



STATE OF INDIANA
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B43946

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July 28, 2014

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

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Monroe Township (Township), for the period of January 1, 2011 to December 31, 2013, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

Our procedures were designed solely to satisfy the requirements of Indiana Code 5-11-1. Because our procedures were not designed to opine on the Township's financial statements, we did not follow *generally accepted auditing standards*. Accordingly, we do not express an opinion on any basic financial statement of the Township.

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 for years prior to 2011 can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/. For years 2011 and later, the Annual Financial Reports filed by the Township can be found on the Gateway website: <https://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.

Unresolved Comment From Prior Report

- *No bank reconcilements were presented for the review period. Reconcilements prepared for review purposes indicated cash long of \$125.*

Current Period Comments

- *The activity and balances reported in the Financial and Appropriation Record (Ledger) were not accurate. The Ledger contained numerous errors. Errors included the following:*
 - *Interest not recorded for March 2011 and March 2013.*
 - *January 2012 COIT not recorded.*
 - *December 2013 COIT recorded individually and then also included in December settlement posting.*

- Disbursements recorded in the receipt column and added to balance instead of subtracted.
- Receipts and disbursements recorded in the Total All Funds column, but not recorded to the individual funds.
- Receipts and disbursements recorded for incorrect amounts.
- Year to date totals for receipt, disbursements, and cash balances were not mathematically correct.
- The Annual Financial Report filed on Gateway for 2011, 2012, and 2013 contained a number of errors and did not properly reflect the financial activity of the Township.

Year	Fund	Category	Amount Per Gateway	Amount Per Township Ledger	Difference
2013	Township	Beginning balance	\$ 18,680	\$ 18,639	\$ 41
2013	Township Assistance	Beginning balance	38,279	38,414	(135)
2013	Fire Fighting	Beginning balance	11,475	11,465	10
2013	Township	Receipts	11,795	19,134	(7,339)
2013	Township Assistance	Receipts	270	296	(26)
2013	Fire Fighting	Receipts	18,859	26,762	(7,903)
2013	Township	Disbursements	6,447	5,971	476
2013	Township Assistance	Disbursements	7,415	7,200	215
2013	Township	Ending balance	24,028	31,802	(7,774)
2013	Township Assistance	Ending balance	31,133	31,510	(377)
2013	Fire Fighting	Ending balance	3,935	11,827	(7,892)

- Salary resolutions were not approved by the governing board.
- Based on amounts established in the 2011 budget, the Board members were paid \$100 more than the approved amount. The budget was for \$300 each and they were paid \$400 each.
- Withholding amounts were not calculated properly. Amounts withhold from each pay were estimated amounts and not based on actual calculations. Additionally, the amounts withhold for 2011 and 2012 were based on a social security tax rate of 6.2 percent which was incorrect for those years. The employee withholding amount for 2011 and 2012 was supposed to be 4.2 percent.
- W-2s for 2011 and 2012 were not presented for review.
- The Trustee salary reported on Form 100R for 2012 and 2013 were incorrect. Amounts reported should be based on gross pay.
- A relative of the Trustee was paid for services related to the preparation of budgets and annual reports in 2011, 2012, and 2013. Conflict of interest statements were not presented for review.

This letter is intended for the information and use of the governing body and management of the Township. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

The contents of this letter were discussed on June 18, 2014, with Richard R. Bartley, Trustee.

Paul D. Joyce
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State Examiner