

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT

OF

TOWN OF MONROVIA

MORGAN COUNTY, INDIANA

January 1, 2003 to December 31, 2005



FILED
08/29/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Norieta Sichting	01-01-03 to 12-31-06
President of the Town Council	Robert L. Marley	01-01-03 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF MONROVIA, MORGAN COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Town of Monrovia for the period of January 1, 2003 to December 31, 2005. The Town's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the Town for the years ended December 31, 2003, 2004, and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

June 8, 2006

TOWN OF MONROVIA
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES
As Of And For The Years Ended December 31, 2003, 2004, And 2005

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 153,985	\$ 86,831	\$ 157,354	\$ 83,462
Motor Vehicle Highway	103,832	19,183	10,317	112,698
Local Road and Street	55,638	5,629	7,420	53,847
Law Enforcement Continuing Education	302	193	-	495
Riverboat	-	3,971	-	3,971
Cumulative Capital Improvement	19,025	2,270	-	21,295
Build Indiana Fund	27,199	-	22,327	4,872
Robert's Account	7,644	48	7,681	11
Proprietary Funds:				
Wastewater Utility - Operating	60,817	260,873	216,218	105,472
Wastewater Utility - Bond and Interest	-	60,000	-	60,000
Wastewater Utility - Construction	-	1,825	-	1,825
Totals	<u>\$ 428,442</u>	<u>\$ 440,823</u>	<u>\$ 421,317</u>	<u>\$ 447,948</u>
	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 83,462	\$ 186,279	\$ 158,997	\$ 110,744
Motor Vehicle Highway	112,698	20,538	34,570	98,666
Local Road and Street	53,847	5,910	21,730	38,027
Law Enforcement Continuing Education	495	60	-	555
Riverboat	3,971	3,960	-	7,931
Cumulative Capital Improvement	21,295	2,343	15,211	8,427
Build Indiana Fund	4,872	11	1,928	2,955
Robert's Account	11	-	11	-
Proprietary Funds:				
Wastewater Utility - Operating	105,472	203,590	229,141	79,921
Wastewater Utility - Bond and Interest	60,000	60,000	-	120,000
Wastewater Utility - Construction	1,825	3,685	-	5,510
Totals	<u>\$ 447,948</u>	<u>\$ 486,376</u>	<u>\$ 461,588</u>	<u>\$ 472,736</u>
	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 110,744	\$ 137,565	\$ 148,060	\$ 100,249
Motor Vehicle Highway	98,666	24,672	3,806	119,532
Local Road and Street	38,027	5,918	1,350	42,595
Law Enforcement Continuing Education	555	289	-	844
Riverboat	7,931	3,960	-	11,891
Cumulative Capital Improvement	8,427	1,941	10,368	-
Build Indiana Fund	2,955	-	-	2,955
Roberts Account	-	-	-	-
Economic Development Income Tax	-	20,863	-	20,863
Proprietary Funds:				
Wastewater Utility - Operating	79,921	205,172	241,716	43,377
Wastewater Utility - Bond and Interest	120,000	50,000	-	170,000
Wastewater Utility - Construction	5,510	130,700	65,505	70,705
Totals	<u>\$ 472,736</u>	<u>\$ 581,080</u>	<u>\$ 470,805</u>	<u>\$ 583,011</u>

The accompanying notes are an integral part of the schedules.

TOWN OF MONROVIA
NOTES TO SCHEDULES

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety, health and social services, culture and recreation and general administrative services.

Note 2. Fund Accounting

The Town 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 or highway use taxes are received 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 Town 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. All property taxes collected by the County Treasurer and available for distribution were distributed to the Town on or prior to December 31 of the year collected.

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 Town 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.

Note 6. Long-Term Debt

The Town has entered into a bond for installation of a wastewater treatment plant. The outstanding principal at December 31, 2005, was \$1,492,321.

TOWN OF MONROVIA
EXAMINATION RESULTS AND COMMENTS

CAPITAL ASSET RECORDS

The town does not maintain capital assets records.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded in the Capital Assets Ledger form. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were incorrect for the wastewater funds.

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."

TOWN OF MONROVIA
EXIT CONFERENCE

The contents of this report were discussed on June 8, 2006, with Robert L. Marley, President of the Town Council; Norieta Sichting, Clerk-Treasurer; and Brenda Prough, Wastewater Utility Clerk. The officials concurred with our findings.