

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

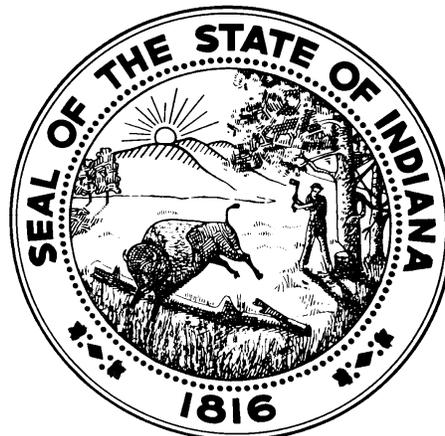
SUPPLEMENTAL AUDIT REPORT

OF

GARY COMMUNITY SCHOOL CORPORATION

LAKE COUNTY, INDIANA

July 1, 2006 to June 30, 2008



FILED

09/14/2009

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Carolyn V. Keith Alesia Y. Pritchett	07-01-06 to 02-16-07 02-17-07 to 06-30-09
Superintendent of Schools	Dr. Mary Steele-Agee Vacant Dr. Myrtle V. Campbell (Interim)	07-01-06 to 12-19-08 12-20-08 to 12-21-08 12-22-08 to 06-30-09
President of the School Board	Alex Wheeler, Jr. Nellie F. Moore	07-04-06 to 07-05-07 07-06-07 to 06-30-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE GARY COMMUNITY SCHOOL
CORPORATION, LAKE COUNTY, INDIANA

We have audited the records of the Gary Community School Corporation for the period from July 1, 2006 to June 30, 2008, 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 Audit Results and Comments. The financial transactions of the School Corporation are reflected in the Audit Report of Gary Community School Corporation for the period July 1, 2006 to June 30, 2008.

STATE BOARD OF ACCOUNTS

June 22, 2009

GARY COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

SCHOOL BOARD MEMBER TRAVEL AND CREDIT CARD CLAIMS

The School Board approved the use of credit cards for authorized individuals. The Board Member Expenses/Corporation Credit Card & Travel Policy 112 states in part: ". . . Corporate cards are not authorized for personal use. In the unlikely event corporation cards are used for personal reasons, the Board member shall issue a check covering personal expenses . . . Credit cards may be used for any purpose covered by the travel policy. They may also be used for any school related purchases including but not limited to educational periodicals and materials; and/or any other expenses authorized by the Board. The Board also recognizes the need for individual Board members to meet with their constituents at dining establishments to discuss school-related business. To that end, the Board will approve such meal expenditures." Additionally, the School Corporation Travel Policy requires reimbursement requests for travel expenses to be submitted on the School Corporation's Travel Expense Claim and also states: "Actual expense receipts must be attached."

A review of School Board member credit card and travel claims paid by the School Corporation revealed the following:

Noncompliance With Travel Policy

The School Corporation Expense Reimbursements Policy 625, Non-Local Travel Procedures, as amended, November 1, 2006, provides for a "fifty dollar (\$50.00) flat rate per diem, which includes gratuities, for reimbursement of food. No longer will receipts be required to obtain reimbursement for food during approved non-local travel." We found that one administrator received per diem for some travel; and, that person also charged \$215.81 for meals on the School Corporation credit card. The School Corporation requested and was subsequently reimbursed for these duplicate travel expenses.

Undocumented and Personal Expenses

Credit card charges, which included both undocumented and personal expenses, were paid on behalf of two former School Board members as follows:

Deborah Morris, former School Board member:

Undocumented expenses:		
Fuel	\$	37.00
Unknown		3.70
Personal expenses:		
Long distance phone calls		239.65
5K run/walk		35.00
Tour		44.00
Total undocumented and personal expenses	\$	<u>359.35</u>

School Corporation Officials asked former School Board member, Deborah Morris, for reimbursement of the undocumented and personal expenditures. School Corporation Officials received no response; therefore, we requested that

GARY COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

former School Board member, Deborah Morris, reimburse the Gary Community School Corporation \$359.35 for undocumented and personal expenditures. (See Summary, page 31)

Andrea Ledbetter, former School Board member:

Undocumented expenses:

Travel:

San Francisco, California	\$ 1,981.31
Las Vegas, Nevada	1,373.06
Hawaii	2,501.17
National School Board Assoc.	820.00

Personal expenses:

Airline ticket for spouse	<u>236.00</u>
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Total undocumented and personal expenses \$ 6,911.54

School Corporation Officials asked former School Board member, Andrea Ledbetter, to either provide documentation or reimburse the School Corporation for undocumented and personal expenses. School Corporation Officials received the requested documentation to support the previously undocumented expenses, except \$368 of which Andrea Ledbetter has reimbursed the School Corporation.

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

1. The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
2. Issuance and use should be handled by an official or employee designated by the board.
3. The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
4. When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
5. The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
6. Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.

GARY COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

7. Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
8. If properly authorized, an annual fee may be paid.

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

Every effort should be made by the governmental unit to avoid unreasonable or excessive costs. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

When traveling outside the local unit's boundaries on official business, officers and employees may also be reimbursed for meals, lodging, and incidental expenses as defined in the travel policy. The claim for reimbursement should be supported by itemized receipts from hotels, restaurants, and taxi cabs used by the officer or employee while traveling on official business. (The School Administrator and Uniform Compliance Guidelines, Volume 167, September 2004)

SCHOOL BOARD MEMBER LIABILITY

Gary Community School Corporation is self-insured for School Board member liability.

ADDITIONAL AUDIT COSTS

Additional audit costs were incurred to analyze credit card and travel claims, and to document personal and undocumented expenses which were not reimbursed to the School Corporation.

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 Indiana Public School Corporations, Chapter 9)

GARY COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

AVERAGE DAILY MEMBERSHIP (ADM) – INADEQUATE SUPPORTING RECORDS

Adequate records were not presented for audit to support the ADM claimed by the School Corporation. The School Corporation presented booklets which contained certified copies of "Membership Enrollment" counts from each school and "Indiana Department of Education Reports of Average Daily Membership" for each school. The enrollment counts reported to the State of Indiana did not agree with the count certified by the Principal for 22 of 26 schools as of September 15, 2006, and for 8 of 24 schools as of September 14, 2007. Independent verifications of the certified counts to the supporting documentation submitted by each school revealed differences in 16 of 26 schools and in 6 of 24 schools, respectively, as of September 15, 2006 and September 14, 2007. Class lists or other detailed enrollment counts for one high school could not be located for the September 14, 2007, count. Documentation was eventually provided to resolve the differences between the information provided by the individual schools and the information provided by the School Corporation.

Officials should maintain records (enrollment cards, rosters, reporting forms, etc.) which substantiate the number of students claimed for ADM. The building level official (Principal, Assistant Principal, etc.) responsible for reporting ADM to the School Corporation Central Office, should provide a written certification of ADM to properly document responsibility. The certification should at a minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed. (The School Administrator and Uniform Compliance Guidelines, Volume 163, September 2003, and Volume 182, June 2008)

OVERDRAWN CASH BALANCE

The cash balance of the Payroll Withholding Fund was overdrawn \$2,127,019 as of June 30, 2008. Thirty-two individual withholding funds (including taxes, annuities and insurance premiums), accounted for separately, must be combined to obtain the cash balance of the Payroll Withholding Fund. Additionally, due to a particular summer payroll procedure implemented to comply with federal grant guidelines, the June 30 Payroll Withholding Fund cash balances reported prior to 2008 were increased and were, therefore, not overdrawn.

