

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

EXAMINATION REPORT
OF
MICHIGAN TOWNSHIP
LAPORTE COUNTY, INDIANA
January 1, 2007 to December 31, 2010



FILED
09/30/2011

*This report was reissued
on 10-06-11 with changes
made on pages 12 and 30.*

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Mary L. Lombard Rodney Washington	01-01-07 to 12-31-10 01-01-11 to 12-31-14
Chairman of the Township Board	George Kazmierczak Sharon Gralik	01-01-07 to 12-31-08 01-01-09 to 12-31-11



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Michigan Township (Township), for the period of January 1, 2007 to December 31, 2010. 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.

Financial records presented for examination were incomplete and not reflective of the activity of the Township's funds. The records presented did not provide sufficient information to examine receipts, disbursements, and ending balances, or the accuracy of the transactions.

Because of the restrictions on our examination as discussed in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on whether the financial information referred to above presents fairly, in all material respects, the cash transactions of the Township for the years ended December 31, 2007, 2008, 2009, and 2010, 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 22, 2011

MICHIGAN TOWNSHIP, LAPORTE COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2007, 2008, 2009 And 2010

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 337,523	\$ 263,843	\$ 430,612	\$ 170,754
Township Assistance	59,218	50,938	188,545	(78,389)
Levy Excess	5,661	-	-	5,661
Vehicle and Building	48,321	391	54,383	(5,671)
EFSP Grant	-	1,689	1,689	-
Totals	<u>\$ 450,723</u>	<u>\$ 316,861</u>	<u>\$ 675,229</u>	<u>\$ 92,355</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 170,754	\$ 90,728	\$ 152,101	\$ 109,381
Township Assistance	(78,389)	215,083	172,362	(35,668)
Levy Excess	5,661	-	-	5,661
Vehicle and Building	(5,671)	8,130	29,754	(27,295)
EFSP Grant	-	1,628	1,628	-
Totals	<u>\$ 92,355</u>	<u>\$ 315,569</u>	<u>\$ 355,845</u>	<u>\$ 52,079</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 109,381	\$ 122,586	\$ 147,933	\$ 84,034
Township Assistance	(35,668)	210,859	146,851	28,340
Levy Excess	5,661	-	-	5,661
Building or Remodeling	(27,295)	4,792	24,871	(47,374)
EFSP Grant	-	6,922	6,922	-
Totals	<u>\$ 52,079</u>	<u>\$ 345,159</u>	<u>\$ 326,577</u>	<u>\$ 70,661</u>

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Governmental Funds:				
General	\$ 84,034	\$ 122,635	\$ 159,690	\$ 46,978
Township Assistance	28,340	188,656	175,153	41,844
Levy Excess	5,661	-	5,661	-
Building or Remodeling	(47,374)	6,963	14,779	(55,190)
EFSP Grant	-	4,429	4,429	-
Fiduciary Fund:				
Payroll Withholdings	-	34,003	34,003	-
Totals	<u>\$ 70,661</u>	<u>\$ 356,686</u>	<u>\$ 393,715</u>	<u>\$ 33,632</u>

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

MICHIGAN 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: 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

Normally, 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 may 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.

MICHIGAN TOWNSHIP, LAPORTE 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.

Note 7. LaPorte County Property Taxes

On May 23, 2008, the Indiana Department of Local Government Finance (DLGF) issued an order for a complete reassessment of LaPorte County residential, commercial, and industrial property for 2006 taxes payable 2007. The order was issued based upon a review by the DLGF that determined that there was a manipulation of data that led to the inaccuracies.

LaPorte County has not completed and settled an approved property tax cycle since the 2005 payable 2006 property tax year. Each subsequent year the County has sent out various forms of provisional bills with the notice that a reconciliation bill will be provided to taxpayers once assessments are approved and certified and final tax rates are established. These provisional bills were based upon the originally approved 2006 payable 2007 assessed values and tax rates, which were nullified by the DLGF order for a complete reassessment. These delays and uncertainties have resulted in a lower than budgeted property tax collection rate for the Michigan Township. It is undeterminable how much property tax collections the Michigan Township will receive once all the reconciliation bills have been distributed and the collections received. Provisional bills for taxes payable in 2010, based upon the 2006 payable 2007 tax rates, were mailed in June 2010 and were due in two installments, July 9, 2010, and November 10, 2010. Final settlement of these provisional collections did occur in December 2010.

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

In January 2011 the County received approval from the DLGF for the revised assessed values of property for the 2006 payable 2007 property tax year. The County is currently in the process of preparing the reconciliation bills for that property tax year.

Note 8. Subsequent Event

The Township has not received enough funds to support payments made from the Township Assistance Fund. Michigan Township has received advances on future property tax receipts in the amount of \$10,000 in order to fund Township Assistance Fund payments. These advancements will be repaid when excess funds are received.

