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

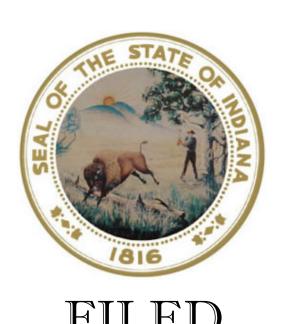
SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF MONTEREY

PULASKI COUNTY, INDIANA

January 1, 2012 to December 31, 2015



09/29/2016

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SCHEDULE OF OFFICIALS

Office	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Linda S. McCune	01-01-12 to 12-31-19
President of the Town Council	James C. Fleury Emily Bailey	01-01-12 to 12-31-15 01-01-16 to 12-31-16



STATE BOARD OF ACCOUNTS 302 WEST WASHINGTON STREET ROOM E418 INDIANAPOLIS, INDIANA 46204-2769

> Telephone: (317) 232-2513 Fax: (317) 232-4711 Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF THE TOWN OF MONTEREY, PULASKI COUNTY, INDIANA

This report is supplemental to our examination report of the Town of Monterey (Town), for the period from January 1, 2012 to December 31, 2015. It has been provided as a separate report so that the reader may easily identify any Examination Results and Comments that pertain to the Town. It should be read in conjunction with our Financial Statements Examination Report of the Town, which provides our opinion on the Town's financial statements. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Examination Result and Comment contained herein describes the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Examination Result and Comment, incorporated within this report, was not verified for accuracy.

Paul D. Joyce, CPA State Examiner

August 17, 2016

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CLERK-TREASURER TOWN OF MONTEREY

CLERK-TREASURER TOWN OF MONTEREY EXAMINATION RESULT AND COMMENT

ADVANCE PAYMENTS

The Town paid the wastewater plant operator and the plant maintenance contractor in advance. The monthly payments on their contracts were approved at each Town Council meeting. Because the Council changed its monthly meeting dates from the last to the first Wednesday of each month, the monthly payments were a few weeks in advance of the services performed. For example, the December 2015 payment was made December 2, 2015, and the November 2015 payment was made November 10, 2015.

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 Cities and Towns, Chapter 7)

TOWN OF MONTEREY

TOWN COUNCIL

JAMES C FLEURY, MEMBER

DOUGLAS A DENTON, MEMBER

EMILY L BAILEY, PRESIDENT

LINDA S MCCUNE, CLERK TREASURER

7033 N WALNUT ST / PO BOX 117 MONTEREY IN 46960 PHONE (574) 542-2455 FAX (574) 542-2466 montereyin@embarqmail.com

August 17,2016

State Board of Accounts 302 Washington St Room E418 Indianapolis IN 46204-2765

This letter is our official response to the exception that is included in the SBOA report dated August 17, 2016.

Compensation and any other payments for goods and services will not be paid in advance of receipt of the goods or services unless specifically authorized by statue.

The Clerk Treasurer will pay for the services after they are completed and the Town Council plans to adopt an Ordinance allowing the Clerk Treasurer to pay certain types of claims prior to Town Council allowance.

Sincerely

Emily Bailey

Monterey Town Council President

CLERK-TREASURER TOWN OF MONTEREY EXIT CONFERENCE

The contents of this report were discussed on August 17, 2016, with Linda S. McCune, Clerk-Treasurer; Emily Bailey, President of the Town Council; and Doug Denton, Council member.