Officials were able to reconcile the receipts and disbursements of the Payroll Withholding Fund for the audit period July 1, 2006 to June 30, 2008. However, the deficit balance in the Payroll Withholding Fund has accumulated for many years due to errors made when insurance premium experience refunds were proportionately distributed to retirees and employees covered by the policy. The refunds were receipted into the Self-Insurance Fund and transferred to the General Fund for the employer's share of premiums and to the Payroll Withholding Fund for the retirees' and employees' share of premiums. Errors were made for retirees and employees who owed premiums to the School Corporation. The past due premium amounts owed were withheld from the respective refunds, but the cash was not transferred from the Self-Insurance Fund to the Payroll Withholding Fund; only the net amount of refunds was transferred. Past due premiums netted with the member refunds in each year in which an insurance refund was received and distributed to covered members, were retained in the Self-Insurance Fund. Therefore, revenues in the Payroll Withholding Fund were insufficient to cover insurance premium payments for those years which resulted in the deficit balance.

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

GARY COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

TRAVEL AND CREDIT CARD CLAIMS

The School Board has approved the use of credit cards for authorized individuals. The Board Member Expenses/Corporation Credit Card & Travel Policy 112 states, in part: ". . . Corporate cards are not authorized for personal use. In the unlikely event corporation cards are used for personal reasons, the Board member shall issue a check covering personal expenses . . . Credit cards may be used for any purpose covered by the travel policy. They may also be used for any school related purchases including but not limited to educational periodicals and materials; and/or any other expenses authorized by the Board. The Board also recognizes the need for individual Board members to meet with their constituents at dining establishments to discuss school-related business . . ." Additionally, the School Corporation Travel Policy requires reimbursement requests for travel expenses to be submitted on the School Corporation's Travel Expense Claim and also states: "Actual expense receipts must be attached." The School Corporation Expense Reimbursements Policy 625, Non-Local Travel Procedures, as amended, November 1, 2006, provides for a "fifty dollar (\$50.00) flat rate per diem, which includes gratuities, for reimbursement of food. No longer will receipts be required to obtain reimbursement for food during approved non-local travel."

A review of the credit card statements and travel claims paid by the School Corporation revealed the following:

1. Meal charges/reimbursements totaling \$2,459.11 were paid based solely upon a charge card slip. The reason for and attendees of the meetings on some of the meal charges were not always noted.
2. Administrators and board members bypassed the claims process for purchases by using credit cards and therefore paid sales tax on many items.
3. Two "over credit line fees" of \$20 each were paid.
4. Additional charges totaling \$746.00 were paid for a former board member and two administrators to change their airline flight days. No information regarding an explanation of the changes was presented for audit.
5. Administrators were allowed a per diem for meals and in one instance, per diem was claimed and meals were also charged to the School Corporation credit card.
6. We noted charges for personal expenses that were paid but were not reimbursed to the School Corporation.
7. Payments were made on the basis of the credit card statement only to avoid incurring late charges or interest expenses. Supporting documentation was requested but not always received by the School Corporation.

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

1. The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
2. Issuance and use should be handled by an official or employee designated by the board.

GARY COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

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

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

Every effort should be made by the governmental unit to avoid unreasonable or excessive costs. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

When traveling outside the local unit's boundaries on official business, officers and employees may also be reimbursed for meals, lodging, and incidental expenses as defined in the travel policy. The claim for reimbursement should be supported by itemized receipts from hotels, restaurants, and taxi cabs used by the officer or employee while traveling on official business. (The School Administrator and Uniform Compliance Guidelines, Volume 167, September 2004)

GARY COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

PROMOTION OF SCHOOL BUSINESS

The School Corporation established a promotion of school business appropriation. Some items were paid from the travel appropriation instead of the school business promotion appropriation. The items included disbursements for local lunches with other local officials, student luncheons, food for office staff, and staff appreciation decorations and gifts. Disbursements paid from the travel appropriation totaled in excess of \$4,900 and \$3,500 for the 2006 and 2007 budget years, respectively. The promotion disbursements would have exceeded the \$12,500 statutory limitation by approximately \$4,400 and \$3,500 in 2006 and 2007, respectively if these items had been properly posted to the promotion appropriation.

IC 20-26-5-4(3) states in part:

"In carrying out the school purposes of a school corporation, the governing body acting on the school corporation's behalf has the following specific powers:

. . . To appropriate from the school corporation's general fund an amount, not to exceed the greater of three thousand dollars (\$3,000) per budget year or one dollar (\$1) per pupil, not to exceed twelve thousand five hundred dollars (\$12,500), based on the school corporation's previous year's ADM, to promote the best interests of the school corporation through:

- (A) the purchase of meals, decorations, memorabilia, or awards;
- (B) provision for expenses incurred in interviewing job applicants; or
- (C) developing relations with other governmental units."

When traveling outside the local unit's boundaries on official business, officers and employees may also be reimbursed for meals, lodging, and incidental expenses as defined in the travel policy. The claim for reimbursement should be supported by itemized receipts from hotels, restaurants, and taxi cabs used by the officer or employee while traveling on official business. (The School Administrator and Uniform Compliance Guidelines, Volume 167, September 2004)

INTERNAL CONTROL OVER DISBURSEMENTS

A review of School Corporation disbursements revealed the following deficiencies in internal control:

1. Disbursements were not always made timely. Examples included:
 - (A) Late fees and liquidated damages totaling \$7,492.82 were paid to the Pipefitter's Union for several months of late payments in 2004 and 2005.
 - (B) Textbook invoices dated August 9, 2007, were not paid until January 23, 2008.
 - (C) Fourteen percent (14%) of the disbursements examined were paid more than 60 days past the original invoice date.

GARY COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

2. Payments for tutoring services during the 2006-2007 school year totaling \$1,432,844 were not in accordance with the approved contracts. The School Corporation paid \$322,755.73 in excess of the amount authorized by the contracts.

IC 5-17-5-1(b) states in part: ". . . payment is timely if: (1) a check or warrant is mailed or delivered . . ., within thirty-five (35) days of: (A) receipt of goods and services; or (B) receipt of a properly completed claim."

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 Indiana Public School Corporations, Chapter 9)

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 Indiana Public School Corporations, Chapter 9)

NEGATIVE DISBURSEMENT TRANSFER

School Corporation Officials transferred expenditures from the General Fund to the Capital Projects Fund by posting negative disbursements totaling \$1,413,030.23. The original disbursements were completed in a different financial reporting period than the transfer. The budget year expenditures were not affected because the transfers were completed within the same budget year.

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 Indiana Public School Corporations, Chapter 9)

RECEIPT ISSUANCE

Prenumbered, approved official receipts are used; however, the receipts are not always issued or recorded in numerical sequence. The cashier does not have read access to the depository account. The cashier holds back several official receipt forms each day in order to issue the receipts as of the date of deposits of electronic funds transfers or other automatic deposits. The held receipt forms are used to receipt and record the automatic deposits included on the bank statement when the bank statement is received at month end. The receipts are back-dated to the actual dates of the automatic deposits.

The computerized accounting system does not assign the next consecutive receipt number as the first receipt number for each batch of receipts. The cashier enters the beginning receipt number of each batch. Each subsequent receipt number in the batch is automatically generated in numerical order. The computer system will not allow duplicate receipt numbers; however, it will allow numbers to be skipped. After all automatic deposits are receipted and recorded, any official receipt forms remaining unused are filed with the appropriate month's receipt copies; they are not "voided."

