

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

EXAMINATION REPORT
OF
BENTON TOWNSHIP
MONROE COUNTY, INDIANA
January 1, 2008 to December 31, 2010



FILED

02/29/2012

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Daphne D. Sego (Interim) Heather Cohee	01-01-08 to 01-19-08 01-20-08 to 12-31-14
Chairman of the Township Board	E. Dale McClung Diane Street Eric Schmitz Diane Street	01-01-08 to 01-07-08 01-08-08 to 01-27-09 01-28-09 to 01-29-12 01-30-12 to 12-31-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Benton Township (Township), for the period of January 1, 2008 to December 31, 2010. 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, 2008, 2009, and 2010, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

August 31, 2011

BENTON TOWNSHIP, MONROE COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2008, 2009, And 2010

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 50,172	\$ 64,108	\$ 64,208	\$ 50,072
Township Assistance	1,602	16,255	9,752	8,105
Firefighting	42,434	64,811	66,856	40,389
Fire Debt	10,614	26,131	33,459	3,286
Cumulative Fire	49,677	32,245	42,440	39,482
Rainy Day	3,285	-	-	3,285
Fiduciary Fund:				
Payroll Withholdings	482	-	553	(71)
Totals	<u>\$ 158,266</u>	<u>\$ 203,550</u>	<u>\$ 217,268</u>	<u>\$ 144,548</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 50,072	\$ 64,293	\$ 68,437	\$ 45,928
Township Assistance	8,105	16,157	9,935	14,327
Firefighting	40,389	106,000	170,661	(24,272)
Fire Debt	3,286	65,665	22,018	46,933
Cumulative Fire	39,482	46,080	40,310	45,252
Rainy Day	3,285	-	-	3,285
Fiduciary Fund:				
Payroll Withholdings	(71)	4,067	-	3,996
Totals	<u>\$ 144,548</u>	<u>\$ 302,262</u>	<u>\$ 311,361</u>	<u>\$ 135,449</u>

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Governmental Funds:				
Township	\$ 45,928	\$ 26,827	\$ 74,604	\$ (1,849)
Township Assistance	14,327	16,595	13,995	16,927
Firefighting	(24,272)	121,331	165,892	(68,833)
Fire Debt	46,933	36,082	-	83,015
Cumulative Fire	45,252	30,604	53,876	21,980
Rainy Day	3,285	-	-	3,285
Fiduciary Fund:				
Payroll Withholdings	3,996	-	-	3,996
Totals	<u>\$ 135,449</u>	<u>\$ 231,438</u>	<u>\$ 308,367</u>	<u>\$ 58,520</u>

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

BENTON TOWNSHIP, MONROE 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 or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Normally, 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 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 become delinquent if not paid by May 10 and November 10, respectively.

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.

BENTON TOWNSHIP, MONROE COUNTY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
December 31, 2010

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.

	Ending Balance
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 62,300
Improvements other than buildings	15,000
Buildings	222,713
Machinery and equipment	<u>681,344</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 981,357</u>

BENTON TOWNSHIP, MONROE COUNTY
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
December 31, 2010

The Township has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Note and loan payable	\$ 32,397	\$ 33,400

BENTON TOWNSHIP, MONROE COUNTY
EXAMINATION RESULTS AND COMMENTS

OVERPAYMENTS OF SALARY

Daphne D. Sego, former Interim Trustee, and Barry Sego, former Interim Township Clerk, were paid more than the approved salary for the 19 days that they served in those positions for 2008. These individuals were paid on January 4, 2008, for the entire month of January 2008.

<u>Name</u>	<u>Approved Annual Salary</u>	<u>Amount Paid</u>	<u>Prorated Salary</u>	<u>Amount Overpaid</u>
Daphne D. Sego, former Interim Trustee	\$ 12,000.00	\$ 923.50	\$ 612.90	\$ 310.60
Barry Sego, former Interim Township Clerk	4,200.00	323.22	214.52	108.70

Heather Cohee, Trustee; Todd A. Cohee, Township Clerk; and Marvin Richardson, Fire Chief; were paid more than the approved salary for the year 2009.

<u>Name</u>	<u>Approved Annual Salary</u>	<u>Amount Paid</u>	<u>Amount Overpaid</u>
Heather Cohee, Trustee	\$ 12,000	\$ 14,250	\$ 2,250
Todd A. Cohee, Township Clerk	4,200	5,150	950
Marvin Richardson, Fire Chief	3,000	3,500	500

Heather Cohee, Trustee; Todd A. Cohee, Township Clerk; and Marvin Richardson, Fire Chief; were not paid the full approved salary for the year 2010. The underpayment will be netted with amounts due from the above schedule. Diane Street, Board member, and Brittany Cohee, Township Assistance Clerk, were paid more than the approved salary for the year 2010.

<u>Name</u>	<u>Approved Annual Salary</u>	<u>Amount Paid</u>	<u>Amount Overpaid (Underpaid)</u>
Heather Cohee, Trustee	\$ 15,000	\$ 14,900	\$ (100)
Todd A. Cohee, Township Clerk	5,000	3,150	(1,850)
Marvin Richardson, Fire Chief	3,000	2,250	(750)
Diane Street, Board member	900	925	25
Brittany Cohee, Township Assistance Clerk	4,000	6,370	2,370

A summary of net Overpayments of Salary for the entire examination period is shown in the following schedule:

BENTON TOWNSHIP, MONROE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

Name	Total Amount Overpaid (Underpaid)
Daphne D. Sego, former Interim Trustee	\$ 310.60
Barry Sego, former Interim Township Clerk	108.70
Heather Cohee, Trustee	2,150.00
Todd A. Cohee, Township Clerk	(900.00)
Marvin Richardson, Fire Chief	(250.00)
Diane Street, Board member	25.00
Brittany Cohee, Township Assistance Clerk	2,370.00

Daphne D. Sego, former Interim Trustee, was requested to repay the Township \$310.60 for the overpayment of salary. (See Summary, page 26)

Daphne D. Sego, former Interim Trustee, and Barry Sego, former Interim Township Clerk, jointly and severally, were requested to repay the Township \$108.70 for the overpayment of salary. (See Summary, page 26)

Heather Cohee, Trustee, was requested to repay the Township \$2,150 for the overpayment of salary. (See Summary, page 26)

Heather Cohee, Trustee, and Diane Street, Board member, jointly and severally, were requested to repay the Township \$25 for the overpayment of salary. (See Summary, page 26)

