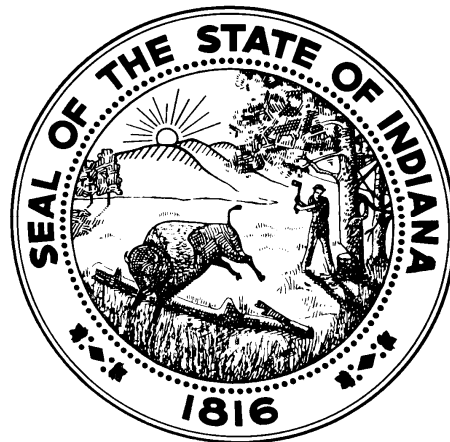


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF

HOLLAND ELEMENTARY EXTRA-CURRICULAR
SOUTHWEST DUBOIS COUNTY SCHOOL CORPORATION
DUBOIS COUNTY, INDIANA

July 20, 2006 to May 31, 2009



FILED

09/04/2009

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SCHOOL OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Pamela A. Fritz	07-01-06 to 06-30-09
Superintendent of Schools	Terry P. Enlow	07-01-06 to 06-30-09
President of the School Board	Shannon Hildebranski Jeff Starling	01-01-06 to 12-31-07 01-01-08 to 12-31-09
Principal of Holland Elementary School	Joyce Lindauer Sarah Bardwell	07-01-06 to 06-30-07 07-01-07 to 06-30-09
Extra-Curricular Treasurer of Holland Elementary School	Beth K. Gill	07-20-06 to 04-29-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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TO: THE OFFICIALS OF SOUTHWEST DUBOIS COUNTY
SCHOOL CORPORATION, DUBOIS COUNTY, INDIANA

We have examined the records of Holland Elementary Extra-Curricular for the period from July 20, 2006 to May 31, 2009, 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

July 6, 2009

HOLLAND ELEMENTARY EXTRA-CURRICULAR
SOUTHWEST DUBOIS COUNTY SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS

GHOST EMPLOYMENT

There were six days during April 2009, that Beth K. Gill, former Extra-Curricular Treasurer, had reported that her daughter, Jenae Gill, had worked as a noncertified Instructional Assistant substitute. However, School Corporation Officials determined that Jenae Gill did not work on those days. Beth K. Gill had reported on the Bi-Weekly Report on Hourly Employees at Holland Elementary School for the days April 1, April 13, April 14, April 15, April 24, and April 28, that Jenae Gill had worked 7, 6, 6, 7, 5.5, and 5.75 hours. Jenae Gill was paid for the first four of those reported days at \$6.75 per hour for a total of \$175.50, which was direct deposited into a bank account held jointly in Jenae Gill and Beth K. Gill's names. The School Corporation was made aware of these allegations on April 28, 2009, and Beth K. Gill resigned on April 29, 2009; therefore, Jenae Gill was not paid for the April 24 and April 28 days because the payroll had not yet been processed.

IC 35-44-2-4 states in part: "(a) A public servant who knowingly or intentionally: (1) hires an employee for the governmental entity that he serves; and (2) fails to assign to the employee any duties, or assigns to the employee any duties not related to the operation of the governmental entity; commits ghost employment, a class D felony. (b) A public servant who knowingly or intentionally assigns to an employee under his supervision any duties not related to the operation of the governmental entity that he serves commits ghost employment, a Class D felony. (c) A person employed by a governmental entity who, knowing that he has not been assigned any duties to perform for the entity, accepts property from the entity commits ghost employment, a Class D felony. (d) A person employed by a governmental entity who knowingly or intentionally accepts property from the entity for the performance of duties not related to the operation of the entity commits ghost employment, a Class D felony. (e) Any person who accepts property from a governmental entity in violation of this section and any public servant who permits the payment of property in violation of this section are jointly and severally liable to the governmental entity for that property. The attorney general may bring a civil action to recover that property in the county where the governmental entity is located or the person or public servant resides."

We have requested that Beth K. Gill, former Extra-Curricular Treasurer, reimburse the Southwest Dubois County School Corporation \$175.50 for those days that Jenae Gill received noncertified substitute pay but did not work. (See Summary, page 16)

RECESS REFRESHMENT RECEIPTS

Recess refreshments, milk and juice, were sold to students as an extra-curricular fundraiser. A review of recess refreshment receipts during the school years 2006-2007 through 2008-2009 revealed a shortfall of receipts as shown in the schedule below. Vendor invoices were used to calculate the quantity of milk and juice purchased. We noted that credits were given by the vendor for returned products. The inventory stocking of the recess milk and juice was handled by the vendor. The vendor would replace the products prior to spoilage and would also provide a credit for leaking containers kept by the School; therefore, the School should have no loss of products nor any unsold product. Per discussion with the Principal, no recess refreshments were ever given free as prizes or special events. Based on the results of these inquiries, we determined that all product purchased should have been sold. Calculated revenues were based on the number of milk and juice purchased multiplied by the cost charged for the recess refreshments.