GARY COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

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 Indiana Public School Corporations, Chapter 9)

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 Indiana Public School Corporations, Chapter 9)

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

TEXTBOOK RENTAL REIMBURSEMENT CLAIM TO STATE

The "Financial Assistance for Student Textbook Reimbursement" claims for the 2006-2007 and 2007-2008 school years did not agree to independent computations based on reports provided by School Corporation Officials. Not only were many amounts used in the textbook reimbursement claims either more than or less than the amounts on the detailed cost lists; but, in some instances, the amounts claimed for costs of textbooks and consumables were not included on the costs lists. The 2007-2008 detail per unit cost of consumables for Gifted and Talented High School students was not presented for audit.

IC 20-33-5-7 states in part:

"(c) To be guaranteed some level of reimbursement from the department, the governing body of a school corporation shall request the reimbursement before November 1 of a school year.

(d) In its request, the governing body shall certify to the department:

(1) the number of students who are enrolled in that school corporation and who are eligible for assistance under this chapter;

(2) the costs incurred by the school corporation in providing:

(A) textbooks (including textbooks used in special education and high ability classes) to these students;

(B) workbooks and consumable textbooks (including workbooks, consumable textbooks, and other consumable instructional materials that are used in special education and high ability classes) that are used by students for not more than one (1) school year; and

(C) instead of the purchase of textbooks, developmentally appropriate material for instruction in kindergarten through the grade 3 level, laboratories, and children's literature programs; . . ."

GARY COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

TEXTBOOK RENTAL

The School Corporation maintains computerized records on students entitled to free textbooks, as well as on students who have paid for rental of textbooks. There are also "Payment History" reports which document amounts billed for textbook rental, amounts paid for textbook rental, and the balance due by student. We noted students who were entitled to free textbook rental had also paid textbook rental fees. The payments were made prior to the determination of eligibility for free textbook rental. Both the payment and a credit for free rental were posted to students' accounts, which resulted in negative balances due; however, these negative balances due were not refunded. A similar comment was in the prior report.

According to the School Corporation's "Textbook Rental Fee Collection Procedures" waiver of fees section, "Parents/guardians who complete the free and reduced lunch applications, and qualify for lunch assistance, receive a waiver of book rental fees."; and from the "Fee Changes From Schedule Changes" section, "At the end of the school year, students with credits due may request a refund, provided the book rental fees were NOT on an income eligibility waiver."

IC 20-33-5-3 states:

"(a) If a parent of a child or an emancipated minor who is enrolled in a public school, in kindergarten or grades 1 through 12, meets the financial eligibility standard under section 2 of this chapter, the parent or the emancipated minor may not be required to pay the fees for school books, supplies, or other required class fees. The fees shall be paid by the school corporation that the child attends."

DISTRIBUTION OF TEXTBOOK RENTAL RECEIPT BOOKS

Textbook rental receipt books were purchased by the School Corporation and distributed to the Extra-Curricular Treasurers at each school. A log of the receipt books distributed to each school was maintained; however, the log was not accurate as follows:

1. Receipt books returned unused were not always logged in. The School Corporation warehouse staff received 17 unused receipt books from Roosevelt High School on July 26, 2007; however, there were 23 books on hand on May 7, 2009. The schools from which the additional books were returned had not been determined.
2. Receipt books were distributed to one school but used by another school.
3. Some receipt books were recorded in the receipt book distribution log more than once.

GARY COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

The School Corporation implemented new control procedures for the distribution of textbook rental receipt books on December 19, 2007; however, the School Corporation did not comply with these procedures as follows:

1. More than one new receipt book was distributed at a time.
2. Receipt books were distributed by the warehouse staff without the approval of the Internal Auditor.
3. The Internal Auditor did not verify that all of the receipts in the old receipt books had been issued before distributing additional receipt books.
4. Receipt books were distributed without the Internal Auditor recording them in the Receipt Book Distribution Log.

A similar comment was in the prior report.

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 Indiana Public School Corporations, Chapter 9)

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

CONFLICT OF INTEREST DISCLOSURES

School Board member, Michael Scott, Sr., filed a conflict of interest disclosure statement in the Lake County Clerk's Office on October 12, 2007. The disclosure stated that, "Mr. Scott Sr. or his immediate household (wife Sharon, son Michael Jr.) has or potentially may have a personal, professional, contractual, contributory, voluntary, employment, ownership, or financial interest in the following organizations, corporations or agencies: One Button . . ." The disclosure did not clearly state the relationship of the public servant to the organization listed.

The School Board approved a contract on July 24, 2007, with "One Button ICSB (Illinois Central School Bus) Gary Joint Venture, LLC" effective August 10, 2007, for transportation of students. Mr. Scott voted for approval of the contract. The School Corporation paid \$7,796,490 to "One Button" for student transportation services for the school year ended June 30, 2008.

Additionally, other School Corporation Officials did file a fully documented Conflict of Interest Disclosure Statement.

IC 35-44-1-3 states in part:

"(a) A public servant who knowingly or intentionally: (1) has a pecuniary interest in; or (2) derives a profit from; a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Class D felony. . ."

GARY COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

"(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. . ."

"(k) As used in this section, 'dependent' means any of the following: (1) The spouse of a public servant. (2) A child, stepchild, or adoptee (as defined in IC 31-9-2-2) of a public servant who is: (A) unemancipated; and (B) less than eighteen (18) years of age. (3) Any individual more than one-half (1/2) of whose support is provided during a year by the public servant."

INTERNAL CONTROLS OVER EXTRA-CURRICULAR ACCOUNT RECEIPTS,
DISBURSEMENTS, AND BALANCES (Applies to all Extra-Curricular Accounts)

Procedures to help ensure all data has been entered and prevent erroneous duplicate entries in the records are inadequate as follows:

1. The accounting system does not prevent users from modifying receipts and disbursements after they have been posted. Extra-Curricular account receipt numbers, as well as check numbers can be used, cancelled and reused with a different date.
2. Receipt numbers, check numbers, and dates are assigned in the accounting system by the Treasurer at the time of entry; they are not computer generated.
3. The ability exists to record negative receipts and disbursements.
4. Beginning balances can be changed by the Treasurer by choosing to have an entry affect the beginning balance rather than the receipt detail. When the beginning balance is changed, the transaction does not appear in the records.
5. The accounting system controls do not ensure that the date which appears on each receipt or check is consistent with the transaction's receipt or disbursement date as recorded within the accounting system and each related report. Receipts and disbursements can be back-dated into the prior month until the records are closed for that month.

GARY COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

6. Transfers recorded to correct disbursements did not reference the source document that was corrected.

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)

The computerized accounting system must maintain electronic audit trails sufficient to trace all transactions from original source of entry into the system, through all system processing, and to the results produced by the system. The audit trails must also maintain sufficient information to trace all transactions from the final results produced by the system, through all system processing, and to the original source of entry into the system. Audit trails must also identify the user that processed the transaction or updated the information. These audit trails must be protected from modification and deletion. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 8)

The computerized accounting system must provide input edits and controls to assure that information entered into the system is accurate, that all appropriate information is entered into the system, and that information is entered into the system only once. All information entered into the system must be authorized through effective manual or electronic controls. Transaction dates should be based upon system generated dates which cannot be modified by the user. If necessary, the system may provide an additional effective date of the transaction that is user controlled. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 8)

CONDITION OF RECORDS (Applies to Watson Academy for Boys, Bailly and Dunbar-Pulaski Middle Schools, Lincoln Achievement Center, and Gary Area Career Center)

The ending fund balances reported as of June 30, 2006 or 2007, did not always agree with the respective beginning fund balances reported as of July 1, 2006 or 2007. Adjustments in the fund balances were made without adequate supporting documentation. Subsequent adjustments to the July 1, 2006, fund balances of Bailly Middle School were made by recording negative receipts and disbursements.

