

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

**AUDIT REPORT  
OF**

**HERITAGE HILLS HIGH SCHOOL/MIDDLE SCHOOL  
EXTRA-CURRICULAR ACCOUNT  
NORTH SPENCER COUNTY SCHOOL CORPORATION  
SPENCER COUNTY, INDIANA**

**July 1, 2007 to February 25, 2013**



**FILED**  
06/27/2013



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
School Officials .....	2
Transmittal Letter .....	3
Audit Results and Comments:	
Collections Not Recorded or Deposited .....	4
Athletic Fund Collections Not Deposited .....	4-5
Unauthorized Athletic Fund Disbursement .....	5-6
Parking Fees Collected But Not Deposited .....	6
Compensation and Benefits from Extra-Curricular Activity Funds .....	6-7
ECA Deposits .....	7
Informational – Deposits Made Fifty-Six Days after Release from Duties .....	7-8
School Lunch Deposits .....	8
Advance Payments .....	8
Penalties, Interest, and Other Charges .....	9
Audit Costs – Missing Funds .....	9
Old Outstanding Checks .....	9-10
Travel Claims .....	10
Undeposited Cash Receipts .....	10
Prescribed Forms .....	10
Official Bond .....	11
Exit Conference .....	12
Official Response .....	13
Summary of Charges .....	14
Affidavit .....	15

## SCHOOL OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Virlee E. Huffman	07-01-07 to 06-30-13
Superintendent of Schools	Joan Keller Daniel R. Scherry	07-01-07 to 06-30-10 07-01-10 to 06-30-13
President of the School Board	Pamela K. Thompson Anna L. Oxley	01-01-07 to 12-31-11 01-01-12 to 12-31-13
Principal of Heritage Hills High School	Nick Alcorn	07-01-07 to 06-30-13
Principal of Heritage Hills Middle School	Susan Grundhoefer Chad Schnieders	07-01-07 to 06-30-12 07-01-12 to 06-30-13
Extra-Curricular Treasurer of Heritage Hills High School/ Middle School	Melissa Isaacs (Vacant) Martha Barnett	06-05-07 to 02-25-13 02-26-13 to 04-07-13 04-08-13 to 06-30-13



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

---

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

TO: THE OFFICIALS OF THE NORTH SPENCER COUNTY SCHOOL  
CORPORATION, SPENCER COUNTY, INDIANA

We have audited the records of the Heritage Hills High School/Middle School Extra-Curricular Account for the period from July 1, 2007 to February 25, 2013, 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

May 2, 2013

HERITAGE HILLS HIGH SCHOOL/MIDDLE SCHOOL  
EXTRA-CURRICULAR ACCOUNT  
NORTH SPENCER COUNTY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS

***COLLECTIONS NOT RECORDED OR DEPOSITED***

Melissa Isaacs, former Extra-Curricular Treasurer of Heritage Hills High School/Middle School, was responsible for accounting for all textbook rental collections. The schedule below details the cash textbook rental receipts that were issued but not posted to the Extra-Curricular Account (ECA) records or deposited into the ECA bank account for the audit period:

<u>Fiscal Year</u>	<u>Receipts Issued But Not Posted or Deposited</u>
2007-2008	\$ 1,981.47
2008-2009	3,764.67
2009-2010	18,893.91
2010-2011	11,611.01
2011-2012	5,290.20
2012-2013	<u>4,164.45</u>
Total	<u>\$ 45,705.71</u>

Indiana Code 20-41-1-9(a) states in part: "The treasurer shall deposit all receipts in one (1) bank account. The receipts shall be deposited without unreasonable delay."

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)

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)

Melissa Isaacs, former Extra-Curricular Treasurer of Heritage Hills High School/Middle School, was asked to reimburse the Heritage Hills High School/Middle School Textbook Rental Fund \$45,705.71 for textbook rental receipts issued but not receipted in the ECA records or deposited in the ECA bank account. (See Summary of Charges, page 14)

***ATHLETIC FUND COLLECTIONS NOT DEPOSITED***

Melissa Isaacs, former Extra-Curricular Treasurer of Heritage Hills High School/Middle School, was responsible for accounting for all proceeds collected from athletic ticket sales. Ticket sales receipts documenting collections from athletic events that occurred on October 3, 2009, December 21, 2010, and October 31, 2011, of \$304, \$277, and \$336, respectively, were not deposited in the Extra-Curricular (ECA) bank account.

