

B37311

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

EXAMINATION REPORT  
OF  
SHAWSWICK TOWNSHIP  
LAWRENCE COUNTY, INDIANA  
January 1, 2007 to December 31, 2009



**FILED**  
08/06/2010



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Peggy Dorsett	01-01-07 to 12-31-10
Chairman of the Township Board	Christopher P. Roberts Jack D. Cummings	01-01-07 to 12-31-09 01-01-10 to 12-31-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF SHAWSWICK TOWNSHIP, LAWRENCE COUNTY, INDIANA

We have examined the financial information presented herein of Shawswick Township (Township), for the period of January 1, 2007 to December 31, 2009. The Township's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Except as discussed in the following paragraph, 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.

We were unable to verify the Township's disbursements by fund, since the Township did not maintain a funds ledger or produce monthly bank reconciliations after December 31, 2008. In addition, the Township's Annual Financial Report submitted for the year 2009 was inaccurate and not reflective of the actual transaction activity for 2009.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to verify the bank reconciliations, annual report, and account balances of the various funds for 2009, the financial information referred to above present fairly, in all material respects, the financial information of the Township for the years ended December 31, 2007, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

June 10, 2010

SHAWSWICK TOWNSHIP, LAWRENCE COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2007, 2008, And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 106,340	\$ 130,952	\$ 91,854	\$ 145,438
Dog	684	-	684	-
Firefighting	60,041	78,360	78,511	59,890
Cumulative Fire	58,921	43,514	30,000	72,435
Township Assistance	<u>142,155</u>	<u>104,478</u>	<u>104,633</u>	<u>142,000</u>
Totals	<u>\$ 368,141</u>	<u>\$ 357,304</u>	<u>\$ 305,682</u>	<u>\$ 419,763</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 145,438	\$ 127,862	\$ 108,436	\$ 164,864
Firefighting	59,890	71,614	92,160	39,344
Cumulative Fire	72,435	39,734	30,005	82,164
Township Assistance	<u>142,000</u>	<u>119,141</u>	<u>119,820</u>	<u>141,321</u>
Totals	<u>\$ 419,763</u>	<u>\$ 358,351</u>	<u>\$ 350,421</u>	<u>\$ 427,693</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 164,864	\$ 162,808	\$ 121,542	\$ 206,130
Firefighting	39,344	75,097	88,283	26,158
Cumulative Fire	82,164	31,482	30,500	83,146
Township Assistance	<u>141,321</u>	<u>89,437</u>	<u>116,313</u>	<u>114,445</u>
Totals	<u>\$ 427,693</u>	<u>\$ 358,824</u>	<u>\$ 356,638</u>	<u>\$ 429,879</u>

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

SHAWSWICK TOWNSHIP, LAWRENCE COUNTY  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Township was established under the laws of the State of Indiana. The Township provides the following services: public safety, health and social services, 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. All property taxes collected by the County Treasurer and available for distribution were distributed to the Township on or prior to December 31 of the year collected.

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.

SHAWSWICK TOWNSHIP, LAWRENCE COUNTY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Township contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Township authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

SHAWSWICK TOWNSHIP, LAWRENCE COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2009

The Township has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Notes and loans payable:		
Fire truck loan	\$ 109,683	\$ 24,999

SHAWSWICK TOWNSHIP, LAWRENCE COUNTY  
EXAMINATION RESULTS AND COMMENTS

UNSUPPORTED PAYMENTS AND REIMBURSEMENTS

Numerous payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records. Due to the lack of supporting information, the validity and accountability for some money disbursed could not be established. Similar payments without supporting documentation to April Eagan-Dorsett, former Township Clerk, were questioned during the prior examination, but the Trustee and the three current Board members signed a statement that all reimbursements questioned were true and correct and had been approved by the Board. When questioned during the current examination, one Board member stated he was not on the Board during 2005 and 2006 and was not aware of the payments in question, and signed the statement only because he was asked to by the Trustee. Another Board member indicated that he had never seen the statement before and that the signature on the statement had not been made by him. Additionally, two of the Board members have questioned an employee bonus amount that appears in the Board minutes and have indicated that the amount appears to have been altered from what was originally approved.

April Eagan-Dorsett, former Township Clerk, stated in an interview with the Indiana State Police that in 2005 she started writing checks to Randy Dorsett (her husband) for reimbursements that were not due to him. She stated that she was cashing those checks without his knowledge. She also stated that she was writing checks to herself that were for more than the amounts due. Randy Dorsett stated in an interview with State Police that he had not performed any work for the Township after July of 2006, and prior to that date had only performed cemetery mowing, line fence repair, and some tree trimming for which he would have been entitled to receive payment.

The following schedules include lists of unsupported payments and reimbursements made to Randy Dorsett, April Eagan-Dorsett, former Township Clerk, and Peggy Dorsett, Trustee. The payments listed to April Eagan-Dorsett and Peggy Dorsett exclude any payments received prior to the September 13, 2007, exit conference date of the prior examination. The descriptions are presented as they appear on the check copy.