Additionally, the detail ledger of disbursements for the Student Affairs Fund at Watson Academy for Boys was changed from \$585.16 to \$530.37 with no explanation or adjustment. Watson Academy for Boys and Lincoln Achievement Center also made temporary loans and transfers that were not included in the ledgers or reports.

Receipt and disbursement corrections or other errors should be corrected by memorandum entry with the issuance of a check and receipt to document the flow of the transactions. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

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)

GARY COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

BANK ACCOUNT RECONCILIATIONS (Applies to Jefferson
and Marquette Elementary Schools, and Wirt High School)

Jefferson Elementary School

The following discrepancies related to the bank reconcilements were noted:

1. Amounts reported as deposits in transit could not always be verified to individual receipts or a subsequent deposit and they were not always undeposited receipts. The amounts were used to reconcile the ledger balances to the bank balances when differences occurred. The differences were not investigated by School Officials; therefore, errors were not corrected.
2. Some bank reconcilements included deposits which were not receipted. The March 31, 2008, reconcilment for example, reported \$204.50 which was deposited but for which no receipt was issued or recorded.
3. Amounts reported as deposits in transit were not always deposited without unreasonable delay. Some were not deposited for more than 30 days after being reported as "in transit."

Marquette Elementary School

A review of the monthly bank reconcilements from June 2007 to January 2009 revealed the following deficiencies:

1. Two old outstanding checks were canceled in February 2007 but were not receipted back into the records at that time, but were still included as outstanding checks on the reconcilment for February. One of the two canceled outstanding checks was receipted into the records in March 2007. However, that same check was carried as a reconciling item until September 2007 when the check was receipted in again. The other canceled outstanding check was never receipted into the records, nor carried as a reconciling item.
2. The School was charged \$25 for a bank bag in December 2006. The amount was carried as a positive reconciling item on the bank reconcilment until a credit was received in March 2007. However, instead of removing the reconciling item when the credit was received, the Treasurer changed the reconciling item to a negative adjustment. When the School was again charged \$25 for a bank bag in January 2008, the negative reconciling item was removed from the reconcilment, but the charge was not carried as a positive adjustment until a credit was received from the bank.
3. A bank credit of \$0.20 was never receipted.
4. Interest was not receipted for up to six months at a time and kept as a reconciling item.
5. Deposit shortages were carried as reconciling items for up to nine months.
6. Deposits in transit were carried as reconciling items for up to three months.

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AUDIT RESULTS AND COMMENTS
(Continued)

The net effect of the outstanding check that was receipted in twice, the bank bag charge incorrectly carried on the reconciliation, the outstanding check that was never receipted back into the ledger, and the bank credit is zero.

Wirt High School

A review of the bank reconciliations revealed that the amounts reported as deposits in transit were actually the net amount of all reconciling items excluding outstanding checks. The deposits in transit in some instances, included deposit shortages. Additionally, not all checks that were outstanding were included on the outstanding check list.

IC 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

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

IC 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."

IC 5-11-10.5-5(a) states in part: ". . . the treasurer of the political subdivision shall enter the amounts so listed as a receipt into the fund or funds from which they were originally drawn and shall also remove the warrants or checks from the record of outstanding warrants or checks."

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)

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)

EXTRA-CURRICULAR ACCOUNT DEPOSITS (Applies to Jefferson and Marquette Elementary Schools, Bailly, Dunbar-Pulaski, and Tolleston Middle Schools, Lew Wallace and Wirt High Schools, and Gary Area Career Center)

Receipts were not always deposited within a reasonable time. A check to Jefferson Elementary School from the Gary City Controller was posted to the ledger on May 7, 2007, but was never deposited. The check was subsequently returned to the City and removed from the ledger on October 1, 2007, by recording a negative receipt. There were also two instances at Marquette Elementary in which collections were held for an exceptionally long time. Fundraiser collections of \$178.70 were receipted but not deposited for 99 days. Also, a money order donation approved by the School Board and receipted in March of 2007 was not deposited for 103 days.

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(Continued)

Additionally, Jefferson Elementary and Bailly, Dunbar-Pulaski, and Tolleston Middle Schools' receipts, in some instances, were held up to 7, 84, 18, and 11 days, respectively, before being deposited. Lew Wallace and Wirt High Schools' receipts, in some instances, were held up to 8 and 23 days, respectively, before being deposited. Gary Area Career Center receipts, in some instances, were held up to 18 days before being deposited.

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

EXTRA-CURRICULAR ACCOUNT RECEIPT COMPOSITIONS (Applies to Marquette Elementary School, Lew Wallace, West Side, and Wirt High Schools, Lincoln Achievement Center, and Budget and Finance Trustee Account)

Receipts were not always deposited in the same form (cash, check, or money order) in which they were received. The payment type noted on the receipts at Marquette Elementary and Lew Wallace High School in some instances, was marked as "other." We were unable to verify in those instances that the collections were deposited in the same form in which they were received.

The receipt composition at Lew Wallace, West Side, and Wirt High Schools (whether collections were in the form of cash, checks, or money orders) did not agree with the bank deposit in 18%, 18%, and 42%, respectively, of the deposits reviewed. A similar comment for Wirt High School appeared in the prior report.

Cash collected for ROTC ticket sales was used, in part, to purchase cashier's checks of \$14,036.45 and \$16,000.00. The cashier's checks, instead of the cash, were remitted to the Budget and Finance office to be deposited in the Trustee Account.

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

PRESCRIBED FORMS (Applies to All Extra-Curricular Accounts)

Prescribed forms or an alternate approved form for receipts were not always in use. A generic receipt form, "School Receipt," was issued for the payment of miscellaneous items, such as prepaid lunches, class dues and obligations, and locker fees.

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)

INADEQUATE INTERNAL CONTROLS OVER RECEIPTS (Applies to Jefferson and Webster Elementary Schools, Tolleston Middle School, Lew Wallace and Wirt High Schools, Gary Area Career Center, and Lincoln Achievement Center)

Jefferson Elementary School:

The following deficiencies related to the receipts were noted:

1. Receipts numbers were not always used in sequence.

GARY COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

2. Not all receipts could be traced to a deposit and not all deposits were supported by a receipt.
3. Receipts are not always written at the time money was collected.
4. Not all duplicate receipts were available for audit.
5. Receipts that were not issued were not voided.

Tolleston Middle School

A manual textbook rental receipt was written on May 22, 2008, for \$125 cash collected, but only \$105 cash was receipted into the Textbook Rental Fund in the computerized extra-curricular account.

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Lew Wallace High School

A \$2,296 deposit made on January 15, 2008, was not receipted or recorded until February 8, 2008. Also, textbook rental receipts (TBR-2's) issued for the 2007-2008 school year totaled \$1,977, but only \$1,920 was receipted into the Textbook Rental Fund, a difference of \$57.