MICHIGAN TOWNSHIP, LAPORTE COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2010

The Township has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Personal Loan (Mary L. Lombard)	10,000	10,000
Notes and loans payable	<u>75,000</u>	<u>77,677</u>
Total	<u>\$ 85,000</u>	<u>\$ 87,677</u>

MICHIGAN TOWNSHIP, LAPORTE COUNTY
EXAMINATION RESULTS AND COMMENTS

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping were noted:

- (1) A detailed record of receipts and disbursements by fund was not presented for the examination period.
- (2) There were a considerable number of posting errors. These errors included deposits not receipted. In one instance payroll withholdings were not posted and thus payments made to the respective authorities were not accurate.
- (3) A review of all checks indicated that in some instances the payee on the check was not in agreement with the claimant.
- (4) Reconcilements presented for 2007 through 2009 did not agree with the record balances. Reconcilements for March through December 2010 were not presented for examination.
- (5) All minutes from the Township Board meetings were not presented for examination.

A similar comment appeared in prior Report B31405.

	2007	2008	2010
Minutes Not Presented for Examination	December	February to October, and December	March to October

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)

Indiana Code 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."

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)

TEMPORARY LOAN

On November 18, 2008, Mary L. Lombard, former Trustee, made a personal loan to the Township in the amount of \$10,000. A review of the records and cancelled checks did not confirm that the Township repaid the loan to Mary L. Lombard, former Trustee. Mary L. Lombard, former Trustee, stated that she gave her son, Bart Lombard, former Deputy Trustee, permission to receive the repayment of the loan in various payments. This repayment could not be confirmed through a review of the available records.

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

A governmental unit may not incur indebtedness unless specifically allowed by statute. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

ANNUAL REPORT

The Annual Reports presented for the examination period were inaccurate and not reflective of the activity of the Township. For instance, the Annual Report for 2010 reported payments made to Alco, a vendor of the Township, at \$8,000 but total actual payments were \$19,000; the salary paid to Bart Lombard, former Deputy Trustee, was \$55,164.59 but was reported in the annual report as \$31,192.

Accounting records and other public records must be maintained in a manner that will support accurate financial statements. (Accounting and Uniform Compliance Guidelines for Townships, Chapter 13)

FINANCIAL REPORT OPINION MODIFICATION

A complete set of the board minutes and ledgers were not presented for the examination period. Therefore, the State Board of Accounts was unable to provide an unqualified opinion on the Independent Auditor Report for the financial statements.

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 for Townships, Chapter 13)

REPORTING TO THE INTERNAL REVENUE SERVICE

Wages reported on the W-2 of Bart Lombard, former Deputy Trustee, did not reflect the actual wages paid. The W-2 for the year 2010 indicated that Bart Lombard, former Deputy Trustee, earned \$32,192.10, however, the actual wages paid totaled \$55,164.59.

We also noted that during the examination period, the Township did not issue a Form 1099-MISC for reportable expenditures made to an individual for maintenance services.

Every governmental unit is required to comply with all filing requirements of federal and state agencies. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CONTRACTS

During our examination period, payments of \$44,000 were made to Alco for maintenance of the Township website and announcements for the Senior Center without a contract.

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)

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

CONFLICT OF INTEREST DISCLOSURE

During a review of claims, we noted several payments made to Alco, a local broadcasting company. Bart Lombard, former Deputy Trustee, is the Chief of Operations for Alco.

A Uniform Conflict of Interest Disclosure Statement does not appear to have been filed.

During our examination Indiana Code 35-44-1-3 stated 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 . . ."

"(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 . . ."

FUND SOURCES AND USES

We noted several instances in which salaries, bonuses and other payments made to Bart Lombard, former Deputy Trustee, were disbursed from the Township Assistance Fund. Per the approved budget the salaries of the Trustee and the Deputy Trustee were to be disbursed from the General Fund.

In another instance we noted that payments to Aegis, a building security company, were paid from the Building or Remodeling Fund. The Building or Remodeling Fund was established to account for the purchase of land and/or buildings and may also be used to account for the renovation, construction, and additions to buildings.

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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

ADDITIONAL COMPENSATION PAID TO BOARD MEMBERS

For the year 2007, the approved salary of Board members was \$4,600. For 2008, the approved salary was increased to \$4,750. For 2009 and 2010, the Board froze the salaries at the 2008 amount.

During 2008 and 2009, the Board members were continually paid based on the previous salary (\$4,600). Then in 2010 the mistake was noted and in an attempt to rectify the error each board member was paid an additional \$600. However, the payroll system continued to calculate the salary based on the previous rate.

We calculated the total salaries that should have been received by the Board, according to the salary resolution, were \$18,850 and the total salaries actually paid to each Board member during our examination period totaled \$19,000.