Unsupported payments and reimbursements - Randy Dorsett:

Check Date	Check Number	Description Listed on Check Copy	Amount
01-28-05	6371	Reimbursement for lap top	\$ 198.75
01-31-05	6373	Reimbursement for lap top	397.50
03-21-05	6482	Cabling installed in office for computer and	275.00
05-13-05	6589	Reimbursement for lap top, 2 computer chairs and two side table chairs	457.50
06-06-05	6639	Reimbursement for lap top parts at warehouse	187.50
06-09-05	6650	Cable run for computers	175.00
07-05-05	6698	Reimbursement for tables and chairs for office	525.00
07-22-05	6727	Chair	150.00
08-01-05	6754	No description available	250.00
08-02-05	6762	No description available	325.00
09-30-05	6865	Reimbursement for tables and chairs for office and lap top	487.50
10-28-05	6905	Reimbursement for telephone wiring, paper and	795.00
Total for 2005			4,223.75

SHAWSWICK TOWNSHIP, LAWRENCE COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Check Date	Check Number	Description Listed on Check Copy	Amount
01-03-06	7017	\$275 and table \$150	975.00
02-03-06	7059	Fence repair for Jim Fish	550.00
04-27-06	7192	No description available	365.00
05-11-06	7207	No description available	650.00
06-22-06	7297	No description available	325.00
07-04-06	7326	No description available	860.00
07-14-06	7343	No description available	250.00
08-28-06	7425	No description available	250.00
09-29-06	7492	Repair of printers and cabling reinstalled	200.00
12-19-06	7649	No description available	180.00
05-16-06	7224	No description available	425.00
05-18-06	7225	No description available	325.00
06-09-06	7278	No description available	325.00
08-11-06	7404	No description available	225.00
09-18-06	7479	No description available	410.00
09-22-06	7486	Repair of steps and door for office	250.00
12-15-06	7640	Repair of computer cabling	150.00
Total for 2006			6,715.00
01-01-07	7664	Expansion of wall of Ikerd Cemetery	1,100.00
01-19-07	7684	Restructuring of wall at scoggan 1st installment care of cemeteries	600.00
01-30-07	7726	Clean up of tree and debris in scoggan cem for expansion	475.00
02-02-07	7740	Finish of expansion of scoggan	225.00
02-20-07	7754	Scoggan work	450.00
03-01-07	7776	Tree removal in cemetery	550.00
03-20-07	7807	Brush removal	350.00
03-30-07	7820	Repair of headstones at scoggan	750.00
04-19-07	7854	Donded tree removal and repair of fence	350.00
05-01-07	7879	Wal reconstruction completion at scoggan and ikerd	675.00
05-04-07	7888	Head stones repaired and reset at scoggan	875.00
05-17-07	7915	Stone repair and resetting	455.00
05-29-07	7928	Cemetery fence conctruction	475.00
06-01-07	7945	Tree removal and cabling repair in office for computers	550.00
06-07-07	7952	Repair of gate at poor farm	150.00
06-18-07	7965	Tree trimming and repairs to office area walls and replacement of door facing	650.00
06-26-07	7994	Monoe,ment repair in cemetery	200.00
07-09-07	8006	Cemetery repairs and office repairs	650.00
07-20-07	8036	Office repairs, painting and furniture moving	550.00
08-06-07	8078	Recementing bottem of stone @ cemetery	150.00
08-23-07	8098	No description available	75.00
09-03-07	8106	Repair of cemetery wall and gate	350.00
09-17-07	8132	Installation of new camera and moving office table and furniture	450.00
09-24-07	8137	Moving office furniture and cemetery work	450.00
10-01-07	8142	Carpet cleaning and moving office furniture	475.00
10-05-07	8168	Construction of new wall at scoggan cemetery and gate	1,300.00
10-19-07	8191	Repair of computer cabling and computer repair	200.00
10-25-07	8199	Expansion of scogganwall	1,050.00
11-09-07	8228	Replacing door to inner office and locks on doors and installing cabling to upper room	650.00
11-13-07	8235	Office repoairs and moving office furniture from upstairs and stretching carpe and painting	875.00
11-20-07	8253	No description available	490.00
11-30-07	8263	No description available	710.00
12-10-07	8277	No description available	575.00
12-14-07	8284	No description available	360.00
Total for 2007			18,240.00