Wirt High School

Four deposits from October 2006 through December 2006 were short a total of \$60.50.

Gary Area Career Center

Receipts for interest earned on a Certificate of Deposit and the checking account were back-dated to the month in which the interest was earned rather than when the receipts were actually issued. Therefore, the receipts appeared to be used out of numerical sequence and could cause the month end reports to not agree with the records.

Lincoln Achievement Center and Webster Elementary School

Teachers at Lincoln Achievement Center and Webster Elementary School collected money for field trips. The collections were not remitted to the Extra-Curricular Treasurer and were therefore, not receipted or deposited into the School's records or bank account. Instead, the teacher retained the collections and used them to pay the field trip expenses in cash.

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

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

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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)

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)

TEXTBOOK RENTAL RECEIPTS (Applies to Bailly Middle School)

The following deficiencies were noted in the internal control over textbook rental receipts:

1. Some textbook rental collections were receipted directly into the records. Textbook Rental Receipts, Forms TBR-2, were not issued.
2. One TBR-2 for \$30 was not receipted on an official receipt, recorded, or deposited.
3. Not all textbook rental collections were remitted to the School Corporation Treasurer on a timely basis. The balance in the Textbook Rental Fund was \$197.80 at June 30, 2008, and consisted of collections for May 2008.

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)

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 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)

ACCOUNTING FOR TICKET SALES (Applies to Banneker, Jefferson, Pyle Elementary Schools, Watson Academy for Boys, Bailly Middle School, Lew Wallace, West Side and Wirt High Schools, and Budget and Finance Trustee Account)

Banneker, Jefferson, and Pyle Elementary Schools, Watson Academy for Boys, and Budget and Finance Trustee Account

Tickets were sold at Banneker Elementary School for Sock Hops during the 2006-2007 school year. There was an official receipt and a bank deposit of \$193 for a Sock Hop; in November 2006 however, Ticket Sales Report, Form SA-4, or tickets were not presented to support the receipt. The SA-4 Report for a Sock Hop held in February 2007 noted \$155 in ticket sales collected; however, only \$22.35 was receipted and deposited, resulting in \$132.65 of collections not deposited.

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AUDIT RESULTS AND COMMENTS
(Continued)

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Tickets were sold for various athletic events at Jefferson Elementary School. Handmade tickets with typed numbers were used instead of pre-numbered tickets. The ticket numbers were torn off and therefore not always visible on some of the copies that were retained. Additionally, Ticket Sales Reports, Form SA-4, were not used. Therefore, the number of tickets sold and the amount that should have been collected and deposited could not be determined.

The Ticket Sales Report, Form SA-4, for a Valentine's Day dance held at Pyle Elementary School in February 2008 noted \$80 in ticket sales collected; however, no official receipt or bank deposit was found for this amount. An additional envelope of ticket stubs was presented with no accompanying ticket sale report or other information indicating the date or event. The total number of tickets in the additional envelope, sold at the customary prices per ticket type, should have resulted in collections of \$66.50. No additional official receipt or bank deposit was found. In another instance, a receipt for \$13 was issued on January 31, 2008, for basketball entry fees; however, a Ticket Sales Report or ticket stubs were not presented to support the receipt.

Tickets were sold for various athletic events at Watson Academy for Boys. Three of the ticket sales reviewed were not properly accounted for because Ticket Sales Reports (Form SA-4) were not used. Therefore, the number of tickets sold and the amount that should have been collected and deposited could not be determined.

Tickets sold for ROTC Drill Team Competitions, Military Balls, High School Basketball Holiday Tournaments, and other City-wide tournaments are accounted for in the Budget and Finance Trustee Account. No Ticket Sales Reports, Form SA-4, were prepared for these events.

Bailly Middle School:

The following deficiencies were noted in accounting for ticket sales:

1. Not all Ticket Sales Reports, Form SA-4, were receipted and recorded in the ledger.
2. Not all tickets and SA-4 Reports were retained for audit.
3. Not all tickets were prenumbered.
4. Not all tickets were sold at a consistent price. A group rate was charged for some events; however, there was no set price for the group rate. Prices were determined by the sponsor. Since various prices were charged for tickets, we were unable to determine the actual price of the group tickets.

Lew Wallace High School

We noted the following deficiencies in accounting for ticket sales:

1. The Ticket Sales Report, Form SA-4, was not always completely or properly prepared. The price for each ticket type in some instances was not recorded, therefore we were unable to verify that the amount reported was accurate.

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AUDIT RESULTS AND COMMENTS
(Continued)

2. Prenumbered tickets were used, however, in some instances, the ticket number on the stub retained for audit was torn off.
3. The same ticket series was used in some instances for different price groups.
4. An official receipt for ticket sales in five instances, was not presented for audit. Additionally, the ticket sales were not recorded in the records. A total of \$598 in ticket sales were not receipted or recorded for the audit period.

West Side High School Theater Guild

The West Side Theater Guild collections are comprised of performance sales, season ticket passes, sponsorships, and donations. We noted the following deficiencies in accounting for ticket sales:

1. Tickets are printed for each separate event. The tickets used in most cases were not prenumbered.
2. Many events used the same tickets for both student and adult prices.
3. Documentation was not provided detailing which tickets were issued for sponsorship payments or given free to special groups.
4. Ticket Sales Reports, Form SA-4, or other records were not presented for audit indicating how many tickets for each event were printed, sold, and returned.
5. Unofficial receipts are issued for season ticket pass purchases, as well as for some ticket sales.

Wirt High School

The following deficiencies were noted with accounting for ticket sales:

1. The Ticket Sales Reports, Form SA-4, were not fully completed.
2. Not all tickets reported as sold were retained for audit.
3. More ticket stubs were retained in some instances, than the number reported as sold on the ticket sale reports.
4. Some tickets used did not have two parts (ticket and stub). These tickets were torn in half at the point of sale; however, sometimes the portion of the ticket retained for audit did not have the ticket number.
5. Gate collections for three volleyball games in September 2007 were not receipted by the Treasurer for up to one month.
6. The SA-4 Report for one Football game in the 2007/2008 school year reported only one ticket sold. All other football games had a much higher turnout.

A similar comment appeared in the prior report.

GARY COMMUNITY SCHOOL CORPORATION
 AUDIT RESULTS AND COMMENTS
 (Continued)

Tickets, goods for sale, billings, and other collections are considered accountable items for which a corresponding deposit must be made in the bank accounts of the governmental unit. (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 extracurricular 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)

VENDING, CONCESSIONS, OR OTHER SALES CONTROLS (Applies to Marquette and Jefferson Elementary Schools, and Dunbar-Pulaski Middle School)

Marquette Elementary School

A Pepsi vending machine became available in the teacher's lounge in September 2007. A comparison of the vending collections to the soft drink purchases indicated that not all receipts and/or inventory were properly accounted for. Based upon the number of soft drinks purchased, the amount charged for each soft drink, and an inventory and cash count performed on April 8, 2009, during the period July 1, 2006 through April 8, 2009, \$641.40 in vending sales receipts were not accounted for as follows:

Calculated vending sales for period	\$ 2,505.00
Vending sales receipted and deposited	(1,469.60)
Vending sales cash on hand	<u>(394.00)</u>
 Vending sales receipts not accounted for	 <u><u>\$ 641.40</u></u>

GARY COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Both the Extra-Curricular Treasurer and the custodian had access to the vending machine. The custodian was responsible for control of the inventory, filling the machine, collecting the receipts and remitting them to the Extra-Curricular Treasurer. The Extra-Curricular Treasurer was responsible for ordering the soft drinks based on the custodian's request, paying the invoice, and depositing the receipts. Information was not presented for audit to indicate that Accountable Items Review Forms (SA-9) or any other inventories and reconcilements of vending purchases and sales were performed. We could not determine whether the unaccounted for vending items were due to receipts that were not deposited or inventory that was missing.

