

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

EXAMINATION REPORT
OF
LAPORTE COUNTY BOARD OF EDUCATION
LAPORTE COUNTY, INDIANA
July 1, 2006 to June 30, 2008



FILED
11/17/2008

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
Examination Results and Comments:	
Board Minutes.....	6
Supporting Documentation	6
Exit Conference.....	7

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Norman L. Kleist	07-01-06 to 06-30-09
Superintendent of Schools	Norman L. Kleist	07-01-06 to 06-30-09
President of the School Board	Tim Guse	01-01-06 to 12-31-08



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE LAPORTE COUNTY BOARD
OF EDUCATION, LAPORTE COUNTY, INDIANA

We have examined the financial information presented herein of the LaPorte County Board of Education (Board), for the period of July 1, 2006 to June 30, 2008. The Board'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 Board for the years ended June 30, 2007 and 2008, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

October 14, 2008

LAPORTE COUNTY BOARD OF EDUCATION
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended June 30, 2007 And 2008

	Cash and Investments 07-01-06	Receipts	Disbursements	Cash and Investments 06-30-07
Governmental Funds:				
General	\$ 1,952	\$ 8,091	\$ 5,689	\$ 4,354
Safe Schools Grant	11,500	-	-	11,500
Perkins Grant	-	6,000	5,862	138
Interest	1,369	25	63	1,331
Totals	<u>\$ 14,821</u>	<u>\$ 14,116</u>	<u>\$ 11,614</u>	<u>\$ 17,323</u>

	Cash and Investments 07-01-07	Receipts	Disbursements	Cash and Investments 06-30-08
Governmental Funds:				
General	\$ 4,354	\$ 548	\$ 2,962	\$ 1,940
Safe Schools Grant	11,500	-	-	11,500
Perkins Grant	138	6,000	4,710	1,428
Interest	1,331	19	-	1,350
Totals	<u>\$ 17,323</u>	<u>\$ 6,567</u>	<u>\$ 7,672</u>	<u>\$ 16,218</u>

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

LAPORTE COUNTY BOARD OF EDUCATION
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The LaPorte County Board of Education was established pursuant to the provisions of Indiana Code 20-2, and consists of 3 township schools (Cass Township, Dewey Township, and Prairie Township). The chief administrator of the Board is the LaPorte County Superintendent of Schools. The governing board is the LaPorte County Board of Education. The LaPorte County Board of Education consists of the 21 Township Trustees in LaPorte County.

The LaPorte County Joint Service and Supply Fund (General Fund) was established pursuant to the provisions of Indiana Code 20-5-9-2. The Joint Service and Supply agreement provides for the 3 township schools to share in some common costs such as legal services, library materials, nurses, supplies and administrative costs. The various townships in LaPorte County may participate and pay their proportionate share for Joint Services and Supplies, subject to agreements into which they may enter. Project accounts have been established, within the LaPorte County Joint Service and Supply Fund to handle transactions for these individual townships and various special programs.

Note 2. Fund Accounting

The Board 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.

The Board has the following fund type:

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds). The general fund is the School Corporation's primary operating fund and accounts for all financial resources of the School Corporation, except those required to be accounted for in another fund.

Note 3. 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 Board 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.

LAPORTE COUNTY BOARD OF EDUCATION
EXAMINATION RESULTS AND COMMENTS

BOARD MINUTES

No official Board meeting minutes were presented for the lone meeting during the 2007-2008 school year. We were presented with that meeting's agenda and handwritten notes of items discussed.

Also, the notes presented do not show that the Board met to organize and elect officers.

Indiana Code 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."

The governing body of each school corporation shall, within the first fifteen (15) days following the commencement date of the members' terms of office, organize by electing a president, vice president and secretary, each of whom shall be a different member. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

SUPPORTING DOCUMENTATION

Several payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records. A meal reimbursement in one instance, was not documented by an invoice or receipt. A meal reimbursement in another instance, did not describe the purpose of the meeting or who attended. Due to the lack of supporting information, the validity and accountability for some money disbursed could not be established.

Supporting documentation such as receipts, canceled checks, tickets, 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 Indiana Public School Corporations, Chapter 9)

LAPORTE COUNTY BOARD OF EDUCATION
EXIT CONFERENCE

The contents of this report were discussed on October 14, 2008, with Norman L. Kleist, Superintendent of Schools. The official concurred with our findings.