

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2765**

EXAMINATION REPORT

OF

MONROE TOWNSHIP

KOSCIUSKO COUNTY, INDIANA

January 1, 2004 to December 31, 2005



**FILED**

08/31/2006



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report .....	3
Schedules of Receipts, Disbursements, and Cash and Investment Balances.....	4
Notes to Schedules .....	5
Examination Result and Comment: Noncompliance with Internal Revenue Service Guidelines and Instructions.....	6
Exit Conference.....	7
Official Response .....	8

OFFICIALS

Office

Official

Term

Trustee

Sandra Fiedeke

01-01-03 to 12-31-06

Chairman of the  
Township Board

Donavon Sellers

01-01-04 to 12-31-06



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the schedules of receipts, disbursements, and cash and investment balances of Monroe Township (Township), for the period of January 1, 2004 to December 31, 2005. The Township's management is responsible for the schedules. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the schedule of receipts, disbursements, and cash and investment balances and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedules referred to above present fairly, in all material respects, the cash transactions of the Township for the years ended December 31, 2004 and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

July 26, 2006

MONROE TOWNSHIP, KOSCIUSKO COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 219	\$ 13,491	\$ 13,718	\$ (8)
Dog	391	302	345	348
Township Assistance	3,350	631	1,610	2,371
Firefighting	9,375	14,933	9,000	15,308
Park and Recreation	553	824	500	877
Emergency Medical Service	847	1,183	1,400	630
Totals	<u>\$ 14,735</u>	<u>\$ 31,364</u>	<u>\$ 26,573</u>	<u>\$ 19,526</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ (8)	\$ 14,510	\$ 14,502	\$ -
Dog	348	300	306	342
Township Assistance	2,371	1,116	1,415	2,072
Firefighting	15,308	11,379	16,339	10,348
Park and Recreation	877	51	8	920
Levy Excess	-	294	-	294
Emergency Medical Service	630	809	1,416	23
Totals	<u>\$ 19,526</u>	<u>\$ 28,459</u>	<u>\$ 33,986</u>	<u>\$ 13,999</u>

The accompanying notes are an integral part of the schedules.

MONROE TOWNSHIP, KOSCIUSKO COUNTY  
NOTES TO SCHEDULES

Note 1. Introduction

The Township was established under the laws of the State of Indiana. The Township provides the following services: public safety, health and social services, culture and recreation, and general administrative services.

Note 2. Fund Accounting

The Township uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Township in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Township to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

MONROE TOWNSHIP, KOSCIUSKO COUNTY  
EXAMINATION RESULT AND COMMENT

NONCOMPLIANCE WITH INTERNAL REVENUE SERVICE GUIDELINES AND INSTRUCTIONS

Records presented for audit indicate noncompliance with Internal Revenue Service guidelines and instructions for completing Wage and Tax Statements (W-2). Social Security and Medicare taxes imposed upon the Township were incorrectly included with the amounts reported as withheld from the employee. Also, the amount to be withheld was actually paid to the employee. Quarterly remittances to the Internal Revenue Service included both a warrant from the Township for Social Security and Medicare taxes imposed and a personal check from the employee for the Social Security and Medicare withholdings that were paid to the employee.

Financial and Appropriation Record, Township Form 1C, is designed with columns to record payroll withholdings and subsequent remittance to the appropriate authorities. All checks from which deductions are made must be entered in Column A-2, in the net amount. The gross amount is to be entered in the appropriate fund disbursed column and the correct appropriation column to which the disbursement applies. The amounts withheld must be entered in the appropriate "M" under "Deductions from Salaries and Wages." Thus the net amount of the warrants issued in Column A-2, plus the amounts withheld in the "M" columns will equal the gross amount of disbursements in the funds disbursed columns and in the appropriation columns affected.

Compliance is required, as applicable, with generally accepted accounting principles, and standards issued by the Governmental Accounting Standards Board, Financial Accounting Standards Board, and other standards setting bodies and also with various accounting guides, manuals and other publications. Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

MONROE TOWNSHIP, KOSCIUSKO COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on July 26, 2006, with Sandra Fiedeke, Trustee. The official response has been made a part of this report and may be found on page 8.

**MONROE TOWNSHIP TRUSTEE  
SANDY FIEDEKE  
5306 SO ST RD 13NON  
PIERCETON, IN 46562  
PH 574 594 3236 FAX 574 594 3021**

**AUGUST 15, 2006**

**STATE BOARD OF ACCOUNTS  
227 W JEFFERSON STREET, ROOM 809  
COUNTY CITY BUILDING  
SOUTH BEND, INDIANA 46601  
ATTN: DOUG WIESE 2D, # 574. 235- 9030**


**I AM SUBMITTING TO YOU MY RESPONSE TO THE RECENT AUDIT  
PERFORMED BY THE STATE BOARD OF ACCOUNTS.**

**NONCOMPLIANCE WITH INTERNAL REVENUE SERVICE  
GUIDELINES AND INSTRUCTIONS:**

**CURRENTLY WHEN I PAY THE DEPUTY AND MYSELF I PAY US THE  
FULL AMOUNT OF OUR SALARY AND THEN SEND IN A PERSONAL  
CHECK QUARTERLY FOR OUR HALF OF THE SOCIAL SECURITY AND  
MEDICAID PLUS A CHECK FROM THE TOWNSHIP FOR THE  
TOWNSHIP HALF. I HAVE BEEN DIRECTED TO GO AHEAD AND  
DEDUCT THE TAXES MONTHLY FROM THE GROSS AMOUNT DUE,  
WHICH I WILL BEGIN THIS PRACTICE IMMEDIATELY.**

**RESPECTFULLY,**

**MONROE TOWNSHIP**



**SANDY L. FIEDEKE  
TRUSTEE**