

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

EXAMINATION REPORT

OF

WINFIELD TOWNSHIP

LAKE COUNTY, INDIANA

January 1, 2008 to December 31, 2009



**FILED**  
04/27/2010



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances .....	4
Notes to Financial Information .....	5-6
Examination Results and Comments:	
Board Minutes.....	7
Salary Resolution.....	7
List of Employees Not Filed With County Treasurer .....	8
Official Bond .....	8
Receipt Issuance .....	8
Township Assistance .....	8-9
Contracts .....	9
Exit Conference.....	10

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	John B. Curley (Deceased) Linda Eisenhauer (Interim) Rollie Brauer	01-01-07 to 10-13-09 10-13-07 to 10-29-09 10-29-09 to 12-31-10
Chairman of the Township Board	Linda Eisenhauer	01-01-08 to 12-31-10



**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 financial information presented herein of Winfield Township (Township), for the period of January 1, 2008 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, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

March 31, 2010

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

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 32,371	\$ 128,104	\$ 115,991	\$ 44,484
Township Assistance	1,773	47,317	41,895	7,195
Firefighting	77,276	285,197	345,345	17,128
Parks and Recreation	29,622	33,445	41,847	21,220
Donation	646	6,053	2,840	3,859
Cumulative Fire	29,677	42,808	63,902	8,583
Totals	<u>\$ 171,365</u>	<u>\$ 542,924</u>	<u>\$ 611,820</u>	<u>\$ 102,469</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 44,484	\$ 173,105	\$ 187,382	\$ 30,207
Township Assistance	7,195	42,040	35,961	13,274
Firefighting	17,128	372,621	389,584	165
Parks and Recreation	21,220	17,011	10,435	27,796
Donation	3,859	8,548	7,077	5,330
Cumulative Fire	8,583	36,414	40,225	4,772
Totals	<u>\$ 102,469</u>	<u>\$ 649,739</u>	<u>\$ 670,664</u>	<u>\$ 81,544</u>

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

WINFIELD TOWNSHIP, LAKE 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 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.

WINFIELD TOWNSHIP, LAKE 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. Subsequent Event

Tax Distribution

On January 20, 2010, the Township received a final settlement of 2008 pay 2009 taxes totaling \$153,441. The final settlement was 48% of the general property taxes for the Township.

WINFIELD TOWNSHIP  
EXAMINATION RESULTS AND COMMENTS

BOARD MINUTES

The following items were noted concerning the Township Board minutes:

1. The minutes of all meetings were not approved and signed by the Township Board members at a subsequent meeting.
2. The minutes did not indicate who was present or absent at the meetings.
3. The minutes did not always indicate a record of all votes taken.
4. Not all minutes of all meetings of the Township Board were presented for audit.
5. Changes in the board membership were not indicated.
6. The Township Board did not organize each January and elect a Chairman and Secretary.

A similar comment appeared in the prior report.

IC 5-14-1.5-4(b) states:

"As the meeting progresses, the following memoranda shall be kept:

- (1) The date, time, and place of the meeting.
- (2) The members of the governing body recorded as either present or absent.
- (3) The general substance of all matters proposed, discussed, or decided.
- (4) A record of all votes taken, by individual members if there is a roll call.
- (5) Any additional information required under IC 5-1.5-2-2.5."

SALARY RESOLUTION

A salary resolution was not approved by the Township Board for salaries of the Trustee and employees. A similar comment appeared in the prior report.

IC 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 No. 17. We recommend the board set the salaries of township officials and employees, except assessing officials and employees, in conjunction with the preparation and completion of the township budget. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 2)

WINFIELD TOWNSHIP  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER

Officials or employees of the Township had money due from the Township, but a list of such employees was not certified to the County Treasurer. A similar comment appeared in the prior report.

IC 6-1.1-22-14(a) states in part: "On or before June 1 and December 1 of each year. . . the disbursing officer of each political subdivision . . . shall certify the names and addresses of each person who has money due the person from the political subdivision to the treasurer of each county in which the political subdivision is located."

OFFICIAL BOND

The official bond for the new Trustee was not filed in the Office of the County Recorder. A similar comment appeared in the prior report.

IC 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder . . ."

RECEIPT ISSUANCE

Township Trustee's Receipt, Form 16, was not in use. Receipts were not issued upon any payments to the Township.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

TOWNSHIP ASSISTANCE

The following items were noted for Township assistance:

1. Checks were distributed to clients for cash from the Donation Fund.
2. Four assistance cases did not contain documentation verifying of income or assets. Eligibility was based on income guidelines.
3. Clients were not required to complete a new application after six months.
4. Clients were not required to complete TA-1B (Application for Additional or Continuing Township Assistance) when requesting additional assistance.
5. We noted during 2008 and 2009, the Township used PR-1 (Application for Poor Relief) which was revised to TA-1 (Application for Township Assistance) in January 2004.

WINFIELD TOWNSHIP  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

A similar comment appeared in the prior report.

Payment of all claims should be directly to a vendor and should never be to a township assistance applicant. (Accounting and Uniform Guidelines Manual for Townships, Chapter 6)

Application for Additional or Continuing Township Assistance should be completed for additional or continuing township assistance. The township trustee may not extend additional or continuing aid to an individual or a household unless the individual or household files an affidavit with the request for assistance affirming how, if at all, the personal condition of the individual or the household has changed from that set forth in the individual's or household's most recent application. (Accounting and Uniform Guidelines Manual for Townships, Chapter 6)

In the case of *Hopson v. Schilling*, 4187 Supp. 1223 (N.D. Ind. 1976) the court held that each township must adopt eligibility standards/guidelines, and must include financial and non-financial eligibility guidelines, as statement of needs to be met and a description of application procedures. (Accounting and Uniform Guidelines Manual for Townships, Chapter 6)

If a township trustee determines by investigation that a township assistance applicant or a township assistance applicant's household requires assistance, the township trustee shall, after determining that an emergency exists, furnish to the applicant or household the temporary aid necessary for the relief of immediate suffering. However, before any further final or permanent relief is given, the township trustee shall consider whether the applicant's or household's need can be relieved by means other than an expenditure of township money. (Accounting and Uniform Guidelines Manual for Townships, Chapter 6)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

### CONTRACTS

Records presented for examination indicate payments of \$300,000 were made each year to Lakes of Four Seasons Volunteer Fire Department for fire and ambulance service. A written contract was not presented for audit. Due to the lack of supporting information, the validity and accountability for monies disbursed could not be established.

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

WINFIELD TOWNSHIP, LAKE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on April 1, 2010, with Rollie Brauer, Trustee. The official concurred with our findings.