HOLLAND ELEMENTARY EXTRA-CURRICULAR
SOUTHWEST DUBOIS COUNTY SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS
(Continued)

	<u>2006-2007</u>	<u>2007-2008</u>	<u>2008-2009</u>	<u>Total</u>
Calculated recess refreshment receipts:				
Number of milks purchased, net of return credits	17,900	11,011	8,566	
Sales price charged for milk	<u>\$ 0.35</u>	<u>\$ 0.40</u>	<u>\$ 0.40</u>	
Calculated receipts for milk	<u>6,265.00</u>	<u>4,404.40</u>	<u>3,426.40</u>	
Number of juices purchased, net of return credits	2,961	4,185	3,630	
Sales price charged for juice	<u>0.35</u>	<u>0.40</u>	<u>0.40</u>	
Calculated receipts for juice	<u>1,036.35</u>	<u>1,674.00</u>	<u>1,452.00</u>	
Total calculated receipts for recess refreshments	7,301.35	6,078.40	4,878.40	
Recess refreshments received to the ledger and deposited	<u>5,245.54</u>	<u>4,997.53</u>	<u>4,258.70</u>	
Calculated shortfall in recess refreshment revenues	<u>\$ 2,055.81</u>	<u>\$ 1,080.87</u>	<u>\$ 619.70</u>	<u>\$ 3,756.38</u>

Recess refreshment money was collected in envelopes by the classroom teachers, who then turned the envelopes into the former Extra-Curricular Treasurer, Beth K. Gill. Beth K. Gill was responsible for depositing the money and posting the receipts to the Student Activities Fund. Based on the discovery that many checks were cashed by Beth K. Gill and not all of the cash could be traced to subsequent deposits, and that Beth K. Gill was responsible for collecting and depositing the recess refreshment money, Beth K. Gill is being requested to pay the difference between the calculated receipts and the receipts recorded to the extra-curricular ledger, and deposited to the bank account.

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.

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 Extra-Curricular Accounts, Chapter 7)

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 Extra-Curricular Accounts, Chapter 7)

We have requested that Beth K. Gill, former Extra-Curricular Treasurer, reimburse the Holland Elementary Extra-Curricular account \$2,055.81, \$1,080.87, and \$619.70 for the shortfall of recess refreshment receipts for 2006-2007, 2007-2008, and 2008-2009, respectively. (See Summary, page 16)

HOLLAND ELEMENTARY EXTRA-CURRICULAR
SOUTHWEST DUBOIS COUNTY SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS
(Continued)

TUITION RECEIPTS

Tuition was charged to parents for the extended day kindergarten program (KEDO) and general preschool during 2007-2008 and 2008-2009. A review of tuition receipts revealed a shortfall as shown in the schedule below. When parents enrolled their child in the KEDO program they were given a payment schedule for the school year. Payments were remitted to the former Extra-Curricular Treasurer, Beth K. Gill, for deposit into the KEDO fund. The Principal provided a list of the students enrolled in the KEDO program for both years. Estimated receipts for KEDO tuition were calculated using the number of students enrolled times the tuition amount charged per year. Preschool is held on Mondays and Wednesdays for both an AM and a PM session. The charge for preschool is \$6.25/day. The Preschool Teacher stated that each month an envelope is prepared for each student listing their name and the amount owed for that month and the envelope is attached to a newsletter that is sent home. The parents put their payment in these envelopes and returned the envelopes to the preschool teacher. The Preschool Assistant maintained a checklist with each student's name and as the payment envelopes were returned she checked off that the student had paid. She then took the payments to the former Extra-Curricular Treasurer, Beth K. Gill, for deposit into the Preschool Fund. Estimated receipts for preschool tuition was calculated using the lists of preschool students provided by the Principal times the number of days that both AM and PM were in session at a fee of \$6.25 per day. Based on the checklist provided by the assistant we noted that one student did not pay the entire amount of tuition owed and the amount was deducted from the calculation of estimated revenues.