HERITAGE HILLS HIGH SCHOOL/MIDDLE SCHOOL  
EXTRA-CURRICULAR ACCOUNT  
NORTH SPENCER COUNTY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

Additionally, two receipt summaries dated August 3, 2010, and July 12, 2010, were reviewed that documented collections for a boys basketball game and for student payments for lettermen jackets. The receipt summaries noted cash collections of \$108 and \$90, respectively. Documentation was not provided to support that these cash collections were deposited in the ECA bank account.

The schedule below summarizes the athletic fund collections not deposited:

<u>Fiscal Year</u>	<u>Athletic Fund Collections Not Deposited</u>
2009-2010	\$ 304
2010-2011	475
2011-2012	<u>336</u>
Total	<u>\$ 1,115</u>

Indiana Code 20-41-1-9(a) states in part: "The treasurer shall deposit all receipts in one (1) bank account. The receipts shall be deposited without unreasonable delay."

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)

Melissa Isaacs, former Extra-Curricular Treasurer of Heritage Hills High School/Middle School, was asked to reimburse the Heritage Hills High School/Middle School Athletic Fund \$1,115 for Athletic Fund collections that were not deposited in the ECA bank account. (See Summary of Charges, page 14)

**UNAUTHORIZED ATHLETIC FUND DISBURSEMENT**

On August 18, 2011, Melissa Isaacs, former Extra-Curricular Treasurer of Heritage Hills High School/Middle School, withdrew \$4,252.17 from an Athletic Fund money market account using a cashier's check, then altered the outstanding check list on the bank reconciliation to allow the bank balance to reconcile to the ledger balances.

Expenditures by the treasurer of the extra-curricular account are limited to those approved by the principal of the school and they should be in accordance with the general administration policies of the school corporation since the law provides that all expenditures shall be subject to review by the local school board. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 1)

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)

HERITAGE HILLS HIGH SCHOOL/MIDDLE SCHOOL  
EXTRA-CURRICULAR ACCOUNT  
NORTH SPENCER COUNTY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

Melissa Isaacs, former Extra-Curricular Treasurer of Heritage Hills High School/Middle School, was asked to reimburse the Heritage Hills High School/Middle School Athletic Fund \$4,252.17 for an unauthorized disbursement of Athletic Funds. (See Summary of Charges, page 14)

**PARKING FEES COLLECTED BUT NOT DEPOSITED**

Melissa Isaacs, former Extra-Curricular Treasurer of Heritage Hills High School/Middle School, was responsible for accounting for all fees collected from the sale of parking permits. The schedule below details the number of parking permits issued, the calculated collections of parking permit fees, and the difference when compared to actual deposits into the Extra-Curricular bank account:

<u>Fiscal Year</u>	<u>Number of Parking Permits Issued</u>	<u>Approved Fee</u>	<u>Calculated Parking Permit Fees</u>	<u>Documented Deposits</u>	<u>Difference Long/ (Short)</u>
2011-2012	325	\$ 5	\$ 1,625	\$ 1,225	\$ (400)
2012-2013	<u>285</u>	<u>5</u>	<u>1,425</u>	<u>170</u>	<u>(1,255)</u>
Totals	<u>610</u>	<u>\$ 5</u>	<u>\$ 3,050</u>	<u>\$ 1,395</u>	<u>\$ (1,655)</u>

Indiana Code 20-41-1-9(a) states in part: "The treasurer shall deposit all receipts in one (1) bank account. The receipts shall be deposited without unreasonable delay."