SHAWSWICK TOWNSHIP, LAWRENCE COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Check Date	Check Number	Description Listed on Check Copy	Amount
01-01-08	8300	Tree removal and hauling	875.00
01-04-08	8312	Removal of 7 trees from poor farm cemetery	975.00
01-15-08	8337	Fence repairs	500.00
01-22-08	8340	Cemetery tree and wall work	525.00
01-24-08	8346	No description available	650.00
01-28-08	8354	Safe payment and moving	650.00
02-04-08	8367	Clean up downed trees from storm and repair of wall	875.00
02-08-08	8381	Line fence construction	975.00
02-14-08	8386	No description available	700.00
02-21-08	8397	No description available	450.00
03-01-08	8409	No description available	650.00
03-06-08	8422	Gravestone resetting	350.00
03-10-08	8426	Moving office tables and chairs to new space	350.00
03-14-08	8433	Office painting, moing office furniture and office repairs	450.00
03-20-08	8439	Fence construction for line fence	1,800.00
03-28-08	8451	Cemeteries and moving	950.00
04-01-08	8467	Cemetery improvements	450.00
04-08-08	8471	Plotting cemetery plots	200.00
04-11-08	8480	No description available	400.00
04-22-08	8487	No description available	750.00
04-25-08	8496	No description available	600.00
05-01-08	8513	Fence repairs and miving expenses	875.00
05-08-08	8521	No description available	525.00
05-20-08	8542	Comp. repairs and camers	825.00
05-23-08	8547	Moving expenses	200.00
05-22-08	8549	Stone reset @ cemetery	400.00
05-27-08	8560	Cemetery repairs	875.00
05-29-08	8566	No description available	725.00
06-02-08	8571	Repairs to computer	650.00
06-13-08	8594	Tech support for printers and install camera	350.00
06-16-08	8597	Fence Construction	950.00
06-20-08	8602	Fence Construction	950.00
06-28-08	8607	Fence building and cem expansion	1,250.00
07-01-08	8626	Fence	1,200.00
07-07-08	8629	Fence Construction	800.00
07-14-08	8644	Fence	650.00
07-17-08	8647	No description available	450.00
07-18-08	8648	No description available	425.00
07-21-08	8650	No description available	575.00
07-31-08	8657	Line fence construction	1,850.00
08-05-08	8675	Stone resetting at ikerd	800.00
08-11-08	8686	No description available	450.00
08-15-08	8701	No description available	700.00
08-19-08	8704	No description available	650.00
09-02-08	8722	No description available	700.00
09-05-08	8723	No description available	950.00
09-16-08	8748	clean up and tree removal from storm damage at cemeteries	1,400.00
09-24-08	8753	No description available	300.00
10-10-08	8787	No description available	350.00
10-15-08	8788	No description available	875.00
10-17-08	8789	No description available	950.00
10-24-08	8796	No description available	600.00
10-30-08	8823	No description available	700.00

SHAWSWICK TOWNSHIP, LAWRENCE COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Check Date	Check Number	Description Listed on Check Copy	Amount
11-07-08	8831	line fence construction	1,350.00
11-14-08	8836	No description available	850.00
11-24-08	8850	reimbursement for 6 filing cabinets and computer cart	850.00
12-02-08	8860	No description available	850.00
12-15-08	8881	No description available	700.00
		Total for 2008	<u>42,675.00</u>
01-02-09	8889	No description available	2,800.00
01-06-09	8898	No description available	1,500.00
01-16-09	8935	No description available	750.00
01-20-09	8938	No description available	775.00
01-29-09	8940	No description available	825.00
02-06-09	8960	No description available	1,250.00
02-13-09	8972	No description available	450.00
02-27-09	8979	No description available	850.00
03-06-09	8993	No description available	1,750.00
03-17-09	8999	No description available	750.00
03-27-09	9024	No description available	850.00
04-03-09	9028	No description available	575.00
04-09-09	9031	No description available	850.00
04-14-09	9045	No description available	775.50
04-21-09	9055	No description available	575.00
04-28-09	9068	No description available	550.00
05-07-09	9076	No description available	1,250.00
05-14-09	9083	No description available	550.00
05-18-09	9088	No description available	450.00
05-22-09	9102	No description available	325.00
06-01-09	9116	Cemetery Care	675.00
06-09-09	9118	No description available	400.50
06-15-09	9123	No description available	450.00
07-02-09	9158	Cemetery Stones Repair	975.00
07-10-09	9164	No description available	950.00
08-06-09	9211	Tree removal	1,250.00
08-24-09	9233	No description available	1,350.00
08-12-09	9226	Fence	1,275.65
09-08-09	9241	Cemetery	950.00
09-15-09	9267	Tree removal	775.00
10-15-09	9308	Cemetery work	1,250.00
11-02-09	9325	No description available	755.00
11-13-09	9340	No description available	875.50
11-30-09	9353	Cemetery work	1,375.00
12-10-09	9375	Cemetery work	1,950.00
		Total for 2009	<u>33,707.15</u>

SHAWSWICK TOWNSHIP, LAWRENCE COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Check Date	Check Number	Description Listed on Check Copy	Amount
01-04-10	9401	No description available	1,775.00
01-19-10	10336	No description available	875.23
01-25-10	10338	No description available	655.00
02-08-10	10364	No description available	750.00
02-12-10	10370	No description available	850.00
02-25-10	10383	No description available	1,750.00
03-08-10	10399	No description available	855.25
Total for 2010			<u>7,510.48</u>
Total unsupported payments to Randy Dorsett			<u>\$ 113,071.38</u>

Unsupported payments and reimbursements - April Eagan-Dorsett:

