

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

COMPLIANCE REPORT

OF

GERMAN TOWNSHIP

ST. JOSEPH COUNTY, INDIANA

January 1, 2011 to December 31, 2015



**FILED**

07/28/2017



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Irvan Staszewski Thomas O. McClanahan	01-01-11 to 05-06-12 05-07-12 to 12-31-18
Chairman of the Township Board	Phyllis Barkley James W. Pepple	01-01-11 to 06-02-14 06-03-14 to 12-31-16



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF GERMAN TOWNSHIP, ST. JOSEPH 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), St. Joseph County, for the period January 1, 2011 to December 31, 2015, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The 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 Results and Comments, incorporated within this report, was not verified for accuracy.

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

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

May 11, 2017

GERMAN TOWNSHIP, ST. JOSEPH COUNTY  
RESULTS AND COMMENTS

**REVIEW AND APPROVAL OF THE ANNUAL REPORT**

The Township did not have the required meeting to review and adopt the Annual Financial Report (AFR) in accordance with Indiana Code 36-6-6-9 for 2014.

The AFR filed on Gateway for 2012, 2013, 2014, and 2015 did not match the Township's records.

Years	Fund	Category	Amount per AFR	Amount per Township Ledger	Difference
2012	Township	Beginning Balance	\$ 474,126.52	\$ 194,864.31	\$ 279,262.21
2012	Township	Ending Balance	558,524.42	279,262.21	279,262.21
2012	Park And Recreation	Beginning Balance	318,246.70	159,745.25	158,501.45
2012	Park And Recreation	Ending Balance	317,002.90	158,501.45	158,501.45
2012	Township Assistance	Beginning Balance	134,530.62	76,120.56	58,410.06
2012	Township Assistance	Ending Balance	116,820.12	58,410.06	58,410.06
2012	Rainy Day	Beginning Balance	175,996.08	88,146.61	87,849.47
2012	Rainy Day	Ending Balance	175,698.94	87,849.47	87,849.47
2012	Fire Debt	Beginning Balance	43,244.50	33,592.41	9,652.09
2012	Fire Debt	Ending Balance	19,304.18	9,652.09	9,652.09
2012	Payroll Withholding	Beginning Balance	1,347.71	403.98	943.73
2012	Payroll Withholding	Ending Balance	1,887.46	943.73	943.73
2013	Township	Beginning Balance	558,524.42	279,262.21	279,262.21
2013	Township	Ending Balance	574,484.11	295,221.90	279,262.21
2013	Park And Recreation	Beginning Balance	317,002.90	158,501.45	158,501.45
2013	Park And Recreation	Ending Balance	296,714.72	138,213.27	158,501.45
2013	Township Assistance	Beginning Balance	116,820.12	58,410.06	58,410.06
2013	Township Assistance	Ending Balance	92,243.91	33,833.85	58,410.06
2013	Fire Fighting	Reciept	-	1,163.00	(1,163.00)
2013	Fire Fighting	Ending Balance	-	1,163.00	(1,163.00)
2013	Rainy Day	Beginning Balance	175,698.94	87,849.47	87,849.47
2013	Rainy Day	Ending Balance	175,963.27	88,113.80	87,849.47
2013	Fire Debt	Beginning Balance	19,304.18	9,652.09	9,652.09
2013	Fire Debt	Ending Balance	95,547.04	85,894.95	9,652.09
2013	Payroll Withholding	Beginning Balance	1,887.46	943.73	943.73
2013	Payroll Withholding	Ending Balance	2,103.30	1,159.57	943.73
2014	Township	Receipt	132,759.46	132,638.93	120.53
2014	Township	Ending Balance	318,120.13	317,999.60	120.53
2014	Park And Recreation	Reciept	63,321.46	63,279.96	41.50
2014	Park And Recreation	Ending Balance	161,026.43	160,984.93	41.50
2014	Rainy Day	Receipt	315.71	292.00	23.71
2014	Rainy Day	Ending Balance	86,201.51	86,177.80	23.71
2014	Fire Debt	Receipt	314,791.98	314,780.12	11.86
2014	Fire Debt	Ending Balance	215,851.93	215,840.07	11.86
2015	Payroll Withholding	Beginning Balance	-	3,732.59	(3,732.59)
2015	Payroll Withholding	Ending Balance	1,096.09	4,828.68	(3,732.59)

Indiana Code 36-6-6-9(a) states: "The legislative body shall meet on or before the third Tuesday after the first Monday in February of each year. At this meeting it shall consider and approve, in whole or in part, the annual report of the executive presented under IC 36-6-4-12."