Heather Cohee, Trustee, and Brittany Cohee, Township Assistance Clerk, jointly and severally, were requested to repay the Township \$2,370 for the overpayment of salary. (See Summary, page 26)

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)

UNDOCUMENTED PAYMENTS

Several payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, contracts for services, and other public records. Due to the lack of supporting information, the validity and accountability for some money disbursed could not be established. A schedule of undocumented payments is summarized in the following schedule:

Payee	Purpose as Stated on Check Memo Line	Date	Check Number	Amount
Heather Cohee	Reimburse office supplies	02-05-08	1229	\$ 26.97
Heather Cohee	Reimburse router computer	02-05-08	1230	99.99
Heather Cohee	Grass seeding new building	09-07-08	1490	500.00
Heather Cohee	Training	11-13-08	1519	300.00
Heather Cohee	Comp work	11-14-08	1545	500.00
Heather Cohee	Phone Feb & March	03-23-08	1283	100.00

BENTON TOWNSHIP, MONROE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

Payee	Purpose as Stated on Check Memo Line	Date	Check Number	Amount
Heather Cohee	Phone	05-02-08	1331	50.00
Heather Cohee	Phone x 2	08-13-08	1451	100.00
Heather Cohee	Phone x 2 mnts	11-13-08	1544	100.00
Heather Cohee	Phone	12-14-08	1571	50.00
Heather Cohee	Mileage 1/22-3/15/08	03-15-08	1268	211.56
Heather Cohee	Mileage	05-02-08	1330	249.92
Heather Cohee	Mileage	08-13-08	1451	240.00
Heather Cohee	Travel	11-13-08	1544	400.00
Todd Cohee	Mowing Sal	05-16-08	1347	200.00
Todd Cohee	Cemetery Mow and Up Keep	06-13-08	1379	1,700.00
Todd Cohee	Mowing	07-27-08	1434	375.00
Todd Cohee	Mow 2 x	08-13-08	1452	150.00
Todd Cohee	Mowing	09-10-08	1491	225.00
Todd Cohee	24 Hrs Cem. 6 mow, Sen 20	11-13-08	1542	1,000.00
Todd Cohee	24 Hrs Cem. 6 mow, Sen 20	11-13-08	1542	450.00
Todd Cohee	Senior Cit cleaning	02-27-08	1251	250.00
Todd Cohee	Cleaning 3/2, 3/9, 3/16, 3/23	03-23-08	1281	200.00
Todd Cohee	Cleaning 3/30, 4/6, 4/13, 4/20/08	04-26-08	1319	200.00
Todd Cohee	Cleaning senior citz	05-07-08	1333	100.00
Todd Cohee	Cleaning Sen	06-13-08	1381	150.00
Todd Cohee	Cleaning Carpet	06-14-08	1383	350.00
Todd Cohee	Cleaning July 16, 20, 27	07-27-08	1432	120.00
Todd Cohee	Clean sen cit x 2 weeks	08-13-08	1452	100.00
Brittany Cohee	Cleaning 07/01/08	07-03-08	1405	50.00
Brittany Cohee	Cleaning Sen Citz	08-23-08	1459	50.00
Brittany Cohee	Cleaning	08-29-08	1473	50.00
Brittany Cohee	Cleaning	09-06-08	1489	50.00
Brittany Cohee	Cleaning	09-19-08	1492	50.00
Brittany Cohee	Cleaning 9/24/08	09-25-08	1493	50.00
Brittany Cohee	TS CLEANING/	10-10-08	1520	50.00
Brittany Cohee	Cleaning	10-29-08	1524	50.00
Brittany Cohee	Cleaning	11-10-08	1539	50.00
Brittany Cohee	Cleaning	12-05-08	1551	150.00
Brittany Cohee	Cleaning	12-12-08	1553	50.00
Brittany Cohee	Cleaning	12-20-08	1573	50.00
Total for 2008				<u>9,198.44</u>
Heather Cohee	Reimburse ink for printer	01-11-09	1597	53.00
Heather Cohee	Clean senior citizens, 60 hours at \$10.00 hour	02-01-09	1628	600.00
Heather Cohee	Repayment Lakeside/Wal-Mart	09-05-09	1897	79.51
Heather Cohee	Clean up (Cumulative Fire)	09-22-09	1917	500.00
Heather Cohee	Phone Reimb.	01-10-09	1596	50.00
Heather Cohee	Phone Reimb.	02-01-09	1624	58.33
Heather Cohee	Phone Reimb.	03-03-09	1670	58.33
Heather Cohee	Phone Reimb.	04-21-09	1735	58.30
Heather Cohee	Phone Reimb.	05-01-09	1751	58.33
Heather Cohee	Phone Reimb.	06-03-09	1784	50.00
Heather Cohee	Phone Reimb.	06-27-09	1814	50.00