Jefferson Elementary School

Various food items were purchased to sell at athletic events at Jefferson Elementary School. No records were maintained supporting what was purchased or sold. A cash register or other records supporting the amount of sales was also not used. As a result we could not verify that the amount of sales was properly recorded or deposited. The concessions made a \$29.08 profit in the 2006-2007 school year; however, the concessions lost \$88.44 for the 2007-2008 school year.

Dunbar-Pulaski Middle School

Students purchase gym uniforms from a coach at Dunbar-Pulaski Middle School. Records presented for audit indicate that \$1,721.50 was disbursed for the purchase of gym uniforms, but only \$660 was receipted and recorded as sales of gym uniforms. An inventory of unsold gym uniforms was not available for audit. Additionally, the receipts issued for the sale of gym uniforms were not prescribed or approved forms and the receipts were not submitted to the Extra-Curricular Treasurer with an accompanying SA-8, Summary Collection Form.

Internal controls over vending operations, concessions or other sales should include, at a minimum, a regular reconciliation of the beginning inventory, purchases, distributions, items sold and ending inventory to the amount received. Any discrepancies noted should be immediately documented in writing to proper officials. The reconciliation should provide an accurate accounting.

Persons with access to vending should be properly designated and access should be limited to those designated. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Accountable Items Review Form (SA-9) is prenumbered and to be prepared in duplicate by the treasurer. The original copy goes to the principal with the duplicate to be retained in numerical order by the treasurer. 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)

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)

GARY COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

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)

DISBURSEMENTS LACKING ADEQUATE SUPPORTING DOCUMENTATION (Applies to Jefferson, Marquette, and Webster, Elementary Schools, Watson Academy for Boys, Bailly Middle School, Lew Wallace, West Side and Wirt High Schools, Lincoln Achievement Center, and Budget and Finance Trustee Account)

Some disbursements reviewed lacked adequate supporting documentation, such as original itemized invoices. Either a credit card statement or a vendor statement referencing specific invoices in some instances, was provided as supporting documentation, but the statements lacked the details of the purchase. Some disbursements were made to a teacher who only provided a letter requesting reimbursement, but no invoices or other details. Other examples of disbursements made without supporting documentation include cash disbursements, a staff retirement luncheon for \$655, a field trip to the West Side Theater for \$630, and a field trip to a Railcats baseball game for \$1,698.

Additionally, some disbursements did not have a Purchase Order Accounts Payable Voucher, Form SA-1, or a Claim For Payment, Form SA-7, to support the disbursement. Therefore, the approval of the disbursements by a sponsor and/or principal was not evident.

Due to the lack of supporting information, the validity and accountability for some monies disbursed could not be established.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

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)

DISBURSEMENTS MADE IN CASH (Applies to Lincoln Achievement Center, Webster Elementary School and Budget and Finance Trustee Account)

Disbursements were not always made by check. Teachers at Lincoln Achievement Center and Webster Elementary School collected money for field trips. The teacher retained the collections and used them to pay the field trip expenses in cash. ROTC receipts, accounted for in the Budget and Finance Trustee Account, were used to make cash disbursements for items such as stipends to staff members and reimbursements for purchases of food and other items. The collections were not remitted to the Extra-Curricular Treasurers and were therefore, not receipted or deposited into the records or bank accounts.

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)

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AUDIT RESULTS AND COMMENTS
(Continued)

Distribution of extra-curricular funds to students, teachers or others should not occur unless authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

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)

DISBURSEMENTS MADE IN ADVANCE (Applies to Bailly Middle School, and Lew Wallace and Wirt High Schools)

Some disbursements were made prior to the receipt of goods or services. The Extra-Curricular Treasurer at Bailly Middle School issued a check for \$59 to a sponsor for student incentives. The supporting documentation attached to the purchase order showed that only \$29.58 was spent. The remaining \$29.42 was not receipted back into the records. The Treasurers at Lew Wallace and Wirt High Schools sometimes issue reimbursements to sponsors prior to the applicable purchase. The sponsors cash the checks and make the necessary purchases. Invoices documenting the purchases and the cash change remaining are submitted to the Extra-Curricular Treasurer. The unused amounts is receipted back into the fund from which originally disbursed.

Checks and receipts should be prepared timely and not signed in advance of the event or transaction. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

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 Extra-Curricular Accounts, Chapter 7)

FUND SOURCES AND USES (Applies to Tolleston Middle School)

Collections for T-shirts totaling \$220 and a donation from a photography company of \$675 were receipted into the Interest Fund. Disbursements from the Interest Fund were \$661.69 for faculty food, a \$200 reimbursement for an IPOD, and \$182 for the purchase of official receipt forms.

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 Extra-Curricular Accounts, Chapter 7)

FEES (Applies to Academically Gifted)

Fees are collected for Saturday school classes such as Art and Japanese. The fees are used to purchase supplies for the classes. The fees were not approved by the School Board, and were not remitted to the School Corporation.

Fees should only be collected as specifically authorized by statute or properly authorized resolutions or ordinances, as applicable, which are not contrary to statutory or Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

GARY COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Extra-curricular activities are defined as athletic, social or other school functions, the cost of which is not paid from public funds. These activities do not include functions conducted solely by any organization of parents and/or teachers (IC 20-41-1-7). Note that this statutory definition does not include any curricular or educational functions. All educational functions are the specific responsibility of the governing body (board of school trustees, etc.) of the school corporation acting on its behalf (IC 20-26-5-4), including providing the facilities and equipment therefore. All monies received for educational purposes, including those related to educational programs or facilities must be receipted to school corporation funds. The following items erroneously appear in funds of the extra-curricular account. Accounting for them should be in the general fund of the school corporation. Examples are:

Adult Education Fees	Summer School Fees
Night School Fees	Art Fees
Supplies	Vocational Evening School Fees

6) (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 6)

CERTIFICATE OF DEPOSIT (Applies to Gary Area Career Center)

The Cosmetology Fund of the Gary Area Career Center has a \$25,000 Certificate of Deposit which was not included in the records or in the financial reports. The Certificate of Deposit was purchased in 1997, matures every 18 months, and automatically rolls over at each maturity. Additionally, General Form 350, Investment Register, is not currently in use for the accounting of this investment. A similar comment appeared in the prior audit report.

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)

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)

CASH CHANGE FUND (Applies to Gary Area Career Center)

The Career Center established a \$30 cash change fund for the Cosmetology Lab without approval by the School Board.

IC 36-1-8-2(a) states in part:

"The fiscal body of a political subdivision may permit any of its officers or employees having a duty to collect cash revenues to establish a cash change fund. Such a fund must be established by a warrant drawn on the appropriate fund of the political subdivision in favor of the officer or employee, in an amount determined by the fiscal body, without need for appropriation to be made for it."