GERMAN TOWNSHIP, ST. JOSEPH COUNTY  
RESULTS AND COMMENTS  
(Continued)

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

**APPROPRIATIONS**

The records presented indicated the following disbursements in excess of budget appropriations:

<u>Years</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2011	Fire Debt	\$ (400.00)
2012	Fire Debt	(57,417.50)
2013	Fire Debt	(54.00)

Indiana Code 6-1.1-18-4 states in part: ". . . proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

**CERTIFIED REPORT**

The Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R) was inaccurate.

<u>Years</u>	<u>Position</u>	<u>Amount Reported on 100-R</u>	<u>Actual Amount Paid</u>
2012	Trustee	\$ 10,402.68	\$ 10,016.00
2012	Board member	1,160.00	776.00
2012	Custodian	4,525.00	4,977.50
2012	Administrative Assistant	2,439.00	2,419.00
2013	Trustee	13,772.00	15,024.00
2014	Trustee	15,024.00	15,520.00
2014	Board member	712.87	817.52
2014	Custodian	2,000.00	1,000.00
2014	Secretary/Investigator	15,070.00	12,558.30

Indiana Code 5-11-13-1(a) 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 written or printed certified report, correctly and completely showing the names and 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. . . ."

GERMAN TOWNSHIP, ST. JOSEPH COUNTY  
RESULTS AND COMMENTS  
(Continued)

***PENALTIES, INTEREST, AND OTHER CHARGES***

In 2013 and 2014, the Township paid penalties, interest, and other charges to the Department of Treasury in the amount of \$74.40 because the Township did not remit payments on a timely basis.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the unit. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the unit. Any penalties, interest, or other charges paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

***APPROVAL OF SALARIES***

The Township Board did not establishing the salaries of the Township officials and employees for the years 2011, 2012, 2013, 2014, or 2015.

Indiana Code 36-6-6-10(b) states in part:

"The township legislative body shall fix the:

- (1) salaries;
- (2) wages; . . .

of all officers and employees of the township."

***PAYROLL DEDUCTIONS***

The wages reported on the W-2s issued for 2013 and 2014 did not agree with the actual amounts paid to employees. In 2014, a W-2 was not issued to a Township Board member who retired.

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

***TOWNSHIP ASSISTANCE STANDARDS***

Township Assistance Standards were not established in accordance with Indiana Code 12-20-5.5-1 for 2011 and 2012.

Indiana Code 12-20-5.5-1(b) states:

"The township's standards for the issuance of township assistance and the processing of applications must be:

GERMAN TOWNSHIP, ST. JOSEPH COUNTY  
RESULTS AND COMMENTS  
(Continued)

- (1) governed by the requirements of this article;
- (2) proposed by the township trustee, adopted by the township board, and filed with the board of county commissioners;
- (3) reviewed and updated annually to reflect changes in the cost of basic necessities in the township and changes in the law;
- (4) published in a single written document, including addenda attached to the document; and
- (5) posted in a place prominently visible to the public in all offices of the township trustee where township assistance applications are taken or processed."

**CONTRACTS**

Payments made for mowing and snow plowing were not supported by written contracts.

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

**NEPOTISM CERTIFICATION**

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, or 2015. The Trustee and Township Board members signed certifications dated February 4, 2014, and January 5, 2016.

Indiana Code 36-1-20.2-16 states: "Each elected officer of the unit shall annually certify in writing, subject to the penalties for perjury, that the officer has not violated this chapter. An officer shall submit the certification to the executive of the unit not later than December 31 of each year."

**CONTRACTING WITH A UNIT CERTIFICATION**

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, or 2015.

Indiana Code 36-1-21-6 states: "Each elected officer of the unit shall annually certify in writing, subject to the penalties for perjury, that the officer is in compliance with this chapter. An officer shall submit the certification to the executive of the unit not later than December 31 of each year."

**CONTRACTING WITH A UNIT POLICY**

The Township did not have a Contracting Policy for 2012, 2013, 2014, or 2015.

Indiana Code 36-1-21-4(a) states in part: "This chapter establishes minimum requirements regarding employment of relatives. The legislative body of the unit shall adopt a policy that includes, at a minimum, the requirements set forth in this chapter. . . ."

GERMAN TOWNSHIP, ST. JOSEPH COUNTY  
RESULTS AND COMMENTS  
(Continued)

***CERTIFIED REPORT***

The Township did not timely file a Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R) with the Indiana State Board of Accounts for 2012. The 2012 Form 100-R was filed on February 19, 2013, which is 19 days past the due date.

Indiana Code 5-11-13-1(a) 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 written or printed certified report, correctly and completely showing the names and 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. . . ."

GERMAN TOWNSHIP, ST. JOSEPH COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on May 11, 2017, with Thomas O. McClanahan, Trustee.