

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

EXAMINATION REPORT  
OF  
DEWEY TOWNSHIP  
LAPORTE COUNTY, INDIANA  
January 1, 2006 to December 31, 2007



**FILED**  
12/17/2008



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Independent Accountant's Report.....	3
Financial Information:	
Government-Wide Financial Statements:	
Schedule of Activities and Net Assets – Cash and Investment Basis .....	4-5
Fund Financial Statements:	
Governmental Funds:	
Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Governmental Funds .....	6-7
Fiduciary Funds:	
Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds .....	8-9
Notes to Financial Information .....	10-11
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds.....	12-17
Examination Results and Comments:	
Personal Expenses.....	18
Overpayment Collections .....	18
Penalties, Interest, and Other Charges .....	18
Donations.....	19
Supporting Documentation .....	19
Internal Controls Over Medical Reimbursements.....	19-20
Conflict of Interest Disclosure.....	20-21
Federal and State Agencies – Compliance Requirements .....	21
Overdrawn Cash Balances.....	21
Appropriations.....	22
Prescribed Forms .....	22
Deposit of Public Funds.....	22
Condition of Records .....	22
Receipt Issuance .....	23
Sales Tax.....	23
Capital Asset Records .....	23
ECA Deposits .....	23
Cash Disbursements .....	23
Exit Conference.....	24
Official Response .....	25-28
Summary .....	29

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Dick E. Bucher	01-01-03 to 12-31-10
Chairman of the Township Board	Paul Malecki	01-01-06 to 12-31-08
County Superintendent of Schools	Norman L. Kleist	01-01-06 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  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF DEWEY TOWNSHIP, LAPORTE COUNTY, INDIANA

We have examined the financial information presented herein of Dewey Township (Township), for the period of January 1, 2006 to December 31, 2007. 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, 2007 and 2008, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

Our examination was conducted for the purpose of forming an opinion on the financial information. The Combining Schedules, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial information. The Combining Schedules, as listed in the Table of Contents, have been subjected to the examination procedures applied and, in our opinion, are fairly stated in all material respects in relation to the basic financial information.

STATE BOARD OF ACCOUNTS

November 10, 2008

DEWEY TOWNSHIP, LAPORTE COUNTY  
SCHEDULE OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended December 31, 2006

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
General government	\$ 45,593	\$ -	\$ -	\$ (45,593)
Public safety	7,128	-	-	(7,128)
Culture and recreation	7,633	-	-	(7,633)
Health and welfare	3,490	-	-	(3,490)
Instruction	845,885	-	21,069	(824,816)
Support services	885,231	56,892	15,470	(812,869)
Community services	4,545	-	-	(4,545)
Nonprogrammed charges	231,023	-	-	(231,023)
Total governmental activities	\$ 2,030,528	\$ 56,892	\$ 36,539	(1,937,097)
General receipts:				
Property taxes				790,060
Other local sources				419,328
State aid				768,075
Grants and contributions not restricted to specific programs				36,420
Sale of property, adjustments and refunds				11,355
Investment earnings				37,386
Total general receipts				2,062,624
Change in net assets				125,527
Net assets - beginning				950,180
Net assets - ending				\$ 1,075,707
<u>Assets</u>				
Cash and investments				\$ 1,075,707
<u>Net Assets</u>				
Unrestricted				\$ 1,075,707

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

DEWEY TOWNSHIP, LAPORTE COUNTY  
SCHEDULE OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended December 31, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
General government	\$ 44,282	\$ -	\$ -	\$ (44,282)
Public safety	11,788	-	-	(11,788)
Culture and recreation	2,768	-	-	(2,768)
Health and welfare	2,820	-	-	(2,820)
Instruction	860,341	-	2,812	(857,529)
Support services	958,340	58,176	21,308	(878,856)
Community services	76	-	-	(76)
Nonprogrammed charges	203,697	-	-	(203,697)
Total governmental activities	\$ 2,084,112	\$ 58,176	\$ 24,120	(2,001,816)
General receipts:				
Property taxes				126,371
Other local sources				304,088
State aid				781,417
Grants and contributions not restricted to specific programs				29,011
Sale of property, adjustments, and refunds				6,716
Investment earnings				34,403
Total general receipts				1,282,006
Change in net assets				(719,810)
Net assets - beginning				1,075,707
Net assets - ending				\$ 355,897
<u>Assets</u>				
Cash and investments				\$ 355,897
<u>Net Assets</u>				
Unrestricted				\$ 355,897

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

DEWEY TOWNSHIP, LAPORTE COUNTY  
SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2006

