



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

July 8, 2021

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

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Madison Township (Township), Allen County, for the period of January 1, 2016 to December 31, 2020, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

Management is responsible for preparing and maintaining its accounting records and related documents, as well as compliance with applicable state laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The Township's Annual Financial Reports filed by management can be found on the Gateway Website: www.gateway.ifionline.org.

The Comments contained herein describe the identified reportable instances of noncompliance found as a result of the procedures we performed. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

FAILURE TO WITHHOLD PAYROLL TAXES

A similar comment also appeared in prior Report B46609.

Condition and Context

Employees of the Township were paid without the Township withholding federal, state, and local taxes from employee paychecks. The issue persisted throughout engagement period.

Criteria

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

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

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


SCHEDULE OF CASH AND INVESTMENT
BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2020

Fund	Cash and Investments 12-31-20
Township	\$ 5,153
Township Assistance	8,237
Fire Fighting	131,432
Rainy Day	4,139
Cumulative Fire	36,170
Fire Debt	<u>4,259</u>
Total	<u>\$ 189,390</u>

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

The contents of this letter were communicated to Jane Linker, Trustee, and Sharon Rorick, Chair of the Board on June 9, 2021.

Respectfully,


Paul D. Joyce, CPA
State Examiner

Madison Township, Allen County, Indiana
Jane A. Linker, Township Trustee
P. O. Box 204
Hoagland, Indiana 46745

“OFFICIAL RESPONSE”

June 16, 2021

Indiana State Board of Accounts
302 W. Washington St. Room E418
Indianapolis, Indiana 46204-2765

Re: Madison Township, Allen County Audit – January 1, 2016 – December 31, 2020

Regarding Cumulative Fire Funds, we had filed for Additional Appropriations, and it was approved in 2016. I have also attached paperwork.

Regarding Repeat Findings. In my 1st 2016 Audit I was informed I had withheld an incorrect amount on Medicare & Social Security on my Salary and didn't deduct either when I paid Dave Linker. I was told I owed \$244.79, which I immediately paid back. There was no mention of Federal, State and Local taxes in that discussion. I am not finding any record in the Township Books that Federal, State and Local taxes have ever been withheld. As a member of the Advisory Board prior to being Trustee this was not done either.

Madison Township never planned on being an Employer but in the last Quarter of 2019 we had ONE EMT and could basically NOT get our ambulance out the door for emergency runs between 60-70% of the time. This was UNACCEPTABLE. Madison Twp. has been in talks and meetings and invested money in trying to form and join a Fire Territory for the past 3 years to resolve this issue. (New Haven/Woodburn Territory, Monroeville/Monroe Twp./Madison Twp., and the newest is Southwest Allen County Fire District.) To solve the immediate issue until this can be accomplished, we hired part time EMT's and Drivers for the Ambulance from 7 AM to 5 PM, Monday through Friday. This is the only way we can protect our community; it is expensive for us, but we will have to make it work until we can resolve the problem and join a Fire Territory/District.

We have had some employees work a few days and not return and we have others who work maybe 4 hours every 2 weeks to help cover our problem, although some others put in many more hours. It can be a revolving door at times. I handled the payroll as I had done previously, being careful on the Social Security and the Medicare deductions, deductions were taken out and sent in Quarterly. All of this is done by hand since we have no computerized program, all W2's are done and sent to employees by due date. There was never an intention to do this incorrectly nor did I realize I was. My Board President and I are looking into purchasing a program (Quick Books for Payroll) or one similar that can figure all of our tax deductions.

Thank you for the opportunity to respond, we at Madison Township take the job of serving our community very seriously. I am here 24 hours a day for assistance for all Township residents.

Sincerely,

Jane A. Linker
Madison Township Trustee
Allen County Indiana