We have requested Township Board members, Sharon Gralik, George Kazmierczak, and Gerti Miller to reimburse the Township \$150 each for additional compensation received. Sharon Gralik, George Kazmierczak, and Gerti Miller have reimbursed the Township through payroll deduction on September 8, 2011. (See Summary, page 30)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 17)

COMPENSATION AND BENEFITS

During the examination period we noted longevity bonuses were paid to full-time employees. The longevity payments were usually paid in lump sum totals and appear to have begun in 2005. There were no written policies presented on how the longevity bonuses were determined. Longevity payments were not included on the approved budgets or on the salary resolutions. We made several inquiries of the Township Board and of the former Trustee.

Mary L. Lombard, former Trustee, explained that the longevity bonuses were approved by the Township Board and documented in the Board minutes for December 19, 2005. On that date a resolution was also adopted, however, a copy of the minutes was not presented for examination.

Inquiries were made of the former Chairman of the Township Board who was able to present the resolution adopted on December 19, 2005. A review of the resolution indicated that the resolution was for a transfer of funds to cover expenses incurred in connection with building security. The Board contends that longevity bonuses were never approved. This is further confirmed by the absence of an appropriation for longevity bonuses on the approved budgets or salary resolutions.

We have requested Betty Blackmon, former employee, and Mary L. Lombard, former Trustee, jointly and severally, to reimburse the Township \$10,400 for longevity bonuses. (See Summary, page 30)

We have requested Andrew Crane, former employee, and Mary L. Lombard, former Trustee, jointly and severally, to reimburse the Township \$2,685.38 for longevity bonuses. (See Summary, page 30)

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

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 17)

EXPENSE REIMBURSEMENT ITEMIZATION

Records presented for examination indicated that \$806.51 was reimbursed to Mary L. Lombard, former Trustee, during 2010. Detailed documentation was not attached to the information presented for reimbursement which would enable a determination that all expenses were for employees conducting governmental business and not for personal items.

We have requested Mary L. Lombard, former Trustee, to reimburse the Township \$806.51, the amount of the undocumented expenses reimbursed. (See Summary, page 30)

All claims, invoices, receipts and accounts payable vouchers, including those presented to the governing body for approval in accordance with IC 5-11-10, should contain adequate detailed documentation. All claims, invoices, receipts, and accounts payable vouchers regarding reimbursement for meals and expenses for individuals must have specific detailed information of the names of all individuals for whom amounts are claimed, including the nature, name and purpose of the business meeting, to enable the governing body to authorize payment. Payments which do not have proper itemization showing the business nature of the claim, may be the personal obligation of the responsible official, employee or other person for whom the claim is made. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

BONUSES AND ADVANCES

In December 2010, Mary L. Lombard, former Trustee, requested an emergency advancement from the County Treasurer to pay pending expenses. Based on a meeting with a County Commissioner and the County Auditor the advancement was given based on an urgent need conferred to them by Mary L. Lombard, former Trustee. A review of cancelled checks, invoices and other documents revealed that on December 31, 2010, Mary L. Lombard, former Trustee, authorized advancement of paychecks totaling \$3,175.95 and bonuses which totaled \$6,862.38 for employees. The total amount of the advancements and bonuses were \$10,038.33. On December 15, 2010, an advance payment in the amount of \$8,000 was made to Alco for maintenance of a website for the subsequent year, 2011. The contract is still in force in 2011.

When inquiries were made regarding the additional pays and bonuses, Mary L. Lombard, former Trustee, stated that she authorized the additional pays because of concerns regarding the future employment of her staff. The employees that received the additional pays are no longer employed by the Township.

We have requested Mary L. Lombard, former Trustee, reimburse the Township the amount of unauthorized advanced salaries paid to employees, totaling \$3,175.95. (See Summary, page 30)

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)

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

ADDITIONAL PAYCHECKS PAID TO THE FORMER TRUSTEE

During our payroll review, we noted that Mary L. Lombard, former Trustee, was paid twice on March 6, 2009, and on April 17, 2009, but was not paid for the pay period ending December 25, 2009. This resulted in an overpayment in 2009 of \$1,406.73. On December 31, 2010, Mary L. Lombard, former Trustee, paid herself an unauthorized paycheck resulting in a 2010 over payment of \$1,406.73 as detailed below.

Date	Amount Due	Amount Received	Overpayments /Credits
03-06-09	\$ 1,406.73	\$ 1,406.73	\$ -
03-06-09	-	1,406.73	1,406.73
04-17-09	1,406.73	1,406.73	-
04-17-09	-	1,406.73	1,406.73
12-25-09	1,406.73	-	(1,406.73)
12-25-10	-	1,406.73	<u>1,406.73</u>
Total Overpayments			<u>\$ 2,813.46</u>

We have requested Mary L. Lombard, the former Trustee, reimburse the Township \$2,813.46, the total amount of additional pays received. (See Summary, page 30)

Indiana Code 36-6-6-10(d) states in part:

". . . the township legislative body may not alter the salaries of elected or appointed officers during the fiscal year for which they are fixed, but it may add or eliminate any other position and change the salary of any other employee, if the necessary funds and appropriations are available."

