



STATE OF INDIANA
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B44342

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October 23, 2014

TO: THE OFFICIALS OF THE TOWN OF MILLHOUSEN, DECATUR COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Town of Millhousen (Town), for the period of January 1, 2010 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 Town'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 Town.

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 Town'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 Town 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 Comments From Prior Report

- *Depository reconciliations of the fund balances to the bank account balances were not presented for 48 months during the review period.*
- *The Clerk-Treasurer was not properly bonded for 2010, 2011, 2012, and 2013. For 2010 and 2011, the Clerk-Treasurer had a bond for \$15,000. The minimum amount required by Indiana Code 5-4-1-18 was \$30,000. In 2012 and 2013, the Clerk-Treasurer did not obtain an individual surety bond due to an oversight by the Insurance Company.*

Current Period Comments

- *The ledger contained several posting errors. These errors included deposits not posted and checks and deposits posted in the incorrect amounts.*
- *The financial institution did not return the actual cancelled checks with the monthly bank statements, but instead returned only an optical image of the front side of the checks. The back side or endorsement side of the checks was not returned.*

- *The Annual Financial Reports filed on Gateway for 2011, 2012, and 2013 contained a number of errors and did not properly reflect the financial activity of the Town.*

<u>Years</u>	<u>Fund</u>	<u>Category</u>	<u>Amount Per Gateway</u>	<u>Amount Per Township Ledger</u>	<u>Difference</u>
2011	General	Beginning Balance	\$ 21,178.09	\$ 25,124.06	\$ (3,945.97)
2011	General	Receipts	13,431.95	13,452.03	(20.08)
2011	General	Ending Balance	24,271.63	28,237.68	(3,966.05)
2011	EDIT	Beginning Balance	6,610.17	5,167.42	1,442.75
2011	EDIT	Ending Balance	7,178.13	5,735.38	1,442.75
2012	General	Beginning Balance	26,157.87	28,237.68	(2,079.81)
2012	General	Receipts	16,417.61	14,580.64	1,836.97
2012	General	Ending Balance	28,940.49	29,183.33	(242.84)
2012	MVH	Receipts	4,344.82	3,561.82	783.00
2012	MVH	Ending Balance	26,385.71	25,603.71	782.00
2012	EDIT	Beginning Balance	5,291.90	5,735.38	(443.48)
2012	EDIT	Ending Balance	5,969.60	6,413.08	(443.48)
2013	General	Beginning Balance	28,940.49	29,183.33	(242.84)
2013	General	Receipts	12,925.35	12,925.75	(0.40)
2012	General	Ending Balance	28,458.58	28,701.82	(243.24)
2013	MVH	Beginning Balance	26,385.71	25,603.71	782.00
2013	MVH	Receipts	3,832.35	3,802.35	30.00
2013	MVH	Ending Balance	29,411.36	28,599.36	812.00
2013	EDIT	Beginning Balance	5,969.60	6,413.08	(443.48)
2013	EDIT	Ending Balance	6,581.36	7,024.84	(443.48)

- *The Town did not adopt an ordinance establishing the compensation of officers and employees for 2010, 2011, 2012, or 2013.*
- *The 2013 Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) was inaccurate. The 2013 100-R stated the Board President's compensation was \$1,500, but the Board President actually was paid \$1,800 in 2013. In addition, the 2013 100-R stated the other two Board members compensation was \$1,200 each, but they actually received \$1,500 each in 2013.*
- *Elected officials did not certify in writing that the officers had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 2012, and December 31, 2013.*
- *Elected officials did not certify in writing that the officers had not violated Indiana Code 36-1-21 (Contracting With a Unit) by December 31, 2012, and December 31, 2013.*

This letter is intended for the information and use of the governing body and management of the Town. 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 August 19, 2014, with Marilyn Horan, Clerk-Treasurer.

Paul D. Joyce
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State Examiner