	<u>2007-2008</u>	<u>2008-2009</u>	<u>Total</u>
<u>KEDO Tuition:</u>			
Number of Students Enrolled Full Year	11	6	
Times tuition rate per year	<u>1,392.00</u>	<u>1,392.00</u>	
Tuition owed for Full Year Students	\$ 15,312.00	\$ 8,352.00	
Tuition owed for Partial Year Students	<u>-</u>	<u>984.00</u>	
Calculated KEDO Tuition Receipts	15,312.00	9,336.00	
Actual KEDO Tuition receipted into the ledger and deposited in the bank account	<u>15,312.00</u>	<u>8,560.00</u>	
Calculated Shortfall of KEDO Tuition Receipts	<u>\$ -</u>	<u>\$ 776.00</u>	<u>\$ 776.00</u>

HOLLAND ELEMENTARY EXTRA-CURRICULAR
SOUTHWEST DUBOIS COUNTY SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS
(Continued)

	2007-2008	2008-2009	Totals
<u>Preschool Tuition:</u>			
AM Students:			
Number of Student Days per Year	70	70	
Times number of Students	10	10	
Total student days per year	700	700	
PM Students:			
Number of Student Days per Year	70	71	
Times number of Students	10	10	
Total student days per year	700	710	
Total students days per year	1,400	1,410	
Times rate per day	\$ 6.25	\$ 6.25	
Tuition owed	8,750.00	8,812.50	
Less Tuition credits given	(40.00)	-	
Less: Known unpaid balance of student account	-	(237.50)	
Calculated Preschool Tuition Receipts	8,710.00	8,575.00	
Actual Preschool tuition receipted into the ledger and deposited in the bank account	8,360.00	7,587.50	
Calculated Shortfall of Preschool Tuition Receipts	\$ 350.00	\$ 987.50	\$ 1,337.50
Grand Total Calculated Shortfall for Tuition Receipts			\$ 2,113.50

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.

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 Extra-Curricular Accounts, Chapter 7)

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 Extra-Curricular Accounts, Chapter 7)

HOLLAND ELEMENTARY EXTRA-CURRICULAR
SOUTHWEST DUBOIS COUNTY SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS
(Continued)

We have requested that Beth K. Gill, former Extra-Curricular Treasurer, reimburse the Holland Elementary Extra-Curricular Account in the amount of \$776 for KEDO tuition shortfall and \$1,337.50 for preschool tuition shortfall. (See Summary, page 16)

UNDEPOSITED RECEIPTS

From the information presented for examination, Beth K. Gill, former Extra-Curricular Treasurer, failed to deposit all funds received by Holland Elementary. Discrepancies were noted during the examination, regarding the composition (i.e. cash, check) of deposits. Inquiries were made of parents who provided copies of canceled checks that had been cashed by Beth K. Gill, and resulted in a request of the bank to provide copies of all checks written to Holland Elementary that were cashed by Beth K. Gill during the 2008-2009 school year. We were provided with copies of 80 checks. We looked at deposits subsequent to the date the checks were cashed at the bank to determine if any portion of the payments had been deposited as cash. Portions of some of the checks that were cashed were verified to a cash deposit. Credit has been given for the portion of cashed checks that were subsequently deposited on the schedule below. Additionally, amounts that were noted to be for recess refreshments or KEDO or preschool tuition were included in the calculated shortfalls in the schedules above and therefore a credit has been given for these items in the schedule below.

Total Checks Cashed by Beth K. Gill	\$	5,991.08
Less: Portion of Cashed Checks Subsequently Deposited		<u>(2,331.39)</u>
Undeposited Portion of Checks Cashed by Beth K. Gill	\$	<u>3,659.69</u>
Composition of the Undeposited Portion of Checks Cashed:		
KEDO Tuition	\$	776.00
Preschool Tuition		743.75
Recess Refreshment Money		126.00
Target "Take Charge of Education" Distributions		135.84
Special Needs Donations		700.00
Reimbursement of Athletic Concession Soft Drinks		160.00
5th Grade Field Trip Donation		240.00
School Picture Commissions		204.00
Checks with No Specific Purpose Identified		<u>574.10</u>
Total Undeposited Portion of Checks Cashed		3,659.69
Less Portion Included in Other Calculated Shortfalls:		
KEDO Tuition		(776.00)
Preschool Tuition		(743.75)
Recess Refreshment Money		<u>(126.00)</u>
Undeposited Portion of Checks Cashed (See Summary, page 16)	\$	<u>2,013.94</u>

