

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

EXAMINATION REPORT

OF

MONROE TOWNSHIP

KOSCIUSKO COUNTY, INDIANA

January 1, 2006 to December 31, 2007



FILED

10/31/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Sandra Fiedeke	01-01-03 to 12-31-10
Chairman of the Township Board	Donavon Sellers Don Ellison	01-01-06 to 12-31-06 01-01-07 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Monroe Township (Township), for the period of January 1, 2006 to December 31, 2007. 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, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

September 11, 2008

MONROE TOWNSHIP, KOSCIUSKO COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ -	\$ 15,810	\$ 14,645	\$ 1,165
Dog	342	354	696	-
Township Assistance	2,072	916	1,347	1,641
Firefighting	10,348	11,712	15,276	6,784
Park and Recreation	920	-	920	-
Levy Excess	294	121	-	415
Emergency Medical Service	23	-	23	-
Totals	<u>\$ 13,999</u>	<u>\$ 28,913</u>	<u>\$ 32,907</u>	<u>\$ 10,005</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 1,165	\$ 13,770	\$ 14,935	\$ -
Dog	-	527	65	462
Township Assistance	1,641	2,077	605	3,113
Firefighting	6,784	12,212	15,949	3,047
Levy Excess	415	-	415	-
Totals	<u>\$ 10,005</u>	<u>\$ 28,586</u>	<u>\$ 31,969</u>	<u>\$ 6,622</u>

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

MONROE TOWNSHIP, KOSCIUSKO COUNTY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

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

Note 2. Fund Accounting

The Township uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Township in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. 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, KOSCIUSKO COUNTY
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

The official bonds for 2006 and 2007 were not filed in the Office of the County Recorder.

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder . . ."

NONCOMPLIANCE WITH INTERNAL REVENUE SERVICE GUIDELINES AND INSTRUCTIONS

Records presented for examination indicate noncompliance with Internal Revenue Service guidelines and instructions for completing Wage and Tax Statements (W-2). Social Security and Medicare taxes imposed upon the Township were incorrectly included with the amounts reported as withheld from the employee. Also, the amount to be withheld was actually paid to the employee. Quarterly remittances to the Internal Revenue Service included both a warrant from the Township for Social Security and Medicare taxes imposed and a personal check from the employee for the Social Security and Medicare withholdings that were paid to the employee. The transactions resulted in the Township employees (Trustee and Clerk) being underpaid by \$440.21 in 2006 and \$479.79 in 2007. Also, the Internal Revenue Service was underpaid by \$77.31 for withholdings in 2007. A similar comment appeared in the prior Report B27835.

Financial and Appropriation Record, Township Form 1C, is designed with columns to record payroll withholdings and subsequent remittance to the appropriate authorities. All checks from which deductions are made must be entered in Column A-2, in the net amount. The gross amount is to be entered in the appropriate fund disbursed column and the correct appropriation column to which the disbursement applies. The amounts withheld must be entered in the appropriate "M" under "Deductions from Salaries and Wages." The net amount of the warrants issued in Column A-2, plus the amounts withheld in the "M" columns will equal the gross amount of disbursements in the funds disbursed columns and in the appropriation columns affected. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 2)

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 statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 17)

Compliance is required, as applicable, with generally accepted accounting principles, and standards issued by the Governmental Accounting Standards Board, Financial Accounting Standards Board, and other standards setting bodies and also with various accounting guides, manuals and other publications. Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit. Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

MONROE TOWNSHIP, KOSCIUSKO COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 11, 2008, with Sandra Fiedeke, Trustee.