Check Date	Check Number	Description Listed on Check Copy	Amount
		Payments for cleaning office (January 1, 2007 to September 13, 2007)	\$ 805.00
09-24-07	8136	Cleaning for Jan and Feb	140.00
10-02-07	8165	3 trips to blmtn for pr @ 64 mi each	76.80
10-18-07	8190	Mileage for meeting and line fence and helping trustee	115.20
10-23-07	8196	No description available	147.60
10-30-07	8206	Supplies and 2 trips to blmtn	95.70
11-01-07	8215	Carpet cleaning	250.00
11-05-07	8224	Mi & supplies	223.75
11-27-07	8259	No description available	181.80
12-03-07	8271	No description available	243.00
12-14-07	8283	No description available	235.00
Total for 2007			2,513.85
Less: \$420 allowance that was posted as \$35 a month cleaning expense			<u>(420.00)</u>
Total unsupported payments for September 14, 2007 to December 31, 2007			<u>2,093.85</u>
01-15-08	8339	No description available	246.40
01-22-08	8341	Mileage and cleaning for 1 month	111.80
02-04-08	8364	Cleaning for 2 months	70.00
03-04-08	8416	Mil	312.80
03-06-08	8421	Mi and Reimb	240.62
03-28-08	8453	Mi and cleaning	258.60
04-08-08	8474	No description available	233.40
04-18-08	8485	No description available	122.40
04-22-08	8494	No description available	115.20
05-20-08	8543	Reim stamps and supplies (Check was \$95.27 less \$53.27 with supporting documentation)	42.00
05-23-08	8548	Reimbursement for computer desk	200.00
05-02-08	8519	Mi and cleaning and paint reimb.	299.16
06-13-08	8596	No description available	180.67
06-20-08	8603	No description available	199.98
07-08-08	8632	No description available	214.36
08-05-08	8676	Cleaning	140.00
08-08-08	8684	Mileage and reimbursement for computer keyboard phone for office	312.64
08-29-08	8712	No description available	250.00

SHAWSWICK TOWNSHIP, LAWRENCE COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Check Date	Check Number	Description Listed on Check Copy	Amount
09-08-08	8727	No description available	250.00
09-16-08	8751	for computer monitor	200.00
10-01-08	8768	No description available	792.48
11-07-08	8830	No description available	350.00
11-24-08	8852	No description available	200.00
12-02-08	8861	No description available	150.00
12-05-08	8875	No description available	450.00
12-09-08	8876	No description available	950.00
12-12-08	8878	No description available	888.00
12-22-08	8882	No description available	80.00
12-29-08	8884	No description available	<u>205.00</u>
		Total for 2008	8,065.51
		Less: \$420 allowance that was posted as \$35 a month cleaning expense	<u>(420.00)</u>
		Total unsupported payments for 2008	<u>7,645.51</u>
01-06-09	8893	No description available	650.00
02-10-09	8965	Cleaning	120.00
02-17-09	8975	No description available	475.00
03-13-09	8996	No description available	400.00
03-20-09	9003	No description available	650.00
04-17-09	9053	computer monitor	275.50
05-01-09	9071	Cleaning and carpet shampoo	375.00
05-18-09	9085	No description available	350.00
05-22-09	9098	No description available	425.00
06-02-09	9119	No description available	235.50
06-17-09	9126	No description available	475.65
06-22-09	9144	Office supplies	381.90
07-06-09	9157	No description available	575.00
07-14-09	9175	No description available	650.00
07-17-09	9179	No description available	675.00
08-04-09	9205	No description available	943.50
08-21-09	9232	No description available	525.32
09-21-09	9266	No description available	550.00
10-08-09	9290	No description available	325.00
11-06-09	9329	No description available	935.00
12-02-09	9356	reimbursement	350.00
12-04-09	9358	No description available	863.42
12-15-09	9380	No description available	855.62
12-23-09	9392	No description available	<u>765.73</u>
		Total for 2009	12,827.14
		Less: \$420 allowance that was posted as \$35 a month cleaning expense	<u>(420.00)</u>
		Total unsupported payments for 2009	<u>12,407.14</u>
01-08-10	10316	No description available	755.00
02-19-10	10373	No description available	<u>1,152.50</u>
		Total for January 1, 2010 to April 30, 2010	1,907.50
		Less: \$140 allowance for \$35 a month cleaning expense for four months	<u>(140.00)</u>
		Total unsupported payments for January 1, 2010 to April 30, 2010	<u>1,767.50</u>
		Total unsupported payments to April Eagan-Dorsett	<u>\$ 23,914.00</u>

SHAWSWICK TOWNSHIP, LAWRENCE COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Unsupported payments and reimbursements - Peggy Dorsett:

