

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

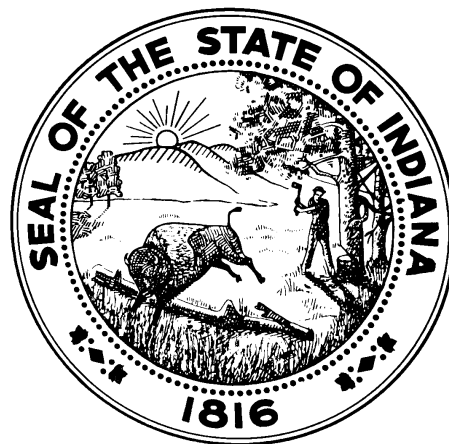
SPECIAL INVESTIGATIVE REPORT

OF

COUNTY TREASURER

LAKE COUNTY, INDIANA

April 22, 2005 to November 15, 2007



FILED

04/24/2008

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Peggy Holinga Katona	01-01-99 to 09-26-05
	Vacant	09-27-05 to 11-20-05
	John E. Petalas	11-21-05 to 12-31-10
President of the County Council	Will A. Smith, Jr.	01-01-05 to 12-31-06
	Elsie Franklin	01-01-07 to 12-31-07
	Christine Cid	01-01-08 to 12-31-08
President of the Board of County Commissioners	Gerry Scheub	01-01-05 to 12-31-05
	Rudolph Clay	01-01-06 to 04-07-06
	Frances DuPey	04-08-06 to 05-16-06
	Gerry Scheub	05-17-06 to 12-31-06
	Roosevelt Allen, Jr.	01-01-07 to 12-31-07
	Gerry Scheub	01-01-08 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
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TO: THE OFFICIALS OF LAKE COUNTY

We have audited the receipt and deposit records of the County Treasurer for the period from April 22, 2005 to November 15, 2007, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Audit Results and Comments. The financial transactions of this office are reflected in the Annual Report of Lake County for the years 2005 and 2006.

STATE BOARD OF ACCOUNTS

February 4, 2008

COUNTY TREASURER
LAKE COUNTY
AUDIT RESULTS AND COMMENTS

GENERAL PROCEDURES - NONSUFFICIENT FUNDS (NSF) CHECKS

The Treasurer's Office had a designated employee in the Crown Point Office responsible for the collection of nonsufficient funds (NSF) checks received for the payment of property taxes. This employee would receive a photocopy of each NSF check from her supervisor after the check was returned from the bank. This employee was responsible for contacting the maker and requesting payment of the NSF check. The repayment was required to be made with cash, a cashier's check, or a money order; personal or business checks were not accepted for payment of an NSF check. The maker of the NSF check was also assessed a \$25 NSF service fee which the designated employee was also responsible for collecting.

When the employee received a payment, she was to issue a receipt, remit the \$25 NSF service fee to the Auditor's Office and prepare a deposit ticket for the recovered amount of the NSF check. The recovered funds were to be remitted to the Treasurer's Office cashiers to be deposited. Upon receipt of the verified deposit ticket from the bank, a cashier would present it to the supervisor. The supervisor would note the deposit in her records and forward the information to the individual who performs the bank reconciliations so that the NSF check could be removed from the reconciliation.

In some instances, the taxpayer would go to the Treasurer's Office in Hammond or Gary to pay an NSF check. The employees at those offices would issue receipts and forward the collections (cash, cashier's check or money order) to the designated employee in the Crown Point Office via the courier used by the Treasurer's Office.

If an NSF check was not collected within a limited time frame, the designated employee was responsible for removing the payment from the property tax records and adding the amount of the NSF check back to the property owner's tax liability. These adjustments would generate a collections adjustment report to document that the uncollectible NSF check was added back to the property owner's tax records.