BENTON TOWNSHIP, MONROE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

Payee	Purpose as Stated on Check Memo Line	Date	Check Number	Amount
Heather Cohee	Phone Reimb.	07-30-09	1858	50.00
Heather Cohee	Phone Reimb.	08-27-09	1886	50.00
Heather Cohee	Phone reimb.	10-08-09	1923	150.00
Heather Cohee	Phone Reimb.	10-22-09	1938	150.00
Heather Cohee	Phone Reimb. Nov	12-06-09	1986	50.00
Heather Cohee	Phone Reimb.	12-06-09	1988	50.00
Heather Cohee	Phone Reimb. Jan	12-29-09	2036	60.00
Heather Cohee	Mileage	01-10-09	1598	423.12
Heather Cohee	Mileage 227 (Mileage claim was found)	02-05-09	1651	99.88
Heather Cohee	Mileage	03-17-09	1697	500.44
Heather Cohee	Mileage	06-03-09	1783	450.00
Heather Cohee	Travel	12-14-09	2000	150.00
Todd Cohee	Ice Removal	01-08-09	1593	150.00
Todd Cohee	Snow	02-11-09	1654	200.00
Todd Cohee	Cemetary	02-11-09	1654	300.00
Todd Cohee	Cem work	03-07-09	1676	1,000.00
Todd Cohee	Cem trees	03-20-09	1702	800.00
Todd Cohee	Grass Seeding and Mowing (documentation?)	03-23-09	1703	500.00
Todd Cohee	Mow 4/16 and 4/23	04-28-09	1747	150.00
Todd Cohee	Grass seeding and feeding 4/4/09 (documentation?)	04-28-09	1748	500.00
Todd Cohee	Ditch work (documentation?)	04-28-09	1749	500.00
Todd Cohee	Mowing cem 6 hours	04-28-09	1750	625.00
Todd Cohee	Mowing/Cleaning grounds (senior center)	05-16-09	1760	1,200.00
Todd Cohee	Mowing 6x (senior center)	05-18-09	1765	450.00
Todd Cohee	Mowing fire behind (cum fire)	05-19-09	1767	225.00
Todd Cohee	Back 12/ of fire department (cum fire)	05-19-09	1768	500.00
Todd Cohee	May 18,19,20,21 mow limb (care of cemeteries)	05-30-09	1777	500.00
Todd Cohee	May 18,19,20,21 mow limb (care of cemeteries)	05-30-09	1777	1,300.00
Todd Cohee	Mowing (senior center)	05-30-09	1778	225.00
Todd Cohee	Mowing (cum fire)	06-03-09	1785	150.00
Todd Cohee	Mowing (senior center)	06-03-09	1786	300.00
Todd Cohee	Cemt, Limbs, Head stones (care of cemeteries)	06-03-09	1787	2,000.00
Todd Cohee	Mowing 2 times (cum fire)	06-20-09	1810	150.00
Todd Cohee	Mowing (senior center)	06-23-09	1811	150.00
Todd Cohee	Mowing 6/26/09 (cum fire)	06-26-09	1812	50.00
Todd Cohee	Mowing 6/26/09 (senior center)	06-26-09	1812	50.00
Todd Cohee	Ck#1812 should be 475 total (cum fire)	06-30-09	Trans 17	375.00
Todd Cohee	Mow & fixing headstone (care of cemeteries)	07-08-09	1738	50.00
Todd Cohee	Mow & fixing headstone (care of cemeteries)	07-08-09	1738	3,250.00
Todd Cohee	Mowing for July (cum fire)	07-29-09	1852	600.00
Todd Cohee	Ck 1852 (was actually written and cashed for \$475, and posted as \$600, this corrects total amount, but to wrong fund, originally written from cum fire fund, not senior center.)	08-31-09	Trans 21	(25.00)
Todd Cohee	Mowing (cum fire)	08-21-09	1874	450.00
Todd Cohee	Mowing 8/28/09 (cum fire,)	09-09-09	1902	125.00
Todd Cohee	Inv 104 (cum fire - mowing fire station,)	09-18-09	1907	200.00
Todd Cohee	Inv 006 (cum fire - mow/clean fire station)	09-21-09	1908	300.00
Todd Cohee	Mow	10-13-09	2015	500.00
Todd Cohee	Mowing (cum fire)	11-17-09	1963	300.00
Todd Cohee	Mowing (cum fire)	12-02-09	1982	350.00

BENTON TOWNSHIP, MONROE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

Payee	Purpose as Stated on Check Memo Line	Date	Check Number	Amount
Todd Cohee	Snow Removal	12-02-09	1982	350.00
Todd Cohee	Snow Removal	12-29-09	2038	500.00
Todd Cohee	Cleaning fire dept land (cum fire)	12-06-09	1989	500.00
Todd Cohee	Sen bld	03-07-09	1677	600.00
Todd Cohee	Cleaning Caprets (senior center)	12-14-09	1999	100.00
Todd Cohee	Remove spots from parties	12-31-09	2043	600.00
Brittany Cohee	Cleaning 1/12/09	01-13-09	1600	50.00
Brittany Cohee	Cleaning 1/19/09	01-20-09	1601	50.00
Brittany Cohee	Cleaning 1/26/09	01-27-09	1616	50.00
Brittany Cohee	Cleaning 2/4/09	02-04-09	1648	50.00
Brittany Cohee	Cleaning 2/7/09	02-08-09	1652	50.00
Brittany Cohee	Cleaning 2/14/09	02-14-09	1657	50.00
Brittany Cohee	Cleaning 2/20/09	02-20-09	1662	50.00
Brittany Cohee	Cleaning after party	02-23-09	1664	50.00
Brittany Cohee	Cleaning 3/4/09	03-04-09	1673	50.00
Brittany Cohee	Cleaning 3/10/09	03-11-09	1691	50.00
Brittany Cohee	Cleaning 3/15/09	03-17-09	1692	50.00
Brittany Cohee	Cleaning 3/25/09	03-26-09	1704	50.00
Brittany Cohee	Cleaning 4/7/09	04-09-09	1722	50.00
Brittany Cohee	Cleaning 4/16/09	04-17-09	1723	50.00
Brittany Cohee	Cleaning 5/1/09	05-01-09	1754	50.00
Brittany Cohee	Cleaning 5/8/09	05-08-09	1755	50.00
Brittany Cohee	Cleaning 5/13/09	05-14-09	1758	50.00
Brittany Cohee	Cleaning 5/17/09	05-17-09	1764	50.00
Brittany Cohee	Cleaning	06-19-09	1799	150.00
Brittany Cohee	Cleaning 6/26/09	06-26-09	1813	50.00
Brittany Cohee	Cleaning 7/20/09	07-26-09	1844	50.00
Brittany Cohee	Cleaning 7/26/09	07-26-09	1846	50.00
Brittany Cohee	Cleaning 8/12/09	08-13-09	1869	50.00
Brittany Cohee	Cleaning	08-22-09	1878	50.00
Brittany Cohee	Cleaning 9/11/09	09-04-09	1888	50.00
Brittany Cohee	Cleaning	09-15-09	1905	50.00
Brittany Cohee	Cleaning	09-17-09	1906	50.00
Brittany Cohee	Cleaning	09-25-09	1918	50.00
Brittany Cohee	Cleaning x2	10-15-09	1924	100.00
Brittany Cohee	Cleaning	10-20-09	2017	50.00
Brittany Cohee	Cleaning	10-30-09	2016	50.00
Brittany Cohee	Cleaning x2	11-16-09	1962	100.00
Brittany Cohee	Cleaning x4	12-05-09	1983	200.00
Brittany Cohee	Cleaning x2	12-13-09	1997	100.00
Brittany Cohee	Cleaning x2	12-22-09	2001	100.00
Brittany Cohee	Not listed on ledgers for Oct 2009, or any other month.	10-04-09	1875	50.00
Total for 2009				<u>27,049.24</u>
Heather Cohee	Year end	03-13-10	2099	1,000.00
Heather Cohee	Repay Wal-Mart	03-15-10	2104	68.25
Heather Cohee	(nothing stated)	08-13-10	2229	500.00
Heather Cohee	Computer work	06-04-10	2365	500.00
Heather Cohee	(nothing stated)	10-24-10	2410	500.00
Heather Cohee	Feb Phone Bill/Rent (phone \$60, rent \$150)	02-01-10	2061	60.00
Heather Cohee	Rent & Phone (phone \$60, rent \$150)	03-01-10	2084	60.00
Heather Cohee	Storage (pd from Sr Ctr)	03-01-10	2102	1,000.00

