



STATE OF INDIANA
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B44008

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August 5, 2014

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

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of German Township (Township), for the period of January 1, 2010 to December 31, 2013, 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 *generally accepted auditing standards*. 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.

The Township's Annual Financial Reports filed for years prior to 2011 can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/. For years 2011 and later, the 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.

Current Period Comments

- *The financial institution did not return the actual cancelled checks with the monthly bank statements, but instead returned only an optical image of the front side of the checks. The back side or endorsement side of the checks were not returned.*
- *Employees of the Township were paid without the Township withholding federal, state, and local taxes. Payroll taxes were not withheld from the three Board members.*
- *W-2s were not issued for all Township employees.*
- *Township Assistance Standards were not established in accordance with Indiana Code 12-20-5.5-1.*
- *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 and 2013.*

- 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 and 2013.
- 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>
2013	EMS	<u>\$ 9,000</u>

- The Annual Financial Reports filed on Gateway for 2011, 2012, and 2013 contained a number of errors and did not properly reflect the financial activity of the Township.

<u>Year</u>	<u>Fund</u>	<u>Category</u>	<u>Amount Per Gateway</u>	<u>Amount Per Township Ledger</u>	<u>Difference</u>
2011	Payroll Withholding	Beginning balance	\$ -	\$ 360	\$ (360)
		Receipt	-	2,376	(2,376)
		Disbursement	-	(1,857)	1,857
		Ending balance	-	879	(879)
2012	Payroll Withholding	Beginning balance	-	879	(879)
		Receipt	-	2,315	(2,315)
		Disbursement	-	(2,097)	2,097
		Ending balance	-	1,097	(1,097)
2013	Payroll Withholding	Beginning balance	-	1,097	(1,097)
		Receipt	-	2,556	(2,556)
		Disbursement	-	(2,955)	2,955
		Ending balance	-	698	(698)
2012	Township	Receipt	18,205	21,813	(3,608)
		Ending balance	82,712	86,320	(3,608)
2013	Township	Receipt	101,818	102,846	(1,028)
		Ending balance	106,652	107,680	(1,028)

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 May 1, 2014, with Ben Baker, Trustee, and Kim Baker, Clerk.

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