If an uncollectible NSF check was not removed from the payment records and added back to the property owner's tax liability before the funds were included in a tax settlement and distribution, the Treasurer's Office employee no longer had the ability to adjust the taxpayer's account. These adjustments would be required to be performed by the Auditor's Office Billing Department. Additionally, the Auditor's Finance Department would be responsible to reimburse the Treasurer's Office for tax funds paid with an NSF check that had been distributed to local governmental units. The Treasurer's Office designated employee would prepare the list of uncollectible NSF checks and distribute the list to the Auditor's Finance Department for reimbursement and to the Billing Department for adjustments to the property owner's tax liability.

RECEIPTS NOT DEPOSITED - 2007 NONSUFFICIENT FUNDS CHECKS

In October 2007, the Treasurer's Office removed all uncollectible 2007 nonsufficient funds (NSF) checks from the bank reconciliations. As part of this process, the NSF check amounts were added back to the property owner's tax liability as of October 31, 2007. In November 2007, the Treasurer's Office received several inquiries from individuals who stated that they had reimbursed the County for their NSF checks in 2007. These individuals were included in the amounts added back to the property owner's taxes due as of October 31, 2007.

In response to the inquiries, employees began reviewing the property tax records of these individuals. The information in the computerized system for these concerned taxpayers indicated that a single check for \$28,376.39 was pending for payment of 32 unrelated taxpayer's NSF checks, all of which had been properties

COUNTY TREASURER
LAKE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

in which the NSF check amounts were added back to the tax records as uncollectible in October 2007. The check was removed from the cashier's receipts and investigated. Upon investigation of the check by law enforcement, it was determined that the check had been issued by the employee responsible for collection of the NSF checks. It was further determined that there were not sufficient funds in the account to cover this check.

In reviewing the receipts issued for the recovery of NSF checks, we observed receipts for many of these individuals documenting that payment had been previously received. The employee responsible for their collection had failed to report the recovery of the NSF checks to appropriate Treasurer's Office employees and had personally retained the funds.

We requested that Wanda White, Payroll Reconciliation/NSF Collection Bookkeeper, reimburse the Treasurer's Office for \$28,376.39. (See Summary, page 14)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Treasurers of Indiana, Chapter 10)

RECEIPTS NOT DEPOSITED - 2006 NONSUFFICIENT FUNDS CHECKS

Due to the issues noted with the 2007 nonsufficient funds (NSF) checks, we reviewed 2006 NSF checks that were still on the bank reconciliation as of October 2007. We compiled a list of NSF checks being used on the Treasurer's bank reconciliations. This list was compared to the duplicate receipts available from the Crown Point, Hammond and Gary Offices. We were able to trace a number of the NSF checks still on the bank reconciliation to duplicate receipts. For 2006 NSF checks, receipts totaling \$46,641.70 were issued for collection of NSF checks that were not deposited and were still being carried as NSF checks on the bank reconciliations.

We requested that Wanda White, Payroll Reconciliation/NSF Collection Bookkeeper, reimburse the Treasurer's Office \$46,641.70 for receipts not deposited. (See Summary, page 14)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Treasurers of Indiana, Chapter 10)

RECEIPTS NOT DEPOSITED – CHECK SUBSTITUTIONS

Some receipts for nonsufficient funds (NSF) checks that were reported as redeposited and removed from the bank reconciliations were not actually deposited. A review of the deposit tickets indicated that checks were deposited instead of the cash noted on the original receipts. Copies of the deposit compositions received from the bank confirmed that several checks were substituted for \$8,052.28 in cash received.

We requested that Wanda White, Payroll Reconciliation/NSF Collection Bookkeeper, reimburse the Treasurer's Office \$8,052.28 for receipts not deposited. (See Summary, page 14)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Treasurers of Indiana, Chapter 10)

COUNTY TREASURER
LAKE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

NSF SERVICE FEES NOT REMITTED

When the Treasurer receives a check for payment of property taxes that is returned by the bank for nonsufficient funds (NSF), the property owner is contacted to repay the amount and is assessed a \$25 service fee. The fee charged for NSF checks presented for the payment of property taxes is collected in the Treasurer's Office and then remitted to the Auditor's Office. The Auditor receipts the fees into Fund 111, NSF Service Fee Charge, and includes the fees in the total deposit for the Auditor's daily receipts.