BENTON TOWNSHIP, MONROE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

Payee	Purpose as Stated on Check Memo Line	Date	Check Number	Amount
Heather Cohee	Ap - april rent (phone \$60, rent \$150)	03-31-10	2120	60.00
Heather Cohee	P - phone and rent (phone \$60, rent \$150)	04-29-10	2154	60.00
Heather Cohee	May sal, phone and rent (phone \$60, rent \$190)	04-29-10	2156	60.00
Heather Cohee	J --- June Phone & Rent (phone \$60, rent \$240)	06-28-10	2190	60.00
Heather Cohee	Nov - Nov Phone & Rent (phone \$60, rent \$150)	11-01-10	2275	60.00
Heather Cohee	Phone and Rent (phone \$60, rent \$150)	12-01-10	2289	60.00
Heather Cohee	Storage (pd from Sr Ctr)	12-09-10	2302	1,500.00
Heather Cohee	Phone/Rent, 9/1/10 (phone \$60, rent \$440)	10-24-10	2409	60.00
Heather Cohee	Rent & Phone, 9/16/10 (from Sr Ctr) (phone \$60, rent \$440)	10-24-10	2415	60.00
Heather Cohee	Storage, 9/16/10 (from Sr Ctr)	10-24-10	2416	1,000.00
Heather Cohee	Phone/Rent (phone \$60, rent \$50)	10-01-10	2432	60.00
Heather Cohee	Phone/Rent	11-01-10	2446	60.00
Heather Cohee	Miles	07-20-10	2217	400.00
Heather Cohee	Miles	08-13-10	2227	500.00
Heather Cohee	Mileage	05-18-10	2348	450.00
Todd A. Cohee	Web sit	03-23-10	2115	500.00
Todd A. Cohee	Parking for election day	05-04-10	2339	100.00
Todd A. Cohee	Repayment	04-03-10	2130	173.38
Todd A. Cohee	Inv	04-11-10	2144	750.00
Todd A. Cohee	Parking lot, 9/29/10	10-24-10	2422	500.00
Todd A. Cohee	Snow and ice (pd from Sr Citizen Ctr)	02-04-10	2004	250.00
Todd A. Cohee	Cem work	06-11-10	2005	1,300.00
Todd A. Cohee	Snow removal (pd from Sr Ctzn Ctr)	02-05-10	2008	500.00
Todd A. Cohee	Snow and ice removal (pd from Sr Ctzn Ctr)	03-01-10	2086	250.00
Todd A. Cohee	FL - flower beds, met - landscape & cleanup (Sr Ctr)	04-22-10	2152	2,000.00
Todd A. Cohee	Mow x2 (pd from Sr Ctzn Ctr)	05-01-10	2160	200.00
Todd A. Cohee	2 --- mow x2 (pd from Sr Ctzn Ctr)	05-01-10	2161	150.00
Todd A. Cohee	Mow x3 front and back (funds 1 & 16) (Sr Ctzn Ctr)	06-28-10	2189	500.00
Todd A. Cohee	Mow - cemt (pd from Sr Ctzn Ctr)	07-08-10	2199	1,300.00
Todd A. Cohee	Cemt	07-08-10	2200	1,200.00
Todd A. Cohee	Mow x2 (pd from Sr Ctzn Ctr)	07-15-10	2202	500.00
Todd A. Cohee	Mowing x2 (funds 1 & 16) (pd from Sr Ctzn Ctr)	07-17-10	2205	100.00
Todd A. Cohee	Mowing x2 (pd from Sr Ctzn Ctr)	07-26-10	2219	500.00
Todd A. Cohee	Aug cem - cent	07-29-10	2220	1,300.00
Todd A. Cohee	Mowing (pd from Sr Ctzn Ctr)	08-17-10	2230	200.00
Todd A. Cohee	Cemt, 9/8/10	10-24-10	2234	1,300.00
Todd A. Cohee	Cem	04-16-10	2315	1,300.00
Todd A. Cohee	Fry cemt	04-20-10	2325	400.00
Todd A. Cohee	Mowing (pd from Sr Ctzn Ctr)	05-04-10	2339	400.00
Todd A. Cohee	Cem work	05-12-10	2342	1,300.00
Todd A. Cohee	Mow - mow 2x front & back (pd from Sr Ctzn Ctr)	05-14-10	2347	500.00
Todd A. Cohee	1/2 cemt --- 1/2 mow	05-21-10	2350	1,000.00
Todd A. Cohee	M - mow front & back, fire (pd from Sr Ctzn Ctr)	05-22-10	2351	500.00
Todd A. Cohee	Cem work	05-22-10	2352	1,000.00
Todd A. Cohee	Cem	08-19-10	2386	1,300.00
Todd A. Cohee	Mow x8, 9/23/10 (funds 1 & 16) (pd from Sr Ctzn Ctr)	10-24-10	2420	500.00
Todd A. Cohee	Cemt	10-08-10	2441	1,300.00
Todd A. Cohee	Spring clean up	03-23-10	2114	1,500.00
Todd A. Cohee	Mowing and branch removal - mow fire station	06-21-10	2172	800.00
Todd A. Cohee	Mow x3 front and back (funds 1 & 16)	06-28-10	2189	300.00
Todd A. Cohee	Mowing x2 (funds 1 & 16)	07-17-10	2205	300.00

