (deficiency) of receipts over disbursements	14,828	-	-	1,944
Cash and investments - ending	\$ 525,717	\$ 500	\$ -	\$ 124,437

CITY OF MADISON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	PAYROLL FUND	TRANSFER STA. OPERATING	SEWAGE OPERATING	SEWER UTILITIES CAPITAL IMPROVEMENT	SEWAGE BOND & INT (144170)
Cash and investments - beginning	\$ 303,391	\$ 83,440	\$ 451,192	\$ 304,485	\$ 401,325
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	963,984	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	4,248,959	-	-
Other receipts	7,640,581	6,421	60,064	240,000	1,367,480
Total receipts	7,640,581	970,405	4,309,023	240,000	1,367,480
Disbursements:					
Personal services	4,557,166	600,962	1,349,322	-	-
Supplies	-	36,168	-	-	-
Other services and charges	1,965,821	353,442	-	-	-
Debt service - principal and interest	-	-	1,351,270	-	962,335
Capital outlay	-	10,000	240,000	-	-
Utility operating expenses	-	-	969,891	-	-
Other disbursements	734,016	-	89,212	-	-
Total disbursements	7,257,003	1,000,572	3,999,695	-	962,335
Excess (deficiency) of receipts over disbursements	383,578	(30,167)	309,328	240,000	405,145
Cash and investments - ending	\$ 686,969	\$ 53,273	\$ 760,520	\$ 544,485	\$ 806,470

CITY OF MADISON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	SEWAGE DEBT RESERVE (144171)	J.CO.SEWAGE OPERATING	WATER OPERATING	WATER METER DEP CKING
Cash and investments - beginning	\$ 899,810	\$ 181,782	\$ 266,497	\$ 64,966
Receipts:				
Taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental receipts	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Utility fees	-	497,013	1,811,283	-
Other receipts	170,295	-	36,937	41,250
Total receipts	<u>170,295</u>	<u>497,013</u>	<u>1,848,220</u>	<u>41,250</u>
Disbursements:				
Personal services	-	104,754	387,206	-
Supplies	-	-	-	-
Other services and charges	-	-	77,833	-
Debt service - principal and interest	-	-	-	-
Capital outlay	-	-	2,801	-
Utility operating expenses	-	481,918	969,155	35,425
Other disbursements	-	-	445,932	-
Total disbursements	<u>-</u>	<u>586,672</u>	<u>1,882,927</u>	<u>35,425</u>
Excess (deficiency) of receipts over disbursements	<u>170,295</u>	<u>(89,659)</u>	<u>(34,707)</u>	<u>5,825</u>
Cash and investments - ending	<u>\$ 1,070,105</u>	<u>\$ 92,123</u>	<u>\$ 231,790</u>	<u>\$ 70,791</u>

CITY OF MADISON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	WATER METER INVESTMENT	99 WATER BOND & INT (798527)	99 WATER BOND RESERVE (798528)	Totals
Cash and investments - beginning	\$ 35,424	\$ 271,253	\$ 445,720	\$ 16,940,195
Receipts:				
Taxes	-	-	-	8,389,304
Licenses and permits	-	-	-	54,826
Intergovernmental receipts	-	-	-	11,324,575
Charges for services	-	-	-	2,497,355
Fines and forfeits	-	-	-	13,950
Utility fees	-	-	-	6,557,255
Other receipts	-	442,881	7,097	13,940,011
Total receipts	-	442,881	7,097	42,777,276
Disbursements:				
Personal services	-	-	-	11,624,638
Supplies	-	-	-	1,097,105
Other services and charges	-	-	-	10,399,498
Debt service - principal and interest	-	458,156	-	2,771,761
Capital outlay	-	-	-	1,415,696
Utility operating expenses	-	-	-	2,456,389
Other disbursements	-	-	-	11,310,968
Total disbursements	-	458,156	-	41,076,055
Excess (deficiency) of receipts over disbursements	-	(15,275)	7,097	1,701,221
Cash and investments - ending	\$ 35,424	\$ 255,978	\$ 452,817	\$ 18,641,416

CITY OF MADISON
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2018

Government or Enterprise	Accounts Payable	Accounts Receivable
Wastewater	\$ 381,466	\$ 388,287
Water	123,692	99,045
Governmental activities	1,583,109	-
Totals	\$ 2,088,267	\$ 487,332

