

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

AUDIT REPORT
OF

HANOVER CENTRAL HIGH SCHOOL
HANOVER COMMUNITY SCHOOL CORPORATION
LAKE COUNTY, INDIANA

January 1, 2012 to November 13, 2012



FILED
04/04/2013

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SCHOOL OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Extra-Curricular Treasurer of Hanover Central High School	Jennifer Grcich Dana Bogathy (Interim)	12-12-11 to 11-13-12 11-14-12 to 06-30-13
Principal of Hanover Central High School	Justin Biggs	07-01-11 to 06-30-13
Superintendent of Schools	Carol A. Kaiser Richard Cook (Interim)	07-01-11 to 12-05-12 12-06-12 to 06-30-13
President of the School Board	Mary Joan Dickson Dana Griner (Vacant) Mary Joan Dickson	07-11-11 to 06-30-12 07-01-12 to 12-31-12 01-01-13 to 01-07-13 01-08-13 to 12-31-13
Corporation Treasurer	Dana Bogathy	07-01-11 to 06-30-13



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

We have audited the records of the Hanover Central High School for the period from January 1, 2012 to November 13, 2012, 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

January 9, 2013

HANOVER CENTRAL HIGH SCHOOL
HANOVER COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

COLLECTIONS NOT DEPOSITED

For the period of January 1, 2012 through November 13, 2012, collections for the Extra-Curricular Account (ECA) received by, Jennifer Grcich, former Extra-Curricular Treasurer, were in excess of amounts deposited. We audited all receipts issued and other supporting documentation available to determine if all collections remitted to the former ECA Treasurer were deposited. The following cumulative amounts were not deposited:

<u>Time Period</u>	<u>Amount</u>
January 1, 2012 to June 30, 2012	\$ 4,114.81
July 1, 2012 to November 13, 2012	<u>6,142.61</u>
Total Collections Not Deposited	<u><u>\$ 10,257.42</u></u>

We have requested that Jennifer Grcich, former Extra-Curricular Treasurer, reimburse Hanover Central School \$10,257.42 for collections not deposited. (See Summary of Charges, page 16)

Indiana Code 20-41-1-9(a) states:

"The treasurer shall deposit all receipts in one (1) bank account. The receipts shall be deposited without unreasonable delay. The account is known as the school extracurricular account. The records of each organization, class, or activity shall be kept separate so that the balance in each fund may be known at all times."

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)

RECEIPTS NOT DEPOSITED

The amount of collections not deposited was determined by several methods as described below.

1. We discovered that receipts issued by, Jennifer Grcich, former Extra-Curricular Treasurer generated from the computerized accounting system were not issued in numerical sequence. Where a "gap" occurred in the numerical sequence, no receipt information was recorded in the computerized accounting system. For a majority of the missing receipt numbers, we were able to obtain a copy of the receipt for audit. Some copies of receipts and related supporting documentation were obtained from the various extra-curricular sponsors. However, seven receipts for the 2011-12 school year and one receipt from the 2012-13 school year from the numerical gaps were not available for audit.

The receipts issued for the missing receipt number, when available, agreed to the Summary Collection Form SA-8 or other supporting documentation submitted by the sponsor. These receipts were not recorded in the financial accounting system and were not deposited in the bank.

HANOVER CENTRAL HIGH SCHOOL
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 AUDIT RESULTS AND COMMENTS
 (Continued)

A second receipt, usually next in the numerical sequence, would be issued for the same sponsor and for the same activity. The second receipt would agree with the first receipt for the amount of checks but not for cash. The cash amount on the second receipt would be reduced or totally eliminated when compared to the amount on the supporting documentation submitted by the sponsor. The second receipt would be the amount deposited in the bank and recorded in the financial accounting system. A copy of the second receipt was not retained for audit.

The following table presents how often this occurred and the amounts not deposited in this manner:

<u>Time Period</u>	<u>Amount</u>	<u>Number of Occurrences</u>	<u>Note</u>
January 1, 2012 to June 30, 2012	\$ 2,804.00	18	
July 1, 2012 to November 13, 2012	<u>2,886.00</u>	8	A
Total	<u>\$ 5,690.00</u>		

Note A – this also includes an instance where the original receipt was voided by the treasurer and the replacement receipt was written for a lesser amount. The original receipt agreed with the supporting documentation and no reason for the void was presented.