	School General	Township General	Transportation Operating	Reorganization	Capital Projects	School Bus Replacement	Other	Totals
<b>Receipts:</b>								
Local sources	\$ 974,079	\$ 38,984	\$ 66,889	\$ -	\$ 114,923	\$ 28,891	\$ 79,900	\$ 1,303,666
State sources	780,559	-	-	-	-	-	60,475	841,034
Sale of property, adjustments and refunds	-	10,937	-	-	-	-	418	11,355
<b>Total receipts</b>	<b>1,754,638</b>	<b>49,921</b>	<b>66,889</b>	<b>-</b>	<b>114,923</b>	<b>28,891</b>	<b>140,793</b>	<b>2,156,055</b>
<b>Disbursements:</b>								
<b>Current:</b>								
General government	-	45,371	-	-	-	-	222	45,593
Public safety	-	-	-	-	-	-	7,128	7,128
Culture and recreation	-	-	-	-	-	-	7,633	7,633
Health and welfare	-	-	-	-	-	-	3,490	3,490
Instruction	802,170	-	-	-	-	-	43,715	845,885
Support services	608,491	-	104,858	-	102,088	-	69,794	885,231
Community services	4,500	-	-	-	-	-	45	4,545
Nonprogrammed charges	225,350	-	-	-	757	-	4,916	231,023
<b>Total disbursements</b>	<b>1,640,511</b>	<b>45,371</b>	<b>104,858</b>	<b>-</b>	<b>102,845</b>	<b>-</b>	<b>136,943</b>	<b>2,030,528</b>
Excess (deficiency) of receipts over disbursements	114,127	4,550	(37,969)	-	12,078	28,891	3,850	125,527
Cash and investments - beginning	675,935	52,906	18,438	16,724	38,468	92,108	55,601	950,180
Cash and investments - ending	<u>\$ 675,935</u>	<u>\$ 57,456</u>	<u>\$ (19,531)</u>	<u>\$ 16,724</u>	<u>\$ 50,546</u>	<u>\$ 120,999</u>	<u>\$ 59,451</u>	<u>\$ 1,075,707</u>
<b>Cash and Investment Assets - Ending</b>								
Cash and investments	<u>\$ 675,935</u>	<u>\$ 57,456</u>	<u>\$ (19,531)</u>	<u>\$ 16,724</u>	<u>\$ 50,546</u>	<u>\$ 120,999</u>	<u>\$ 59,451</u>	<u>\$ 1,075,707</u>
<b>Cash and Investment Fund Balance - Ending</b>								
Unrestricted	<u>\$ 675,935</u>	<u>\$ 57,456</u>	<u>\$ (19,531)</u>	<u>\$ 16,724</u>	<u>\$ 50,546</u>	<u>\$ 120,999</u>	<u>\$ 59,451</u>	<u>\$ 1,075,707</u>

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

DEWEY TOWNSHIP, LAPORTE COUNTY  
SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2007

	School General	Township General	Transportation Operating	Reorganization	Capital Projects	School Bus Replacement	Other	Totals
<b>Receipts:</b>								
Local sources	\$ 399,138	\$ 8,811	\$ 17,178	\$ -	\$ 28,280	\$ 8,243	\$ 61,387	\$ 523,037
State sources	782,191	-	-	-	-	-	52,358	834,549
Sale of property, adjustments and refunds	2,724	962	-	-	-	-	3,030	6,716
<b>Total receipts</b>	<b>1,184,053</b>	<b>9,773</b>	<b>17,178</b>	<b>-</b>	<b>28,280</b>	<b>8,243</b>	<b>116,775</b>	<b>1,364,302</b>
<b>Disbursements:</b>								
<b>Current:</b>								
General government	-	44,282	-	-	-	-	-	44,282
Public safety	-	-	-	-	-	-	11,788	11,788
Culture and recreation	-	-	-	-	-	-	2,768	2,768
Health and welfare	-	-	-	-	-	-	2,820	2,820
Instruction	840,166	-	-	-	-	-	20,175	860,341
Support services	642,305	-	98,919	-	97,257	28,500	91,359	958,340
Community services	-	-	-	-	-	-	76	76
Nonprogrammed charges	188,621	-	1,970	-	7,621	-	5,485	203,697
<b>Total disbursements</b>	<b>1,671,092</b>	<b>44,282</b>	<b>100,889</b>	<b>-</b>	<b>104,878</b>	<b>28,500</b>	<b>134,471</b>	<b>2,084,112</b>
Deficiency of receipts over disbursements	(487,039)	(34,509)	(83,711)	-	(76,598)	(20,257)	(17,696)	(719,810)
<b>Other financing sources (uses):</b>								
Transfers in	-	-	-	-	-	-	713	713
Transfers out	-	-	-	-	-	-	(713)	(713)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Deficiency of receipts and other financing sources over disbursements and other financing uses	(487,039)	(34,509)	(83,711)	-	(76,598)	(20,257)	(17,696)	(719,810)
Cash and investments - beginning	790,062	57,456	(19,531)	16,724	50,546	120,999	59,451	1,075,707
Cash and investments - ending	\$ 303,023	\$ 22,947	\$ (103,242)	\$ 16,724	\$ (26,052)	\$ 100,742	\$ 41,755	\$ 355,897
<b>Cash and Investment Assets - Ending</b>								
Cash and investments	\$ 303,023	\$ 22,947	\$ (103,242)	\$ 16,724	\$ (26,052)	\$ 100,742	\$ 41,755	\$ 355,897
<b>Cash and Investment Fund Balance - Ending</b>								
Unrestricted	\$ 303,023	\$ 22,947	\$ (103,242)	\$ 16,724	\$ (26,052)	\$ 100,742	\$ 41,755	\$ 355,897