CITY OF MADISON
SCHEDULE OF LEASES AND DEBT
December 31, 2018

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Enterprise Leasing-3827294-Animal Control	Vehicle	\$ 5,916	12/31/2018	8/31/2023
Enterprise Leasing-3827314	Vehicle	9,012	12/31/2018	5/31/2023
Enterprise Leasing-3827347	Vehicle	7,632	12/31/2018	6/30/2023
Enterprise Leasing-3843156	Vehicle	12,300	12/31/2018	9/30/2023
Enterprise Leasing-3843182	Vehicle	13,188	12/31/2018	8/31/2023
Enterprise Leasing-3843195	Vehicle	11,616	12/31/2018	10/31/2023
Enterprise Leasing-384423	Vehicle	16,800	12/31/2018	12/31/2023
Enterprise Leasing-3870318	Vehicle	9,924	12/31/2018	8/31/2023
Enterprise Leasing-3870385	Vehicle	12,300	12/31/2018	9/30/2023
Enterprise Leasing-3870408	Vehicle	12,324	12/31/2018	8/31/2023
Enterprise Leasing-3870414	Vehicle	12,324	12/31/2018	8/31/2023
Enterprise Leasing-3882872	Vehicle	13,368	12/31/2018	5/31/2023
German American Bank	Police Vehicles	7,772	9/23/2016	9/23/2019
German American Bank	Police Vehicles	7,762	9/23/2016	9/23/2019
German American Dodge Durango #1 Lease #2018-439	Vehicle	11,144	9/17/2018	9/30/2021
German American Dodge Durango #2 Lease #2018-436	Vehicle	11,144	9/4/2018	9/30/2021
German American Ford Explorer #1 Lease #2018-441	Vehicle	9,836	10/15/2018	9/30/2021
German American Ford Explorer #2 Lease #2018-442	Vehicle	9,836	10/15/2018	3/31/2021
German American Ford Explorer #3 Lease #2018-443	Vehicle	9,836	10/15/2018	9/30/2021
German American Heli Sanitation Truck Lease #2018-433	Garbage Truck	40,184	7/12/2018	6/30/2022
Great America Financial Services	Police Copier	2,160	8/23/2017	8/23/2020
Great America Financial Services	City Hall Copier	3,358	8/23/2017	8/23/2020
Great America Financial Services	Police Vehicles	9,618	2/27/2017	9/30/2020
PNC Equipment Finance	Golf Carts	<u>24,412</u>	3/24/2016	1/24/2021
Total governmental activities		<u>283,766</u>		
Total of annual lease payments		<u>\$ 283,766</u>		

Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:				
Notes and loans payable	First Financial-Golf Course Equipment #15000825		\$ 80,645	\$ 33,170
Wastewater:				
Notes and loans payable	2010 State Revolving Forgivable Loan(SRF)		1,000,000	-
Notes and loans payable	2015 Series B-1 Sewage Bonds		148,255	117,335
Notes and loans payable	2015 Series B-2 SRF Bonds		2,192,784	44,750
Notes and loans payable	2015 Series C SRF Bonds		12,662,958	783,434
Notes and loans payable	2017 State Revolving Loan Series A & B		10,436,525	703,580
Total Wastewater			<u>26,440,522</u>	<u>1,649,099</u>
Water:				
Notes and loans payable	1999 State Revolving Loan (SRF) DW199111 01		735,000	383,316
Notes and loans payable	2009 State Revolving Forgivable Loan (SRF)		456,500	55,712
Total Water			<u>1,191,500</u>	<u>439,028</u>
Totals			<u>\$ 27,712,667</u>	<u>\$ 2,121,297</u>

CITY OF MADISON
SCHEDULE OF CAPITAL ASSETS
December 31, 2018

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>Ending Balance</u>
Governmental activities:	
Land	\$ 2,813,041
Infrastructure	7,907,715
Buildings	18,439,155
Improvements other than buildings	12,682,177
Machinery, equipment, and vehicles	<u>6,564,581</u>
Total governmental activities	<u>48,406,669</u>
Wastewater:	
Land	70,500
Infrastructure	2,056,160
Buildings	14,683,354
Improvements other than buildings	5,129,953
Machinery, equipment, and vehicles	<u>11,387,706</u>
Total Wastewater	<u>33,327,673</u>
Water:	
Land	9,148,236
Infrastructure	331,870
Buildings	7,593,000
Improvements other than buildings	1,221,234
Machinery, equipment, and vehicles	<u>2,903,295</u>
Total Water	<u>21,197,635</u>
Total capital assets	<u>\$ 102,931,977</u>

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

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

Report on Compliance for the Major Federal Program

We have audited the City of Madison's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2018. The City's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2018.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)


Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

June 27, 2019

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the City. The schedule and notes are presented as intended by the City.

