

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

SPECIAL COMPLIANCE REPORT
OF

TOWN COUNCIL
TOWN OF KINGSFORD HEIGHTS
LAPORTE COUNTY, INDIANA

January 1, 2016 to December 31, 2018



FILED
05/04/2020

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STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF KINGSFORD HEIGHTS, LAPORTE COUNTY, INDIANA

This is a special compliance report for the Town of Kingsford Heights (Town), for the period January 1, 2016 to December 31, 2018, and is in addition to any other report for the Town as required under Indiana Code 5-11-1. All reports pertaining to the Town may be found at www.in.gov/sboa/.

We performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts and were limited to records associated with Town Council payroll transactions/records. The Result and Comment contained herein describes the identified reportable instance of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

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

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

November 21, 2019

TOWN COUNCIL
TOWN OF KINGSFORD HEIGHTS
RESULT AND COMMENT

TOWN COUNCIL OVERPAYMENTS

Condition and Context

Town Council members were overpaid \$500 each, for a total of \$2,500 in the last quarter of 2016. Town Council members were paid their 4th quarter 2016 salary based on the 2017 approved salary ordinance that was not in effect until January 1, 2017, rather than the 2016 salary ordinance in effect. At the time of this report, the current Town Council consisted of the same members as 2016. The overpayments of \$500 each in 2016 were corrected by the Town by reducing the last quarter payment of the Town Council member's salaries in 2019 by \$500 per council member.

Criteria

Indiana Code 36-5-3-2, at all relevant times, stated:

"(a) As used in this section 'compensation' means the total of money paid to an elected town officer for performing duties as a town officer, regardless of the source of funds from which the money is paid.

(b) The town legislative body shall, by ordinance, fix the compensation of its own members, the town clerk-treasurer and the town marshal. The legislative body shall provide reasonable compensation for other town officers and employees.

(c) The compensation of an elected town officer may not be changed in the year for which it is fixed, nor may it be reduced below the amount fixed for the previous year.

(d) The legislative body may provide that town officers and employees receive additional compensation for services that:

- (1) are performed for the town;
- (2) are not governmental in nature; and
- (3) are connected with the operation of a municipally owned utility or function.

Subject to the approval of the legislative body, the administrative agency operating the utility or function shall fix the amount of the additional compensation, which shall be paid from the revenues of the utility or function."

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

Compensation and any other payments for goods and services must not be paid in advance of receipts of the goods or services unless specifically authorized by law. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

TOWN COUNCIL
TOWN OF KINGSFORD HEIGHTS
EXIT CONFERENCE

The contents of this report were discussed on November 21, 2019, with Renee Wiltfong, President of the Town Council; Kari Moss, Town Council member; Jerry Hunt, Town Council member; Terry Beane, Town Council member; Earl Cole, Town Council member; and Duane Arndt, Clerk-Treasurer.

TOWN COUNCIL
TOWN OF KINGSFORD HEIGHTS
SUMMARY OF CHARGES
(Due to Malfeasance, Misfeasance, or Nonfeasance)

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Terry Beane, Town Council: Town Council Overpayments, page 3	\$ 500	\$ 500	\$ -
Earl Cole, Town Council: Town Council Overpayments, page 3	500	500	-
Jerry Hunt, Town Council: Town Council Overpayments, page 3	500	500	-
Kari Moss, Town Council: Town Council Overpayments, page 3	500	500	-
Renee Wiltfong, Town Council: Town Council Overpayments, page 3	<u>500</u>	<u>500</u>	<u>-</u>
Totals	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ -</u>