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

DEWEY TOWNSHIP, LAPORTE COUNTY  
 SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 FIDUCIARY FUNDS  
 For the Year Ended December 31, 2006

	Private-Purpose Trust Fund	Agency Fund
	Tobacco	Clearing
Additions:		
Contributions:		
Other	\$ 1,100	
Deductions:		
Administrative and general	624	
Excess of total additions over total deductions	476	
Cash and investment fund balance - beginning	49	
Cash and investment fund balance - ending	\$ 525	\$ 2,182
Net Assets:		
Cash and investments	\$ 525	
Total net assets - cash and investment basis held in trust	\$ 525	

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

DEWEY TOWNSHIP, LAPORTE COUNTY  
 SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 FIDUCIARY FUNDS  
 For the Year Ended December 31, 2007

	Private-Purpose Trust Fund	Agency Fund
	Tobacco	Clearing
Additions:		
Contributions:		
Other	\$ -	
Deductions:		
Administrative and general	786	
Deficiency of total additions over total deductions	(786)	
Cash and investment fund balance - beginning	525	
Cash and investment fund balance - ending	\$ (261)	\$ 18,824
Net Assets:		
Cash and investments	\$ (261)	
Total net assets - cash and investment basis held in trust	\$ (261)	

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

DEWEY TOWNSHIP, LAPORTE 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 education, school transportation, public safety (fire), health and social services (township assistance), 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. The final 2007 tax distribution was paid by the County to the Township on February 29, 2008.

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.

DEWEY TOWNSHIP, LAPORTE COUNTY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Note 6. Pension Plan

Teachers' Retirement Fund

Plan Description

The Township contributes to the Indiana Teachers' Retirement Fund (TRF), a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State Statute (IC 5-10.2) governs, through the TRF Board, most requirements of the system and gives the Township authority to contribute to the plan. The TRF 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 member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The Township may elect to make the contributions on behalf of the member.

TRF issues a publicly available financial report that includes financial statements and requires supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Teachers' Retirement Fund  
150 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 232-3860

Funding Policy and Annual Pension Costs

The Township contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The Township currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

DEWEY TOWNSHIP, LAPORTE COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended December 31, 2006

	<u>Preschool</u>	<u>School Lunch</u>	<u>Textbook Rental</u>	<u>Township Fire</u>	<u>Township Recreation</u>	<u>Township Assistance</u>
Receipts:						
Local sources	\$ 879	\$ 37,827	\$ 13,714	\$ 13,990	\$ 6,740	\$ 553
State sources	8,384	13,705	1,765	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	40	375
	<u>9,263</u>	<u>51,532</u>	<u>15,479</u>	<u>13,990</u>	<u>6,780</u>	<u>928</u>
Total receipts						
Disbursements:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	7,128	-	-
Culture and recreation	-	-	-	-	7,633	-
Health and welfare	-	-	-	-	-	3,490
Instruction	-	-	-	-	-	-
Support services	-	51,554	14,547	-	-	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	4,913	-	-	-	-	-
	<u>4,913</u>	<u>51,554</u>	<u>14,547</u>	<u>7,128</u>	<u>7,633</u>	<u>3,490</u>
Total disbursements						
Excess (deficiency) of receipts over disbursements	<u>4,350</u>	<u>(22)</u>	<u>932</u>	<u>6,862</u>	<u>(853)</u>	<u>(2,562)</u>
Cash and investments - beginning	<u>5,482</u>	<u>1,727</u>	<u>(12,047)</u>	<u>2,334</u>	<u>7,280</u>	<u>13,663</u>
Cash and investments - ending	<u>\$ 9,832</u>	<u>\$ 1,705</u>	<u>\$ (11,115)</u>	<u>\$ 9,196</u>	<u>\$ 6,427</u>	<u>\$ 11,101</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	<u>\$ 9,832</u>	<u>\$ 1,705</u>	<u>\$ (11,115)</u>	<u>\$ 9,196</u>	<u>\$ 6,427</u>	<u>\$ 11,101</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	<u>\$ 9,832</u>	<u>\$ 1,705</u>	<u>\$ (11,115)</u>	<u>\$ 9,196</u>	<u>\$ 6,427</u>	<u>\$ 11,101</u>

