

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

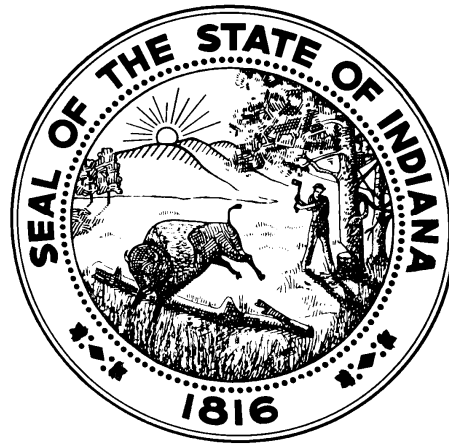
EXAMINATION REPORT

OF

WEST CREEK TOWNSHIP

LAKE COUNTY, INDIANA

January 1, 2006 to December 31, 2007



**FILED**

08/29/2008



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Rick Niemeyer	01-01-03 to 12-31-10
Chairman of the Township Board	Harold Mussman, Jr Mike McIntire	01-01-06 to 12-31-07 01-01-08 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF WEST CREEK TOWNSHIP, LAKE COUNTY, INDIANA

We have examined the financial information presented herein of West Creek Township (Township), for the period of January 1, 2006 to December 31, 2007. 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 financial information referred to above presents fairly, in all material respects, the financial information of the Township for the years ended December 31, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

June 2, 2008

WEST CREEK TOWNSHIP, LAKE COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUNDS  
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ (79,615)	\$ 301,494	\$ 185,677	\$ 36,202
Dog	308	71	379	-
Township Assistance	10,802	32,535	40,597	2,740
Firefighting	29,486	47,091	71,784	4,793
Cemetery	2,005	-	533	1,472
Build Indiana	3,455	-	-	3,455
Cumulative Fire	129,566	21,834	143,500	7,900
Totals	<u>\$ 96,007</u>	<u>\$ 403,025</u>	<u>\$ 442,470</u>	<u>\$ 56,562</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 36,202	\$ 272,894	\$ 264,643	\$ 44,453
Township Assistance	2,740	23,000	32,517	(6,777)
Firefighting	4,793	29,584	74,364	(39,987)
Cemetery	1,472	600	1,922	150
Build Indiana	3,455	-	3,455	-
Cumulative Fire	7,900	12,868	26,000	(5,232)
Totals	<u>\$ 56,562</u>	<u>\$ 338,946</u>	<u>\$ 402,901</u>	<u>\$ (7,393)</u>

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

WEST CREEK 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.

WEST CREEK 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

Final distribution of the 2006 pay 2007 taxes was received in March 2008.

Note 8. Joint Venture

West Creek Township is a participant with Cedar Creek Township and the Town of Lowell in a joint venture to operate Freedom Park which was created to provide recreation to the residents of the Town and the two Townships. West Creek is obligated by agreement to remit lesser of \$30,000 or one-third of the annual cost of Freedom Park.

WEST CREEK TOWNSHIP, LAKE COUNTY  
EXAMINATION RESULTS AND COMMENTS

OVERDRAWN FUNDS

At December 31, 2007, the following funds had overdrawn cash balances: Township Assistance (\$6,777), Firefighting (\$39,987), and Cumulative Fire (\$5,232) resulting in overall deficit of all funds of (\$7,393).

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)

UNTIMELY REMITTANCE

Township does not remit withholding taxes to taxing authorities by the date due which resulted in the payment of penalty and interest in the amount of \$172.14.

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)

CONTRACT

West Creek Township paid Tri-Creek Ambulance Service \$110,000 in 2006 and \$183,000 in 2007 without a written contract.

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 contract. (Accounting Uniform Compliance Guidelines Manual for Townships Chapter 13)

PUBLIC EMPLOYEES RETIREMENT FUND (PERF)

Tri-Creek Ambulance service was formed for and by the townships of Cedar Creek, West Creek and Eagle Creek to provide ambulance service to the three entities. Employees of Tri-Creek Ambulance service are not considered public employees. The prior reports disclosed that Tri-Creek Ambulance Service receives additional income from private billings, interest, and miscellaneous revenue. The employees are issued W-2's, under a number assigned to Tri-Creek Ambulance Service. Payments to the Indiana Public Employees' Retirement Fund (PERF) is being provided under the West Creek PERF Plan Number.

Indiana Code 5-10-3-7-1 states in part: "Any individual who becomes a full-time employee of the state or of participating political subdivisions . . . becomes a member of the fund.

WEST CREEK TOWNSHIP, LAKE COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Indiana Code 5-10.3-1-6 defines: "Political subdivision as used in this article means a county, city, town, township, political body corporate, public school corporation, public library, public utility of a county, city, town, township, and any department of, or associated with, a county, city, town, or township, which department receives revenue independently of, or in addition to, funds obtained from taxation."

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. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CERTIFIED REPORT

The Township did not file Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100R) with the State Board of Accounts.

Each year during the month of January each township trustee must complete a Certified Report of Names, Addresses, Duties and Compensation of Public Employees Form 100R and send the same properly certified to the State Examiner of the State Board of Accounts. List all officers and employees and business address of the township as of the month of January. Form 100R may be procured from your printer or supply firm. Space is provided for the name of the officer or employee, the address of each, the duties of each, and the compensation. List the compensation per month, week, day or hour. You will need to use more than one form if there are more than 65 officers and employees. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 2)

OFFICIAL BOND

An official bond for Rick Niemeyer, Trustee, was not filed with the County Recorder's office.

Indiana Code 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 . . ."

CONFLICT OF INTEREST

West Creek Township is one of the three townships that entered into an interlocal agreement that created the Tri-Creek Ambulance Service. Mr. Rick Niemeyer is paid for the duties of the Treasurer of the Tri-Creek Ambulance Service in addition to his salary for Trustee. There were no Uniform Conflict of Interest Disclosure Statements presented for examination.

Indiana Code 35-44-1-3 states in part:

"(a) A public servant who knowingly or intentionally: (1) has a pecuniary interest in; or (2) derives a profit from; a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Class D felony . . ."

"(c) This section does not prohibit a public servant from having a pecuniary interest in or deriving a profit from a contract or purchase connected with the governmental entity served . . . (3) if the public servant; (A) is an elected public servant . . . and (B) makes a disclosure under subsection (d)(1) through (d)(6)."

WEST CREEK TOWNSHIP, LAKE COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

"(d) A disclosure required by this section must: (1) be in writing; (2) describe the contract or purchase to be made by the governmental entity; (3) describe the pecuniary interest that the public servant has in the contract or purchase; (4) be affirmed under penalty of perjury; (5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity prior to final action on the contract or purchase; (6) be filed within fifteen (15) days after final action on the contract or purchase with; (A) the state board of accounts; and (B) . . . the clerk of the circuit court in the county where the governmental entity takes final action on the contract or purchase . . ."

"(g) A public servant has a pecuniary interest in a contract or purchase if the contract or purchase will result or is intended to result in an ascertainable increase in the income or net worth of: (1) the public servant; or (2) a dependent of the public servant who: (A) is under the direct or indirect administrative control of the public servant; or (B) receives a contract or purchase order that is reviewed, approved, or directly or indirectly administered by the public servant . . ."

WEST CREEK TOWNSHIP, LAKE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on July 10, 2008, with Rick Niemeyer, Trustee.