

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT

OF

WINFIELD TOWNSHIP

LAKE COUNTY, INDIANA

January 1, 2003 to December 31, 2005



FILED
7/20/06

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OFFICIALS

Office

Official

Term

Trustee

John B. Curley

01-01-03 to 12-31-06

Chairman of the
Township Board

Nick Gasparovic

01-01-03 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF WINFIELD TOWNSHIP, LAKE COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Winfield Township (Township), for the period of January 1, 2003 to December 31, 2005. The Township's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the Township for the years ended December 31, 2003, 2004, and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

June 8, 2006

WINFIELD TOWNSHIP, LAKE COUNTY
 SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
 As Of And For The Years Ended December 31, 2003, 2004, And 2005

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 68,976	\$ 86,362	\$ 84,048	\$ 71,290
Dog	383	96	105	374
Township Assistance	25,150	18,751	18,080	25,821
Firefighting	120,772	131,556	190,500	61,828
Park and Recreation	21,944	14,456	17,997	18,403
Donation	1,704	4,615	1,567	4,752
Cumulative Fire	32,134	22,780	18,000	36,914
Totals	<u>\$ 271,063</u>	<u>\$ 278,616</u>	<u>\$ 330,297</u>	<u>\$ 219,382</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 71,290	\$ 78,566	\$ 138,668	\$ 11,188
Dog	374	81	77	378
Township Assistance	25,821	11,994	31,150	6,665
Firefighting	61,828	85,546	147,374	-
Park and Recreation	18,403	9,782	25,537	2,648
Donation	4,752	1,192	2,718	3,226
Cumulative Fire	36,914	29,319	64,055	2,178
Totals	<u>\$ 219,382</u>	<u>\$ 216,480</u>	<u>\$ 409,579</u>	<u>\$ 26,283</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 11,188	\$ 277,248	\$ 203,420	\$ 85,016
Dog	378	54	94	338
Township Assistance	6,665	48,462	27,911	27,216
Firefighting	-	467,450	338,548	128,902
Park and Recreation	2,648	31,887	10,266	24,269
Donation	3,226	2,114	4,436	904
Cumulative Fire	2,178	56,900	26,047	33,031
Totals	<u>\$ 26,283</u>	<u>\$ 884,115</u>	<u>\$ 610,722</u>	<u>\$ 299,676</u>

The accompanying notes are an integral part of the schedules.

WINFIELD TOWNSHIP, LAKE COUNTY
NOTES TO SCHEDULES

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, culture and recreation, 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.

Property tax rates and levies were not established by the Indiana Department of Local Government Finance as of February 15, 2005, as required by statute, due to the continued delay in the completion of the reassessment of Lake County. The 2004 pay 2005 property tax bills were mailed out on October 31, 2005, with the first installment due November 18, 2005, and the second installment due February 10, 2006.

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.

WINFIELD TOWNSHIP, LAKE COUNTY
NOTES TO SCHEDULES
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Township contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Township authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

Note 7. Subsequent Event

Property tax rates and levies were not established by the Indiana Department of Local Government Finance as of February 15, 2006, as required by statute, due to the continued delay caused by the reassessment of Lake County. As of June 8, 2006, the 2005 pay 2006 property tax bills have not been mailed out.

WINFIELD TOWNSHIP, LAKE COUNTY
EXAMINATION RESULTS AND COMMENTS

BOARD COMPENSATION

The Trustee has not issued Internal Revenue Service Form W-2 to the three Board members for any of the three years audited. The Board members each received \$2,000 in 2003 and \$3,000 in 2004 and 2005.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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 governmental 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 governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

SALARY RESOLUTION

Salary resolutions were not presented for audit for the years 2003, 2004, and 2005.

Indiana Code 36-6-6-10 requires the township board to set the salaries; wages; rates of hourly pay; and remuneration other than statutory allowances of all township officials and employees, except assessing officials and employees, for the year 1985 and each year thereafter. However, please remember the township board should record the salaries so fixed in the township board minutes. A type of format for recording these salaries should be the existing format of Township Form 17. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 2)

BOARD MINUTES

Not all of the official board minutes were presented for audit.

The board shall keep a record of proceedings in a separate book to be furnished by the trustee, and kept as a part of the records of the township, to be known as "The Record of the Township Board" of such township. Said record is to remain in the custody of the chairman of the board.

All proceedings had and decisions made by a township board must be entered of record, which record shall be open to public inspection and persons dealing with the township trustee must take notice of such record. (First National Bank v. Van Buren School Tp., 1911, 47 Ind. App. 79, 93 N.E. 863)

The secretary of the township board shall under the direction of the board record the minutes of the proceedings of each meeting in full and provide copies of the minutes to each member of the township board before the next meeting is convened. After the minutes are approved by the township board, the secretary of the township board shall place the minutes in the permanent record book. Any meeting may adjourn from day to day until the business is completed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 5)

WINFIELD TOWNSHIP, LAKE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 21, 2006, with John B. Curley, Trustee. The official concurred with our findings.