DEWEY TOWNSHIP, LAPORTE COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended December 31, 2006  
 (Continued)

	Township Dog	Township Cumulative Fire	Safe Haven	Remediation	Title VI	Title V Innovative Education
<b>Receipts:</b>						
Local sources	\$ -	\$ 6,155	\$ -	\$ -	\$ -	\$ -
State sources	-	-	284	-	-	362
Sale of property, adjustments and refunds	-	-	3	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>6,155</b>	<b>287</b>	<b>-</b>	<b>-</b>	<b>362</b>
<b>Disbursements:</b>						
<b>Current:</b>						
General government	222	-	-	-	-	-
Public safety	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Instruction	-	-	-	2,461	332	3,081
Support services	-	-	-	188	-	3
Community services	-	-	-	-	-	45
Nonprogrammed charges	-	-	-	-	-	-
<b>Total disbursements</b>	<b>222</b>	<b>-</b>	<b>-</b>	<b>2,649</b>	<b>332</b>	<b>3,129</b>
Excess (deficiency) of receipts over disbursements	(222)	6,155	287	(2,649)	(332)	(2,767)
Cash and investments - beginning	414	34,455	-	1,231	759	519
Cash and investments - ending	\$ 192	\$ 40,610	\$ 287	\$ (1,418)	\$ 427	\$ (2,248)
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 192	\$ 40,610	\$ 287	\$ (1,418)	\$ 427	\$ (2,248)
<b>Cash and Investment Fund Balance - Ending</b>						
Unrestricted	\$ 192	\$ 40,610	\$ 287	\$ (1,418)	\$ 427	\$ (2,248)

DEWEY TOWNSHIP, LAPORTE COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended December 31, 2006  
 (Continued)

	Title IV Drug Free	Title II Eisenhower	Safe Haven Original	Title II Improving Technologies	REAP	Totals
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ 20	\$ 22	\$ 79,900
State sources	276	-	-	8,585	27,114	60,475
Sale of property, adjustments and refunds	-	-	-	-	-	418
<b>Total receipts</b>	<u>276</u>	<u>-</u>	<u>-</u>	<u>8,605</u>	<u>27,136</u>	<u>140,793</u>
<b>Disbursements:</b>						
<b>Current:</b>						
General government	-	-	-	-	-	222
Public safety	-	-	-	-	-	7,128
Culture and recreation	-	-	-	-	-	7,633
Health and welfare	-	-	-	-	-	3,490
Instruction	-	-	-	7,395	30,446	43,715
Support services	261	-	-	3,241	-	69,794
Community services	-	-	-	-	-	45
Nonprogrammed charges	-	-	3	-	-	4,916
<b>Total disbursements</b>	<u>261</u>	<u>-</u>	<u>3</u>	<u>10,636</u>	<u>30,446</u>	<u>136,943</u>
Excess (deficiency) of receipts over disbursements	<u>15</u>	<u>-</u>	<u>(3)</u>	<u>(2,031)</u>	<u>(3,310)</u>	<u>3,850</u>
Cash and investments - beginning	<u>546</u>	<u>286</u>	<u>3</u>	<u>1,075</u>	<u>(2,126)</u>	<u>55,601</u>
Cash and investments - ending	<u>\$ 561</u>	<u>\$ 286</u>	<u>\$ -</u>	<u>\$ (956)</u>	<u>\$ (5,436)</u>	<u>\$ 59,451</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	<u>\$ 561</u>	<u>\$ 286</u>	<u>\$ -</u>	<u>\$ (956)</u>	<u>\$ (5,436)</u>	<u>\$ 59,451</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Unrestricted	<u>\$ 561</u>	<u>\$ 286</u>	<u>\$ -</u>	<u>\$ (956)</u>	<u>\$ (5,436)</u>	<u>\$ 59,451</u>

DEWEY TOWNSHIP, LAPORTE COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended December 31, 2007