BENTON TOWNSHIP, MONROE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

Payee	Purpose as Stated on Check Memo Line	Date	Check Number	Amount
Todd A. Cohee	Mowing	10-27-10	2267	500.00
Todd A. Cohee	5 --- Work around the grounds	12-17-10	2313	600.00
Todd A. Cohee	Mow	08-31-10	2407	1,000.00
Todd A. Cohee	Mow x8, 9/23/10 (funds 1 & 16)	10-24-10	2420	500.00
Brittany Cohee	Clean	02-04-10	2007	100.00
Brittany Cohee	Cleaning 2x	02-12-10	2010	100.00
Brittany Cohee	Cleaning X 2	01-01-10	2039	100.00
Brittany Cohee	EX Cleaning due to Partie	01-06-10	2040	150.00
Brittany Cohee	Cleaning X 2	01-01-10	2056	100.00
Brittany Cohee	1-24 & 1-30 - Cleaning (funds 1 & 81)	01-30-10	2059	50.00
Brittany Cohee	Cleaning	02-25-10	2081	50.00
Brittany Cohee	C - cleaning	03-04-10	2095	50.00
Brittany Cohee	12 --- Cleaning	03-10-10	2096	50.00
Brittany Cohee	Cleaning	02-24-10	2109	50.00
Brittany Cohee	3 --- clean 3/20	03-29-10	2122	50.00
Brittany Cohee	M - cleaning	04-03-10	2132	50.00
Brittany Cohee	1 --- 2 Cleanings	04-08-10	2142	100.00
Brittany Cohee	4 --- 4 cleans	04-29-10	2158	200.00
Brittany Cohee	1 --- Cleaning 2 x's	06-03-10	2168	100.00
Brittany Cohee	Clean - Cleaning x2	06-11-10	2169	100.00
Brittany Cohee	1 --- Cleaning x's 2	06-16-10	2170	100.00
Brittany Cohee	2 --- Cleaning x's 1	06-19-10	2171	50.00
Brittany Cohee	1 --- meeting & cleans - Cleaning 2x's	06-25-10	2188	100.00
Brittany Cohee	Sal/Cleaning	07-02-10	2194	100.00
Brittany Cohee	Clean/Sal - Cleaning	07-19-10	2206	100.00
Brittany Cohee	Clean/Sal - Cleaning	07-23-10	2207	100.00
Brittany Cohee	Cleaning	07-27-10	2222	100.00
Brittany Cohee	Cleaning	08-05-10	2225	150.00
Brittany Cohee	Cleaning	08-25-10	2231	50.00
Brittany Cohee	2 Cleanings	08-26-10	2232	100.00
Brittany Cohee	(?), 9/6/10	10-24-10	2233	100.00
Brittany Cohee	CL - Cleaning x2	08-26-10	2243	100.00
Brittany Cohee	Cleaning x2	10-21-10	2265	100.00
Brittany Cohee	L --- Cleaning 2x	12-27-10	2266	100.00
Brittany Cohee	Cleaning x2	10-27-10	2268	100.00
Brittany Cohee	2 --- Cleaning x2	11-04-10	2276	100.00
Brittany Cohee	3 --- 2 Cleans	11-09-10	2279	100.00
Brittany Cohee	1 --- Cleaning 2x	11-18-10	2282	100.00
Brittany Cohee	J --- Cleaning 2x	11-26-10	2297	100.00
Brittany Cohee	1 --- Cleaning 2x	11-28-10	2298	100.00
Brittany Cohee	E --- cleaning 2x	11-30-10	2299	100.00
Brittany Cohee	J --- Cleaning 2x	12-06-10	2300	100.00
Brittany Cohee	K --- Cleaning 2x	12-12-10	2304	100.00
Brittany Cohee	K --- Cleaning 2x	12-20-10	2314	100.00
Brittany Cohee	Clean - clean x3	04-20-10	2316	150.00
Brittany Cohee	2 --- 2 Cleanings	05-06-10	2341	100.00
Brittany Cohee	2 --- 2 Cleanings	05-12-10	2345	100.00
Brittany Cohee	2 --- 2 Cleanings	05-19-10	2349	100.00
Brittany Cohee	5 --- 2 Cleanings	05-27-10	2361	100.00
Brittany Cohee	Cleaning/Sal	07-19-10	2370	100.00

BENTON TOWNSHIP, MONROE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

Payee	Purpose as Stated on Check Memo Line	Date	Check Number	Amount
Brittany Cohee	CL - Cleaning x3	08-18-10	2371	150.00
Brittany Cohee	(?), 9/1/10	10-24-10	2408	100.00
Brittany Cohee	(?), 9/14/10	10-24-10	2411	100.00
Brittany Cohee	(?), 9/20/10	10-24-10	2417	100.00
Brittany Cohee	(?), 9/28/10, Cln x2	10-01-10	2421	100.00
Brittany Cohee	Cleaning x2	10-04-10	2436	100.00
Brittany Cohee	Cleaning x2	10-02-10	2438	100.00
Brittany Cohee	1 --- Cleaning x2	06-16-10	3136	100.00
Total for 2010				<u>41,961.63</u>
Total Undocumented Payments				<u>\$ 78,209.31</u>

Payments were made to Heather Cohee, Trustee, in 2010 for telephone expenses. These payments were not supported by any documentation or copies of phone bills. The Township's building at 7616 E. State Road 45 has a sign that shows the contact telephone number for the Trustee. The Monroe County Governmental Officials List 2011 also lists the Trustee's home number as the Township's contact number.

Only one of the mileage checks issued to Heather Cohee, Trustee, contained supporting documentation. She did not use Mileage Claim, General Form No. 101, or otherwise document miles traveled. The one mileage claim presented for examination indicated mileage was claimed from home to 7606 East State Road 45, the Benton Township Fire Department, next door to the Township office. The one mileage claim presented also indicated mileage paid from home to the post office and home to Wal-Mart and return.

The Township did not provide a travel policy for review.

Heather Cohee, Trustee, was requested to repay the Township \$78,209.31 for the undocumented payments. (See Summary, page 26)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

The following audit position should cover all situations for reimbursement of telephone expenses:

1. A separate township office exists and has a telephone(s) listing in the telephone directory in the name of the township, 100% of the proper monthly telephone service billing and long distance township business calls may be paid.
2. The township office is in the home with a separate phone line for township business and that phone line is listed separately in the directory. The 100% reimbursement is available for township long distance business calls and also for the monthly billing.

BENTON TOWNSHIP, MONROE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

3. If the township office is in the home, and the telephone (only phone) is in the township name in the phone directory, the additional cost of that phone being listed as a township phone is reimbursable. Up to 50% of the base monthly service billing may also be reimbursed if approved by the township board in accordance with IC 36-6-8-3. Additionally, 100% of all documented long distance township business calls may be reimbursed.