2. Receipts were not issued for collections received.

a. In reviewing the records in Jennifer Grcich's former Extra-Curricular Treasurer office, several Summary Collection Forms (SA-8) which had been remitted by the activity sponsors were located for which no receipt had been written by the former Extra-Curricular Treasurer. The former Extra-Curricular Treasurer required both copies of the SA-8 form be remitted with the collections. These forms were signed by the sponsor, verifying the accuracy of the amounts remitted to the former Extra-Curricular Treasurer.

b. Other SA-8 forms or supporting documentation with multiple items listed were attached to several receipts in the records, but one of the cash items on the SA-8 form had not been receipted.

c. One ticket sales report located in an envelope in the office for a sporting event also had no receipt issued for the event collections.

The following table presents how often this occurred and the amounts not deposited in this manner:

<u>Time Period</u>	<u>Amount</u>	<u>Number of Occurrences</u>
January 1, 2012 to June 30, 2012	\$ 235.00	1
July 1, 2012 to November 13, 2012	<u>1,726.26</u>	8
Total	<u>\$ 1,961.26</u>	

HANOVER CENTRAL HIGH SCHOOL
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AUDIT RESULTS AND COMMENTS
(Continued)

3. Receipts issued did not include the full amount of the Form SA-8 or other supporting documentation. The amount of collections per the receipt issued (usually the cash portion) was less than the documentation submitted by the sponsor. In some cases, the SA-8 or supporting documentation was not attached to the receipt but was obtained for audit elsewhere in the former Extra-Curricular Treasurer's office.

The following table presents how often this occurred and the amounts not deposited in this manner:

Time Period	Amount	Number of Occurrences
January 1, 2012 to June 30, 2012	\$ 1,075.81	8
July 1, 2012 to November 13, 2012	1,210.35	13
Total	\$2,286.16	

4. The computerized records were the official records of the Extra-Curricular Account (ECA). We observed instances where Jennifer Grcich, former Extra-Curricular Treasurer, issued handwritten receipts before issuing computerized receipts. Since the former Extra-Curricular Treasurer was required to use the computerized records, there was no reasonable basis for the former Extra-Curricular Treasurer to issue handwritten receipts for collections.

A Summary Collection Form (Form SA-8) was not filed with either the handwritten or computerized receipts. For several of these computerized receipts, the related Form SA-8 was located during the audit which contained higher dollar amounts than the amounts recorded on either the computerized or hand-written receipt. The difference, in these instances, was for the cash portion noted on the Form SA-8.

The following table presents how often this occurred and the amounts not deposited in this manner:

Time Period	Amount	Number of Occurrences
July 1, 2012 to November 13, 2012	\$320.00	3

Indiana Code 20-41-1-9(a) states:

"The treasurer shall deposit all receipts in one (1) bank account. The receipts shall be deposited without unreasonable delay. The account is known as the school extracurricular account. The records of each organization, class, or activity shall be kept separate so that the balance in each fund may be known at all times."

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)

HANOVER CENTRAL HIGH SCHOOL
HANOVER 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)

Public records, financial statement information and supporting information generated through a computer system should be printed out on paper, printed to disk or maintained on-line at the end of each reporting year and retained for audit. Information must be maintained in a manner that will allow access for audit and public inquiry on equipment of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

MANUAL RECEIPTS NOT RECORDED OR DEPOSITED

Jennifer Grcich, former Extra-Curricular (ECA) Treasurer, in addition to extra-curricular duties, was responsible for collection of corporation fees at the school. These fees included gym uniforms, transportation fees for athletics, parking permits, and damaged books. The former ECA Treasurer was responsible for preparing a summary of collections report and remitting it to the School Corporation administration center. The report provided the information needed for the type and amount of collections to be recorded into the School Corporation's ledgers. The former ECA Treasurer was also responsible for depositing these collections into the School Corporation's bank account.