HOLLAND ELEMENTARY EXTRA-CURRICULAR
SOUTHWEST DUBOIS COUNTY SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS
(Continued)

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

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 Extra-Curricular Accounts, Chapter 7)

We have requested that Beth K. Gill, former Extra-Curricular Treasurer, reimburse the Holland Elementary Extra-Curricular Account in the amount of \$2,013.94 for undeposited receipts. (See Summary, page 16)

DEPOSITS

Fifty percent of the deposits examined were not made timely. Based on deposit detail obtained from the bank, checks that were included in the deposits were up to two months old and often were deposited into funds that did not agree with the purpose noted on the check. (i.e. checks for field trips and drink money deposited into the bookstore fund and preschool tuition money deposited into the library bookfair fund)

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

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 Extra-Curricular Accounts, Chapter 7)

INTERNAL CONTROLS

The controls over the receipting, disbursing, recording, and accounting for the financial activities were insufficient.

- (1) Recess refreshments are sold to students in Preschool through Grade 3 as a fundraiser. The money for lunch and recess refreshments was generally turned into the classroom teacher in envelopes provided to the parents that had labels (included the Child's name, Lunch \$___, Breakfast \$___, AM Milk \$___, PM Milk \$___, Total \$___). However, the parents did not always completely fill out the envelopes (i.e. many just put a total). The teacher, aide, or a student would take the envelopes to the former Extra-Curricular Treasurer. The former Extra-Curricular Treasurer filled out a Cafeteria/Milk Money Collected sheet on Mondays (the day that most collections were received) that listed the class, child's name and amount of cafeteria money, milk money, and a total. Handwritten lists of student/staff who paid lunch/breakfast money was provided to the Head Cook on Tuesday through Fridays, but no record was available to document recess refreshment money received on those days. The former Extra-Curricular Treasurer would count the money and deposit the cafeteria money into the School Lunch bank account and the recess refreshment money into the Extra-Curricular Account. The Cafeteria/Milk Money Collected sheet completed on Mondays was turned into the Head Cook, who entered the lunch and breakfast amounts into the student accounts in the Harmony System. The envelopes were not turned into the Head Cook and the former Extra-Curricular Treasurer

HOLLAND ELEMENTARY EXTRA-CURRICULAR
SOUTHWEST DUBOIS COUNTY SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS
(Continued)

did not retain the envelopes for examination. There were no records provided to track recess milk/juice purchased by students nor to track the balance of the student's recess refreshment money. No one counted or marked students as they got milk; the honor system was used. There were no controls in place to make sure that every student who took a milk/juice had paid, nor to make sure that every student who paid for milk/juice got one.

Governmental units which conduct fund raising events should have the express permission of the governing body for conducting the fund raiser as well as procedures in place concerning the internal controls and the responsibility of employees or officials. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

- (2) Numerous checks written to Holland Elementary School were cashed. All or a portion of the cash can be traced to subsequent deposits in some situations; however, there were numerous instances where the cash cannot be traced to a deposit. There was also no receipt written nor posting to the ledger in the cases where the cash could not be traced to the deposit.

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

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 Extra-Curricular Accounts, Chapter 7)

- (3) The former Extra-Curricular Treasurer had unlimited access to the signature stamp of the Principal. The former Extra-Curricular Treasurer used the signature stamp without the authorization of the Principal for things such as endorsing checks that were cashed.

A rubber stamp or other signing device should be used only under the personal direction of the public official and should be properly safeguarded when not in use since each official is responsible for his or her own signature. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

- (4) Spreadsheets were maintained to track the payment of tuition for the KEDO and the pre-school programs. Also, the preschool teachers kept the payment envelopes used to collect both tuition and recess refreshments. However, the preschool spreadsheets and the payment envelopes were only kept until the end of the school year and then those records were disposed of. At no time were the spreadsheets or envelopes compared to the extra-curricular ledger to ensure that all payments were properly posted and that the ledger agreed with the supporting documentation maintained by the teachers.

Subsidiary ledger balances must reconcile to the control ledger fund balance. Every transaction should be posted to the control ledger and to the appropriate subsidiary ledger. Fund balances should reconcile between the control ledger and the subsidiary ledger. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 1)

HOLLAND ELEMENTARY EXTRA-CURRICULAR
SOUTHWEST DUBOIS COUNTY SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS
(Continued)

IC 5-15-6-3(f) concerning destruction of public records, states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

IC 5-15-6-3 (d) states: "No financial records or records relating thereto shall be destroyed until the earlier of the following actions: (1) The audit of the records by the state board of accounts has been completed, report filed, and any exceptions set out in the report satisfied. (2) Financial record or records have been copied or reproduced as described in subsection (e)."