	Preschool	School Lunch	Textbook Rental	Township Fire	Township Recreation	Township Assistance
<b>Receipts:</b>						
Local sources	\$ 217	\$ 44,423	\$ 13,753	\$ 978	\$ 497	\$ 88
State sources	1,957	16,064	5,244	-	-	-
Sale of property, adjustments and refunds	-	-	-	287	2,743	-
<b>Total receipts</b>	<b>2,174</b>	<b>60,487</b>	<b>18,997</b>	<b>1,265</b>	<b>3,240</b>	<b>88</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Public safety	-	-	-	6,862	-	-
Culture and recreation	-	-	-	-	2,768	-
Health and welfare	-	-	-	-	-	2,820
Instruction	-	-	-	-	-	-
Support services	-	59,201	26,951	-	-	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	5,485	-	-	-	-	-
<b>Total disbursements</b>	<b>5,485</b>	<b>59,201</b>	<b>26,951</b>	<b>6,862</b>	<b>2,768</b>	<b>2,820</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(3,311)</b>	<b>1,286</b>	<b>(7,954)</b>	<b>(5,597)</b>	<b>472</b>	<b>(2,732)</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(3,311)</b>	<b>1,286</b>	<b>(7,954)</b>	<b>(5,597)</b>	<b>472</b>	<b>(2,732)</b>
<b>Cash and investments - beginning</b>	<b>9,832</b>	<b>1,705</b>	<b>(11,115)</b>	<b>9,196</b>	<b>6,427</b>	<b>11,101</b>
<b>Cash and investments - ending</b>	<b>\$ 6,521</b>	<b>\$ 2,991</b>	<b>\$ (19,069)</b>	<b>\$ 3,599</b>	<b>\$ 6,899</b>	<b>\$ 8,369</b>
<b>Cash and Investment Assets - Ending</b>						
<b>Cash and investments</b>	<b>\$ 6,521</b>	<b>\$ 2,991</b>	<b>\$ (19,069)</b>	<b>\$ 3,599</b>	<b>\$ 6,899</b>	<b>\$ 8,369</b>
<b>Cash and Investment Fund Balance - Ending</b>						
<b>Unrestricted</b>	<b>\$ 6,521</b>	<b>\$ 2,991</b>	<b>\$ (19,069)</b>	<b>\$ 3,599</b>	<b>\$ 6,899</b>	<b>\$ 8,369</b>

DEWEY TOWNSHIP, LAPORTE COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2007  
 (Continued)

	Township Dog	Township Cumulative Fire	Safe Haven	Remediation	Title VI	Title V Innovative Education
<b>Receipts:</b>						
Local sources	\$ -	\$ 163	\$ -	\$ -	\$ -	\$ -
State sources	-	-	1,200	2,039	-	227
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>163</b>	<b>1,200</b>	<b>2,039</b>	<b>-</b>	<b>227</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Public safety	-	4,926	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Instruction	-	-	73	1,525	-	4,048
Support services	-	-	-	171	-	-
Community services	-	-	76	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>4,926</b>	<b>149</b>	<b>1,696</b>	<b>-</b>	<b>4,048</b>
Excess (deficiency) of receipts over disbursements	-	(4,763)	1,051	343	-	(3,821)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	713
Transfers out	-	-	-	-	(427)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(427)</b>	<b>713</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(4,763)	1,051	343	(427)	(3,108)
Cash and investments - beginning	192	40,610	287	(1,418)	427	(2,248)
Cash and investments - ending	\$ 192	\$ 35,847	\$ 1,338	\$ (1,075)	\$ -	\$ (5,356)
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 192	\$ 35,847	\$ 1,338	\$ (1,075)	\$ -	\$ (5,356)
<b>Cash and Investment Fund Balance - Ending</b>						
Unrestricted	\$ 192	\$ 35,847	\$ 1,338	\$ (1,075)	\$ -	\$ (5,356)

DEWEY TOWNSHIP, LAPORTE COUNTY  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2007  
 (Continued)

	Title IV Drug Free	Title II Eisenhower	Title II Improving Technologies	REAP	Totals
<b>Receipts:</b>					
Local sources	\$ -	\$ 334	\$ 934	\$ -	\$ 61,387
State sources	-	-	10,027	15,600	52,358
Sale of property, adjustments and refunds	-	-	-	-	3,030
<b>Total receipts</b>	<b>-</b>	<b>334</b>	<b>10,961</b>	<b>15,600</b>	<b>116,775</b>
<b>Disbursements:</b>					
<b>Current:</b>					
Public safety	-	-	-	-	11,788
Culture and recreation	-	-	-	-	2,768
Health and welfare	-	-	-	-	2,820
Instruction	-	334	2,705	11,490	20,175
Support services	148	-	4,888	-	91,359
Community services	-	-	-	-	76
Nonprogrammed charges	-	-	-	-	5,485
<b>Total disbursements</b>	<b>148</b>	<b>334</b>	<b>7,593</b>	<b>11,490</b>	<b>134,471</b>
Excess (deficiency) of receipts over disbursements	(148)	-	3,368	4,110	(17,696)
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	713
Transfers out	-	(286)	-	-	(713)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(286)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(148)	(286)	3,368	4,110	(17,696)
Cash and investments - beginning	561	286	(956)	(5,436)	59,451
Cash and investments - ending	<u>\$ 413</u>	<u>\$ -</u>	<u>\$ 2,412</u>	<u>\$ (1,326)</u>	<u>\$ 41,755</u>
<b><u>Cash and Investment Assets - Ending</u></b>					
Cash and investments	<u>\$ 413</u>	<u>\$ -</u>	<u>\$ 2,412</u>	<u>\$ (1,326)</u>	<u>\$ 41,755</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>					
Unrestricted	<u>\$ 413</u>	<u>\$ -</u>	<u>\$ 2,412</u>	<u>\$ (1,326)</u>	<u>\$ 41,755</u>