The former ECA Treasurer was required to use manual (handwritten) receipts for these types of collections. The former ECA Treasurer used these receipts for both School Corporation fees and some ECA collections. We compared the manual receipts issued to both School Corporation and ECA records to verify deposit and recording of these receipts. We determined that seventeen of the manual receipts written for School Corporation collections, and one manual receipt written for ECA collections, were not deposited or recorded, as follows:

Time Period	Corporation Amount	ECA Amount	Totals
January 1, 2012 to June 30, 2012	\$ 30.00	\$ -	\$ 30.00
July 1, 2012 to November 13, 2012	217.00	50.00	267.00
Totals	\$ 247.00	\$ 50.00	\$297.00

We have requested that Jennifer Grcich, former Extra-Curricular Treasurer, reimburse Hanover Central High School \$50.00 and Hanover Community School Corporation \$247.00 for manual receipts not deposited or recorded. (See Summary of Charges, page 16)

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)

TEXTBOOK RENTAL AND STUDENT SYSTEM PAYMENTS NOT DEPOSITED

Each individual school within the School Corporation used a standardized computer software system to account for the collection of Textbook Rental (TBR) fees. Each student had an account whereby payments were automatically recorded when a receipt was issued from the computer system. The Extra-Curricular

HANOVER CENTRAL HIGH SCHOOL
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AUDIT RESULTS AND COMMENTS
(Continued)

(ECA) Treasurer generated a computerized receipt to individuals for the payment of the TBR fees. At Hanover Central High School, occasionally, a manually prepared textbook rental receipt (Form number TBR-2, Official Receipt - Individual Textbook Rental List) was issued for TBR fees.

The ECA Treasurer was also responsible for making the deposit for the collections of TBR fees into the School Corporation bank account. A copy of the receipts issued and a Payment Listing report from the computerized system was remitted by the ECA Treasurer to the School Corporation to record in the School Corporation's Textbook Rental Fund. The Payment Listing report included the detail of computerized receipts issued for a particular span of time. Personnel in the School Corporation central office issued a receipt to the ECA treasurer indicating the amount posted to the Textbook Rental Fund based on the Payment Listing Report.

A comparison of the computerized and manual TBR's issued by Jennifer Grich, former Extra-Curricular Treasurer, at Hanover Central High School and the amounts recorded in the School Corporation ledger revealed that not all TBR fees were remitted and deposited as noted in the following table.

We also noted payments were posted to student accounts without a corresponding receipt issued. The amounts that were not receipted, deposited or remitted to the School Corporation are noted in the following table.

<u>Period</u>	<u>Textbook Rental Receipts Recorded Not Deposited</u>	<u>Payments Posted to Student Accounts Not Deposited</u>	<u>Total</u>
January 1, 2012 to June 30, 2012	\$ <u>573.35</u>	\$ <u>1,000.98</u>	<u>\$1,574.33</u>

We requested that Jennifer Grich, former Extra-Curricular Treasurer, reimburse Hanover Community School Corporation \$1,574.33 for the receipts and payments recorded in the student system that were not deposited. (See Summary of Charges, page 16)

Indiana Code 5-13-6-1(c) states in part: ". . . all local officers . . . who collect public funds of their respective political subdivisions, shall deposit funds not later than the business day following the receipt of funds . . . Public funds deposited under this subsection shall be deposited in the same form in which they were received."

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

PUBLIC OFFICIAL BOND

Hanover Community School Corporation had a Public Employees Position Schedule Bond which covers their Extra-Curricular Treasurers. The bond was with The Ohio Casualty Insurance Company and the coverage for the Extra-Curricular Treasurer at Hanover Central High School was as follows:

HANOVER CENTRAL HIGH SCHOOL
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AUDIT RESULTS AND COMMENTS
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<u>Term</u>	<u>Coverage</u>
January 1, 2012 to January 1, 2013	<u>\$ 12,000</u>

ADDITIONAL AUDIT COSTS

The State of Indiana incurred additional audit costs in the investigation of the collections not deposited, manual receipts not recorded or deposited, and textbook rental and student system payments not deposited totaling \$12,128.75. We requested Jennifer Grcich, former Extra-Curricular Treasurer, reimburse the State of Indiana \$12,128.75 of the additional audit costs incurred in the investigation of the collections not deposited, manual receipts not recorded or deposited, and textbook rental and student system payments not deposited.

