

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF ETNA GREEN

KOSCIUSKO COUNTY, INDIANA

January 1, 2012 to December 31, 2014



FILED
03/11/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Laura Baker	01-01-12 to 12-31-15
President of the Town Council	Keith A. Claassen Andrew Cook	01-01-12 to 12-31-13 01-01-14 to 12-31-15
Superintendent of Water and Electric Utility	Barry J. Baker	01-01-12 to 12-31-15
Superintendent of Wastewater Utility	Andrew Cook	01-01-12 to 12-31-15



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF ETNA GREEN, KOSCIUSKO COUNTY, INDIANA

This report is supplemental to our examination report of the Town of Etna Green (Town), for the period from January 1, 2012 to December 31, 2014. 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 Results and Comments contained herein describe 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 Results and Comments, incorporated within this report, was not verified for accuracy.

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

June 25, 2015

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CLERK-TREASURER
TOWN OF ETNA GREEN

CLERK-TREASURER
TOWN OF ETNA GREEN
EXAMINATION RESULTS AND COMMENTS

SALES TAX COMPUTATION

Sales tax payments collected from utility services were made to the Indiana Department of Revenue which exceeded the amount owed by the Town in the amount of \$4,117 in 2013 and \$746 in 2014. Refunds have not been received as of the date of this report.

Collections by a city or town from the retail sale of tangible personal property, utility services or commodities in the performance of private or proprietary activities are subject to sales tax. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Governmental units should collect any overpayments made. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

ANNUAL FINANCIAL REPORT

The Annual Financial Report (AFR) for 2013 contained errors as described below:

- The cash balances at January 1, 2013, did not agree to the ending cash balances reported in the prior AFR as of December 31, 2012.
- The 2013 financial information incorrectly included investments that had already been accounted for.

Information and adjustments necessary to correct the errors were presented to and accepted by the Clerk-Treasurer and made to the 2013 AFR.

Indiana Code 5-11-1-4 states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."

FORM 100-R

The compensation reported in the 2013 and 2014 Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R) were incorrect.

Indiana Code 5-11-13-1 states in part:

"Every state, county, city, town, township, or school official . . . shall during the month of January of each year prepare, make, and sign a certified report, correctly and completely showing the names and business addresses of each and all officers, employees, and agents . . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts."



**TOWN OF ETNA GREEN
P.O. BOX 183
ETNA GREEN, INDIANA 46524**

June 26, 2015

State Board of Accounts
302 Washington St
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RE: Audit Response

To Whom It May Concern:

This letter is a response to the audit examination results and comments for the periods of 2012 – 2014.

1. Sales Tax Computation. I made an error in paying the sales tax and corrected it online. When I received my bank statement the correction did not go through causing the account to have a credit. I failed to make note of that and continued to pay without using the credit. Therefore, I overpaid for the year of 2013. In 2014, I used the incorrect amount to calculate the taxes one month creating another overpayment. I have requested a refund for the overpayment.
2. Annual Financial Report. The corrections have been made.
3. 100 R. I thought the report was due by January 1st, therefore the report I submitted was not accurate due to not being for the full year. I have since looked at the Indiana Code and have noted that the report is due by January 31st of the following year.

Etna Green was Anthony Reichel's first municipal audit. I was out of the office during the audit until the final week recovering from surgery. My deputy clerk mentioned that he was very easy to work with. Both Anthony and Dean Gerlach were very helpful at the exit review. I appreciate their willingness to discuss and assist me with the above mentioned comments.

Respectfully,



Laura L. Baker, MMC
Clerk-Treasurer

CLERK-TREASURER
TOWN OF ETNA GREEN
EXIT CONFERENCE

The contents of this report were discussed on June 25, 2015, with Laura Baker, Clerk-Treasurer, and Andrew Cook, President of the Town Council.