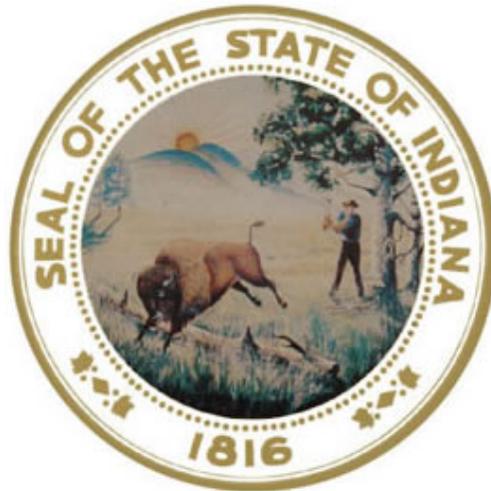


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

SPECIAL INVESTIGATION REPORT  
OF

FEGELY MIDDLE SCHOOL  
PORTAGE TOWNSHIP SCHOOLS  
PORTER COUNTY, INDIANA

November 21, 2008 to September 30, 2009



**FILED**  
03/08/2010



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SCHOOL OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Extra-Curricular Treasurer	Jane A. Anteck Lisa Mayer	11-21-08 to 09-30-09 11-18-09 to 06-30-10
School Corporation Treasurer	Sharon Qualkenbush	07-01-07 to 06-30-10
Superintendent of Schools	Michael Berta	07-01-07 to 06-30-10
President of the School Board	Terry Hufford	01-01-07 to 12-31-09



**STATE OF INDIANA**  
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TO: THE OFFICIALS OF PORTAGE TOWNSHIP SCHOOLS

We have audited the records of Fegely Middle School for the period from November 21, 2008 to September 30, 2009, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Audit Results and Comments.

STATE BOARD OF ACCOUNTS

December 16, 2009

FEGELY MIDDLE SCHOOL  
 PORTAGE TOWNSHIP SCHOOLS  
 AUDIT RESULTS AND COMMENTS

RECEIPTS

Supported by Summary of Collection Forms (Form SA-8)

A teacher sponsoring an event prepares a prenumbered Summary Collection Form (Form SA-8) (Summary) in duplicate with the amounts collected. The Summary allows the teacher to indicate the composition (cash or check) of the collections. The collections and Summary are remitted to the Extra-Curricular Treasurer who will verify the amounts to the Summary, sign the form, and prepare a receipt in duplicate. The original receipt is issued to the teacher, and the duplicate is retained by the Extra-Curricular Treasurer. The Extra-Curricular Treasurer also retains the duplicate copy of the Summary, while the teacher is to retain the original copy. At Fegely Middle School, the Extra-Curricular Treasurer attached the duplicate of the Summary to her duplicate copy of the receipt.

The following schedule reports receipts issued for which the duplicate receipt was altered as well as the collections on the duplicate Summary Collection Forms. Amounts on Summary Collection Forms were changed in ink or pencil, not in carbon. Original Summary Collection Forms were not always available for audit, due to teaching staff no longer being employed by the school; however, one original Summary Collection Form was provided for audit. The original Summary Collection Form provided for audit was not altered, which substantiated that changes were made to duplicate copies only.

<u>Date</u>	<u>Receipt Number</u>	<u>Original Amount</u>	<u>Changed Amount</u>	<u>Difference</u>
01-29-09	76538	\$ 766.90	\$ 629.13	\$ 137.77
01-30-09	76540	197.25	97.00	100.25
02-05-09	76546	64.75	37.50	<u>27.25</u> *
Total				<u>\$ 265.27</u>

\*Original report provided for audit, not altered.

Assistant Principal Collections

Receipts were altered for collections remitted by the Assistant Principal. The Assistant Principal indicated that he had not authorized the alterations of the receipts, or in the instance of Receipt 80692 where the amount was not altered, he indicated the funds were not returned to him.