DEWEY TOWNSHIP, LAPORTE COUNTY  
EXAMINATION RESULTS AND COMMENTS

PERSONAL EXPENSES

Township funds were used to pay for a cell phone bill that included a phone for the Trustee, his wife (also Clerk), school principal, and the Trustee's daughter. The portion of the cell phone bills that had charges for the Trustee's daughter during 2005, 2006, and 2007 totaled \$721.06. We requested the Trustee to repay \$721.06. The Trustee repaid this amount on November 8, 2008. (See Summary, page 29)

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

OVERPAYMENT COLLECTIONS

The Trustee was paid for thirteen months office rent for the year 2007, at \$300 for each month. Twelve months' office rent was paid to the Trustee during 2006. The Trustee agreed that he was overpaid \$300. We requested that the Trustee repay \$300. The Trustee repaid this amount on November 8, 2008. (See Summary, page 29)

Governmental units should collect any overpayments made. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

PENALTIES, INTEREST, AND OTHER CHARGES

Information presented for examination indicates that, in some cases, amounts payable to vendors and other suppliers of goods and services are not being paid timely which resulted in Township funds paying late payment penalties and interest. A similar exception was shown in prior Report B28906. Report B28906 showed that the Trustee repaid \$823.80 for late payment penalties and interest. Our current examination showed that, Township funds were used to pay \$285.03 in late payment penalties and interest. We requested that the Trustee repay \$285.03. The Trustee repaid this amount on November 8, 2008. (See Summary, page 29)

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)

DEWEY TOWNSHIP, LAPORTE COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

DONATIONS

We noted that the Trustee purchased from the Township Assistance fund three \$200 gift cards from Wal-Mart. The Trustee explained the cards were given to individuals receiving Township Assistance during the holiday season. We also found that the Trustee paid \$698 from the Township Fund on December 13, 2007, to a sports supply store for \$300 in gift certificates and the remainder in golf equipment. The Trustee explained the expense was prizes for a high school golf outing fund raiser. The Trustee also paid \$1,774 from the Township Fund to the LaCrosse Baseball Boosters on July 9, 2007.

Governmental funds should not be donated or given to other organizations, individuals, or governmental units unless specifically authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses 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)

SUPPORTING DOCUMENTATION

Several payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records. Examples include a \$100 payment to an individual who the Trustee explained was a summer league umpire; \$2,000 to the LaPorte County Schools described as a reimbursement on the duplicate check; \$615 to the Trustee described as office rent and mileage reimbursement on the duplicate check; and \$214 to a hardware store described as supplies on the duplicate check. 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 Townships, Chapter 13)

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses 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)

INTERNAL CONTROLS OVER MEDICAL REIMBURSEMENTS

The controls over the receipting, disbursing, recording, and accounting for the financial activities of the Section 125 Medical Reimbursements Fund were insufficient. Funds are withheld from employees' pay checks, up to \$3,000 per year, for the reimbursement of qualified medical expenses. No subsidiary ledger or other records were kept detailing the amount withheld from and reimbursed to each employee for the year 2006. An informal record comparing amounts withheld to reimbursements was prepared for the year 2007. A similar exception was included in prior Report B28906.

DEWEY TOWNSHIP, LAPORTE COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Financial ledgers for 2006 indicate medical reimbursements of \$130.00 and \$55.99 were paid to employees in excess of the amounts withheld from their pay checks. Additionally, an employee was paid \$600.00 from the medical reimbursement fund for a reimbursement not related to medical reimbursements. The bookkeeper agreed to make a correction transfer for this error. Financial ledgers for 2007 indicate one employee was reimbursed \$160.44 in excess of the amounts withheld from his pay check.

The medical reimbursement fund cash balance was (\$968) at December 31, 2006, and (\$937) at December 31, 2007. The Trustee and bookkeeper were going to review records for any other errors that may explain the possible overpayments, and may pursue collection of any overpayments.

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 Townships, Chapter 13)

Governmental units should collect any overpayments made. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CONFLICT OF INTEREST DISCLOSURE

The Trustee paid himself \$3,584 and \$3,644 during 2006 and 2007, according to paid invoices provided for our examination, for repairs done to school buildings. A Uniform Conflict of Interest Disclosure Statement was not filed.

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).