The Treasurer had designated one employee to collect the NSF service fees, issue a receipt to the payors, and remit the fees to the Auditor's Office. Payments received were not always sufficient to cover both the original NSF check for taxes and the \$25 NSF service fee, the payment was first credited to the taxes owed; then, the remaining balance of the payment was credited to the NSF service fee. During the period April 22, 2005 through October 31, 2007, \$1,995.02 in NSF service fees collected were not remitted to the Auditor's Office to be receipted or deposited.

We have requested that Wanda White, Payroll Reconciliation/NSF Collection Bookkeeper, reimburse the Treasurer's Office \$1,995.02 for these fees not remitted. (See Summary, page 14)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Treasurers of Indiana, Chapter 10)

NSF SERVICE FEES NOT ASSESSED AND/OR REMITTED

As noted in the previous comment, a \$25 service fee is to be assessed for checks used to pay for property taxes that are returned from the bank for nonsufficient funds (NSF). We reviewed 100 NSF check repayments that were collected. There was not a corresponding \$25 service fee receipted into Fund 111, NSF Service Fee Charge, for 33% of these transactions. Of these 33, banks had submitted requests for waiver of the fee due to bank error for 5 of the NSF checks. It could not be determined from the records presented whether the fee was not charged or if the fee was collected but not remitted to the Auditor. The result is that the County did not receive \$700 in NSF service fees.

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Treasurers of Indiana, Chapter 10)

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Treasurers of Indiana, Chapter 10)

ADJUSTMENTS FOR UNCOLLECTIBLE NONSUFFICIENT FUNDS CHECKS

When the Treasurer receives a check for payment of property taxes that is returned by the bank for nonsufficient funds (NSF), the property owner is contacted to repay the amount. If repeated attempts to collect the amount of an NSF check have failed, the payment is removed from the owner's record of payment and the amount of the taxes is added back to the owner's tax liability. If this is completed before the funds are distributed to the taxing units, the Treasurer's Office can make these adjustments. If the amount of the NSF check has already been distributed to the taxing units, the adjustments must be made by the Auditor's Office.

COUNTY TREASURER
LAKE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

A designated employee of the Treasurer's Office prepares a list of properties and amounts for taxes paid with NSF checks that have already been distributed to the taxing units. This list, which includes copies of the NSF checks, must be distributed to the Auditor's Finance and Billing Departments. The Finance Department adjusts the amounts to be distributed to the taxing units in the next tax settlement period. The Billing Department adds the amount of the NSF check back to each property owner's tax liability. During the period July 2005 through January 2007 not all of these amounts were added back to the property owner's tax liability. Of \$67,989.01 that was reported as added back to the tax records, only \$16,557.56 actually was. Of the remaining \$51,431.45, duplicate receipts were located for \$3,549.12, taxpayers provided proof of payment for \$9,406.78 (discussed in the following comment) and \$38,475.55 was lost tax revenue for the County.

We have requested that Wanda White, Payroll Reconciliation/NSF Collection Bookkeeper, reimburse the Treasurer's Office \$3,549.12 for the receipts not deposited. (See Summary, page 14)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Treasurers of Indiana, Chapter 10)

There are several reasons why these amounts may not have been added back to the tax records:

1. The property could have been sold between the date of the NSF payment and the date of the next tax bill.
2. The list, including the copies of the NSF checks, prepared by the Treasurer was not distributed to the Auditor's Billing Department by the Auditor's Finance Department.
3. Only copies of certain NSF checks, not the entire list prepared by the Treasurer, were distributed to the Billing Department.
4. No one from either the Auditor's Office or the Treasurer's Office was responsible for ensuring that the Billing Department received the complete list and/or added back all of these amounts.