Please be advised IC 12-20-5.5-3 provides the township trustee shall ensure adequate access to township assistance services, including a published telephone number in the name of the township. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

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)

Reimbursed mileage shall not include travel to and from the officer's or employee's home and the governmental office in which he works, unless otherwise authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Each governmental unit should adopt a written travel policy in conformity with applicable statutes. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

OFFICE RENTAL OVERPAYMENTS

Office rent was paid to the Trustee in 2008, 2009, and 2010. The Township owns a building at 7616 E. State Road 45 that has a room designated as the Township Trustee office. An appropriation of \$1,500 each year was made to allow payment of office rent to the Trustee; however, the amount paid exceeded the amount appropriated in each year. The following schedule shows rent paid to Heather Cohee, Trustee, in excess of amount appropriated for the examination period:

<u>Payee</u>	<u>Purpose as Stated on Check Memo Line</u>	<u>Date</u>	<u>Check Number</u>	<u>Amount</u>
Heather Cohee	Office rent	03-23-08	1282	\$ 227.08
Heather Cohee	March office rent	04-18-08	1308	227.08
Heather Cohee	April office rent	04-26-08	1320	227.08
Heather Cohee	Office rent	05-22-08	1361	130.00
Heather Cohee	July rent	07-27-08	1433	150.00
Heather Cohee	Rent	08-13-08	1451	150.00
Heather Cohee	Rent for office	09-04-08	1475	150.00
Heather Cohee	Office rent	10-02-08	1513	150.00
Heather Cohee	Rent	11-13-08	1519	150.00
Heather Cohee	Rent	12-14-08	1571	150.00
Total office rent received for 2008				1,711.24
Less: 2008 approved appropriation				<u>(1,500.00)</u>
Total overpayment of office rent for 2008				<u>211.24</u>

BENTON TOWNSHIP, MONROE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

Payee	Purpose as Stated on Check Memo Line	Date	Check Number	Amount
Heather Cohee	Rent	01-10-09	1596	150.00
Heather Cohee	Rent	02-01-09	1624	125.00
Heather Cohee	Rent	03-03-09	1670	125.00
Heather Cohee	Rent (with correction on 4/30/09 of .03)	04-21-09	1735	125.03
Heather Cohee	May rent (salary shown 2theleft)	05-01-09	1751	125.00
Heather Cohee	Rent	06-03-09	1784	150.00
Heather Cohee	Rent	06-27-09	1814	150.00
Heather Cohee	Rent	07-30-09	1858	150.00
Heather Cohee	Rent	08-27-09	1886	150.00
Heather Cohee	Rent	10-08-09	1923	150.00
Heather Cohee	Rent	10-22-09	1938	200.00
Heather Cohee	Nov Rent	12-06-09	1986	150.00
Heather Cohee	Dec (rent)	12-06-09	1988	150.00
Heather Cohee	Rent (Jan)	12-29-09	2036	150.00
Total office rent received for 2009				2,050.03
Less: 2009 approved appropriation				<u>(1,500.00)</u>
Total overpayment of office rent for 2009				<u>550.03</u>
Heather Cohee	Feb phone bill/rent	02-01-10	2061	150.00
Heather Cohee	Rent & phone	03-01-10	2084	150.00
Heather Cohee	Ap - April rent	03-31-10	2120	150.00
Heather Cohee	P - phone and rent	04-29-10	2154	150.00
Heather Cohee	May sal, phone and rent	04-29-10	2156	190.00
Heather Cohee	J --- June phone & rent	06-28-10	2190	240.00
Heather Cohee	Nov - Nov phone & rent	11-01-10	2275	150.00
Heather Cohee	Phone and rent	12-01-10	2289	150.00
Heather Cohee	Phone/rent, 9/1/10	10-24-10	2409	440.00
Heather Cohee	Rent & phone, 9/16/10 (from Sr Ctr)	10-24-10	2415	440.00
Heather Cohee	Phone/rent	10-01-10	2432	50.00
Heather Cohee	Rent (paid from Sr Ctr)	11-01-10	2446	440.00
Total office rent received for 2010				2,700.00
Less: 2010 approved appropriation				<u>(1,500.00)</u>
Total overpayment of office rent for 2010				<u>1,200.00</u>
Grand total overpayment of office rent				<u><u>\$ 1,961.27</u></u>

Heather Cohee, Trustee, was asked to reimburse the Township \$1,961.27 for amount paid in excess of amount appropriated. (See Summary, page 26)

BENTON TOWNSHIP, MONROE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

The annual appropriations of a township for the expenses of renting an office and telephone expenses must, as nearly as is possible, be equal to the actual cost of those items. If the township trustee uses a part of his residence as his office, the township board shall appropriate a reasonable sum for that office space. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

OVERDRAWN FUND BALANCES

The Payroll Withholdings Fund was overdrawn in 2008 by \$71.20; the Firefighting Fund was overdrawn in 2009 by \$24,271.98 and in 2010 by \$68,832.68; and the Township Fund was overdrawn in 2010 by \$1,849.21.

The balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

OFFICIAL BOND

The Trustee's official bond was 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. . . ."

**TOWNSHIP TRUSTEE'S (ABSTRACT) REPORT OF RECEIPTS
AND DISBURSEMENTS FOR CALENDAR YEAR – FORM 15**

The Trustee's (Abstract) Report of Receipts and Disbursements for Calendar Year – Form 15 for 2008, 2009, and 2010 did not properly reflect the financial activity recorded in the general ledger of the Trustee's office. The Abstract did not reflect the beginning balance, transactions, or ending balance of the payroll withholding fund for any year.

In 2009, beginning fund balances were not accurate, and disbursements were not recorded properly for each fund. The three Township fire funds were instead grouped as one fund named Federal Revenue Sharing. Additionally, the transactions from the Cumulative Fire Fund were not included in the totals reported for disbursements on the annual report.

The 2010 Abstract receipts and disbursements did not match the ledger presented for examination. The beginning balances reported in the 2010 Abstract were the ledger ending balances for 2010.

As a result, the Annual Report for each year, as submitted by the Township, did not accurately reflect the transactions, and could not be relied on. Adjustments were approved by the Trustee and are reflected in the Schedule of Receipts, Disbursements, and Cash and Investment Balances presented within this report.

The Township Trustee's Report of Receipts and Disbursements for the Calendar Year is an abstract report of receipts and disbursements for the calendar year. The annual report shall be prepared, verified, and filed with the State Board of Accounts within 60 days after the close of each fiscal year. The report must be published, within four weeks after the third Tuesday after the first Monday in January, one time in accordance with IC 5-3-1. The form has been revised each year for the last several years. The form is provided by the State Board of Accounts along with applicable instructions. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 2)

BENTON TOWNSHIP, MONROE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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)

REPORTING TO INTERNAL REVENUE SERVICE

For the year 2008, there appeared to have been FICA taxes withheld from the monthly wages for Daphne D. Sego, former Interim Trustee, and Barry Sego, former Interim Township Clerk, but the Township issued Form 1099-MISC to Daphne D. Sego, former Interim Trustee, for the amount of the check that she received. No Form W-2 or 1099-MISC issued for Barry Sego, former Interim Township Clerk, was presented for examination.