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 Extra-Curricular Accounts, Chapter 7)

USE OF PRESCRIBED FORM SUMMARY COLLECTION FORM (SA-8)

The Form SA-8 was not always used as prescribed. A locked drop box was installed in the High School office in 2011. This box was used to secure and remit money collected by sponsors, to the High School Extra-Curricular Treasurer, when the High School Extra-Curricular Treasurer was not available. The sponsors were required by Jennifer Grcich, former Extra-Curricular Treasurer, to remit both copies of the SA-8 along with the collections. The former Extra-Curricular Treasurer was responsible for counting the collections and verifying them to the SA-8 before issuing a receipt. The duplicate copy of the SA-8 was to be returned to the sponsor along with a receipt.

1. A number of completed SA-8's were observed in the former Extra-Curricular Treasurer's office and records, containing both the original and the duplicate. The duplicate was not returned to the sponsor for their records.
2. The SA-8's retained by the former Extra-Curricular Treasurer were not filed in numerical sequence.
3. Several receipts issued contained references to certain SA-8 forms which were not presented for audit.

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)

Summary Collection Form (SA-8) is prenumbered and to be prepared in duplicate by the sponsor. The original is to the extra-curricular treasurer to be retained in numerical order and the duplicate is to be retained in numerical order by the sponsor.

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HANOVER COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

A sponsor for the purpose of Form (SA-8) is the teacher or other person in charge of a classroom or function collecting money. Form SA-8 is to be used as a transmittal document each time fundraiser or field trip money is reported from the sponsor to the extra-curricular treasurer. Form SA-8 can be used at the discretion of school officials to account for other items. Space is provided to list check numbers and amounts as applicable. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

CHEERLEADING FUNDRAISING RECEIPTS

As noted in the comments above, issues were noted with a number of the handwritten receipts and the SA-8 forms.

The cheerleading sponsor maintained records regarding activities of the cheerleading squad. Upon our request, the cheerleading sponsor provided records for the 2012-13 school year. A comparison of the sponsor's records to the Extra-Curricular Account (ECA) records revealed four instances where the sponsor's records reported higher collections than the amounts recorded to the ECA records, totaling \$703.

In the first instance, Jennifer Grich, former Extra-Curricular Treasurer, did not record the cash of \$50 reported on the summary collection form (form SA-8) on the receipt issued. (This amount has been addressed in the comments above). In the other three instances, in September 2012, handwritten receipts were prepared by the former Extra-Curricular Treasurer before the computerized receipts were issued. The sponsor did not receive copies of either the handwritten receipts or the computerized receipts in these three instances. The SA-8 forms were not available to support the amounts reported for these three instances. For these three instances, the amounts reported by the cheerleading sponsor as collections exceeded the amounts reported into the ECA records by \$653.

The former ECA Treasurer maintained a log of SA-8 forms issued to sponsors. According to the log, two sets of SA-8 forms were issued to the cheerleaders in August and September 2012. We compared the SA-8 forms per the log to the records of the former ECA Treasurer and the sponsor. All but three of the SA-8 forms issued for cheerleading to use were verified to receipts issued by the treasurer. The SA-8 forms were remitted by the cheerleading sponsor in numerical sequence to the former ECA Treasurer, with three gaps observed in the number series in the former ECA Treasurer's records. The three gaps occurred for the collections remitted in September 2012 to the ECA Treasurer. The three missing SA-8 forms were not presented for audit.

Sponsors were required to submit both copies of Form SA-8 with the collections to be receipted. Since the cheerleading sponsor had routinely used the SA-8 form and did not have these three forms, we have reason to believe that the former Extra-Curricular Treasurer had received the missing SA-8 forms.

Accountability for the differences in cheerleading collections of \$653 and the causes for the gaps in the sequences of SA-8 forms could not be verified.

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)

Summary Collection Form (SA-8) is prenumbered and to be prepared in duplicate by the sponsor. The original is to the extra-curricular treasurer to be retained in numerical order and the duplicate is to be retained in numerical order by the sponsor.