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)

Melissa Isaacs, former Extra-Curricular Treasurer of Heritage Hills High School/Middle School, was asked to reimburse the Heritage Hills High School/Middle School General Fund \$1,655 for parking permits sold, but not deposited. (See Summary of Charges, page 14)

**COMPENSATION AND BENEFITS FROM EXTRA-CURRICULAR ACTIVITY FUNDS**

Melissa Isaacs, former Extra-Curricular Treasurer of Heritage Hills High School/Middle School, issued the following checks to herself: \$1,000 on June 1, 2011, \$3,000 on July 25, 2011, and \$3,000 on August 31, 2012, for a stipend for extra duties, which were not included in the payroll system or on the salary ordinance or resolution.

The North Spencer County School Corporation asked Melissa Isaacs, former Extra-Curricular Treasurer of Heritage Hills High School/Middle School, to repay these amounts. As of February 1, 2013, the school had received full repayment. (See Summary of Charges, page 14)



HERITAGE HILLS HIGH SCHOOL/MIDDLE SCHOOL  
EXTRA-CURRICULAR ACCOUNT  
NORTH SPENCER COUNTY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 11)

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)

**ECA DEPOSITS**

Receipts were not always deposited within a reasonable time. Receipts, in some instances, were held for periods in excess of four years and were never deposited. Receipts, in some cases, such as the textbook rental receipts from August 7, 2012, accumulated to \$81,435.55 before a deposit was made on August 21, 2012.

Many checks were located in the Treasurer's files which were too old to be deposited. There were \$36 in checks dated in 2009 and \$756.73 in checks dated in 2010.

One receipt summary located by the high school principal was dated October 31, 2012, with a total of \$10,425.60 of Extra-Curricular Account (ECA) funds detailed. The attached bank deposit slip was for the amount of \$7,710.60. Cash of \$2,715 was missing from this deposit. The cash belonged to the following accounts: Athletics, Varsity Cheerleaders, and Library for the amounts of \$965, \$1,000, and \$750, respectively.

Indiana Code 20-41-1-9(a) states in part: ". . . receipts shall be deposited without unreasonable delay."

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)

Melissa Isaacs, former Extra-Curricular Treasurer of Heritage Hills High School/Middle School, was asked to reimburse the Extra Curricular Accounts for \$3,507.73 in outdated undeposited checks and a deposit shortage. (See Summary of Charges, page 14)

**INFORMATIONAL - DEPOSITS MADE FIFTY-SIX DAYS AFTER RELEASE FROM DUTIES**

Melissa Isaacs, former Extra-Curricular Treasurer of Heritage Hills High School/Middle School, was released of her duties on February 21, 2013. The exit conference for this audit was scheduled for April 17, 2013, at 1:00 p.m. with all the noted officials in attendance, except for the former Extra-Curricular Treasurer. At 1:15 p.m., Nick Alcorn, Principal of Heritage Hills High School, received a phone call from the Extra-Curricular Account's (ECA) bank, informing him that the former Extra-Curricular Treasurer of Heritage Hills High School/Middle School had just dropped off six school bank bags of money. At 1:30 p.m., Melissa Isaacs, former Extra-Curricular Treasurer of Heritage Hills High School/Middle School, arrived at the exit conference. She stated, "I may have made mistakes but I did nothing wrong." When asked about the school bank bags dropped off at the bank, Melissa Isaacs replied, "It was deposits that I forgot I had."

HERITAGE HILLS HIGH SCHOOL/MIDDLE SCHOOL  
EXTRA-CURRICULAR ACCOUNT  
NORTH SPENCER COUNTY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

Nick Alcorn picked up the ECA bank bags at the branch bank (not normally used by the school), and was told that the former Extra-Curricular Treasurer of Heritage Hills High School/Middle School had come to the bank at 10:30 a.m. to pick up deposit tickets for the school. Two school employees counted the bank bags, which included four school lunch deposits totaling \$7,862.17 and cash totaling \$7,140 for a total of \$15,002.17.

The original breakdown of the cash included with each of the school lunch deposits was collected as twenties, tens, fives and ones, but the bank bags returned contained mostly \$100 bills.

The cash was not directly identified to any specific shortage. (See Summary of Charges, page 14)

### ***SCHOOL LUNCH DEPOSITS***

Receipts were not always deposited within a reasonable time. During the review of current period school lunch receipts, several days were noted when no deposit was made for the day's school lunch receipts. The following days and amounts were noted: February 8, 2013, February 11, 2013, February 12, 2013, and February 19, 2013, and the amounts were \$1,751.45, \$1,889.26, \$2,161.50, and \$2,059.96, respectively.