Check Date	Check Number	Description Listed on Check Copy	Amount
11-27-07	8254	No description available	\$ 350.00
11-16-07	8251	No description available	500.00
12-04-07	8272	No description available	<u>369.00</u>
Total unsupported payments for September 14, 2007 to December 31, 2007			<u>1,219.00</u>
07-21-08	8651	No description available	500.00
03-25-08	8446	Ins. Reimbursement	364.00
05-08-08	8520	Supplies ( Check was for \$80.20 less \$18 with supporting documentation)	62.20
06-10-08	8590	No description available	364.00
01-25-08	8353	Travel expense	500.00
08-08-08	8685	Insurance reimbursement	240.00
11-24-08	8851	No description available	244.00
10-28-08	8797	No description available	244.00
06-03-08	8575	No description available	<u>300.00</u>
Total reimbursements for 2008			2,818.20
Less: Board approved allowance for medicare reimbursement			<u>(1,526.40)</u>
Total unsupported payments for 2008			<u>1,291.80</u>
09-03-09	9254	Insurance	250.00
07-27-09	9180	Insurance	380.00
03-16-09	8998	Insurance & chair reimbursement	380.00
12-07-09	9360	Insurance	<u>564.00</u>
Total reimbursements for 2009			1,574.00
Less: Board approved allowance for medicare reimbursement			<u>(1,731.30)</u>
Total unsupported payments for 2009			<u>(157.30)</u>
03-11-10	10400	No description available	432.00
Less: Board approved allowance for medicare reimbursement			<u>(444.30)</u>
Total unsupported payments for January 1, 2010 to March 31, 2010			<u>(12.30)</u>
Total unsupported payments to Peggy Dorsett			<u><u>\$ 2,341.20</u></u>

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance 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 Townships, Chapter 13)

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)

SHAWSWICK TOWNSHIP, LAWRENCE COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

We are requesting April Eagan-Dorsett, former Township Clerk, to reimburse the Township for the unsupported payments and reimbursements made payable to Randy Dorsett in the amount of \$113,071.38 and to herself in the amount of \$23,914.00 for a total of \$136,985.38. (See Summary, page 27)

We are requesting Peggy Dorsett, Trustee, to reimburse the Township for the unsupported payments and reimbursements made to her in the amount of \$2,341.20. (See Summary page 27)

UNDERPAYMENT/OVERPAYMENT OF COMPENSATION AND BENEFITS

The Township Board sets the amount of salary to be paid to the Trustee, Clerk/Investigator, Investigator, and Board members each year. However, the payments to the Trustee, Clerk/Investigator, and Investigator did not agree with the amounts set by the Board. The following differences were identified during the examination period:

Description	April Eagan-Dorsett	Peggy Dorsett	Amber Branham
Board approved salary 2007	\$ 24,250.42	\$ 25,710.00	\$ 21,353.58
Board approved salary 2008	25,369.67	29,138.00	22,339.13
Board approved salary 2009	26,004.25	29,866.45	22,898.50
Board approved salary from January 1, 2010 to April 12, 2010	7,583.33	-	-
3 months Board approved salary 2010	-	7,465.00	5,725.00
<b>Total approved for the examination period</b>	<u>83,207.67</u>	<u>92,179.45</u>	<u>72,316.21</u>
2007 salary paid	(23,959.28)	(24,896.82)	(20,012.92)
2008 salary paid	(25,787.00)	(29,192.16)	(23,097.59)
2009 salary paid	(38,574.53)	(29,860.08)	(22,914.05)
January 1, 2010 to April 12, 2010 salary paid	(14,798.28)	-	-
3 months 2010 salary paid	-	(7,465.02)	(5,725.02)
<b>Total salary paid</b>	<u>(103,119.09)</u>	<u>(91,414.08)</u>	<u>(71,749.58)</u>
<b>Total overpayment (underpayment) for the examination period</b>	<u>\$ 19,911.42</u>	<u>\$ (765.37)</u>	<u>\$ (566.63)</u>

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Underpayments should be resolved during the current period.

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 Townships, Chapter 13)

We are requesting April Eagan-Dorsett, former Township Clerk, to reimburse the Township for the overpayment of compensation and benefits in the amount of \$19,911.42. (See Summary, page 27)

SHAWSWICK TOWNSHIP, LAWRENCE COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

COLLECTION OF AMOUNTS DUE FROM OVERPAYMENT  
OF PAYROLL IN THE PRIOR EXAMINATION PERIOD

During the prior examination, April Eagan-Dorsett, former Township Clerk, signed a repayment agreement for funds overpaid which pertained to an overpayment of salary for the 2005 calendar year. The agreement states: ". . . The amount to be repaid to the township is \$516.67 to be paid in monthly installments of \$172.23. The payments beginning on October first, 2007 and ending on December 31, 2007. The repayment shall be deposited in the Township fund and duly recorded in the ledger." No documentation was presented for examination to indicate that the repayment was ever made.

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 Townships, Chapter 13)

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 Townships, Chapter 13)

We are requesting April Eagan-Dorsett, former Township Clerk, to reimburse the Township for the overpayment of salary from the prior examination period in the amount of \$516.67. (See Summary, page 27)

UNSUPPORTED CREDIT CARD CHARGES

The Township is using credit cards in some instances to purchase items without an approved credit card policy.