Supporting documentation such as receipts, canceled checks, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 9)

- (5) Some items such as donations for charities were not entered in the records of Holland Elementary. A Jump-Rope-A-Thon was held during our examination period, to raise money for the American Heart Association. The procedure was that people were supposed to make the checks payable directly to the American Heart Association; however, two checks were written to Holland Elementary. Those checks were cashed by the teacher in charge of the Jump-Rope-A-Thon and then the teacher sent that cash, along with the checks that were made out to the American Heart Association, directly to the American Heart Association.

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 Extra-Curricular Accounts, Chapter 7)

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

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.

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 Extra-Curricular Accounts, Chapter 7)

HOLLAND ELEMENTARY EXTRA-CURRICULAR
SOUTHWEST DUBOIS COUNTY SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS
(Continued)

PRESCRIBED FORMS

The following deficiencies were noted in the use of prescribed forms:

- (1) Receipt and Register of Receipts, Prescribed Form SA-3, was not properly used during the examination. Receipts were issued and dated the date of the deposit instead of the date the money was received and did not properly identify who the money was received from.

The receipt, to be properly issued, shall show the date, the name of the person from whom the money was received, the payment type, the activity fund for which it was received, the amount and the source of the receipt. The receipt form must be signed by the treasurer of the extra-curricular account or collecting authority. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

- (2) Claim for Payment, Prescribed Form SA-7, was not adequately itemized in 20% of the claims examined.

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 which 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 Extra-Curricular Accounts, Chapter 7)

- (3) Summary Collection Form, Prescribed Form SA-8, was not being used when money was collected and remitted to the Extra-Curricular Treasurer.

The Summary Collection Form (SA-8) is to be used as a transmittal document each time fundraiser or field trip money is reported from the sponsor to the Extra-Curricular Treasurer. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

- (4) Ticket Sales, Prescribed Form SA-4, was in use and appeared to be completed properly. However, adequate procedures were not followed to provide full accountability for all money received from admissions. Procedures described by the Holland Elementary Principal were that cash payments were taken at the time of admittance, but no tickets were used nor were any tallies kept of the different type of admissions (student, adult, or family). After the event, the money was locked in the School Office. The next day the Extra-Curricular Treasurer counted and receipted in the money. The money collected at

HOLLAND ELEMENTARY EXTRA-CURRICULAR
SOUTHWEST DUBOIS COUNTY SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS
(Continued)

the event was not counted prior to remitting the money to the Extra-Curricular Treasurer. Since nothing is kept to document the number and the type of admissions and the money was not counted prior to remittance, the Ticket Sales Form SA-4 may not have been accurately completed nor is there any assurance that all money was appropriately accounted for.

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 Extra-Curricular Accounts, Chapter 7)

Ticket sales conducted by any activity should be accounted for as follows:

The treasurer should be responsible for the proper accounting for all tickets and should keep a record of the number purchased, the number issued for sale, and the number returned. The treasurer should see that proper accounting is made for the cash received from those sold. All tickets shall be prenumbered, with a different ticket color and numerical series for each price group. When cash for ticket sales is deposited with the treasurer, the treasurer's receipt issued therefore should show the number of tickets issued to the seller, the number returned unsold and the balance remitted in cash. All tickets (including free or reduced) must be listed and accounted for on the SA-4 Ticket Sales Form. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

Serially prenumbered tickets by the printing supplier should be used for all athletic and other extra-curricular activities and events for which admission is charged. Part of the prenumbered ticket should be given to the person paying for the ticket upon admission to the event. The other part of the ticket (which should also be prenumbered, referred to as the stub) should be retained. All tickets (unused tickets and stubs) should be retained for audit. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

Tickets for each price group should be different colors and/or different in their series number. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

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)

- (5) Accountable Items Review Form (SA-9) was not being used to monitor concessions and book store sales.

Form SA-9 is to be used at least once a year at the end of the school year. The form is to be used to help account for beverages sold from vending machines. However, the form can be used at the discretion of school officials to account for other items such as concessions, books, etc. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

HOLLAND ELEMENTARY EXTRA-CURRICULAR
SOUTHWEST DUBOIS COUNTY SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS
(Continued)

ADDITIONAL EXAMINATION COSTS

The State of Indiana incurred additional examination fees in the investigation of missing funds and ghost employment.