During the period of this examination, the Township did not comply with directives of the Internal Revenue Service (IRS) by failing to remit payroll withholdings and/or required payroll reports in 2008, 2009, and 2010. Additionally, the Township did not issue a Form 1099-MISC or W-2 for reportable expenditures made to individuals for cleaning services and Township Assistance office work.

IRS regulations require payments to an individual who is not an employee to be reported to the IRS on Form 1099-MISC if the payments are \$600 or more in a calendar year.

Payroll Withholdings

Although the Township remitted employee payroll withholdings in 2008 and 2009, based upon information presented for examination, we could not verify withholdings were properly calculated or withheld from all employees. Additionally, information presented for examination indicated no payroll withholdings were remitted for 2010.

Form W-2

Information presented for examination indicated W-2s filed for 2008 were incorrect for Heather Cohee, Trustee, and Todd A. Cohee, Township Clerk. Information presented for examination indicated W-2s were not filed for Heather Cohee, Trustee; Todd A. Cohee, Township Clerk; or Marvin Richardson, Fire Chief; for 2009. Furthermore, documentation was not presented for examination that showed W-2s for all Township employees were properly filed for 2010.

Payment of Withholdings and Employer Tax

For the year 2010, no Form 941s were presented for examination or shown as filed. Additionally, no disbursements were made to the IRS for Social Security and Medicare for 2010. Only two checks, totaling \$1,811.78, were paid to the IRS in 2010. One check was a penalty in the amount of \$1,620 issued by the IRS for failure to file 2007 W-2s in 2008. The other check in the amount of \$191.78 was for delinquent payment and interest fees for Medicare taxes for the 3rd quarter of 2009.

Form 1099-MISC

Forms 1099-MISC provided for examination did not agree with the amounts paid to following employees:

BENTON TOWNSHIP, MONROE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

Name	Amount Paid for Salaries	Amount Paid for Other Services	Amount Reported on 1099	Difference
2008:				
Diane Street	\$ 742.50	\$ -	\$ 750.00	\$ 7.50
Dale McClung	930.00	-	750.00	180.00
Todd A. Cohee	-	5,570.00	-	5,570.00
2009:				
Heather Cohee	14,250.00	-	12,000.00	2,250.00
Todd A. Cohee	5,150.00	21,000.00	4,200.00	21,950.00
Diane Street	757.50	-	750.00	7.50
Dale McClung	757.50	-	750.00	7.50
Marvin Richardson	3,500.00	-	3,000.00	500.00

The prepared Forms 1099-MISC for 2010 provided for examination had no summary documentation showing they were actually filed with the IRS. The Form 1099-MISC for 2010 provided for Todd A. Cohee, Township Clerk, had no amount filled in.

Brittany Cohee, Township Assistance Clerk, was paid for Township Assistance investigation and cleaning in the amount of \$970 in 2008, \$2,280 in 2009, and \$11,620 in 2010. No Form 1099-MISC or W-2 was presented for examination for her in any year. No withholdings were remitted for her in any year.

The Trustee may be personally responsible for any amounts that were not properly withheld from employees as well as any penalties and interest assessed due to late or non filing.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Non-compliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

APPROPRIATIONS

Records presented for examination indicated the following expenditures in excess of budgeted appropriations:

BENTON TOWNSHIP, MONROE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
Township	2008	\$ 10,219
Township	2009	21,137
Firefighting	2009	42,708
Township	2010	1,094
Cumulative Fire	2010	8,876

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping were noted:

There were a considerable number of posting errors, checks were written from incorrect funds, corrections were made to the wrong fund, some checks were not recorded for the proper amounts and other checks were not posted at all.

The following corrections should be made:

1. Fire EMS Equipment Debt payment, Check 2028 for \$22,017.53 on December 29, 2009, was disbursed from the Firefighting Fund and should have been disbursed from the Fire Debt Fund. Additionally, in 2010, both debt payments of \$22,017.53 (Checks 2183 and 2476 totaling \$44,035.06) were paid from the Firefighting Fund and should have been paid from the Fire Debt fund.
2. Two corrections reducing disbursements were made to Check 1852 (Transactions 21 and 22 on August 31, 2009, for (\$25) and (\$125) respectively) were made to the Township Fund, but the check was issued from the Cumulative Fire Fund.
3. Check 1875 was written to Brittany Cohee for \$50 but was not posted to the records. The check copy returned with the bank statement shows it was dated as October 4, 2009, and cashed October 8, 2009.
4. Three payments for vendor snow removal services were marked as paid from the Firefighting Fund on the documentation and each check, but were posted to the Cumulative Fire Fund on Township financial records. The three checks totaled \$1,460 and should have been paid from the Firefighting Fund instead of the Cumulative Fire Fund.

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)

BENTON TOWNSHIP, MONROE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

ADVANCE PAYMENTS

Several payments were made to officials and employees of the Township prior to the services being rendered. The Trustee, Township Clerk, and Fire Chief were all paid their January 2010 monthly salary amount in December 2009. The checks to the Trustee and Township Clerk were cashed in 2009, but the Fire Chief's check was not cashed until 2010. Additionally, payroll checks for September 2010 to the Trustee and Township Clerk were dated September 1, 2010, but these checks were cashed on August 26, 2010.

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CONFLICT OF INTEREST DISCLOSURE

A Uniform Conflict of Interest Disclosure Statement for Todd A. Cohee, Township Clerk, who is the spouse of Heather Cohee, Trustee, was not filed for 2008 or 2009. Additional services were completed by Todd A. Cohee, Township Clerk, for repairing and sealing the fire station parking lot, mowing, and cleaning of the cemeteries and senior center which would require a Uniform Conflict of Interest Disclosure Statement during this period. Additionally, cleaning services and Township Assistance investigation services were provided by Brittany Cohee, daughter of Heather Cohee, Trustee, in 2008, 2009, and 2010 without a Uniform Conflict of Interest Disclosure Statement.

During the examination period, Indiana Code 35-44-1-3 stated in part:

"(a) A public servant who knowingly or intentionally: (1) has a pecuniary interest in; or (2) derives a profit from; a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Class D felony . . .

