

B36176

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

EXAMINATION REPORT
OF
OLIVE TOWNSHIP
ELKHART COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
04/16/2010

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information	5
Examination Results and Comments:	
Contracts	6
Bank Account Reconciliations	6
Overdrawn Cash Balances.....	6
Exit Conference.....	7

OFFICIALS

Office

Official

Term

Trustee

Linda A. Hartzell

01-01-07 to 12-31-10

Chairman of the
Township Board

Rick Vandegrift

01-01-08 to 12-31-10



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF OLIVE TOWNSHIP, ELKHART COUNTY, INDIANA

We have examined the financial information presented herein of Olive Township (Township), for the period of January 1, 2008 to December 31, 2009. The Township's management is responsible for the financial information presented herein. 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 financial information presented herein 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 financial information referred to above presents fairly, in all material respects, the financial information of the Township for the years ended December 31, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

March 29, 2010

OLIVE TOWNSHIP, ELKHART COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 64,154	\$ 7,434	\$ 29,689	\$ 41,899
Township Assistance	5,109	11,726	15,419	1,416
Firefighting	19,722	33,606	30,000	23,328
Emergency Medical Services	14,428	18,847	25,000	8,275
Rainy Day	9,322	2,768	2,339	9,751
Fiduciary Fund:				
Buggy License	802	886	1,688	-
Totals	<u>\$ 113,537</u>	<u>\$ 75,267</u>	<u>\$ 104,135</u>	<u>\$ 84,669</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 41,899	\$ 23,391	\$ 43,375	\$ 21,915
Township Assistance	1,416	21,944	12,138	11,222
Firefighting	23,328	51,394	40,000	34,722
Emergency Medical Services	8,275	24,085	65,000	(32,640)
Rainy Day	9,751	1,066	-	10,817
Totals	<u>\$ 84,669</u>	<u>\$ 121,880</u>	<u>\$ 160,513</u>	<u>\$ 46,036</u>

The accompanying notes are an integral part of the financial information.

OLIVE TOWNSHIP, ELKHART COUNTY
NOTES TO FINANCIAL INFORMATION

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. All property taxes collected by the County Treasurer and available for distribution were distributed to the Township on or prior to December 31 of the year collected.

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.

OLIVE TOWNSHIP, ELKHART COUNTY
EXAMINATION RESULTS AND COMMENTS

CONTRACTS

Records presented for examination indicate payments were made in 2009 to the Wakarusa Fire Department for \$40,000 and the Wakarusa Ambulance Service for \$65,000. Contracts with these entities were for \$25,000 and \$21,500, respectively.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were incorrect.

IC 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

OVERDRAWN CASH BALANCES

The cash balance of the Emergency Medical Services Fund was overdrawn in 2009 by \$32,641.

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

OLIVE TOWNSHIP, ELKHART COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 29, 2010, with Linda A. Hartzell, Trustee. The officials concurred with our findings.