

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

EXAMINATION REPORT
OF
MONROE TOWNSHIP
WASHINGTON COUNTY, INDIANA
January 1, 2005 to December 31, 2006



FILED
10/29/2007

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OFFICIALS

Office

Official

Term

Trustee

Susan Boling

01-01-03 to 12-31-10

Chairman of the
Township Board

Carl J. Raby
Roba Boling

01-01-05 to 12-31-06
01-01-07 to 12-31-07



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
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF MONROE TOWNSHIP, WASHINGTON COUNTY, INDIANA

We have examined the financial information presented herein of Monroe Township (Township), for the period of January 1, 2005 to December 31, 2006. 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, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

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

STATE BOARD OF ACCOUNTS

August 9, 2007

MONROE TOWNSHIP, WASHINGTON COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
Township	\$ 15,703	\$ 9,748	\$ 19,250	\$ 6,201
Dog	173	-	25	148
Township Assistance	7,858	1,442	2,280	7,020
Firefighting	16,571	4,847	11,927	9,491
Rainy Day	318	1,670	-	1,988
Totals	<u>\$ 40,623</u>	<u>\$ 17,707</u>	<u>\$ 33,482</u>	<u>\$ 24,848</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 6,201	\$ 25,336	\$ 21,132	\$ 10,405
Dog	148	54	-	202
Township Assistance	7,020	3,158	1,275	8,903
Firefighting	9,491	17,763	8,548	18,706
Cumulative Fire	-	4,306	-	4,306
Rainy Day	1,988	-	-	1,988
Totals	<u>\$ 24,848</u>	<u>\$ 50,617</u>	<u>\$ 30,955</u>	<u>\$ 44,510</u>

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

MONROE TOWNSHIP, WASHINGTON 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, 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. All property taxes collected by the County Treasurer and available for distribution were distributed to the Township 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 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.

MONROE TOWNSHIP
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2006

Description of Debt	Ending Balance	Due Within One Year
Governmental Activities:		
Notes and loans payable		
Emergency Fire Loan	\$ 12,507	\$ 12,507

MONROE TOWNSHIP, WASHINGTON COUNTY
EXAMINATION RESULTS AND COMMENTS

CAPITAL ASSET RECORDS

Information presented for examination did not indicate an inventory or record of capital assets. The Township does not have a detailed listing of any capital assets owned and held at the firehouse.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Assets Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping were noted during the examination period:

- (1) Record balances were not reconciled to depository balances.

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

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

- (2) There were a considerable number of posting and computation errors on the Ledger.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

- (3) Financial and Appropriation Ledger had not been posted for 2007.

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

INDEBTEDNESS

The Township entered into an emergency fire loan on December 22, 2006, in the amount of \$12,507. The Indiana Department of Local Government Finance only approved the emergency loan for \$6,820.

A governmental unit may not incur indebtedness unless specifically allowed by statute. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

MONROE TOWNSHIP, WASHINGTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 9, 2007, with Susan Boling, Trustee; and Roba Boling, Chairman of the Township Board. The official response has been made a part of this report and may be found on pages 9 through 16.

(Page 1 of 8)

Faxed 8-17-07 ~ 317-232-4711
(also mailed original 8/17/07)

TO: State Board of Accounts

"Official Response"

Contents of report were discussed on 8-9-07 with Susan Boling, Township Trustee & Roba Boling Monroe TWP. chairman of the board present.

Representing State B.O.A. were Brandon Brough.

Not having the report in front of me as I do not have a complete report I will do the best I can with responding to said report.

First I take responsibility for not being perfect & doing everything correctly, and I will not give all my excuses. Only to say that I was confused about some things concerning Ledger & had not corrected them yet.

My main concern was The Emergency Fire Loan I was advised by DLGF to get. I did everything I was told to do last year by DLGF concerning loans. They later said was wrong. I am enclosing orders I received

from them. Very confusing to say the least! First I was told to borrow 21,000 for 3 yrs. to increase Fire Funds tax rate enough so they could sustain themselves. That seemed logical to me. Later I appeared in front of TAX Control Board & some agreed & some did not.

First order I received was for 6,820. I prepared to borrow that much, then I received Order 1020057 Total approved 21,000. I called DL&F & told them all of the above. They said oh none of that is right you can borrow 12,407.⁰⁰. I explained everything to them again & she repeated amount. I said please ask someone else, it is getting to be the end of the yr & I need to borrow it soon. Other person concerned & I ask for something to show bank.

Then I red. Amended order 1020057 Total approved 12,407. w/o signature. Then later red. same order with a signature.