An extended effort shall be made by the Treasurer to recover funds from checks returned by the depositories as uncollectible. During the process of collecting, the return checks shall be carried as a cash item and the duplicate so noted. When it is determined that the returned item is uncollectible, the Treasurer shall attach all related documents to a regular claim to be presented to the board of County Commissioners, with an explanation. Upon the Commissioners' approval of payment from the General Fund, without appropriation, the County warrant is placed in the cash drawer to replace the uncollectible item and deposited as other checks. The amount of tax shall be recharged on the proper duplicate.

The amount reimbursed to the treasurer shall be deducted from the amount for apportionment in the appropriate taxing district in the next December Settlement and returned to the county general fund. This amount should be shown on line 39 of the apportionment and settlement sheets as "reimbursements to county treasurer for bad checks." (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 5)

COUNTY TREASURER
LAKE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

RECEIPTS NOT DEPOSITED – TAXPAYER VERIFICATIONS

Because duplicate receipts for the Crown Point Office prior to May 6, 2006, could not be located, the Treasurer contacted taxpayers with nonsufficient funds (NSF) checks that were still being carried on the October 31, 2007, bank reconciliation as well as those whose NSF checks were reportedly added back to their tax liability for which no adjustment could be found. Taxpayers produced duplicate receipts and/or copies of money orders which documented that \$9,607.66 which remained as NSF on the bank reconciliation had actually been paid. In addition, based on taxpayer evidence, \$9,406.78 that was reportedly added back to taxpayers' tax liabilities and \$331.30 in NSF check fees had also actually been paid. When a payment evidenced was not sufficient to cover both the original NSF check for taxes and the \$25 NSF service fee, the payment was first credited to the taxes owed; then the remaining balance of the payment was credited to the NSF service fee.

We have requested that Wanda White, Payroll Reconciliation/NSF Collection Bookkeeper, reimburse the Treasurer's Office \$19,345.74 for these receipts that were not deposited. (See Summary, page 14)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Treasurers of Indiana, Chapter 10)

ADDITIONAL RECEIPTS NOT DEPOSITED

Comparisons of receipts issued for the repayment of nonsufficient funds (NSF) checks to bank deposits revealed that \$601.06 was collected for which no deposit could be found. These were in addition to receipts for nonsufficient funds (NSF) checks still being carried on the October 31, 2007, bank reconciliation and those whose NSF checks were reportedly added back to their tax liability for which no adjustment could be found.

We have requested that Wanda White, Payroll Reconciliation/NSF Collection Bookkeeper, reimburse the Treasurer's Office \$601.06 for these receipts that were not deposited. (See Summary, page 14)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Treasurers of Indiana, Chapter 10)

ADDITIONAL AUDIT COSTS – RECEIPTS NOT DEPOSITED

Additional audit costs were incurred due to the additional time necessary to review NSF checks and the related NSF fees which were not deposited. Additional audit costs totaled \$14,541.54.

Audit costs incurred because of theft or shortage may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Treasurers of Indiana, Chapter 10)

COUNTY TREASURER
LAKE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

EMPLOYEE BLANKET BOND

Lake County has an employee blanket bond with The Ohio Casualty Insurance Company. The bond is a 4 year bond which provides \$15,000 of coverage for public employee dishonesty per loss. The policy periods are from January 1, 2002 to January 1, 2006, and January 1, 2006 to January 1, 2010.

INTERNAL CONTROLS – NONSUFFICIENT FUNDS (NSF) CHECKS

The internal controls over the recovery of NSF checks were not adequate. The employee designated with the collection of NSF checks and related fees had little or no oversight.