Examination 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 Indiana Public School Corporations, Chapter 9) (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

OFFICIAL BOND

The School Corporation had an Honesty Blanket Position Bond B138372 for a term of July 1, 2002, until canceled or terminated to cover the School Corporation's Extra-Curricular Treasurers. A rider dated January 16, 2007, clarified that the bond provided coverage from July 1 to July 1 of the following year on a continuous basis until canceled and the coverage limit of \$25,000 was applicable to each annual coverage term and was not divisible by the number of terms in force. The honesty blanket position bond covers loss sustained by the insured through any fraudulent or dishonest act or acts committed by any of the employees, acting alone or in collusion with others, during the bond period, the amount of indemnity on each of such employees being the amount stated in the Table of Limits of Liability applicable to this Insuring Agreement (\$25,000).

The Treasurer of each extra-curricular account shall provide a faithful performance of duty bond for one year, the term of office. The amount of the bond shall be fixed and approved by the school superintendent and principal approximating the total amount of anticipated funds which will come into the hands of the treasurer at any one time during the regular school year, IC 20-41-1-6. The bond shall be filed in the office of the county recorder, and a new bond shall be issued and filed each year. The bond may be either an individual bond for each extra-curricular treasurer or a single blanket position bond for all extra-curricular treasurers, IC 20-41-1-6.

The treasurer is required to give a surety bond in an amount fixed by the superintendent and principal, approximating the total amount of anticipated funds which will come into the hands of the treasurer at any one time during the school year. [IC 20-41-1-6] If either the Textbook Rental or the School Lunch program is handled through the school extra-curricular account, the amount of the treasurer's bond shall be fixed and approved by the board of school trustees. [IC 20-41-2-6] Not later than ten days after the issuance or approval thereof, all surety bonds shall be filed and recorded in the office of the county recorder. A new bond shall be given at the beginning of each school year. Premium on the official bond is payable from the General Fund of the school corporation. The requirement for giving bond and requirement to deposit receipts in a separate bank account do not apply where the receipts, as estimated by the principal, will not exceed \$300.00 during the school year. The bonding requirement may be fulfilled by the providing of a blanket position bond for all extra-curricular treasurers. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 1)

HOLLAND ELEMENTARY EXTRA-CURRICULAR
SOUTHWEST DUBOIS COUNTY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on June 30, 2009, with Terry P. Enlow, Superintendent of Schools; Chad M. Schenck, Assistant to the Superintendent of Schools; Sarah Bardwell, Principal of Holland Elementary School; Jeff Starling, President of the School Board; Pamela A. Fritz, Treasurer; and Philip C. Schneider, School Board Attorney. The officials concurred with our examination findings.

The contents of this report were discussed on July 6, 2009, with Beth K. Gill, former Extra-Curricular Treasurer.

HOLLAND ELEMENTARY EXTRA-CURRICULAR
SOUTHWEST DUBOIS COUNTY SCHOOL CORPORATION
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Beth K. Gill, former Extra-Curricular Treasurer:			
Ghost Employment, page 4	\$ 175.50	\$	\$
Paid by Beth K. Gill, former Extra-Curricular Treasurer, on July 17, 2009, Receipt 1362		175.50	
Recess Refreshment Receipts, pages 4 and 5	3,756.38		
Paid by Beth K. Gill, former Extra-Curricular Treasurer, on July 17, 2009, Receipt 1362		3,756.38	
Tuition Receipts, pages 6 through 8	2,113.50		
Paid by Beth K. Gill, former Extra-Curricular Treasurer, on July 17, 2009, Receipt 1362		2,113.50	
Undeposited Receipts, pages 8 and 9	2,013.94		
Paid by Beth K. Gill, former Extra-Curricular Treasurer, on July 17, 2009, Receipt 1362		<u>2,013.94</u>	<u>-</u>
Totals	<u>\$ 8,059.32</u>	<u>\$ 8,059.32</u>	<u>\$ -</u>

AFFIDAVIT

STATE OF INDIANA)
)
_____ COUNTY)

We, Karen Weales and Christie Wessel, Field Examiners, being duly sworn on our oaths, state that the foregoing report based on the official records of the Holland Elementary Extra-Curricular Southwest Dubois County School Corporation, Dubois County, Indiana, for the period from July 20, 2006 to May 31, 2009, is true and correct to the best of our knowledge and belief.

Field Examiners

Subscribed and sworn to before me this ____ day of _____, 2009.

Notary Public

My Commission Expires: _____

County of Residence: _____