HANOVER CENTRAL HIGH SCHOOL
HANOVER COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

A sponsor for the purpose of Form (SA-8) is the teacher or other person in charge of a classroom or function collecting money. Form SA-8 is to be used as a transmittal document each time fundraiser or field trip money is reported from the sponsor to the extra-curricular treasurer. Form SA-8 can be used at the discretion of school officials to account for other items. Space is provided to list check numbers and amounts as applicable. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

INTERNAL CONTROLS OVER RECEIPTING

The following deficiencies were noted concerning receipting:

1. Receipts were not issued at the time of collection.
2. Receipts were not always provided to the sponsors for the collections remitted.
3. Jennifer Grcich, former Extra-Curricular Treasurer, required the sponsor to remit both copies of the Form SA-8 with the collections to be receipted. The former Extra-Curricular Treasurer did not always return the second copy of the form SA-8 to the issuing sponsor. The sponsor should have been permitted to keep a copy of the Form SA-8 for documentation when dropping collections into the locked drop box.
4. The former Extra-Curricular Treasurer did not provide the sponsors with ledger printouts of the financial activity for Extra-Curricular club or organizations. These printouts would have allowed the sponsors to verify the financial activity and available cash balance for their Extra-Curricular activities.

These deficiencies provided the former Extra-Curricular Treasurer the opportunity to retain and not deposit collections.

Other deficiencies also existed regarding receipts and receipting:

1. Three manual receipts (one page) were missing and unaccounted for in the manual receipts book.
2. Parking permit receipts did not indicate the permit number assigned.
3. Adequate documentation for some School Corporation collections, such as athletic transportation listings and parking permit applications for 2012/2013 school year were not maintained or presented for audit.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

HANOVER CENTRAL HIGH SCHOOL
HANOVER COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on January 9, 2013, with Mary Joan Dickson, President of the School Board; Richard Cook, Interim Superintendent of Schools, Dana Bogathy, Corporation Treasurer; and Justin Biggs, Principal of Hanover Central High School. The Official Response has been made a part of this report and may be found on pages 13 through 15.

The contents of this report were sent by certified mail to Jennifer Grcich, former Extra-Curricular Treasurer of Hanover Central High School.

The contents of this report were discussed on January 9, 2013, with Carol A. Kaiser, former Superintendent of Schools.



Board of School Trustees

Mary Pat Burkel
Mary Joan Dickson
Julie Mueller
James Sakelaris
Dennis Wilkening

Central Office

Richard G. Cook
Interim Superintendent

January 23, 2013

State Board of Accounts
301 W. Washington St.
Room E418
Indianapolis, IN 46204-2765

Re: Hanover Community School Corporation
Audit Results & Comments
July 1, 2010 to June 30, 2012

Please let this letter serve as our official response from Hanover Community School Corporation concerning the recent audit for school years 2010-11 and 2011-12.

Shown below is our response to the deficiencies the auditors found for Hanover Community School Corporation:

Hanover Central High School Audit Results and Comments

COLLECTIONS NOT DEPOSITED

The school corporation met with Jennifer Greich concerning the reimbursement of \$12,128.75 of extra-curricular and textbook rental collections that was not accounted for. Said meeting was held with the State Board of Accounts' Auditor Carla Wenger, Superintendent Carol Kaiser, Director of Business Services Dana Bogathy, and Corporation Attorney William Kaminski. Jennifer Greich's explanation was insufficient, and the district suspended her without pay immediately. At the School Board meeting on December 11, 2012, the Board of School Trustees unanimously approved the termination of Jennifer Greich.

The Corporation will enact the corporation bond to recover the loss of funds. Staff will be trained on the proper accounting methods as described in the audit. The new Extra-Curricular Treasurer will be trained on proper accounting methods as described in the audit. The Corporation Treasurer will reconcile the student fees system to the corporation ledger of receipts at regular intervals.

RECEIPTS NOT DEPOSITED

The above information shown on Jennifer Greich would be identical for the explanation for receipts not deposited.

MANUAL RECEIPTS NOT RECORDED OR DEPOSITED

The above information shown on Jennifer Greich would be identical for the explanation for manual receipts not recorded or deposited.