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 17)

PERSONAL EXPENSES

On December 31, 2010, Mary L. Lombard, former Trustee, was reimbursed a total of \$1,663.43 for expenses incurred on behalf of the Township. Further review and analysis of the receipts revealed the following:

1. Receipts included an oil change for the personal vehicle belonging to Mary L. Lombard, former Trustee. The total amount reimbursed was \$33.23.
2. Other nonrelated expenses (flu shots, humidifier treatments, admission tickets for Fair Oaks Farms, receipts noted "for house") totaled \$60.49.

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

3. Some receipts indicated that expenses were incurred for "Real Services," a not for profit organization. The receipts totaled \$191.09.
4. Some receipts were dated as far back as 2007 and others had the dates torn off the receipt. Total receipts with the dates torn off amounted to \$13.20.
5. Mary L. Lombard, former Trustee, reimbursed herself for office cleaning. Total amount reimbursed was \$50.

Description	Amount
Personal Expenses (Oil Change)	\$ 33.23
Non-Related Township Expenses	60.49
Expenses for "Real Services"	191.09
Receipts - Unidentifiable	13.20
Office Cleaning	50.00
Total Amount Requested	\$ 348.01

We have requested Mary L. Lombard, former Trustee, reimburse a total of \$348.01 to the Township for personal expenses and/or nonrelated Township expenses reimbursed to her as well as the reimbursement received for performing services that are considered to be covered in her salary established by salary ordinance. (See Summary, page 30)

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)

Indiana Code 36-6-4-3 concerning a township trustee's responsibilities and duties states:

"The executive shall do the following:

- (1) Keep a written record of official proceedings.
- (2) Manage all township property interests.
- (3) Keep township records open for public inspection.
- (4) Attend all meetings of the township legislative body.
- (5) Receive and pay out township funds.
- (6) Examine and settle all accounts and demands chargeable against the township.
- (7) Administer township assistance under IC 12-20 and IC12-30-4.
- (8) Perform the duties of fence viewer under IC 32-26.

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

- (9) Provide and maintain cemeteries under IC 23-14.
- (10) Provide fire protection under IC 36-8, except in a township that:
 - (A) is located in a county having a consolidated city; and
 - (B) consolidated the township's fire department under IC 36-3-1-6.1.
- (11) File an annual personnel report under IC 5-11-13.
- (12) Provide and maintain township parks and community centers under IC 36-10.
- (13) Destroy detrimental plants, noxious weeds, and rank vegetation under IC15-16-8.
- (14) Provide insulin to the poor under IC 12-20-16.
- (15) Perform other duties prescribed by statute."

The State Board of Accounts is of the audit position that compensation provided by a township board in accordance with IC 36-6-6-10 is all inclusive for all duties performed by a trustee. We will request reimbursement for any payments received above the compensation established for any township trustee, board member or employee by IC 36-6-6-10. (Township Bulletin, Volume 284)

PENALTIES, INTEREST, AND OTHER CHARGES

The Township received a notice from the IRS indicating that not all of the 941 Employers Federal Quarterly reports for 2009 and 2010 were received as of February 7, 2011. The notice indicated that fees and penalties are pending. Additionally, the Township did not file the 941 Federal Quarterly reports for 2006-2008 in a timely manner resulting in fees and penalties totaling \$16,426.61. The Township paid a portion of the penalties on October 1, 2009. The amount paid totaled \$10,183.35. Consequently, the IRS placed a levy on the bank account in February 2010 for the remaining balance of \$6,243.26.

Fees and penalties were also paid to the Indiana Department of Revenue in the amount of \$158.48 for late payment of withholdings.

We have requested Mary L. Lombard, former Trustee, to reimburse the Township the amount of \$16,585.09, which represents the total of all penalties, interest and fees paid by the Township. (See Summary, page 30)

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)

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

ADVANCE PAYMENT

Dates of transactions indicate that some payments were made to companies or individuals prior to the receipt of goods or services.

On July 22, 2010, an employee was given an advance in the amount of \$400 and his subsequent pays were not adjusted for the advance given. The employee is no longer employed by the Township.

We have requested Mary L. Lombard, former Trustee, reimburse the Township \$400 the amount of the advancement. (See Summary, page 30)

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)

UNAUTHORIZED COMPENSATION AND BONUSES

Bart Lombard, former Deputy Trustee, received total compensation from January 1, 2007 through December 31, 2010, of \$165,512.55. Based on the salary resolutions, he was entitled to \$100,677.24 for the period as detailed in the table below, resulting in a salary overpayment of \$64,835.31.

In addition, Bart Lombard, former Deputy Trustee, received additional payments of \$23,137.31 during the examination period as detailed below.