GARY COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

CONTRACTS FOR RELIGIOUS BROADCASTS (Applies to Gary Area Career Center)

The Radio Station Manager established a program to broadcast religious programs for the area churches. The Extra-Curricular Account Treasurer collects the broadcast payments, issues receipts and notifies the Radio Station Manager that payments have been made for a certain broadcast period. The Radio Station Manager prepares the program log for the programs that will air. The contracts between the religious organizations and the radio station require payments to be made in advance of the broadcast. However, we noted, 10 programs were paid for after the program aired.

WGVE Weekend Broadcast Programming Agreement, page 1 provided in part: "FEE . . . In consideration of the Station agreeing to broadcast the Program at the times provided in Exhibit A. The Programmer agrees to pay, in advance, fee of \$115 for each of the hour or \$57.50 for each half hour of the Program to be broadcast. The fees applicable to a particular month shall be paid in advance, no later than the first business day in the month. Each such payment shall be nonrefundable and shall be deemed earned by the Station in all circumstances upon payment."

A similar comment was in the prior report.

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 Extra-Curricular Accounts, Chapter 7)

GARY COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on June 22, 2009, with Alesia Y. Pritchett, Treasurer; Dr. Myrtle V. Campbell, Superintendent of Schools; Nellie F. Moore, President of the School Board; and Charles F. Williams, Internal Auditor.

Certified letters, including the School Board Member Travel and Credit Card Claims comment, were sent to former School Board members Deborah Morris and Andrea Ledbetter on June 23, 2009.

GARY COMMUNITY SCHOOL CORPORATION



FOCUSING ON THE FUTURE:

Creating 21st Century Schools

(219) 881-5401 • Fax (219) 881-4102

DR. MYRTLE V. CAMPBELL, Superintendent
mvcampbell@garycsc.k12.in.us

620 East 10th Place – Gary, IN 46402

July 2, 2009

Indiana State Board of Accounts
Bruce Hartman, State Examiner
302 West Washington Street - Room E418
Indianapolis, IN 46204-2765

RE: 2006-2008 AUDIT RESPONSES

Dear Mr. Hartman:

AUDIT RESULTS AND COMMENTS CORRECTIVE ACTION PLAN

School Board Member Travel and Credit Card Claims

The corporation and the State Board of Accounts have requested two former board members to repay funds and or submit receipts as it relates to noncompliance with the travel policy and undocumented personal expenses.

School Board Member Liability

The School Board is self-insured; therefore, the funds will be pursued directly from the former board members.

Average Daily Membership (ADM) – Inadequate Supporting Records

The corporation will revisit current procedures for ADM documentation. Changes will be made as necessary to strengthen procedures. The procedures will then be reviewed with each principal and registrar to ensure that records are accurately prepared and retained.

Overdrawn Cash Balance

We will begin reconciling the payroll deduction account 804 (Insurance Deduction) commencing with 1999 through 2006. The insurance payroll deduction account may not have been reimbursed for Anthem insurance refund payments issued by the Insurance Department. Also, there may be timing differences between payment and receipt transactions within the fund. All transactions will have to be investigated including the receivable ledger for accuracy when proving the final balance.

Travel and Credit Card Claims

Local business lunches will be addressed as part of the local travel policy. We have eliminated individual credit card usage; therefore, the citation for sales taxes charged for office supplies should not be a reoccurring problem. The Accounting Department will continue to monitor credit card purchases to ensure that proper documentation is submitted.

Promotion of School Business

The Business Service Department will continue to monitor the expenditures to ensure the expenditures are properly recorded to this account and do not exceed the legal limitation.

Textbook Rental Reimbursement Claim to State

In the preparation of the report, prices used were vendor proposal prices at the time of adoption. Also, vendors contacted stated that while the price of the textbooks remains the same for the life of the adoption, the price of consumables changes from year to year. These changes were not reflected in the documentation. In a few instances, inadvertent transpositions of numbers caused differences in the actual price and the price cited. In the matter of the high school gifted, some of their consumables were the same as regular education with some few additions. While documentation of the textbook prices was submitted, consumable prices were not available for one of the audit years. Finally, catalogues from vendors were not kept from year to year due to yearly price changes.

As corrective actions the following will be done:

- Catalogues will be maintained in order to document price changes from year to year.
- More accountability checkpoints to insure we avoid transpositions of numbers
- Insure that consumable reports for high ability students are maintained.

Students Entitled to Free Textbook Rental

A quarterly report will be developed to capture the population of students entitled to refunds. The refunds will be issued by the Accounting Department.

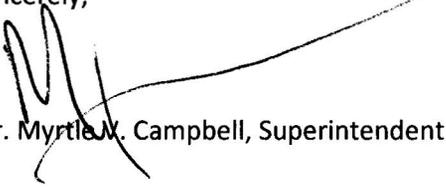
Distribution of Textbook Rental Receipt Books

The corporation will modify its control procedure for the distribution of textbook rental receipt books. The Internal Auditor will distribute new receipt books. The Internal Auditor will verify that all of the receipts in the old receipt books have been issued before distributing additional receipt books. All treasurers and principals have been informed not to borrow receipt books that have been assigned to other schools.

Conflict of Interest Disclosures

The Board of School Trustees will be instructed to use form 236, Uniform Conflict of Interest Disclosure Statement IC 35-44-1-3, for disclosure of conflict of interest. The Board Attorney will ensure that Form 236 is completely filled out correctly with the adequate information.

Sincerely,

A handwritten signature in black ink, appearing to be 'M. Campbell', with a long horizontal line extending to the right.

Dr. Myrtle W. Campbell, Superintendent



July 2, 2009

Indiana State Board of Accounts
Bruce Hartman, State Examiner
302 West Washington Street - Room E418
Indianapolis, IN 46204-2765

RE: 2006-2008 AUDIT RESPONSES

Dear Mr. Johnson:

**RE: AUDIT RESULTS: EXTRA-CURRICULAR ACCOUNTS
CORRECTIVE ACTION PLAN**

Internal Controls Over Extra Curricular Account Receipts, Disbursements and Balances
(Applies to all Extra-Curricular Accounts)

1. The accounting system does not prevent users from modifying receipts and disbursements after they have been posted. Extra-Curricular account receipt numbers, as well as check numbers can be used, cancelled and reissued with a different date.

Response: Currently in use are pre-numbered receipts and checks. When a receipt or check is generated on the RDS system, the treasurer enters the number as it appears on the receipt/check. After following the procedures to produce a printed receipt/check and an error occurs where the receipt/check is not printed on, the treasurer is allowed to void that number in the system and tell the system that the number will be reused. There is full audit trail for doing this.

Corrective Action: Treasurers will be informed not to use a number more than once through an in-service workshop. If a problem occurs when printing receipt/check, that number will be voided in the system, but not reused. Also, it could be requested of RDS to remove the capability of allowing treasurer to correct errors and reissue numbers.

NOTE: The district may want to look into using ACOM forms software, then the software (or system) will automatically assign the next receipt/check number.

2. Receipt number, check numbers, and dates are assigned in the accounting system by the treasurer at the time of entry; they are not computer generated.

Response: Currently the treasurers enter dates when they enter receipt/check numbers. Nothing is in place to prevent treasurer from using prior or further dates.

Corrective Action: The district may want to request that a feature be added to our software that prohibits treasurers from using prior dates.

3. The ability exists to record negative receipts and disbursements.

Response: When a treasurer reverses a transaction, the RDS system posts the correction as a negative (credit). It negative appears when a receipt or check is voided. The procedure of posting a negative figure to clear a NSF check will need to be addressed, and we will attempt to have another procedure for receipting NSF checks.

