



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B47226

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

November 21, 2016

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

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Olive Township (Township), for the period of January 1, 2012 to December 31, 2015, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

Our procedures were designed solely to satisfy the requirements of Indiana Code 5-11-1. Because our procedures were not designed to opine on the Township's financial statements, we did not follow auditing standards generally accepted in the United States of America. Accordingly, we do not express an opinion on any basic financial statement of the Township.

Management is responsible for preparing and maintaining its accounting records and related documents, as well as compliance with applicable state laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

Annual Financial Reports filed by the Township can be found on the Gateway website: <https://gateway.ifionline.org/>.

The Comments contained herein describe the identified reportable instances of noncompliance found as a result of the procedures we performed. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Unresolved Comments from Prior Report

- *Depository reconciliations of the fund balances to the bank account balances were conducted; however, the reconciliations contained errors and did not balance. As of December 31, 2015, the bank account reconciliation identified a cash short in the amount of \$338.03.*
- *The records presented for review indicated the following disbursements in excess of budgeted appropriations:*

<u>Year</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2012	Township	\$ 8,888

Current Period Comments

- *The Annual Financial Report filed on Gateway for 2015 did not match the Township's records.*

<u>Year</u>	<u>Fund</u>	<u>Category</u>	<u>Amount per Gateway</u>	<u>Amount per Township Ledger</u>	<u>Difference</u>
2015	Township	Disbursements	\$ 31,209	\$ 31,328	\$ (119)
2015	Township	Ending Balance	30,957	30,838	119

- *Receipts were not properly posted to the Township ledger. There were three instances where county tax distributions were not recorded on the ledger (March 2013, \$1,091.70; August 2014, \$1,821.91; and November 2014, \$1,821.91).*
- *In years 2012, 2013, and 2014, receipts were deposited later than the first and fifteenth of the month. During that period, there were nine months where no deposits were made. In two instances, there were county tax distribution checks that were not deposited to the bank or recorded on the ledger. The first instance occurred in March 2013 (\$1,091.70). The second instance occurred in August 2014 (\$1,821.91).*
- *Federal Form 1099 was not issued for office rent of \$4,000 paid to the Trustee each year.*
- *The Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) was inaccurate. The Form 100-R for years 2012, 2013, 2014, and 2015 listed the "net pay" rather than the "gross pay" for the Trustee and the Township Clerk.*
- *Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 2012, 2013, 2014, and 2015.*
- *Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-21 (Contracting With a Unit) by December 31, 2012, 2013, 2014, and 2015.*

This letter is intended for the information and use of the governing body and management of the Township. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

The contents of this letter were discussed on October 17, 2016, with Linda Hartzell, Trustee. Any Official Response attached to this letter was not verified for accuracy.

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