

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

**Paul D. Joyce, CPA
State Examiner**

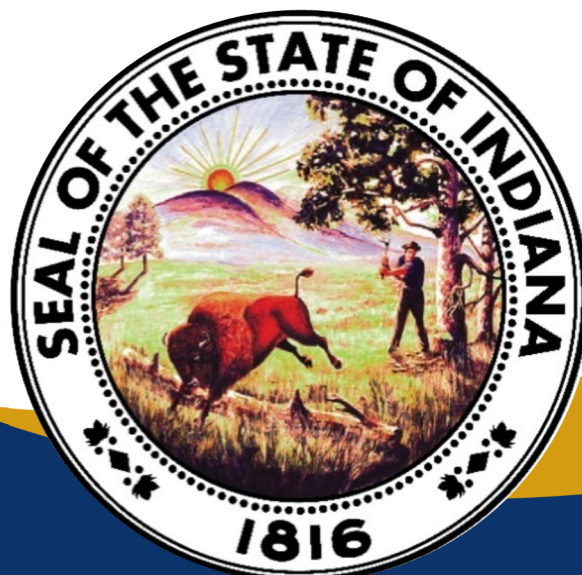
COMPLIANCE ENGAGEMENT REPORT

OF

MONROE TOWNSHIP

DELAWARE COUNTY, INDIANA

January 1, 2021 to December 31, 2024



FILED

04/30/2025

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Leonard Reese	01-01-21 to 12-31-25
Chair of the Township Board	David Holmes	01-01-21 to 12-31-25



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INDIANA STATE BOARD OF ACCOUNTS

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TO: THE OFFICIALS OF MONROE TOWNSHIP, DELAWARE 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, 2021 to December 31, 2024. The objective of this engagement was to determine compliance with applicable Indiana laws, regulations, and uniform compliance guidelines (Guidelines) established by the Indiana State Board of Accounts pursuant to Indiana Code 5-11-1-24. The objective of this engagement is not to opine on compliance or financial activity of the Township as this engagement was not conducted in accordance with any standards established by an authoritative standard-setting body, and, as such, we do not provide any opinions on compliance or financial activity.

Management is responsible for preparing and maintaining its accounting records and related documents in accordance with applicable Indiana laws, regulations, and Guidelines. Management's responsibility also includes, but is not limited to, complying with other applicable Indiana laws, regulations, and Guidelines concerning how it operates: authorized sources and uses of funds; what reports are required to be prepared and filed; and what depositories and investment types are allowable.

We fulfilled our responsibility as detailed in the first paragraph, using procedures that verified the appropriate accounting for and reporting of cash, receipts, and disbursements; and the appropriate sources and uses of funds in accordance with applicable Indiana laws, regulations, and Guidelines. Expanding the scope and nature of these procedures can and does occur in specific circumstances.

The comments contained herein, if any, describe the identified reportable instance of noncompliance found during our engagement. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified. Any Official Response to the comments incorporated within this report was not verified for accuracy.

The Schedule of Officials and Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis (Statements) are informational only. The Statements have not been subjected to any procedures designed to express an opinion or provide any assurance on them, and, accordingly, we do not express an opinion or provide any assurance on them.

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record. Reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>, and the Township's Annual Financial Reports filed by management can be found on the Indiana Gateway for Government Units financial reporting system website: <http://www.gateway.ifionline.org>.

Beth Kelley, CPA, CFE
Deputy State Examiner

April 21, 2025

MONROE TOWNSHIP, DELAWARE COUNTY
COMMENT

ADVANCE PAYMENTS

Condition and Context

Internal controls were not in place to ensure employees were not paid in advance. The Township pays the Trustee and an employee once a month, and payment is made for the current month's period prior to the last day of the month. This resulted in employees being paid up to seven days in advance of time worked during our engagement period.

Additionally, the Township Board members were paid once a year, and payment is made for the current year's period prior to the last day of the year. This resulted in Township Board members being paid up to 15 days in advance of time worked during our engagement period.

Criteria

Compensation and any other payments for goods and services must not be paid in advance of receipt of the goods or services unless specifically authorized by law. 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 1)

Indiana Code 5-7-3-1(a) states: "Public officers may not draw or receive their salaries in advance."

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CASH
AND INVESTMENT BALANCES - REGULATORY BASIS

MONROE TOWNSHIP, DELAWARE COUNTY
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2021 and 2022

Fund	Cash and Investments 01-01-21	Receipts	Disbursements	Cash and Investments 12-31-21	Receipts	Disbursements	Cash and Investments 12-31-22
TOWNSHIP FUND	\$ 23,134	\$ 39,235	\$ 36,862	\$ 25,507	\$ 44,205	\$ 36,687	\$ 33,025
TWP. ASSISTANCE	32,054	21,806	18,529	35,331	21,564	17,611	39,284
FIRE FIGHTING FUND	65,567	80,476	78,695	67,348	78,163	78,893	66,618
RAINY DAY FUND	2,165	-	1,660	505	-	-	505
CUMULATIVE FIRE FUND	23,729	21,018	24,641	20,106	22,950	24,999	18,057
FIRE DEBT SERVICE FUND	907	-	-	907	114,691	107,658	7,940
PAYROLL DEDUCTIONS	-	7,453	7,453	-	7,558	7,558	-
RESTORE CEMETERIES	1,584	5,009	4,202	2,391	8,659	3,581	7,469
Totals	<u>\$ 149,140</u>	<u>\$ 174,997</u>	<u>\$ 172,042</u>	<u>\$ 152,095</u>	<u>\$ 297,790</u>	<u>\$ 276,987</u>	<u>\$ 172,898</u>

MONROE TOWNSHIP, DELAWARE COUNTY
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2023 and 2024

Fund	Cash and Investments 01-01-23	Receipts	Disbursements	Cash and Investments 12-31-23	Receipts	Disbursements	Cash and Investments 12-31-24
TOWNSHIP FUND	\$ 33,024	\$ 68,011	\$ 35,310	\$ 65,725	\$ 76,837	\$ 37,596	\$ 104,966
TWP. ASSISTANCE	39,284	5,711	10,705	34,290	6,042	15,070	25,262
FIRE FIGHTING FUND	66,616	77,098	76,383	67,331	84,792	73,071	79,052
RAINY DAY FUND	505	-	-	505	-	-	505
CUMULATIVE FIRE FUND	18,058	244,226	21,455	240,829	29,628	13,266	257,191
FIRE DEBT SERVICE FUND	7,940	115,599	107,658	15,881	115,241	107,658	23,464
PAYROLL DEDUCTIONS	-	6,129	6,129	-	6,255	6,255	-
RESTORE CEMETERIES	7,469	8,006	4,492	10,983	8,472	5,000	14,455
Totals	<u>\$ 172,896</u>	<u>\$ 524,780</u>	<u>\$ 262,132</u>	<u>\$ 435,544</u>	<u>\$ 327,267</u>	<u>\$ 257,916</u>	<u>\$ 504,895</u>

MONROE TOWNSHIP, DELAWARE COUNTY
EXIT CONFERENCE

The contents of this report were communicated to Leonard Reese, Trustee; Robin Carter, Township Board member; Sandy Crist, Township Board member; David Holmes, Chair of the Township Board; and Sheryl Marshall, Township Clerk, on April 23, 2025.