<u>Date</u>	<u>Receipt Number</u>	<u>Original Amount</u>	<u>Changed Amount</u>	<u>Difference</u>
12-10-08	76438	\$ 414.08	\$ 193.18	\$ 220.90
03-13-09	80692	183.35	-	<u>183.35</u>
Total				<u>\$ 404.25</u>

FEGELY MIDDLE SCHOOL  
 PORTAGE TOWNSHIP SCHOOLS  
 AUDIT RESULTS AND COMMENTS  
 (Continued)

Voided Receipts

An original and duplicate receipt, Number 76449, was voided; however, a textbook rental receipt which was the source of the collections was not voided. The student's account was reviewed to determine if the balance due was affected by the amount voided, but the account was not changed. Thus, the textbook rental receipt was deemed valid and the voided official receipt was considered diverted collections.

When a receipt was voided, the original copy was to be maintained along with the duplicate copy. We observed instances where the original was not maintained with the duplicate copy. Receipts were voided in ink and pencil, not in carbon, and unlikely that the original copy was changed. An original receipt, Number 80678, was provided for audit from a recipient, which substantiated that the voided receipt was not valid.

Receipt Number 80740 was voided for collections to purchase flowers for a birthday; however, a vendor invoice was provided for audit to show that flowers had been purchased on May 4, 2009, in the same amount as the duplicate voided receipt.

Finally, a Summary Collection Form was attached to Receipt Number 80741 that was voided, which listed a check as the form of payment. The check was discovered substituted for cash in a subsequent deposit.

<u>Date</u>	<u>Receipt Number</u>	<u>Original Amount</u>	<u>Changed Amount</u>	<u>Difference</u>	
12-15-08	76449	\$ 49.00	\$ -	\$ 49.00	Textbook Rental Receipt
03-10-09	80678	120.00	-	120.00	Original Receipt Provided
04-14-09	80740	55.95	-	55.95	Invoice Paid
04-14-09	80741	30.00	-	30.00	Check Substituted
Total				<u>\$ 254.95</u>	

Summary

<u>Title</u>	<u>Amount Not Deposited</u>
Supported by Summary of Collections Forms (SA-8)	\$ 265.27
Assistant Principal Collections	404.25
Voided Receipts	<u>254.95</u>
Total Funds Collected Not Deposited	<u>\$ 924.47</u>

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)

FEGELY MIDDLE SCHOOL  
PORTAGE TOWNSHIP SCHOOLS  
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 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)

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

We requested repayment of \$924.47 from Jane A. Anteck, former Extra-Curricular Treasurer, for funds collected but not deposited. (See Summary, page 8)

OFFICIAL BOND

Jane A. Anteck, former Extra-Curricular Treasurer, was bonded through RLI Insurance Company in the amount of \$150,000. The bond terms were from November 21, 2008 through July 1, 2009, and from July 1, 2009 to July 1, 2010.

PERSONAL CHECKS CASHED

Included in a deposit made on December 18, 2008, was a check from the former Extra-Curricular Treasurer in the amount of \$30 for which a corresponding receipt was not issued. Another check was included in the deposit in the amount of \$10 for which a corresponding receipt was not issued. The second check was written by another school employee. Receipts supporting the deposit indicate \$40 in cash should have been deposited. The \$30 check from the former Extra-Curricular Treasurer was returned for insufficient funds; however, the former Extra-Curricular Treasurer subsequently repaid the \$30.

Again, on September 25, 2009, the former Extra-Curricular Treasurer included two personal checks (one in the amount of \$100 and another in the amount of \$20) in the deposit for which receipts indicated cash collections for these amounts.

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

FEGELY MIDDLE SCHOOL  
PORTAGE TOWNSHIP SCHOOLS  
EXIT CONFERENCE

The contents of this report were discussed on January 27, 2010, with Rebecca Lyons, School Principal; Lisa Mayer, Extra-Curricular Treasurer; Sharon Qualkenbush, School Corporation Treasurer; Wendy Kulczyk, Assistant Corporation Treasurer; Michael Berta, Superintendent of Schools; and Terry Hufford, President of the School Board. The officials concurred with our audit findings.

The contents of this report were mailed to Jane A. Anteck, former Extra-Curricular Treasurer, on January 29, 2010.

FEGELY MIDDLE SCHOOL  
PORTAGE TOWNSHIP SCHOOLS  
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Jane A. Anteck, former Extra-Curricular Treasurer: Receipts, pages 4 through 6	<u>\$ 924.47</u>	<u>\$ 924.47</u>	<u>\$ -</u>