1. When the supervisor was not available, the employee would receive the NSF check and not always provide a copy to the supervisor.
2. The Treasurer's Office was 6 months behind in reconciling the bank accounts (see bank reconciliation comment below).
3. The same employee was responsible for collecting the money, issuing the receipt, preparing the deposit, remitting the deposit, remitting the fee to the Auditor's Office, and either posting adjustments to the taxpayer's records or instructing the Auditor's Office to adjust the taxpayer's records.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Treasurers of Indiana, Chapter 10)

TREASURER'S MONTHLY REPORTS AND BANK RECONCILIATIONS

The Treasurer's Monthly Report (Form 47TR) is to be prepared by the sixteenth day of the following month. During 2006, all of the required reports were filed between 126 and 207 days late. A contributing factor to the late filing was that bank reconciliations (for all bank accounts except the payroll account) were not performed timely.

Reconcilements of the fund balances to the bank account balances were performed more than six months after the end of each month for 2006. Late reconcilements result in required reports being prepared and submitted late and errors not being discovered or corrected timely or even in the same accounting period (year). In addition, reconciling items are carried for over one year on subsequent reconcilements and the differences are not investigated to ensure that adjustments are recorded or that errors are corrected. Lack of timely reconcilements and reports of the financial condition of the County could result in inaccurate financial information being used by County officials to make management decisions.

On or before the 16th day of each month the treasurer shall prepare a report showing the financial condition of the office as of the close of business on the last day of the preceding month. The report shall be prepared in quadruplicate and each copy shall be verified by certificate of the treasurer. The treasurer shall retain one copy as a public record in the office and three copies shall be filed with the county auditor. The

COUNTY TREASURER
LAKE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

county auditor shall file the original of said reports with the records of the county board of finance, one copy shall be presented to the board of county commissioners at its next regular meeting, and the county auditor shall immediately transmit one copy to the State Board of Accounts. [IC 36-2-9-11 and 36-2-10-16] (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 4)

Indiana Code 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers, Chapter 12)

UNCOLLECTIBLE ACCOUNTS

As noted in the previous comment, reconciling items, including amounts for nonsufficient funds (NSF) checks, were carried on the bank reconciliations for over one year. This resulted in some amounts received for property taxes paid with an NSF check to be written off as uncollectible. If a property has been sold between the date of the payment with an NSF check and the date that the amount is to be added back to the property owner's tax liability, the amount cannot be added back and must be considered written off. In addition, as noted in previous comments, problems were discovered regarding the accounting for and collection of NSF service fees.

To avoid the write-off of property taxes, to properly account for NSF checks and service fees, and to ensure that adjustments are recorded and errors corrected in a timely manner, formal policies and procedures regarding NSF checks and their collection, NSF service fees, and any necessary adjustments to records, are needed, including the following:

1. A policy stating how long an NSF check will be carried on the bank reconciliation while waiting for repayment.
2. A procedure for the assessment and collection of the NSF service fee, as well as accounting for those fees that are not collected.
3. A policy stating if or when an NSF service fee can be waived and the procedures for supervisory authorization for the removal of the fee.
4. Procedures to monitor the adjustments for NSF checks received after the amounts have been distributed to the taxing units. The Treasurer must adjust the bank reconciliation and notify the Auditor of the adjustments. The Auditor must adjust the amounts to be distributed to the taxing units in the next tax settlement period and add the amount of the NSF check back to each property owner's tax liability.

The governing body of a governmental unit should have a written policy concerning a procedure for the writing off of bad debts, uncollectible accounts receivable, or any adjustments to record balances.

Documentation should exist for all efforts made by the governmental unit to collect amounts owed prior to any write-offs.

