

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

EXAMINATION REPORT
OF
GERMAN TOWNSHIP
VANDERBURGH COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
04/23/2010

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
Supplementary Information:	
Schedule of Long-Term Debt	6
Examination Results and Comments:	
Overdrawn Fund Balances	7
Annual Report.....	7
Condition of Records	7
Exit Conference.....	8

OFFICIALS

Office

Official

Term

Trustee

Fred Happe

01-01-07 to 12-31-10

Chairman of the
Township Board

Ray Schapker
Tim Bishop

01-01-08 to 12-31-09
01-01-10 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF GERMAN TOWNSHIP, VANDERBURGH COUNTY, INDIANA

We have examined the financial information presented herein of German 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.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

March 30, 2010

GERMAN TOWNSHIP, VANDERBURGH COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL 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	\$ 47,470	\$ 20,314	\$ 45,661	\$ 22,123
Dog	745	-	745	-
Township Assistance	69,126	-	10,352	58,774
Firefighting	(79,041)	180,821	167,477	(65,697)
Rainy Day	1,872	6,948	6,948	1,872
Emergency Medical Services	35,689	57,763	56,230	37,222
Cumulative Fire	56,051	60,491	60,535	56,007
Totals	<u>\$ 131,912</u>	<u>\$ 326,337</u>	<u>\$ 347,948</u>	<u>\$ 110,301</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 22,123	\$ 45,290	\$ 41,377	\$ 26,036
Township Assistance	58,774	-	3,716	55,058
Firefighting	(65,697)	192,259	166,262	(39,700)
Rainy Day	1,872	-	-	1,872
Emergency Medical Services	37,222	28,475	57,062	8,635
Fire Debt	-	86,131	2,784	83,347
Cumulative Fire	56,007	47,471	60,536	42,942
Totals	<u>\$ 110,301</u>	<u>\$ 399,626</u>	<u>\$ 331,737</u>	<u>\$ 178,190</u>

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

GERMAN TOWNSHIP, VANDERBURGH 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, 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.

GERMAN TOWNSHIP, VANDERBURGH COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

The Township has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Line of credit:		
Firefighting Fund	\$ 80,000	\$ 43,200

GERMAN TOWNSHIP, VANDERBURGH COUNTY
EXAMINATION RESULTS AND COMMENTS

OVERDRAWN FUND BALANCES

The Firefighting Fund was overdrawn in 2008 and 2009.

The 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)

ANNUAL REPORT

Annual reports for 2008 and 2009 were filed but were not accurate.

The annual report shall be prepared, verified, and filed with the State Board of Accounts within 30 days after the close of each fiscal year. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 2)

CONDITION OF RECORDS

There were a considerable number of posting errors. These errors included checks and receipts not recorded in the proper funds and interest not posted. A similar comment was in the prior report.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

GERMAN TOWNSHIP, VANDERBURGH COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 30, 2010, with Fred Happe, Trustee. The official concurred with our findings.