

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



FILED
09/29/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<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 OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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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
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

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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 statute.

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.