COUNTY TREASURER
LAKE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

Officials or employees authorizing, directing or executing write-offs or adjustments to records which are not documented or warranted may be held personally responsible. (Accounting and Uniform Compliance Guidelines Manual for Treasurers of Indiana, Chapter 10)

PUBLIC RECORDS RETENTION

Not all duplicate receipts issued for the repayment of checks returned by the bank for nonsufficient funds (NSF) and the corresponding \$25 NSF service fee were available for audit. Receipts issued in the Lake County Treasurer's Crown Point Office prior to May 9, 2006, were not presented. In addition, there were many receipts missing from the receipt book that was presented. The receipts were in triplicate form; however, in many instances, some or all copies of the receipts were altered or missing. There were several receipts in which all three copies were removed from the receipt book; in other instances, one copy of the receipt was missing while the other two copies which remained in the book were blank. In some cases, the second and third copies of receipts were marked "VOID", but the original copy of the receipt was missing. There were also instances when a duplicate copy of a receipt was taped in the place of a missing copy of a different receipt.

Indiana Code 5-15-6-3(f) concerning destruction of public records, states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

Supporting documentation such as receipts, canceled checks, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 10)

RECEIPT ISSUANCE

Receipts were not usually issued for repayments of nonsufficient funds (NSF) checks made with a cashier's check or money order.

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 County Treasurers of Indiana, Chapter 10)

TIMELY DEPOSITS

We noted instances of over two months from the time of the original date of certain receipts until they were deposited. Of those nonsufficient fund (NSF) check repayments that were redeposited, most were not deposited within one business day as required by state statute. Of those NSF service fees collected and remitted to the County Auditor, most were remitted between one and four weeks after the receipt date.

Indiana Code 5-13-6-1(c) states in part: ". . . all local officers . . . who collect public funds of their respective political subdivisions shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance. . . ."

COUNTY TREASURER
LAKE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

PRESCRIBED FORMS - OFFICIAL RECEIPTS

Receipts used by the Treasurer's Office for the repayment of nonsufficient funds (NSF) checks and the corresponding NSF service fee were not prescribed by or approved by the State Board of Accounts. The receipts used were triplicate receipts and were prenumbered by the printing company; however, the receipts were not always completely or properly prepared and the receipt books were not properly accounted for and retained for audit.

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 County Treasurers of Indiana, Chapter 10)

COUNTY TREASURER
LAKE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on February 5, 2008, with John Petalas, Treasurer. The official concurred with our audit findings.

The contents of this report were discussed on February 5, 2008, with Peggy Katona, Auditor; and Larry Cak, Chief Deputy Auditor.

The contents of this report was sent to Wanda White via certified mail on February 5, 2008.

COUNTY TREASURER
LAKE COUNTY
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Wanda White, Payroll Reconciliation/NSF Collection Bookkeeper:			
Receipts Not Deposited - 2007 Nonsufficient			
Funds Checks, pages 4-5	\$ 28,376.39	\$ -	\$ 28,376.39
Receipts Not Deposited - 2006 Nonsufficient			
Funds Checks, page 5	46,641.70	-	46,641.70
Receipts Not Deposited - Check Substitutions, page 5	8,052.28	-	8,052.28
NSF Service Fees not Remitted, page 6	1,995.02	-	1,995.02
Adjustments for Uncollectible Nonsufficient			
Funds Checks, pages 6-7	3,549.12	-	3,549.12
Receipts Not Deposited - Taxpayer Verifications, page 8	19,345.74	-	19,345.74
Additional Receipts Not Deposited, page 8	601.06	-	601.06
	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$ 108,561.31</u>	<u>\$ -</u>	<u>\$ 108,561.31</u>

AFFIDAVIT

STATE OF INDIANA)
)
LAKE COUNTY)

We, Susan M. Lardino and Cynthia M. David, Field Examiners, being duly sworn on our oaths, state that the foregoing report based on the official records of the County Treasurer, Lake County, Indiana, for the period from April 22, 2005, to November 15, 2007, is true and correct to the best of our knowledge and belief.

Susan M. Lardino

Cynthia M. David
Field Examiners

Subscribed and sworn to before me this 14 day of April, 2008.

CAROL J. CODY
Notary Public
State of Indiana
My Commission Expires Oct 11, 2014

Carol J. Cody
Notary Public

My Commission Expires: OCTOBER 11, 2014

County of Residence: LAKE