(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 . . .

DEWEY TOWNSHIP, LAPORTE COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

(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 . . ."

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The Trustee did not file Internal Revenue Service form 1099, which is required for payments to individuals exceeding \$600. The Trustee paid himself \$3,584 and \$3,644, respectively, during 2006 and 2007 according to paid invoices provided for our examination, for repairs done to school buildings.

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. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

OVERDRAWN CASH BALANCES

The cash balances of the following funds were significantly overdrawn at December 31, 2006 and 2007. A similar exception was included in prior Report B28906.

	12-31-06	12-31-07
Transportation Operating	\$ 19,531	\$ 103,242
Capital Projects	-	26,052
Textbook Rental	11,115	19,069

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)

DEWEY TOWNSHIP, LAPORTE COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

APPROPRIATIONS

The records presented for examination indicated the following expenditures in excess of budgeted appropriations:

Fund	Years	Excess Amount Expended
Preschool	2007	\$ 724
Transportation	2007	23,411

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

PRESCRIBED FORMS

No appropriation ledger was maintained.

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 Indiana Public School Corporations, Chapter 9) (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

DEPOSIT OF PUBLIC FUNDS

The County Auditor advanced \$25,000 in property taxes to the Township in late September, 2007. However, the amount was not posted as a receipt in the Township records and deposited until December 12, 2007.

Indiana Code 5-13-6-1(c) states in part: "The public funds collected by township trustees shall be deposited in the designated depository on or before the first and fifteenth day of each month."

CONDITION OF RECORDS

A \$25,000 property tax advance was receipted to the School General Fund on December 12, 2007, instead of the Township General Fund.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

DEWEY TOWNSHIP, LAPORTE COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

RECEIPT ISSUANCE

No duplicate receipts were provided for our examination. Officials indicated that no receipts are issued for monies collected. A similar exception was included in prior Report B28906.

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)

SALES TAX

Sales tax was paid for some purchases. One example was that the gas and electric bills paid from Township funds included sales tax. One month's bill included \$245 in sales tax.

Governmental funds generally are exempt from the payment of sales tax on qualifying purchases. Respective tax agencies should always be contacted concerning tax exemptions and payments. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CAPITAL ASSET RECORDS

No capital asset records were presented for examination. A similar exception was included in Report B28906.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Asset Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

ECA DEPOSITS (Applies to LaCrosse School)

Receipts were not always deposited within a reasonable time. Receipts, for athletic events, in some instances, were held for periods in excess of 22 days before depositing.

Indiana Code 20-41-1-9 states in part: ". . . receipts shall be deposited without unreasonable delay."

CASH DISBURSEMENTS (Applies to LaCrosse School)

Disbursements were not always made by check. Examples are cash held out from gate receipts for tournament workers and cash held out of gate receipts for cash change boxes.

Disbursements, other than properly authorized petty cash disbursements, shall be by check or warrant, not by cash or other methods unless specifically authorized by statute, federal or state rule. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Indiana Code 5-13-6-1(c) states in part: "Public funds deposited . . . shall be deposited in the same form in which they were received."

DEWEY TOWNSHIP, LAPORTE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on November 10, 2008, with Dick E. Bucher, Trustee; Paul Malecki, Chairman of the Township Board; and Norman L. Kleist, County Superintendent of Schools. The official response has been made a part of this report and may be found on pages 25 through 28.

DEWEY TOWNSHIP, LAPORTE COUNTY  
EXAMINATION RESULTS AND COMMENTS

From Meeting held on 11-10-2008

OFFICIAL RESPONSE TO THE RESULTS AND  
COMMENTS CONCERNING THE AUDIT FOR DEWEY  
TOWNSHIP FOR 2006 AND 2007

Please Note: **Official Responses are in Bold following each exception area.** The corrective action listed for each exception area will be effective as of November 11, 2008.

PERSONAL EXPENSES

Township funds were used to pay for a cell phone bill that included a phone for the Trustee, his wife (also Clerk), school principal, and the Trustee's daughter. The portion of the cell phone bills that had charges for the Trustee's daughter during 2005, 2006, and 2007 totaled \$721.06. We requested the Trustee to repay \$721.06.

**The Trustee repaid this amount on November 8, 2008.**

OVERPAYMENT COLLECTIONS

For the year 2007, the Trustee was paid for 13 months office rent at \$300 for each month. During 2006, 12 months' office rent were paid to the Trustee. The Trustee agreed that he was overpaid \$300. We requested that the Trustee repay \$300.

**The Trustee repaid this amount on November 8, 2008.**

PENALTIES, INTEREST AND OTHER CHARGES

Information presented for audit indicates that, in some cases, amounts payable to vendors and other suppliers of goods and services are not being paid timely which resulted in Township funds paying late payment penalties and interest. A similar exception was shown in the prior report, file number B28906. That report showed that the Trustee repaid \$823.80 for late payment penalties and interest. For our current audit, Township funds were used to pay \$285.03 in late payment penalties and interest. We requested that the Trustee repay \$285.03.