Corrective Action: There is no correction to be made on this procedure. This is the same as if you return an item you purchased with a credit card, it shows a negative (credit) to return the funds.

4. Beginning balances can be changed by the treasurer by choosing to have an entry affect the beginning balance rather than the receipt detail. When the beginning balance is changed, the transaction does not appear in the records.

Response: There may have be an error on the district in not properly training treasurer on how to start a new account with a beginning balance. There is a code in the software (audit trail) that reflects anytime a beginning balance is changed.

Corrective Action: Treasurer will receive training, through in-service workshop, on how to properly record beginning balances. When starting a new account, the beginning balance will be recorded as 0.00 dollars.

5. The accounting system controls do not ensure that the date which appears on each receipt or check is consistent with the transaction's receipt or disbursement date as recorded within the accounting system and each related report. Receipts and disbursements can be back-dated into the prior month until the records are closed for that month.

Response: Refer to #2

Corrective Action: Will request that a feature be added to software to prevent treasurers from using prior dates.

6. Transfers recorded to correct disbursements did not reference the source document that was corrected.

Response: Monies are being transferred between accounts without having a trail of documentation.

Corrective Action: When accounts are corrected, proper documentation will be recorded to show the transaction. This will include issuing a check, completing a SA-1 and then receipting the money into the account to be corrected. However, a check will not be issued when an electronic transfer is completed for bank fees.

Condition of Records (Applies to Watson Academy for Boys, Bailly and Dunbar-Pulaski Middle Schools, Lincoln Achievement Center, and Gary Area Career Center)

User difficulties were encountered when the ECA conversion was implemented district wide which resulted in several schools having errors in fund balances. Fund balances for schools noted will be reviewed for accuracy and be properly documented.

Bank Account Reconciliations (Applies to Jefferson and Marquette Elementary Schools, and Wirt High School)

Problems noted with schools identified will be discussed in the next treasurer's seminar to be held before the beginning of the upcoming school year.

Extra Curricular Account Deposits (Applies to Jefferson and Marquette Elementary Schools, Bailly, Dunbar-Pulaski, and Tolleston Middle Schools, Lew Wallace and Wirt High Schools, and Gary Area Career Center)

Schools noted will note on deposit slips the reason for delays. Also deposits will be made by treasurers during the summer months.

Extra Curricular Account Receipt Compositions (Applies to Marquette Elementary School, Lew Wallace, West Side, and Wirt High Schools, Lincoln Achievement Center, and Budget and Finance Trustee Account)

This topic will be covered in the next treasurer's seminar to be held before the beginning of the upcoming school year.

Prescribed Forms (Applies to All Extra-Curricular Accounts)

Generic receipts will be discontinued throughout the district and will be replaced with receipts approved by the State Board of Accounts.

Inadequate Internal Controls over Receipts (Applies to Jefferson and Webster Elementary Schools, Tolleston Middle School, Lew Wallace and Wirt High Schools, Gary Area Career Center, and Lincoln Achievement Center)

An internal audit will be conducted to address findings noted for Jefferson Elementary School. For all other schools noted, the appropriate corrective action will be taken.

Textbook Rental Receipts (Applies to Bailly Middle School)

This topic will be covered in the next treasurer's seminar to be held before the beginning of the upcoming school year.

Accounting for Ticket Sales (Applies to Banneker, Jefferson, Pyle Elementary Schools, Watson Academy for Boys, Bailly Middle School, Lew Wallace, West Side and Wirt High Schools, and Budget and Finance Trustee Account)

Uniform tickets will be purchased throughout the district. Ticket accounting procedures will be covered with treasurers and ticket takers in the upcoming treasurer's seminar held before the beginning of the upcoming school year.

Vending, Concessions or Other Sales Controls (Applies to Marquette and Jefferson Elementary Schools, and Dunbar-Pulaski Middle School)

Use of the SA-9 form will be covered in the next treasurer's seminar to be held before the beginning of the upcoming school year to improve controls related to concessions and vending.

Disbursements Lacking Adequate Supporting Documentation (Applies to Jefferson, Marquette, and Webster Elementary Schools, Watson Academy for Boys, Bailly Middle School, Lew Wallace, West Side and Wirt High Schools, Lincoln Achievement Center, and Budget and Finance Trustee Account)

Adequate documentation supporting disbursements has been discussed in previous seminars with school treasurers. The next treasurer's seminar will stress that claims should not be paid from vendor or credit card statements in addition to making sure proper documentation is on file to support cash disbursements.

Disbursements Made In Cash (Applies to Lincoln Achievement Center, Webster Elementary School and Budget and Finance Trustee Account)

Teachers at Lincoln Achievement Center and Webster Elementary will be required to use the form SA-8 and all field trip monies will be deposited. SA-8 forms will also be discussed at the next treasurer's seminar to be held before the beginning of the upcoming school year.

Disbursements Made In Advance (Applies to Lincoln Achievement Center, Webster Elementary School and Budget and Finance Trustee Account)

The GCSC will explore methods to eliminate disbursements made in advance of receipts of goods and services such as a petty cash fund or a school credit card.

Fund Sources And Uses (Applies to Tolleston Middle School)

The appropriate use of the interest fund will be discussed at the upcoming treasurer's seminar to be held before the beginning of the upcoming school year.

Fees (Applies to Academically Gifted)

Fees for Saturday classes will be approved by the Board of School Trustees. Supplies will not be purchased from the extra curricular fund.

Certificate Of Deposit (Applies to Gary Area Career Center)

The Certificate Of Deposit will be shown on the monthly SA5-1 and General Form 350 will be used.

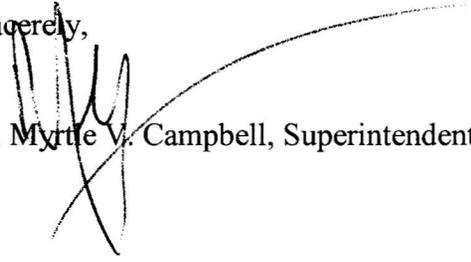
Cash Change Fund (Applies to Gary Area Career Center)

The \$30 cash change fund for the Cosmetology Lab will be closed and receipted back into the Cosmetology Fund.

Contracts For Religious Broadcasts (Applies to Gary Area Career Center)

Broadcast contracts will be amended to request advance payment but will allow for a 14 day grace period to make payment.

Sincerely,


Dr. Myrtle V. Campbell, Superintendent

GARY COMMUNITY SCHOOL CORPORATION
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Deborah Morris, former School Board member: School Board Member Travel and Credit Card Claims, pages 4 and 5	<u>\$ 359.35</u>	<u>\$ -</u>	<u>\$ 359.35</u>

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AFFIDAVIT

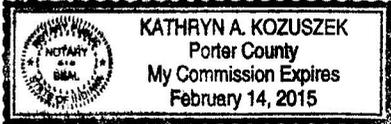
STATE OF INDIANA)
Porter COUNTY)

We, Carla Wenger and Susan M. Lardino, Field Examiners, being duly sworn on our oaths, state that the foregoing report based on the official records of the Gary Community School Corporation, Lake County, Indiana, for the period from July 1, 2006, to June 30, 2008, is true and correct to the best of our knowledge and belief.

Carla Wenger

Susan M. Lardino
Field Examiners

Subscribed and sworn to before me this 30 day of August, 2009.



Kathryn A. Kozuszek
Notary Public

My Commission Expires: 2/14/15
County of Residence: Porter