Personal expenses of \$417.49 were billed to the Township's credit card. Peggy Dorsett, Trustee, paid Visa and Sam's Club Discover for these expenses from her personal funds. However, these amounts were repaid by making the minimum payment due of \$25 per month. Additionally, the following purchases were made without supporting documentation:

Check Number	Check Date	Description	Amount
02-26-08	8399	Visa beginning balance	\$ 79.01
11-05-08	8864	Visa payment on balance	25.00
01-01-09	8908	Visa	<u>17.24</u>
Total unsupported credit card charges for 2008			<u>121.25</u>

SHAWSWICK TOWNSHIP, LAWRENCE COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Check Number	Check Date	Description	Amount
02-17-09	8973	Visa payment to RadioShack	320.98
02-17-09	8973	Visa payment to Walmart	96.28
11-20-09	9335	Visa payment on balance	<u>21.47</u>
		Total unsupported credit card charges for 2009	<u>438.73</u>
		Total unsupported credit card charges	<u>\$ 559.98</u>

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

- (1) The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
- (2) Issuance and use should be handled by an official or employee designated by the board.
- (3) The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
- (4) When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
- (5) The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
- (6) Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.
- (7) Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
- (8) If properly authorized, an annual fee may be paid.

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

SHAWSWICK TOWNSHIP, LAWRENCE COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

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)

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 Townships, Chapter 13)

We are requesting Peggy Dorsett, Trustee, to reimburse the Township for all unsupported credit card charges that occurred after the prior examination exit conference date of September 13, 2007, in the amount of \$559.98. (See Summary, page 27)

PENALTIES, INTEREST, AND OTHER CHARGES

Information presented for examination indicates numerous instances in which amounts payable to vendors and the taxes remitted to the Internal Revenue Service and Indiana Department of Revenue were not made by the due date, which resulted in finance charges and penalty and interest charges being assessed to and paid by the Township as follows:

Check Date	Check Number	Description	Credit Card Finance Charge	Penalty	Interest	Totals
11-05-07	8222	Indiana Department of Revenue	\$ -	\$ 50.00	\$ 6.23	\$ 56.23
		Total for September 14, 2007 to Decemberr 31, 2007	-	50.00	6.23	56.23
01-11-08	8322	Stone City Bank - Internal Revenue Service	-	63.73	5.29	69.02
02-26-08	8399	Visa	0.66	-	-	0.66
03-20-08	8440	Visa	17.00	-	-	17.00
09-26-08	8754	Visa	3.99	-	-	3.99
10-24-08	8795	Visa	4.38	-	-	4.38
11-05-08	8864	Visa	4.24	-	-	4.24
		Total for 2008	30.27	63.73	5.29	99.29
06-29-09	9134	Stone City Bank - Internal Revenue Service	-	1.00	0.35	1.35
12-14-09	9374	Stone City Bank - Internal Revenue Service	-	0.48	0.23	0.71
02-06-09	8954	Indiana Department of Revenue	-	50.00	8.33	58.33
03-27-09	9012	Indiana Department of Revenue	-	28.17	0.59	28.76
07-14-09	9174	Indiana Department of Revenue	-	100.00	24.74	124.74
09-15-09	9279	Indiana Department of Revenue	-	150.00	33.37	183.37
11-20-09	9343	Indiana Department of Revenue	-	250.00	60.59	310.59
01-01-09	8908	Visa	4.19	-	-	4.19
02-17-09	8973	Visa	5.14	-	-	5.14
11-20-09	9335	Visa	0.27	-	-	0.27
		Total for 2009	9.60	579.65	128.20	717.45

SHAWSWICK TOWNSHIP, LAWRENCE COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Check Date	Check Number	Description	Credit Card Finance Charge	Penalty	Interest	Totals
01-04-10	9385	Indiana Department of Revenue	-	50.00	7.32	57.32
02-22-10	10379	Indiana Department of Revenue		100.00	11.18	111.18
03-05-10	10395	Stone City Bank - Internal Revenue Service	-	7.75	2.47	10.22
Total for 2010			-	157.75	20.97	178.72
Total penalties, interest, and other charges			\$ 39.87	\$ 851.13	\$ 160.69	\$ 1,051.69

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)

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)

We are requesting Peggy Dorsett, Trustee, to reimburse the Township for the payments of penalties, interest, and other charges incurred and paid after the prior examination exit conference date of September 13, 2007, in the amount of \$1,051.69. (See Summary, page 27)

CONDITION OF RECORDS

The following deficiencies, relating to the recordkeeping, were present during our period of examination:

Reconciliations and Financial and Appropriation Records

The only records presented for the examination year 2009 were bank statements and optical images of checks. During 2007 and 2008, the Township kept a computerized accounting system instead of the prescribed form, Financial and Appropriation Record, Form 1C. However, no entries were posted to the computerized account system after December 31, 2008, or to any other prescribed or approved form. Therefore, there was no record balance to be reconciled to the depository balance, no listing of outstanding checks had been completed and there was no record of appropriations.

IC 5-13-6-1(e) states:

"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."

SHAWSWICK TOWNSHIP, LAWRENCE COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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)

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 Townships, Chapter 13)

Annual Financial Report

The Township failed to file an accurate 2009 Annual Financial Report, Form 15. The total fund balances reported on Part 1 - Statement of Receipts, Disbursements, Cash Balances and Investment Balances for the Year ending 2009 was \$656,435.90 more than the record balance reported on Part 4 - Cash and Investments at December 31, 2009. The Township did not keep a financial ledger for 2009 so the Report could not be traced to the ledger.