Indiana Code 20-41-1-9(a) states in part: ". . . receipts shall be deposited without unreasonable delay."

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)

Melissa Isaacs, former Extra-Curricular Treasurer of Heritage Hills High School/Middle School, was asked to reimburse the School Lunch Fund \$7,862.17 for undeposited school lunch receipts. (See Summary of Charges, page 14)

### ***ADVANCE PAYMENTS***

Melissa Isaacs, former Extra-Curricular Treasurer of Heritage Hills High School/Middle School, issued herself check number 2728 on August 31, 2012, as an advance payment for future mileage expense for the 2012-2013 school year in the amount of \$500.

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)

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)

The North Spencer County School Corporation asked Melissa Isaacs, former Extra-Curricular Treasurer of Heritage Hills High School/Middle School, to repay this amount. As of February 5, 2013, the school had received full repayment. (See Summary of Charges, page 14)

HERITAGE HILLS HIGH SCHOOL/MIDDLE SCHOOL  
EXTRA-CURRICULAR ACCOUNT  
NORTH SPENCER COUNTY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

***PENALTIES, INTEREST, AND OTHER CHARGES***

The School Corporation incurred charges for bank research necessary to facilitate an investigation of missing and misappropriated funds by Melissa Isaacs, former Extra-Curricular Treasurer of Heritage Hills High School/Middle School, in the amount of \$325.10.

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 Extra-Curricular Accounts, Chapter 7)

Melissa Isaacs, former Extra-Curricular Treasurer of Heritage Hills High School/Middle School, was asked to reimburse the School Corporation in the amount of \$325.10 for bank research charges. (See Summary of Charges, page 14)

***AUDIT COSTS - MISSING FUNDS***

The State of Indiana incurred additional audit fees in the investigation of the missing funds and misappropriated funds by Melissa Isaacs, former Extra-Curricular Treasurer of Heritage Hills High School/Middle School. The State of Indiana is requesting reimbursement of audit fees incurred in the amount of \$34,134.43. (See Summary of Charges, page 14)

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)

***OLD OUTSTANDING CHECKS***

Our review of the bank reconcilements as of June 30, 2012, revealed numerous checks outstanding in excess of two years. The oldest check on this list was dated July 1, 2005.

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

Indiana Code 5-11-10.5-3 states:

"Not later than March 1 of each year, the treasurer of each political subdivision shall prepare or cause to be prepared a list in triplicate of all warrants or checks that have been outstanding for a period of two (2) or more years as of December 31 of the preceding year. The original copy of each list shall be filed with the:

- (1) board of finance of the political subdivision; or
- (2) fiscal body of a city or town.

HERITAGE HILLS HIGH SCHOOL/MIDDLE SCHOOL  
EXTRA-CURRICULAR ACCOUNT  
NORTH SPENCER COUNTY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

The duplicate copy shall be transmitted to the disbursing officer of the political subdivision. The triplicate copy of each list shall be filed in the office of the treasurer of the political subdivision. If the treasurer serves also as the disbursing officer of the political subdivision, only two (2) copies of each list need be prepared or caused to be prepared by the treasurer."

Indiana Code 5-11-10.5-5(a) states:

"Upon the preparation and transmission of the copies of the list of the outstanding warrants or checks, 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."

### ***TRAVEL CLAIMS***

Melissa Isaac's, former Extra-Curricular Treasurer of Heritage Hills High School/Middle School, travel claims were paid without supporting documentation, such as receipts or the proper claim form to document miles traveled.

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)

Individuals requesting reimbursement for driving personal vehicles for extra-curricular purposes should properly complete a Mileage Claim, General Form 101, prior to receiving reimbursement. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 1)

### ***UNDEPOSITED CASH RECEIPTS***

Cash receipts were not always deposited in the same form as the collections. Cash receipts were sometimes withheld from deposits.