**The Trustee repaid this amount on November 8, 2008.**

DONATIONS

In our sample disbursement tests, we found that the Trustee purchased from the Township assistance fund three \$200 gift cards from Wal-Mart. The Trustee explained these were given to individuals receiving township assistance during the holiday season...

**No donations of governmental funds will be made in the future**

SUPPORTING DOCUMENTATION

Several payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records.

**Supporting documentation will be kept on file for all payments**

INTERNAL CONTROLS OVER MEDICAL REIMBURSEMENTS

The controls over the receipting, disbursing, recording, and accounting for the financial activities of the Section 125 Medical Reimbursements Fund were insufficient

**Sufficient records will be kept for Section 125 deductions and payments made with those funds. Errors will be corrected and repayment requested if necessary.**

CONFLICT OF INTEREST DISCLOSURE

The Trustee paid himself \$3,584 and \$3,644 during 2006 and 2007, according to paid invoices provided for our audit, for repairs done to school buildings. A Uniform Conflict of Interest Disclosure Statement was not filed.

**Conflict of Interest Disclosure forms will be filed annually for the trustee and all Board members**

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The Trustee did not file Internal Revenue Service form 1099, which is required for payments to individuals exceeding \$600.

**Form 1099 will be filed as required by the internal Revenue Service**

OVERDRAWN CASH BALANCES

The cash balances of the following funds were significantly overdrawn at December 31, 2006 and 2007. A similar exception was included in the prior report, file number B28906.

	<u>12-31-06</u>	<u>12-31-07</u>
Transportation Operating	\$ 19,531	\$ 103,242
Capital Projects	-	26,052
Textbook Rental	11,115	19,069

**Transportation account is over drawn for the following two reasons:**

- **Action taken by the legislators upon passage of Senate Bill 1, reduced the Townships maximum levy for the transportation fund. We now can not raise the funding necessary to provide bus transportation for your students.**

- Due to a multitude of problems with the Indiana property tax reassessment process for LaPorte County, we have not received property tax payments as they are normally scheduled. In 2007 we did not receive any property tax funding.

**Capital Projects account is over drawn for the following reason:**

- Due to a multitude of problems with the Indiana property tax reassessment process for LaPorte County, we have not received property tax payments as they are normally scheduled. In 2007 we did not receive any property tax funding.

**Textbook Rental account is over drawn for the following reason:**

**The funding allowed for and the collection of Textbook Rental does not provide sufficient funding for most school corporations to be able to maintain a positive cash balance in the Textbook Rental Fund.**

#### APPROPRIATIONS

The records presented for audit indicated the following expenditures in excess of budgeted appropriations:

**Transportation account is over the approved appropriation for the following reason:**

- Action taken by the legislators upon passage of Senate Bill 1, reduced the Townships maximum levy for the transportation fund. We now can not raise the funding necessary to provide bus transportation for your students.

#### PRESCRIBED FORMS

No appropriation ledger was maintained.

**In the future, we will maintain an appropriation ledger.**

#### DEPOSIT OF PUBLIC FUNDS

**In the future, funds collected will deposited in a timely fashion.**

#### RECEIPT ISSUANCE

**In the future, receipts shall be issued and recorded at the time of the transaction**

#### SALES TAX

**In the future, sales tax will only be paid as appropriate. The Township will**

file the necessary forms with the Indiana Department of Revenue to request exemption for paying sales tax on utilities.

CAPITAL ASSET RECORDS

**In the future, appropriate capital Asset Records will be maintained**

ECA DEPOSITS (Applies to LaCrosse School)

Receipts were not always deposited within a reasonable time.

**In the future, receipts shall be deposited without unreasonable delay**

CASH DISBURSEMENTS (Applies to LaCrosse School)

Disbursements were not always made by check.

**All disbursements, other than properly authorized petty cash disbursements, shall be by check or warrant**

*Dick E. Bucher*, Dewey Township Trustee  
Dick E. Bucher

*Norm Kleist*, Superintendent LaPorte County School  
Norm Kleist

November. 20, 2008  
Date

DEWEY TOWNSHIP, LAPORTE COUNTY  
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Dick E. Bucher, Trustee:			
Personal Expenses, page 18	\$ 721.06	\$ 721.06	\$ -
Overpayment Collections, page 18	300.00	300.00	-
Penalties, Interest, and Other Charges, page 18	<u>285.03</u>	<u>285.03</u>	<u>-</u>
Totals	<u>\$ 1,306.09</u>	<u>\$ 1,306.09</u>	<u>\$ -</u>