Effective July 1, 2009, IC 5-11-1-4 states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be filed electronically, in a manner prescribed by the state examiner that is compatible with the technology employed by the political subdivision compatible with the technology employed by the political subdivision."

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 Townships, Chapter 13)

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)

Deposit of Public Funds

We noted several instances where the Trustee was not making deposits timely. A \$671 check for commercial vehicle excise tax dated December 11, 2008, had not been deposited as of April 12, 2010. A deposit made on April 6, 2010, included checks dated in January, February, and March 2010.

SHAWSWICK TOWNSHIP, LAWRENCE COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

IC 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."

Transaction Recording

No posting to the ledger was presented for examination for some items deposited into the bank. The June 26, 2007, deposit included two cashier's checks from Integra bank for \$112.40 and \$169.41 more than the postings to the ledger.

A deposit of \$321 on October 2, 2007, was posted to the Township Fund and on November 13, 2007, a deposit of \$515.03 was posted to the Township Assistance Fund as miscellaneous revenues. The December 28, 2008, deposit included \$1,020 of miscellaneous postings. No other information was presented for examination to determine who the payee was or nature of the receipt.

A deposit on November 13, 2009, included an unidentified amount of \$295.49 and on June 30, 2009, an unidentified deposit of \$2,610.30 was made. No information was presented for examination to support the amounts deposited.

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 Townships, Chapter 13)

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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)

FINANCIAL REPORT OPINION MODIFICATIONS

The Township was not keeping the prescribed form, Financial and Appropriation Record, Form 1C, or any other form of financial ledger for 2009 and no bank reconciliations had been performed since the end of 2008. Therefore, the State Board of Accounts was unable to provide an unqualified opinion on the Independent Accountant's Report for the financial information.

Accounting records and other public records must be maintained in a manner that will support accurate financial statements. Anything other than an unqualified opinion on the Independent Auditors' Report on the financial statements may have adverse financial consequences with the possibility of an increase in interest rate cost to the taxpayers of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

SHAWSWICK TOWNSHIP, LAWRENCE COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

ADVANCE PAYMENTS

Township Board members are paid their full annual salary before the end of the year. During the examination period there was one instance where the full salary had been paid in January, two instances where the full salary had been paid in March, and six instances where the full salary had been paid in November.

The Trustee, Investigator/Clerk, and Investigator were also being paid in advance. They received their checks at the beginning of the pay period instead of after the pay period ended.

IC 5-7-3-1 states in part:

"(a) Public officers may not draw or receive their salaries in advance."

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. 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 Townships, Chapter 13)

CEMETERY CONTRACTS

Payments were made during the examination period, for cemetery care in annual amounts ranging from \$100 to as much as \$945 without signed contracts.

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)

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

PAYROLL DEDUCTIONS

Payments to some employees were made without payroll deductions for taxes. Two employees were paid \$35 per month for cleaning the office and the amounts were not included in the employee's wages and the amounts were not reported to the Indiana Department of Revenue or the Internal Revenue Service.

The amounts reported on the Federal W-2 forms did not agree with the amounts reported to the IRS on the Federal Employer's Quarterly Federal Tax Return, Form 941.

Payments were made to Randy Dorsett for more than \$600 each year for contracted services. The amount reported to the Internal Revenue Service in 2007 was not correct and no amounts were reported for Randy Dorsett for 2008 and 2009.

SHAWSWICK TOWNSHIP, LAWRENCE COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

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)

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)

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)

RECORDS OF HOURS WORKED AND SERVICE AND TIME RECORDS

April Eagan-Dorsett, former Township Clerk, was paid salaries from the Township and the Township Assistance Funds. A record of hours worked for each was not presented for examination. There were no employee time, attendance, or service records presented for examination on any Township employee.

IC 5-11-9-4(b) states in part:

". . . records be maintained showing which hours were worked each day by officers and employees . . . employed . . . in more than one (1) position by the same public agency . . ."

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 Townships, Chapter 13)

AUDIT COSTS

Additional costs were incurred by the State of Indiana for the current examination due to the investigation regarding items listed herein. The State of Indiana is requesting reimbursement of the additional costs incurred in the amount of \$22,962.81. (See Summary, page 27)

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 Townships, Chapter 13)

SHAWSWICK TOWNSHIP, LAWRENCE COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

BOND INFORMATION

Peggy Dorsett, Trustee, was covered by Bond B8312472 in the amount of \$15,000 from the Cincinnati Insurance Company. The term of the bond was from January 1, 2006 to December 31, 2006, or until successor is duly qualified. A continuation certificate dated November 2, 2009 extended the bond until January 1, 2011. A Change Rider was issued to increase the bond to a new bond amount of \$30,000 as January 1, 2010.

April Eagan-Dorsett, former Township Clerk, was covered by Bond B8334457 in the amount of \$8,500 from the Cincinnati Insurance Company. The term of the bond was October 24, 2006 to October 24, 2007, or until successor is duly qualified. A continuation certificate dated August 25, 2009, extended the bond until October 24, 2010, and the amount increased to \$9,000.