<u>Year</u>	<u>Description</u>	<u>Amounts Due</u>	<u>Amounts Received</u>	<u>Overpayments</u>
2007	Salary	\$22,267.18	\$31,687.91	\$ 9,420.73
	Other Payments	-	8,125.00	8,125.00
2008	Salary	22,961.38	36,720.94	13,759.56
2009	Salary	23,256.38	41,939.11	18,682.73
	Other Payments	-	7,390.54	7,390.54
2010	Salary	32,192.30	55,164.59	22,972.29
	Other Payments	-	7,621.77	<u>7,621.77</u>
Total Overpayments				<u>\$ 87,972.62</u>

We noted in some instances that the records indicated that payments were made to a vendor for payment of a gas or electric bill and was paid out of the Township Assistance Fund, and for PERF paid out of the General Fund but an inspection of the cancelled checks revealed that payments were actually made to the Deputy Trustee.

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

We have requested Bart Lombard, former Deputy Trustee, reimburse the Township \$87,972.62, which represent the total overpayments received during our examination period. (See Summary, page 30)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 17)

Indiana Code 36-6-6-10(d) states in part:

". . . the township legislative body may not alter the salaries of elected or appointed officers during the fiscal year for which they are fixed, but it may add or eliminate any other position and change the salary of any other employee, if the necessary funds and appropriations are available."

AUDIT COSTS - MISSING FUNDS

The State of Indiana incurred additional audit fees in the investigation of the missing funds. The State of Indiana is requesting reimbursement of audit fees incurred in the amount of \$5,088.

We have requested Mary L. Lombard, former Trustee, reimburse the State of Indiana \$5,088 for additional audit costs incurred. (See Summary, page 30)

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)

OFFICIAL BOND

After a review of claims and check, it was noted that an official bond was not purchased.

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder. . . ."

UNRESOLVED ITEMS

Our examination period covered January 1, 2007 through December 31, 2010.

Records indicated that in 2006, Bart Lombard, former Deputy Trustee, received unauthorized payments totaling \$5,368.51. This matter has been reported to the Indiana State Police.

MICHIGAN TOWNSHIP, LAPORTE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 14, 2011, with Sharon Gralik, Chairman of the Township Board; George Kazmierczak, former Chairman of the Township Board and current Board member; Gerti Miller, Board member; and Rodney Washington, Trustee. The official response has been made a part of this report and may be found on page 20.

The contents of this report were discussed on June 15, 2011, with Mary L. Lombard, former Trustee, and Bart Lombard, former Deputy Trustee. The official response has been made a part of this report and may be found on pages 21 through 24.

The Examination Result and Comment titled Unauthorized Compensation and Bonuses was discussed on June 21, 2011, with Betty Blackmon, former employee. The official response has been made a part of this report and may be found on pages 25 through 28.

The Examination Result and Comment titled Unauthorized Compensation and Bonuses was discussed on June 22, 2011, with Andrew Crane, former employee. The official response has been made a part of this report and may be found on page 29.

June 24, 2011

Via Facsimile and Reg. U.S. Mail

State Board of Accounts
302 West Washington Street
Room E418
Indianapolis, Indiana 46204-2769

**Re: Michigan Township Trustee's Official Response to
Indiana State Board of Accounts Examination (2007-2010)**

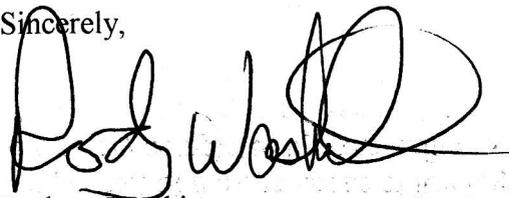
To whom it may concern:

I took office as the Michigan Township Trustee on January 1, 2011. Since that time, one of the many things I have set out to do is have a thorough audit of the operations of Michigan Township prior to my term. Such an audit was recently completed by your office; and based on the examination results and comments compiled by your office, it is clear that there were many shortcomings in the operations of this Township during the examined years.

Although I cannot speak for the reported deficiencies as they predated my term, I can assure your office and my constituents that I have and will continue to work to not only ensure that this Township complies with the duties and obligations required under the laws of this State but also that my constituents receive the services and care that they deserve.

In the event you have any questions or need any additional information, please do not hesitate to contact me. Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Rodney Washington". The signature is stylized and cursive.

Rodney Washington
Michigan Township Trustee

RESPONSE TO
MICHIGAN TOWNSHIP
EXAMINATION RESULTS AND COMMENTS

The following is a first of 22 prepared responses to the results and or comments included
in the provided examination of Michigan Township Trustee for the noted period
January 1, 2007 to December 31, 2010

Due to the complexity of the above mentioned examination numerous issues and
supporting documents had to be investigated, located and or regenerated. Also a severe
weather system knocked out my home telephone (219-872-0304) and my computer
system for 10 days during the composition of this response resulting in a longer than
anticipated response time and resulting in the two part filings.

