

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

EXAMINATION REPORT  
OF

CORPORATION EXTRA-CURRICULAR ACCOUNT  
DUNELAND SCHOOL CORPORATION  
PORTER COUNTY, INDIANA

July 1, 2004 to January 31, 2007



**FILED**

05/03/2007



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
School Corporation Officials.....	2
Transmittal Letter .....	3
Examination Results and Comments:	
Disbursements to Extra-Curricular Treasurer .....	4
Condition of Records .....	4-5
Financial Reports .....	5
Use of Form SA-1, Purchase Order/Accounts Payable Voucher .....	5
Old Outstanding Checks (Warrants).....	5
Exit Conference.....	6
Official Response .....	7
Summary .....	8
Affidavit .....	9

SCHOOL CORPORATION OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Extra-Curricular Treasurer	Rogetta Urbahns	07-01-04 to 01-29-07
Superintendent of Schools	Dr. Dirk Baer	07-01-04 to 06-30-07
President of the School Board	Michael Griffin Nick Jurasevich Michael Trout Janice Custer	07-01-04 to 12-31-04 01-01-05 to 12-31-05 01-01-06 to 12-31-06 01-01-07 to 12-31-07



**STATE OF INDIANA**  
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TO: THE OFFICIALS OF THE DUNELAND SCHOOL CORPORATION, PORTER COUNTY, INDIANA

We have examined the records of the Corporation Extra-Curricular Account for the period from July 1, 2004 to January 31, 2007, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Examination Results and Comments.

STATE BOARD OF ACCOUNTS

February 12, 2007

CORPORATION EXTRA-CURRICULAR ACCOUNT  
DUNELAND SCHOOL CORPORATION  
EXAMINATION RESULTS AND COMMENTS

DISBURSEMENTS TO EXTRA-CURRICULAR TREASURER

The former Extra-Curricular (ECA) Treasurer, Rogetta Urbahns, wrote 23 vendor checks to herself from July 1, 2002 to January 31, 2007, totaling \$10,121.62. Rogetta Urbahns could not provide documentation to support the disbursements. The duplicate checks and claims were made out to various vendors while the original checks were made out to her. The 23 cancelled checks were not retained for audit. Rogetta Urbahns stated she took the checks for her own personal gain. \$6,728.30 of the \$10,121.62 was disbursed from the School Lunch payroll clearing account. We could not determine which withholding agencies, if any, were affected.

The former ECA Treasurer, Rogetta Urbahns, also wrote 84 payroll checks to herself totaling \$35,399.12. Rogetta Urbahns received payroll compensation by direct deposit. We found instances where Rogetta Urbahns would write a payroll check to herself a few days before the pay date in lieu of the direct deposit. The additional payroll checks have all been accounted for and are not included in the total above. The 84 checks were all in addition to the established compensation and were not approved by the School Corporation. The cancelled payroll checks were also removed from the bank statement and not retained for examination.

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 Public School Corporations, Chapter 9)

We requested the former Extra-Curricular Treasurer, Rogetta Urbahns, to reimburse the School Corporation the \$45,520.74. (See Summary, page 8)

CONDITION OF RECORDS

The bank reconciliation prepared by the School Corporation Extra-Curricular Treasurer indicated the book balance reconciled to the bank balance at December 31, 2006. However, during our audit, we determined 10 checks totaling \$36,565.56 were posted to the ledger that either did not clear the bank or cleared the bank for an amount different than the amount posted. There were also 95 checks totaling \$52,700.79 that had cleared the bank but had not been posted. Numerous receipts posted to the ledger could not be traced to bank deposits. The records presented did not provide sufficient information to establish receipts, disbursements, or ending balances nor verify the accuracy or the correctness of the transactions.

The controls over the receipting and disbursing do not allow for effective segregation of duties. The Treasurer of these accounts did all of the receipting, depositing, disbursing, and posting to the ledger without any oversight. The checks processed from the accounts were required to have the signatures of the Bookkeeper and the Corporation Treasurer. However, the Bookkeeper uses a signature stamp for the Corporation Treasurer's signature and the Corporation Treasurer does not review the claims or the checks.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

CORPORATION EXTRA-CURRICULAR ACCOUNT  
DUNELAND SCHOOL CORPORATION  
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 Extra-Curricular Accounts, Chapter 7)

FINANCIAL REPORTS

The financial reports for the School Corporation extra-curricular account were inaccurate. The receipts and disbursements did not always agree to the ledger. The computations for the totals were inaccurate for some accounts.

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 Extra-Curricular Accounts, Chapter 7)

USE OF FORM SA-1, PURCHASE ORDER/ACCOUNTS PAYABLE VOUCHER

Claim forms do not contain all information necessary to constitute a valid claim. Proper signatures were not evident on the claims reviewed or proper documentation to support the claim.

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 Extra-Curricular Accounts, Chapter 7)

OLD OUTSTANDING CHECKS (WARRANTS)

Our review of the bank reconcilements as of June 30, 2006, revealed checks outstanding in excess of two years.

Indiana Code 5-11-10.5-2 states in part: "All warrants or checks drawn upon public funds of a political subdivision that are outstanding and unpaid for a period of two (2) or more years as of the last day of December of each year are void."

CORPORATION EXTRA-CURRICULAR ACCOUNT  
DUNELAND SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on March 6, 2007, with Rogetta Urbahns, former Corporation Extra-Curricular Treasurer; Dr. Dirk Baer, Superintendent of Schools; Bonita Gaston, Business Manager; and Janice Custer, President of the School Board. The official response has been made a part of this report and may be found on page 7.

March 12, 2007

re: Duneland School Corp  
Audit 2004-2006  
dated back to July 2002

Presently, I feel I cannot  
agree with the audit report  
because:

1. The Duneland School Corporation  
and State Board of Accounts did  
not give me the opportunity  
to review and/or clarify the data  
reported.
2. I wasn't asked any questions  
during the audit about the reported  
information. I think a lot of confusion  
could have been avoided.
3. There are two different totals that  
are reported as due to Duneland School.  
from two different reports.

Thank you,  
Regina Urbahn

CORPORATION EXTRA-CURRICULAR ACCOUNT  
DUNELAND SCHOOL CORPORATION  
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Rogetta Urbahns, former Extra-Curricular Treasurer: Disbursements to Extra-Curricular Treasurer, page 4	<u>\$ 45,520.74</u>	<u>\$ -</u>	<u>\$ 45,520.74</u>

AFFIDAVIT

STATE OF INDIANA )  
Lake COUNTY )

We, Robert James, Karen Tetrault, and Celia Orozco, Field Examiners, being duly sworn on our oaths, state that the foregoing report based on the official records of the Corporation Extra-Curricular Account, Duneland School Corporation, Porter County, Indiana, for the period from July 1, 2004 to January 31, 2007, is true and correct to the best of our knowledge and belief.

Robert James

Karen Tetrault

Celia Orozco  
Field Examiners

Subscribed and sworn to before me this 24<sup>th</sup> day of APRIL, 2007

Kimberly D. Tobias  
Notary Public

My Commission Expires: 10-31-12

County of Residence: LAKE