(c) This section does not prohibit a public servant from having a pecuniary interest in or deriving a profit from a contract or purchase connected with the governmental entity served . . . (3) if the public servant; (A) is an elected public servant . . . and (B) makes a disclosure under subsection (d)(1) through (d)(6).

(d) A disclosure required by this section must: (1) be in writing; (2) describe the contract or purchase to be made by the governmental entity; (3) describe the pecuniary interest that the public servant has in the contract or purchase; (4) be affirmed under penalty of perjury; (5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity prior to final action on the contract or purchase; (6) be filed within fifteen (15) days after final action on the contract or purchase with: (A) the state board of accounts; and (B) . . . the clerk of the circuit court in the county where the governmental entity takes final action on the contract or purchase . . .

(g) A public servant has a pecuniary interest in a contract or purchase if the contract or purchase will result or is intended to result in an ascertainable increase in the income or net worth of: (1) the public servant; or (2) a dependent of the public servant who: (A) is under the direct or indirect administrative control of the public servant; or (B) receives a contract or purchase order that is reviewed, approved, or directly or indirectly administered by the public servant . . .

BENTON TOWNSHIP, MONROE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

(k) As used in this section, 'dependent' means any of the following: (1) The spouse of a public servant. (2) A child, stepchild, or adoptee (as defined in IC 31-3-4-1) of a public servant who is: (A) unemancipated; and (B) less than eighteen (18) years of age. (3) Any individual more than one-half (2) of whose support is provided during a year by the public servant."

PENALTIES, INTEREST, AND OTHER CHARGES

Information presented for examination indicates that, in some cases, payments to vendors and other suppliers of goods and services were not paid until two months after the invoice dates, after finance charges had been incurred.

A penalty for failure to file form W-2 for the 2007 tax year was paid to the Internal Revenue Service on October 31, 2010, in the amount of \$1,620. Additionally, a check in the amount of \$191.78 was issued for delinquent payment and interest fees for Medicare taxes for the 3rd quarter of 2009. There were also penalties and interest totaling less than \$13 assessed and paid to the Internal Revenue Service over three different quarters in 2009.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

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)

DEPOSIT OF PUBLIC FUNDS

We noted two instances in 2010 where the Trustee was making deposits at least 17 days after the money had been received.

Indiana Code 5-13-6-1(c) states in part: ". . . The public funds collected by township trustees shall be deposited in the designated depository on or before the first and fifteenth day of each month."

CAPITAL ASSET RECORDS

Information presented for examination did not indicate an inventory or record of capital assets using Capital Asset Ledger, General Form No. 369.

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 Asset Account 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)

BENTON TOWNSHIP, MONROE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

BOARD MINUTES

Not all minutes of the Township Board were made available for examination.

Indiana Code 5-14-1.5-4(b) states:

"As the meeting progresses, the following memoranda shall be kept:

- (1) The date, time, and place of the meeting.
- (2) The members of the governing body recorded as either present or absent.
- (3) The general substance of all matters proposed, discussed, or decided.
- (4) A record of all votes taken, by individual members if there is a roll call.
- (5) Any additional information required under IC 5-1.5-2-2.5."

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were incorrect. Multiple postings were included on the bank reconciliation provided by the Township that appear to be duplicate postings or a correction made in error, and should be reviewed and the appropriate corrective action taken.

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."

AUDIT COSTS - CONDITION OF RECORDS

Due to the condition of records, additional examination costs of \$13,004.31 were incurred. (See Summary, page 26)

Audit costs or other costs incurred because of poor records, nonexistent records or other inadequate bookkeeping practices may be the personal obligation of the responsible official or employee of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

OFFICIAL BOND INFORMATION

Heather Cohee, Trustee, has a Public Official Bond with State Farm Fire and Casualty Company. The bond provides \$15,000 of coverage for the period January 20, 2008 to January 20, 2011.

BENTON TOWNSHIP, MONROE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 7, 2011, with Daphne D. Sego, former Interim Trustee. The official concurred with our findings.

The contents of this report were discussed on January 3, 2012, with Heather Cohee, Trustee, and Eric Schmitz, Chairman of the Township Board.

BENTON TOWNSHIP, MONROE COUNTY
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Daphne D. Sego, former Interim Trustee:			
Overpayments of Salary, pages 8 and 9	\$ 310.60	\$ 310.60	\$ -
	<u> </u>	<u> </u>	<u> </u>
Daphne D. Sego, former Interim Trustee, and Barry Sego, former Interim Township Clerk, jointly and severally:			
Overpayments of Salary, pages 8 and 9	\$ 108.70	\$ 108.70	\$ -
	<u> </u>	<u> </u>	<u> </u>
Heather Cohee, Trustee:			
Overpayments of Salary, pages 8 and 9	\$ 2,250.00	\$ 100.00	\$ 2,150.00
Undocumented Payments, pages 9 through 16	78,209.31	-	78,209.31
Office Rental Overpayments, pages 16 through 18	1,961.27	-	1,961.27
Audit Cost - Condition of Records, page 24	13,004.31	-	13,004.31
	<u> </u>	<u> </u>	<u> </u>
Total Charges to Heather Cohee, Trustee	\$ 95,424.89	\$ 100.00	\$ 95,324.89
	<u> </u>	<u> </u>	<u> </u>
Heather Cohee, Trustee, and Diane Street, Board member, jointly and severally:			
Overpayments of Salary, pages 8 and 9	\$ 25.00	\$ 25.00	\$ -
	<u> </u>	<u> </u>	<u> </u>
Heather Cohee, Trustee, and Brittany Cohee, Township Assistance Clerk, jointly and severally:			
Overpayments of Salary, pages 8 and 9	\$ 2,370.00	\$ -	\$ 2,370.00
	<u> </u>	<u> </u>	<u> </u>
Total Charges	\$ 98,239.19	\$ 544.30	\$ 97,694.89
	<u> </u>	<u> </u>	<u> </u>

AFFIDAVIT



STATE OF INDIANA)
)
Monroe COUNTY)

We, Mary M. Holmes and Brandon P. Knight, Field Examiners, being duly sworn on our oaths, state that the foregoing report based on the official records of the Benton Township, Monroe County, Indiana, for the period from January 1, 2008 to December 31, 2010, is true and correct to the best of our knowledge and belief.

Brandon P. Knight

Mary M. Holmes
Field Examiners

Subscribed and sworn to before me this 15 day of February 2012

Christina Finley
Notary Public
Christina Finley

My Commission Expires: 4-9-15

County of Residence: Monroe