1. CONDITION OF RECORDS

**(5) “minutes from the Township Advisory meetings were not presented for the
audit...see detail”**

Response: Board minutes were not generally made available to the Trustee until the
Board’s next scheduled meeting. The Board did not meet monthly throughout the year.

Specifically, minutes were cited as not presented for December, 2007. To my
recollection the last meeting of 2007 was September 25th. If such a December 2007
meeting occurred, minutes should be available from the Board Secretary in 2007.

Minutes were cited as not present for February – October and December, 2008.
To my recollection the last meeting of 2008 was Nov. 30th. If meetings occurred in the
cited months of 2008, minutes should be available from Board Secretary in 2008.

Minutes for March – October 2010 were cited as not presented. Minutes for 2010
should be available from 2010 Board Secretary Kazmierciak. However, the Trustee has
recovered a copy of the October 19th, 2010 meeting when Secretary Kazmierciak was
absent.

2. ANNUAL REPORT

**“The annual reports presented for the audit period were inaccurate and not
reflective of the activity of the township.”**

Response: Any inaccuracies resulted from hastily produced reports that may have caused
noted omissions.

3. CONTRACTS

“Payments were made for maintenance of the township website and announcements for the Senior Center without a contract.”

Response: Services for the township, whether registering and hosting township website and or announcements of daily Real Services nutrition menu served at the Michigan Township Senior room were provided at the request of the township and compensated through a method of billing/invoicing for any of the requested services. This same method of billing/invoicing has been the accepted method of payment to ALCo for similar services provided numerous entities throughout LaPorte County (Town of Trail Creek, Michiana Shores, Wanatah, LaPorte County Fair).

4. CONFLICT OF INTEREST DISCLOSURE

“Bart Lombard is the Chief of Operations for ALCo...A Uniform Conflict of Interest Disclosure Statement does not appear to have been filed.”

Response: Mr. Lombard was a board member of the organization Access LaPorte County, a not for profit 501c3 organization in 2004, serving as President. A Uniform Conflict of Interest Disclosure Statement was filed with the State of Indiana by Mr. Lombard in 2004. He has not been a member of the Board of Directors since 2005. Rather, he is employed by the Board of Directors as chief of operations since 2005 and as such Mr. Lombard has no pecuniary interest in or derives a profit from a contract or purchase connected with an action by the governmental entity through his employ with ALCo and no Conflict of Interest Disclosure was filed in the years cited in this review.

5. LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER

“Officials or employees of the Township were certified to County Treasurer in Dec. 2009, but not for any other year in audit period.”

Response: The County Treasurer may not have produced a listing of township employees for the audit period with the exception of Dec., 2009, however a list of township employees for the audit period were in fact filed and copies of those original listing exist from computer originated dates in 2007 – 11/19, in 2008 – 5/8 and 12/30, in 2009 -6/8 and in 2010 – 2/23 and 6/15

6. ADDITIONAL COMPENSATION PAID TO BOARD MEMBERS

Board members were paid an additional \$150 for audit period.

Response: In trying to rectify an error in rate of compensation for Board members it was inadvertently calculated Board members were due the \$150 additional compensation for 2007, 2008, 2009 and 2010 – or \$600 total per member. However, resulting research shows the increase was approved in 2007 but to begin in 2008, thus an extra \$150 was issued in error.

Since the Board members during this audit period are the present serving Board members it would seem appropriate to levy their present salary for 2011 instead of seeking repayment over an inadvertent error.

7/8. EXPENSE REIMBURSEMENT ITEMIZATION AND PERSONAL EXPENSES

7 - "Records show that \$806.51 was reimbursed to the former trustee during 2010. Detailed documentation was not attached to determine that all expenses were for employees conducting government business and not for person items."

Response: Receipts totaling \$792.11 (\$692.17 for Sept., 2010 ITA conference hotel and \$99.94 for chair cushions) were located since the audit examination for the noted period was completed. **After exhausted search, there remains a revised balance of \$14.40 that could not be located. Former trustee will reimburse the revised balance if state deems such repayment necessary.**

8 - "We have requested the former trustee repay \$348.01 for personal expenses and or non related township expenses reimbursed to her.."

Response: IC 36-6-4-8 Sec. 8 (a) states "the executive may use the township's share of state, county, and township tax revenues and federal revenue sharing funds for all categories *of community service*, if these funds are appropriated by the township legislative body. The executive may use these funds for both operating and capital expenditures." Funds were expended appropriately by the executive from township general fund and approved by the township board within the Other Services & Charges / community service appropriation. It is former trustee opinion such expenditures were made according to statute and no repayment should be made to the township.

