

B36325

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

EXAMINATION REPORT  
OF  
PORTAGE TOWNSHIP  
PORTER COUNTY, INDIANA  
January 1, 2007 to December 31, 2009



**FILED**  
04/23/2010



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Joyce Webster	01-01-07 to 12-31-10
Chairman of the Township Board	Susanne Lynch	01-01-07 to 12-31-07
	Larry Widener	01-01-08 to 12-31-09
	Jeremy Rivas	01-01-10 to 12-31-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF PORTAGE TOWNSHIP, PORTER COUNTY, INDIANA

We have examined the financial information presented herein of Portage Township (Township), for the period of January 1, 2007 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, 2007, 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. The Schedule of Long-Term Debt has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on the Schedule.

STATE BOARD OF ACCOUNTS

March 31, 2010

PORTAGE TOWNSHIP, PORTER COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Years Ended December 31, 2007, 2008, And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
<b>Governmental Funds:</b>				
General	\$ 92,325	\$ 686,150	\$ 647,887	\$ 130,588
Township Assistance	166,444	608,799	704,850	70,393
Firefighting	110,867	655,119	673,479	92,507
Park and Recreation	6,510	30,448	26,927	10,031
Community Service	11,803	164,727	162,377	14,153
Township Assistance Bond	27,087	345,518	338,348	34,257
Community Building	30,514	467,727	387,859	110,382
Fire Equipment Bond	72,931	355,405	426,324	2,012
Cumulative Fire	105,341	97,347	194,850	7,838
Fire Debt	42,640	-	42,640	-
Township Debt	2,447	27,728	30,019	156
<b>Fiduciary Funds:</b>				
Social Security Payee	2,300	14,980	15,615	1,665
Payroll Withholdings	-	232,980	232,980	-
<b>Totals</b>	<b>\$ 671,209</b>	<b>\$ 3,686,928</b>	<b>\$ 3,884,155</b>	<b>\$ 473,982</b>

  

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
<b>Governmental Funds:</b>				
General	\$ 130,588	\$ 962,390	\$ 863,147	\$ 229,831
Township Assistance	70,393	1,110,475	784,728	396,140
Firefighting	92,507	1,022,406	806,335	308,578
Park and Recreation	10,031	35,948	62,698	(16,719)
Community Service	14,153	128,540	134,995	7,698
Township Assistance Bond	34,257	86,969	128,600	(7,374)
Community Building	110,382	708,437	550,295	268,524
Fire Equipment Bond	2,012	277,019	606,493	(327,462)
Cumulative Fire	7,838	43,412	48,200	3,050
Township Debt	156	29,792	36,990	(7,042)
<b>Fiduciary Funds:</b>				
Social Security Payee	1,665	14,732	15,206	1,191
Payroll Withholdings	-	229,922	229,922	-
<b>Totals</b>	<b>\$ 473,982</b>	<b>\$ 4,650,042</b>	<b>\$ 4,267,609</b>	<b>\$ 856,415</b>

  

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
<b>Governmental Funds:</b>				
General	\$ 229,831	\$ 1,507,524	\$ 1,273,692	\$ 463,663
Township Assistance	396,140	1,288,597	1,322,109	362,628
Firefighting	308,578	1,311,265	1,138,989	480,854
Park and Recreation	(16,719)	111,837	50,835	44,283
Community Service	7,698	102,165	84,908	24,955
Township Assistance Bond	(7,374)	145,925	104,000	34,551
Community Building	268,524	904,749	800,576	372,697
Fire Equipment Bond	(327,462)	951,717	410,152	214,103
Cumulative Fire	3,050	46,414	25,498	23,966
Township Debt	(7,042)	29,545	25,489	(2,986)
Levy Excess	-	8,868	8,868	-
<b>Fiduciary Funds:</b>				
Social Security Payee	1,191	8,375	7,544	2,022
Payroll Withholdings	-	241,512	241,512	-
<b>Totals</b>	<b>\$ 856,415</b>	<b>\$ 6,658,493</b>	<b>\$ 5,494,172</b>	<b>\$ 2,020,736</b>

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

PORTAGE TOWNSHIP, PORTER 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, 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 or highway use taxes are received 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.

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.

PORTAGE TOWNSHIP, PORTER COUNTY  
NOTES TO FINANCIAL INFORMATION  
(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. Tax Anticipation Warrants

On October 16, 2009, the Township issued \$1,500,000 in Tax Anticipation Warrants. The Warrants are due to be repaid by June 30, 2010.

PORTAGE TOWNSHIP, PORTER 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:		
Capital leases:		
Ambulance	\$ 115,513	\$ 26,673
Fire Station Copier	1,540	1,320
Bonds payable:		
General obligation bonds:		
Public Works Bond 2005	24,384	12,745
Fire Station Building Bonds 2005	440,000	152,848
	<u>581,437</u>	<u>193,586</u>
Total governmental activities debt	<u>\$ 581,437</u>	<u>\$ 193,586</u>

PORTAGE TOWNSHIP, PORTER COUNTY  
EXAMINATION RESULTS AND COMMENTS

OVERDRAWN CASH BALANCES

The cash balances of the following funds were overdrawn as of December 31, 2008 and 2009:

<u>Fund</u>	<u>December 31, 2008</u>	<u>December 31, 2009</u>
Park and Recreation	\$ 16,719	\$ -
Township Assistance Bond	7,374	-
Fire Equipment Bond	327,462	-
Township Debt	7,042	2,986

The cash 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)

COMPLIANCE WITH TOWNSHIP ASSISTANCE GUIDELINES AND REQUIREMENTS

The Township Eligibility Standards and Guidelines for Poor Relief are from 2006. Income guidelines are changed annually; however, the changes were not adopted by the Township Board.

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

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 . . .

(Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 6)

APPROPRIATIONS

The Community Service Fund, as of December 31, 2009, had expenditures in excess of budgeted appropriations of \$11,762.

IC 6-1.1-18-4 states in part: ". . . the 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."

PORTAGE TOWNSHIP, PORTER COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on March 31, 2010, with Joyce Webster, Trustee; Eva Cloyd, Bookkeeper; and Jeremy Rivas, Chairman of the Township Board.