Until July 1, 2009, IC 5-4-4-18 stated in part:

"(c) The fiscal bodies of the respective units shall fix the amount of the bond . . . township trustees . . . as follows:

- (1) The amount must equal fifteen thousand dollars (\$15,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).
- (2) The amount may not be less than fifteen thousand dollars (\$15,000) nor more than three hundred thousand dollars (\$300,000)."

Effective July 1, 2009, IC 5-4-1-18 states in part:

"(c) Except as provided in subsections (h) and (i), the fiscal bodies of the respective units shall fix the amount of the bond of . . . township trustees . . . as follows:

- (1) The amount of annual coverage must equal thirty thousand dollars (\$30,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).
- (2) The amount of annual coverage may not be less than thirty thousand dollars (\$30,000) nor more than three hundred thousand dollars (\$300,000) unless the fiscal body approves a greater amount of annual coverage for the officer or employee . . ."

The State Board of Accounts is of the audit position continuation certificates or renewals should not be used in lieu of obtaining the required annual bond coverage. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

SHAWSWICK TOWNSHIP, LAWRENCE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on June 10, 2010, with Jack D. Cummings, Chairman of the Township Board. The official concurred with our findings.

The contents of this report were discussed on June 10, 2010, with Peggy Dorsett, Trustee. The official response has been made a part of this report and may be found on page 26.

April Eagan-Dorsett, former Township Clerk, was invited to attend a separate exit conference, but upon the advice of her attorney, declined the opportunity to attend an exit conference and discuss the results of the examination.

Official response

THIS RESPONSE IS IN REGARD TO THE AUDIT OF SHAWSWICK TOWNSHIP OF LAWRENCE COUNTY.

I GAVE ALL OF THE RECEIPTS TO APRIL EAGAN . I THINK WHEN WE MOVED THE OFFICE IN MAY OF 2008 SOME OF THE PAPERS WERE LOST.

I CANNOT BELIEVE THE AMOUNT SHE STOLE FROM THE TOWNSHIP IN THE YEARS . I TRUSTED HER IN WAYS I SHOULDED HAVE BECAUSE OF MY ELDERLY PARENTS NEEDED ME.

A LOT OF THE RECEIPTS I COULD NOT GET BECAUSE OF THE TIMELINE SUCH AS THE MARRIOTT. I LAST WENT TO CONFERENCE IN 2008.

MY INSURANCE I RECEIVED AMOUNTED TO A SMALL AMOUNT AS COMPARED TO THE TWO EMPLOYEES RECEIVED.

THE PHONES I BOUGHT AFTER WE MOVED I KNOW I GAVE HER THE RECEIPTS. MILEAGE I RECEIVED IN PAST YEARS WAS FULLY DOCUMENTED. I DO NOT WHAT HAPPENED TO THESE EITHER. I RECEIVED NO MILEAGE IN 2009 OR 2010.

I HOPE YOU WILL TAKE THIS LETTER IN TO CONSIDERATION WHEN MAKING YOUR DECISION .

THANK YOU VERY MUCH,

*Peggy Loran*

SHAWSWICK TOWNSHIP, LAWRENCE COUNTY  
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
April Eagan-Dorsett, former Township Clerk:			
Unsupported Payments and Reimbursements, pages 8 through 15	\$ 136,985.38	\$ -	\$ 136,985.38
Underpayment/Overpayment of Compensation and Benefits, page 15	19,911.42	-	19,911.42
Collection of Amounts Due From Overpayment of Payroll in the Prior Examination Period, page 16	516.67	-	516.67
Audit Costs, page 23	<u>22,962.81</u>	<u>-</u>	<u>22,962.81</u>
 Total for April Eagan-Dorsett, former Township Clerk	 <u>180,376.28</u>	 <u>-</u>	 <u>180,376.28</u>
 Peggy Dorsett, Trustee:			
Unsupported Payments and Reimbursements, pages 8 through 15	2,341.20	-	2,341.20
Unsupported Credit Card Charges, pages 16 through 18	559.98	-	559.98
Penalties, Interest, and Other Charges, pages 18 and 19	<u>1,051.69</u>	<u>-</u>	<u>1,051.69</u>
 Total for Peggy Dorsett, Trustee	 <u>3,952.87</u>	 <u>-</u>	 <u>3,952.87</u>
 Totals	 <u>\$ 184,329.15</u>	 <u>\$ -</u>	 <u>\$ 184,329.15</u>

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AFFIDAVIT

STATE OF INDIANA            )  
  )  
LAWRENCE COUNTY    )

We, Phyllis S. Moffatt and Brandon L. Brough, Field Examiners, being duly sworn on our oaths, state that the foregoing report based on the official records of Shawswick Township, Lawrence County, Indiana, for the period from January 1, 2007 to December 31, 2009, is true and correct to the best of our knowledge and belief.

Phyllis S. Moffatt  
BLB  
Field Examiners

Subscribed and sworn to before me this 27 day of July, 2010.

My S. Brough  
Clerk of the Circuit Court