TEXTBOOK RENTAL AND STUDENT SYSTEM PAYMENTS NOT DEPOSITED

The above information shown on Jennifer Greich would be identical for the explanation for textbook rental and student system payments not deposited.

PUBLIC OFFICIAL BOND/ADDITIONAL AUDIT COSTS

The bond for the corporation for calendar year 2012 is \$12,000. We have notified our insurance company of the information shown above on Jennifer Greich, as well as, the Lake County Police Department. Director of Business Services Bogathy and Interim Superintendent Richard Cook talked with Officer Brian Kersey of the Lake County Police Department on December 10, 2012. Officer Kersey said he would refer this to the detective bureau, and Detective Mitchuck contacted Director of Business Services Bogathy shortly thereafter. Detective Mitchuck and Director of Business Services Bogathy met on December 27, 2012. Director of Business Services Bogathy presented Detective Mitchuck the same information that was presented to Officer Kersey pertaining to the theft. Pinnacle Insurance was also briefed on the situation in order to activate the bond.

USE OF PRESCRIBED FORMS - SUMMARY COLLECTION FORM (SA-8)

The corporation has begun the process of retraining all staff on the proper uses of the Summary Collection Form (SA-8). The extra-curricular treasurers will keep all SA-8 forms in numerical order once collected from the sponsors. Staff will be instructed to keep one copy of the two part SA-8 form as their reference for the deposit of funds for a minimum of 3 years in their fund files. Fund files will be kept as property of the club or sport.

CHEERLEADING FUNDRAISING RECEIPTS

Please see the information shown above under the SA-8 forms as the same procedure will be followed under this category, as well.

INTERNAL CONTROLS OVER RECEIPTING

The Corporation Treasurer will train the new bookkeeper at the high school to follow the procedures as outlined in the audit report. Retraining of staff will include procedures to ensure receipts will be issued at the time of collection, copies of said receipt will be sent to the sponsor and proper handling of SA-8 forms will take place. Ledger reports of all fund activities will be given to extra-curricular sponsors monthly.

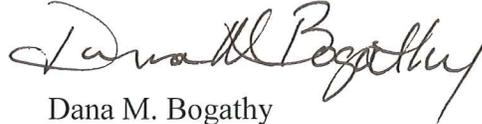
The Corporation discontinued their use of the previous student fees system in June 2012. The new student fees software system allows for better controls over receipting, parking permit inventory control and flexibility in adding specific student fees such as gym uniforms and transportation fees to the student accounts.

In closing, it is the desire of Hanover Community School Corporation to fully comply with all requirements pertaining to the administration of all funds entrusted to the Corporation.

Respectfully submitted,



Richard G. Cook
Interim Superintendent



Dana M. Bogathy
Treasurer

HANOVER CENTRAL HIGH SCHOOL
 HANOVER COMMUNITY SCHOOL CORPORATION
 SUMMARY OF CHARGES

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Jennifer Grcich, former Extra-Curricular Treasurer:			
Collections Not Deposited, page 4	\$ 10,257.42	\$ -	\$ 10,257.42
Manual Receipts Not Recorded or Deposited, page 7	297.00	-	297.00
Textbook Rental and Student Systems Payments			
Not Deposited, page 8	1,574.33	-	1,574.33
Additional Audit Cost, page 9	<u>12,128.75</u>	<u>-</u>	<u>12,128.75</u>
Totals	<u>\$ 24,257.50</u>	<u>\$ -</u>	<u>\$ 24,257.50</u>

AFFIDAVIT

STATE OF INDIANA)
)
LAKE COUNTY)

We, Carla Wenger, Cynthia David and Karen Tetrault, Field Examiners, being duly sworn on our oaths, state that the foregoing report based on the official records of the Hanover Central High School, Hanover Community School Corporation, Lake County, Indiana, for the period from January 1, 2012 to November 13, 2012, is true and correct to the best of our knowledge and belief.

Carla Wenger

Cynthia David

Karen Tetrault
Field Examiners

Subscribed and sworn to before me this 21 day of March, 2013.

Ofelia Gregoline
Notary Public

My Commission Expires: NOV 14, 2020

County of Residence: LAKE