When I saw this yr. what last yrs. Budget was approved for ~ Loan 6,820. I called DL&F & they said I borrowed too much so I pd. back bank 5,587.

Again I want to state I did exactly what they told me to do!

Next I am sending a corrected Monroe Twp. Bank Balance Sheet that Brandon Brough gave me. I pointed out to him incorrect Bank name for 06. also found Rainy DAY & Fire Debt. balances wrong. Just goes to show we are all capable of human error.

Lastly, I would like to say It may not be your job but we could all use some positive reinforcement. Surely when you audit there are positive things that people are doing correctly that could be noted.

SUSAN Boling
Monroe Twp. Trustee
412 W. Walnut Rds Rd
Salem, In. 47167

Rcd. 1st
Dec. 6th

STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE
Indiana Government Center North
100 North Senate Avenue, Room N1058
Indianapolis, IN 46204

4078
Told DLGF about this still from a they said borrow the 12/407.
No. 06-108
2 people were asked & both said to do this!

ORDER

IN THE MATTER OF THE REQUEST OF
MONROE TOWNSHIP, WASHINGTON COUNTY,
FOR APPROVAL OF A FIRE EMERGENCY LOAN
PURSUANT TO IC 36-6-6-14, IN THE AMOUNT OF \$21,000

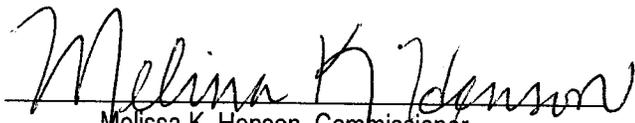
A petition was filed by the above named taxing unit for approval of the issuance of a fire emergency loan (pursuant to IC 36-6-6-14) in the principal amount of \$21,000 a term not to exceed one (1) year. The Department has reviewed the petition and all other matters pursuant to IC 6-1.1-18.5-8. This Department takes the following action:

MODIFIED APPROVAL:

Issuance of a fire emergency loan pursuant to IC 36-6-6-14 for Monroe Township, Washington County, in the principal amount of \$6,820 for a term not to exceed one (1) year. This approval is limited to the projects described in file #06-108 as presented to the Local Government Tax Control Board and the Commissioner for consideration.

To obtain a debt service rate for 2006 pay 2007, the unit must comply with the provisions of IC 6-1.1-17-3. In addition, on or before December 31, 2006, the unit must execute the above issue and file with the Department of Local Government Finance a final amortization schedule.

DEPARTMENT OF LOCAL GOVERNMENT FINANCE


Melissa K. Henson, Commissioner

STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE

I, Michael C. Dart, General Counsel for the Department of Local Government Finance, do hereby certify that the above is a full, true and complete copy of the order of this Department made this date in the above-entitled matter.

WITNESS MY HAND AND SEAL of this Department on this the 6TH day of DECEMBER, 2006


Michael C. Dart, General Counsel

Note: SEA 496-2005 passed by the General Assembly, requires local units of government to provide debt information to the DLGF within **20 days** after the sale of bonds or the execution of a lease. In addition, local units of government are also required to annually (before March 1) provide the DLGF with information regarding their outstanding debt obligations. The documents that must be completed can be found on the DLGF website: <http://www.in.gov/dlgef/structure/debtreporting.html>. Please submit completed documents electronically to data@dlgf.in.gov. Questions regarding these documents may be directed to Cheryl Prochaska at (317) 234-4480.

STATE OF INDIANA
 DEPARTMENT OF LOCAL GOVERNMENT FINANCE
 Room N-1058, IGCN - 100 North Senate
 Indianapolis, Indiana 46204

5048

Recd. 2nd
 Dec. 7th

ORDER 1020057

In the matter of Additional Appropriations for MONROE TOWNSHIP taxing unit County of Washington as adopted on October 30, 2006:

A certified copy of additional appropriation action taken by the above named taxing unit was filed with the Department of Local Government Finance on December 06, 2006. It was examined for availability and sufficiency of unencumbered revenues. The Department makes the following determination based upon financial information as submitted by the fiscal officer:

Sufficient revenues are available to support the following requested appropriations:

FUND	FUND NAME	REQUESTED REDUCTION	REQUESTED INCREASE	TOTAL REQUESTED	TOTAL APPROVED	TOTAL DENIED
1111	FIRE	\$0.00	\$21,000.00	\$21,000.00	\$21,000.00	\$0.00

Note: The above approval is limited to revenues available or to be made available during 2006 as certified by the fiscal officer of MONROE TOWNSHIP.

Having examined the Certified Copy as submitted by the above named taxing unit, the determinations as set forth are now adopted this December 07, 2006.