Furthermore, of the above mentioned 348.01, specifically,

1. (Oil Change totaling **\$33.23**) This was a one time charge for use of the former trustee's personal vehicle for transportation to represent Michigan Township at various out of town community service meetings (i.e. NIPSCo CAP Board member and Regional Workforce Development Board member). Since former trustee did not charge the township mileage to attend these numerous and frequent meetings during audit period, such one time expenditure was both cost effective

- for the township and should be a generally accepted one time reimbursement for providing this community service on behalf of the township.
2. (Flu Shot, Humidifier, Fair Oaks. Totaling **\$60.49**) a.) The flu shot was paid on behalf of the volunteer at the township Senior Nutrition center. b.) Humidifier treatment was for purchase of tablets to purify air in township office. A Township employee suffered from allergies and this treatment was routinely conducted on a donated humidifier at the township. c. The Fair Oaks tickets were purchased in reference to scouting out a possible community service field trip for the seniors of the nutrition site.
 3. 3. (Real Services receipts **\$191.90**) Purchases were made and receipts provided as allowable under IC 36-6-4-8 (a).
 4. (Receipt Dates - **\$13.20**) Receipts were accumulated over a period of months and in some rare cases omitted for repayment in the same calendar year. Former trustee was not as prompt in seeking repayment for expending her personal income on behalf of or for township services and instead would bundle together receipts rather than seeking immediate reimbursement at every time of minimal expenditure.
 5. (Office Cleaning **\$50**) The noted payment for office cleaning was rather a “pass through” payment for Mr. Rodney Wisenbaugh for landscaping work. The check #8837 was issued 9-4-2009 to the former trustee since Mr. Wisenbaugh did not have a checking account at that time and was cashed on his behalf with Mr. Wisenbaugh receiving the money. A statement of the above from Mr. Wisenbaugh confirming this is available for review.

Additional Response: The former trustee does not agree with audit opinion seeking repayment for the above noted items done on behalf of the township and not for personal expenses.

9. FUND SOURCES AND USES

“Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement.”

Response: IC 6-1.1-41 provides a township may establish a cumulative township vehicle and building fund to provide money to “purchase, construct, equip *and maintain building for public purposes.*” Payments to the Building security company Aegis was paid from the cumulative township vehicle and building fund to maintain the security of the township building for public purposes.

10. 11. 12 . 13. 14. 15 ADVANCE PAYMENT, BONUSES AND ADVANCES, UNAUTHORIZED COMPENSATION AND BONUSES

A response to the specifics of the above categories is awaiting clarification on the salary cited by auditor for the former chief deputy for the years of 2007, 2008 and 2009. The “amounts due” for those years cited by auditor is incorrect substantially and former trustee request how / where such figures were originated before completing full response.

"OFFICIAL RESPONSE"

6-25-11

To Whom it May Concern - S.B.O.A.

I Betty Blackmon, a former employee of thirty years, with the Michigan Township Trustee office in LaPorte County.

On June 21, 2011, I met with Ms. Lisa Jackson. Ms. Jackson informed me she was an employee of the State Board of Accounts and had been working with the Michigan Township office on their books of the past four years.

Ms. Jackson also revealed to me in her findings, I was paid two checks during the four years of \$5,000 each for bonus or longevity, (I agreed). And these checks were never approved by the township board. Therefore, I will have to repay a sum of \$12,000.

My plea to you, how and why am I being punished for something I did not do and had no prior knowledge of the request made for the bonus pay nor the decision made

by the board members.

When I accepted the checks, I had no reason to believe or even think those transactions were illegal. I never questioned the procedures on how where where on the amount. We all had a job to do and I performed my job to the best of my ability. I've always tried to follow instructions and keep within the guidelines.

The financial department was not part of my job description. Therefore, it never entered my mind to question the integrity payments.

I remember being so grateful and becoming very emotional after the receipt of the first check. I felt nothing but gratitude toward my supervisors for believing in me and felt I was deserving of this bonus. Shortly before receiving the check, two of the board members stopped by my office on their way out and wished me a Merry Christmas and both

Did "because Betty you really deserve it". I was given the check with in the same hour. So for five years I've always thought those two board members thought I deserved the bonus check also.

At this time (nor do I see in the future) I do not have \$4,000 to pay. I am unemployed (through no fault of mine) and currently been locked out of UE benefits for some reason as of 6-26-11, my husband is in renal failure and while he waits for his Medicare plan 'B' to become in effect, medical bills are piling up (unpaid). I am not in a financial position to pay any monies, especially when I'm not at fault and are 100% innocent of any wrong doings.

I'm already under a lot of stress with my husband illness and because of your decision to hold me liable for something I'm not guilty of has added additional undue stress.

Those of you that are involved in the decision, I plead with you to put yourselves in my place and ask is this justice to charge someone ^{with} a crime and find them guilty of something they had no knowledge of?

Am I being charged for not questioning my super of a position I thought the War qualified for after 20 years?

I thank you for your time and consideration.

