



**STATE OF INDIANA**  
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B61391

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May 4, 2023

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

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of German Township (Township), Marshall County, for the period of January 1, 2018 to December 31, 2021, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

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 by management can be found on the Gateway Website: [www.gateway.ifionline.org](http://www.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.

***Comments***

**BANK ACCOUNT RECONCILIATIONS**

***Condition and Context***

Depository reconciliations of the Township's fund balances to its bank account balances were not conducted on a monthly basis throughout the engagement period. As a result, year-end bank account reconciliations did not balance, as the Township did not reconcile all depository accounts to the ending cash and investments balance reported in its Annual Financial Reports (AFR) throughout the engagement period. The ending cash and investments balances on December 31, 2018, 2019, 2020, and 2021, were \$3,288, \$3,238, \$9,031, and \$8,859 less than the adjusted bank balances.

In addition, the Township did not ensure that fund balances reported in its AFRs agreed to the fund balances in the Township ledger.

### *Criteria*

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity 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](#)."

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

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)

## **CONDITION OF RECORDS**

### *Condition and Context*

The Township's ledger did not include all financial activity of the Township during the engagement period. The ledger only included financial activity from the Township's main checking account. It did not include any financial activity from other depository accounts, including Certificate of Deposits, held by the Township.

### *Criteria*

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

The Schedule of Cash and Investment Balances - Regulatory Basis, is presented as other information. It has not been subjected to any auditing procedures, and, accordingly, we do not express an opinion or provide any assurance on it.

SCHEDULE OF CASH AND INVESTMENT  
BALANCES - REGULATORY BASIS  
As of December 31, 2021

| Fund                            | Cash and<br>Investments<br>12-31-21 |
|---------------------------------|-------------------------------------|
| Township                        | \$ 276,911                          |
| Emergency Medical Services Fund | 127,390                             |
| Park And Recreation             | 38,338                              |
| Township Assistance             | 46,524                              |
| Fire Fighting                   | 207,680                             |
| Rainy Day                       | 78,003                              |
| Cumulative Fire                 | <u>36,735</u>                       |
| <br>Total                       | <br><u><u>\$ 811,581</u></u>        |

Any Official Response to the Comments, incorporated within this report, was not verified for accuracy.

The contents of this report were communicated to Benny J. Baker, Trustee, and Kim Baker, Township Clerk, on May 1, 2023.

Respectfully,



Beth Kelley, CPA, CFE  
Deputy State Examiner