Melissa K. Henson

 Melissa K. Henson, Commissioner

*This is an mistake!
 DLGF said over phone!*

Boo Finance ~ IN (812) 254-9127

*12,407.
 - 6,820.

 \$ 5,587. pay BACK on Loans now!*

STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE

Room N-1058, IGCN - 100 North Senate
Indianapolis, Indiana 46204

AMENDED ORDER 1020057

RCO-FAY Dec 18th B

6 of 8
RCD.
Rcd. ~ 3rd
Faxed? 12/18/06

In the matter of Additional Appropriations for MONROE TOWNSHIP taxing unit County of Washington as adopted on October 30, 2006:

A certified copy of additional appropriation action taken by the above named taxing unit was filed with the Department of Local Government Finance on December 06, 2006. It was examined for availability and sufficiency of unencumbered revenues. The Department makes the following determination based upon financial information as submitted by the fiscal officer:

Sufficient revenues are available to support the following requested appropriations:

FUND	FUND NAME	REQUESTED REDUCTION	REQUESTED INCREASE	TOTAL REQUESTED	TOTAL APPROVED	TOTAL DENIED
1111	FIRE	\$0.00	\$12,407.00	\$12,407.00	\$12,407.00	\$0.00

Note: The above approval is limited to revenues available or to be made available during 2006 as certified by the fiscal officer of MONROE TOWNSHIP.

Having examined the Certified Copy as submitted by the above named taxing unit, the determinations as set forth are now adopted this December 07, 2006.

Miss K. Henson, Commissioner

~ voice mail NO
 (Bob Purina Cell #
 Home Federal ~ 1125 Kim)
~~812 786-2186~~
 Called 2 YS 6/14/07, B lot messages w see.
 Sent Dec. 18/06
 adopted 12/7/06
 Get a hold of him 1st things mow. Am if have approval FORM at Bank!

STATE OF INDIANA
 DEPARTMENT OF LOCAL GOVERNMENT FINANCE
 Room N-1058, IGCN - 100 North Senate
 Indianapolis, Indiana 46204

AMENDED ORDER 1020057

*7088 Recd. 4th Final!
 Dec. 7th.*

In the matter of Additional Appropriations for MONROE TOWNSHIP taxing unit County of Washington as adopted on October 30, 2006:

A certified copy of additional appropriation action taken by the above named taxing unit was filed with the Department of Local Government Finance on December 06, 2006. It was examined for availability and sufficiency of unencumbered revenues. The Department makes the following determination based upon financial information as submitted by the fiscal officer:

Sufficient revenues are available to support the following requested appropriations:

FUND	FUND NAME	REQUESTED REDUCTION	REQUESTED INCREASE	TOTAL REQUESTED	TOTAL APPROVED	TOTAL DENIED
1111	FIRE	\$0.00	\$12,407.00	\$12,407.00	\$12,407.00	\$0.00

Note: The above approval is limited to revenues available or to be made available during 2006 as certified by the fiscal officer of MONROE TOWNSHIP.

Having examined the Certified Copy as submitted by the above named taxing unit, the determinations as set forth are now adopted this December 07, 2006.

Melissa K. Henson
 Melissa K. Henson, Commissioner

I never requested this, this is what I was told I would get over by DLGF phone!

*This is the last order I received,
 S/T/A*

Monroe Township

8 of 8

This is incorrect should state Regions Bank, \$B

		December 31,	
		2005	2006
		Regions Bank	National City

Bank Balance	\$	26,294.48	\$	38,845.40
Add:				
Deposits in Transit		1,670.00		9,904.82
Interest December 2005				
Deduct:				
Outstanding Checks		3,113.48		4,237.57
<input checked="" type="checkbox"/> Prior Examination: Recorded in January????		1.33		1.33
Prior Examination Variance		1.50		1.50
Adjusted Bank Balance	\$	24,848.17	\$	44,509.82
Did all outstanding clear in subsequent period?	Yes	<input checked="" type="checkbox"/> A.1.8	Yes	<input checked="" type="checkbox"/> A.1.8

Record Balance:

General	\$	6,202.16	\$	10,406.76
Dog		148.11		202.11
Township Assistance		7,019.13		8,902.04
Firefighting		9,490.77		18,705.07
Rainy Day		-		4,305.84
Fire Debt		1,988.00		1,988.00
Total Of Funds	\$	24,848.17	\$	44,509.82
		<input checked="" type="checkbox"/> A.1.8		<input checked="" type="checkbox"/> A.1.8

Wrong ← Rainy Day should say Em. Fire Loan
Fire Debt " " Rainy Day

Call Brandon