Sincerely
Betty Blackman

July 1, 2011

To the Indiana State Board of Accounts:
Official Response

Attn: Doug Wieze
South Bend Office

My name is Andrew Crane. From August 2003 until December 2010, I was employed as an investigator for the Trustee's Office of Michigan Township. I was hired by the Trustee, Mary L. Lombard, and worked under her for those 7 years. I met with the local auditor from the South Bend office, Ms. Lisa Jackson, and she explained the situation and the findings to me. I do understand the possible situation facing my family and myself.

Longevity pay was a bonus. I fully understand that. I was told it was issued every 3 years. I received a check in December 2008 and December 2010. I was told the 2010 check was received because Mrs. Lombard was concerned the new trustee would not honor the 2 years I worked since receiving the last stipend. Since she was voted out and would no longer have control of this situation, she wanted to take care of this for us.

As for the issue of repayment: I do not feel any action should be taken against me. Everything done at the Township office was governed by rules and there was an approval process that also was part of this. I did my investigations, made a recommendation to a supervisor and we made a decision based on the guidelines. If an appeal was made regarding a decision, we consulted the guidelines, the County Commissioner's office was brought in as an impartial party and we discussed the reasons for the decision. No one person was allowed to make a decision. This included any and all requests for assistance, employee wages, and as I understood, longevity bonus pay.

My entire employment was based this way. I was always told that everything needed some sort of approval. Why then would I question longevity pay having been any different? I was told the approval process was policy and assumed that to be true. There was also no reason for me to suspect any problem with me earning a bonus for hard work and time put in.

I do not feel that someone else's mistake or oversight should be held against me. I do appreciate that Mrs. Lombard wanted to take care of her employees. I enjoyed working for her those years. When I received the pay, my family needed the extra boost. This money was put to good use for our family and our home. I no longer have the funds, nor would my family be able to produce them. We have a very tight budget with no extra money even in savings. I do want to make clear that if policy was violated, I was not a part of it, and had no knowledge of this before speaking with Ms. Jackson recently. I do not feel I should be responsible or obligated to make any repayment to any State or County agency.

Thank you for taking the time to consider my response. Ms. Jackson explained the findings to me and also emphasized they are preliminary. However, again, I do not feel I should be obligated to repay anything, no matter the final outcome.

Sincerely,



Andrew M. Crane

MICHIGAN TOWNSHIP, LAPORTE COUNTY
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Sharon Gralik, Board member:			
Additional Compensation Paid to Board Members, page 12	\$ 150.00	\$ 150.00	\$ -
George Kazmierczak, Board member:			
Additional Compensation Paid to Board Members, page 12	<u>150.00</u>	<u>150.00</u>	<u>-</u>
Gerti Miller, Board member:			
Additional Compensation Paid to Board Members, page 12	<u>150.00</u>	<u>150.00</u>	<u>-</u>
Betty Blackmon, former employee, and Mary L. Lombard, former Trustee, jointly and severally:			
Compensation and Benefits, pages 12 and 13	<u>10,400.00</u>	<u>-</u>	<u>10,400.00</u>
Andrew Crane, former employee, and Mary L. Lombard, former Trustee, jointly and severally:			
Compensation and Benefits, pages 12 and 13	<u>2,685.38</u>	<u>-</u>	<u>2,685.38</u>
Mary L. Lombard, former Trustee:			
Expense Reimbursement Itemization, page 13	806.51	-	806.51
Bonuses and Advances, page 13	3,175.95	-	3,175.95
Additional Paychecks Paid to the Former Trustee, page 14	2,813.46	-	2,813.46
Personal Expenses, pages 14 through 16	348.01	-	348.01
Penalties, Interest, and Other Charges, page 16	16,585.09	-	16,585.09
Advance Payment, page 17	400.00	-	400.00
Audit Cost - Missing Funds, page 18	<u>5,088.00</u>	<u>-</u>	<u>5,088.00</u>
Totals, Mary L. Lombard, former Trustee	<u>29,217.02</u>	<u>-</u>	<u>29,217.02</u>
Bart Lombard, former Deputy Trustee:			
Unauthorized Compensation and Bonuses, pages 17 and 18	<u>87,972.62</u>	<u>-</u>	<u>87,972.62</u>
Totals	<u>\$ 130,725.02</u>	<u>\$ 450.00</u>	<u>\$ 130,275.02</u>

AFFIDAVIT

STATE OF INDIANA)
)
St. Joseph COUNTY)

I, Lisa Jackson Field Examiner being duly sworn on my oath state that the foregoing report based on the official records of Michigan Township, LaPorte County, Indiana, for the period from January 1, 2007 to December 31, 2010, is true and correct to the best of my knowledge and belief.

Lisa Jackson
Field Examiner

Subscribed and sworn to before me this 13th day of September, 2011.

Candice L. Dukes
Notary Public

My Commission Expires: January 26, 2017
County of Residence: St. Joseph