CITY OF MADISON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2018

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient	Total Federal Awards Expended
<u>Department of Transportation</u>					
Airport Improvement Program	Direct Grant	20.106			
Wildlife Fence Phase 1			3-18-0052-019-2016	\$ -	\$ 19,555
Apron Repairs			3-18-0052-020-2017	-	286,798
Total - Airport Improvement Program				-	306,353
Highway Planning and Construction Cluster					
Highway Planning and Construction Detour Reimbursement	Indiana Department of Transportation	20.205	Des# 902256	-	8,185
Total - Highway Planning and Construction Cluster				-	8,185
Highway Safety Cluster					
State and Community Highway Safety OPO	Indiana Criminal Justice Institute	20.600	D3-18-11902	-	3,342
Total - Highway Safety Cluster				-	3,342
Total - Department of Transportation				-	317,880
<u>Environmental Protection Agency</u>					
Clean Water State Revolving Fund Cluster					
Capitalization Grants for Clean Water State Revolving Funds SRF 2015-Series B-2 Bonds SRF WW Madison17B	Indiana Finance Authority	66.458	WW16028705 WW17173907	-	386,490 9,964,296
Total - Environmental Protection Agency				-	10,350,786
Total federal awards expended				\$ -	\$ 10,668,666

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF MADISON
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the City under programs of the federal government for the year ended December 31, 2018. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the City, it is not intended to and does not present the financial position of the City.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF MADISON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major program:	
Material weakness identified?	no
Significant deficiency identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	no

Identification of Major Program and type of auditor's report issued on compliance for it:

<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
Clean Water State Revolving Fund Cluster	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?	no
--	----

Section II - Financial Statement Findings

FINDING 2018-001

Subject: Internal Controls - Receipts
Audit Finding: Material Weakness

Condition

There were deficiencies in the internal control system of the City related to financial transactions and reporting. There was a lack of segregation of duties related to receipts. The receipts clerk was responsible for issuing receipts, recording receipts, and making bank deposits. The same individual was also responsible for performing monthly bank reconciliements. There was no oversight or review over the receipts issued to ensure that all receipt activity was accurately recorded and deposited.

Context

The lack of controls was a systemic issue, which occurred throughout the audit period.

CITY OF MADISON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

Cause

Management of the City had not established a proper system of internal control.

Effect

The failure to establish a system of internal controls could have enabled misstatements or irregularities to remain undetected.

Recommendation

We recommended that the City establish a system of internal controls related to financial transactions and reporting over receipts.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2018-002

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness, Noncompliance

Condition

The City did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).

The City had not established effective internal controls over the federal award information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the City's SEFA. One employee prepared the federal award information entered into Gateway without a control in place to prevent, or detect and correct, errors prior to submission.

CITY OF MADISON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

The SEFA contained the following errors:

1. The Clean Water State Revolving Fund Cluster expenditures were understated by \$6,348,682.
2. The Highway Planning and Construction Cluster expenditures of \$8,185 were not included on the SEFA.
3. Not all CFDA numbers, program names, project names, and identifying numbers were correct or listed.

Audit adjustments were proposed, accepted by the City, and made to the SEFA.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . .

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities. . . .

- Accurate and timely recording of transactions. . . ."

CFR 200.508 states in part: "The auditee must: . . . (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 Financial statements. . . ."

2 CFR 200.510(b) states:

"*Schedule of expenditures of Federal awards*. The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. While not required, the auditee

CITY OF MADISON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs. "

Cause

The City's management had not established a system of internal control that would have ensured proper reporting of the SEFA.

Effect

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Context*.

Recommendation

We recommended that the City's management establish controls related to the preparation of the SEFA.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

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AUDITEE-PREPARED DOCUMENT

The subsequent document was provided by management of the City. The document is presented as intended by the City.

Rick Berry

CLERK • TREASURER
CLERKTREASURER@MADISON.IN.GOV



101 WEST MAIN STREET
MADISON, INDIANA 47250-3775
(812) 265-8316
FAX: (812) 273-6089

City of Madison

CORRECTIVE ACTION PLAN

FINDING 2018-001-Internal Controls-Receipts

Contact Person Responsible for Corrective Action: Rick Berry

Contact Phone Number: 812-265-8316

Views of Responsible Official: The Clerk Treasurer concurs with the finding.

Description of Corrective Action Plan: The Clerk Treasurer has in the past, made all bank deposits and will continue to do so. The Clerk Treasurer will review and sign off on bank reconciliations. The Clerk Treasurer will compare deposit slips with the receipts to make sure they agree.

Anticipated Completion Date: January 1, 2019

FINDING 2018-002-Preparation of the Schedule of Expenditures of Federal Awards

Contact Person Responsible for Corrective Action: Rick Berry

Contact Phone Number: 812-265-8316

Views of Responsible Official: The Clerk Treasurer concurs with the finding.

Description of Corrective Action Plan: At the end of 2018 the City began getting review from the City Council to approve all grants by resolution. The City keeps the documentation and tracks them by creating new revenue numbers. Once the grant information is put into Gateway based upon the review of the financial records, it is reviewed by the department heads responsible for administrating the grants to insure its accuracy.

Anticipated Completion Date: January 1, 2019

Rick Berry

Signature

Clerk Treasurer

Title

6/19/2019

Date

OTHER REPORTS

In addition to this report, other reports may have been issued for the City. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.