Indiana Code 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***

The following prescribed or approved form was not always in use:

TBR-2 Official Receipts - Individual Textbook Rental List

Melissa Isaacs, former Extra-Curricular Treasurer of Heritage Hills High School/Middle School, used an unapproved book rental receipt instead of the approved form.

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)

HERITAGE HILLS HIGH SCHOOL/MIDDLE SCHOOL  
EXTRA-CURRICULAR ACCOUNT  
NORTH SPENCER COUNTY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

***OFFICIAL BOND***

Melissa Isaacs, former Extra-Curricular Treasurer of Heritage Hills High School/Middle School, had official bonds with the RLI Insurance Company in the amount of \$50,000 for each school year. Bond No. RSB0703092 was issued on July 1, 2002, and Continuation Certificates were issued to the School Corporation for each school year following that date.

HERITAGE HILLS HIGH SCHOOL/MIDDLE SCHOOL  
EXTRA-CURRICULAR ACCOUNT  
NORTH SPENCER COUNTY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on April 17, 2013, with Daniel R. Scherry, Superintendent of Schools; Virlee E. Huffman, Treasurer; Anna L. Oxley, President of the School Board; Nick Alcorn, Principal of Heritage Hills High School; Jeff Cochren, Assistant Principal of Heritage Hills High School; Chad Schnieders, Principal of Heritage Hills Middle School; and Elaine Daubenspeck and Pamela K. Thompson, School Board members. The officials concurred with our audit findings.

Separate telephone exit conferences were held with School Board members: David Waninger, Lori Gogel, and Clint Coleman.

The contents of this report were discussed on April 17, 2013, with Melissa Isaacs, former Extra-Curricular Treasurer of Heritage Hills High School/Middle School. The Official Response has been made a part of this report and may be found on page 13.

Melissa Isaacs, former Extra-Curricular Treasurer of Heritage Hills High School/Middle School, provided some additional information which required additional review. See *Informational - Deposits Made Fifty-Six Days after Release from Duties* comment in report.

A second exit conference was conducted on May 2, 2013, and the contents of this report were discussed with Daniel R. Scherry, Superintendent of Schools; Virlee E. Huffman, Treasurer; Anna L. Oxley, President of the School Board; Nick Alcorn, Principal of Heritage Hills High School; Jeff Cochren, Assistant Principal of Heritage Hills High School; Chad Schnieders, Principal of Heritage Hills Middle School; and Elaine Daubenspeck and Pamela K. Thompson, School Board members. The officials concurred with our audit findings.

Separate telephone exit conferences were held with School Board members: David Waninger, Lori Gogel, and Clint Coleman.

Melissa Isaacs, former Extra-Curricular Treasurer of Heritage Hills High School/Middle School, was invited to attend, but declined.

## OFFICIAL RESPONSE

To Whom It May Concern:

This letter is in response to the Audit conducted at North Spencer County School Corporation.

In response to the textbook rentals, I believe the total amounts to be deosited is inflated due to workers putting down totals of checks wrote for several students book rental.

In response to the athletic fund and the athletic investment fund, I deposited any funds put in the office concerning game tickets and any check written from the investment fund would have beend instigated by the Athletic Director. The only other entry would have been the entry to balance the checking account which had a sticky note describing what the entry was for. The last audit the auditor said we had over inflated the checking account and it slowly was increasing. I mention then that I thought is was due to the investment account entries. She stated that if we figured it out and fixed it to just document that. When we updated the software for the accounting system it would no longer balance the monthly statements until we made the adjustment entry. The investiment account was then monitored seperately. No money was ever taken from the account.

In response to the car tags, all money is deposited when I receive it ususally, however one bag was lost in the filing cabinet in 2013, which I had all ready found and deposited the cash. I was going to call those with checks to make sure it was ok to deposit. As the secretary keeps the money from the car tags in a open file drawer that every one gets change from I am not sure about any additional amounts. I do deposit what is in the drawer.

As far as timely deposits and correct forms. I have asked the auitors every time they have came in if it was ok the way were doing things and eveytime the answer was yes.

Sincerely,  
Melissa Isaacs

HERITAGE HILLS HIGH SCHOOL/MIDDLE SCHOOL  
EXTRA-CURRICULAR ACCOUNT  
NORTH SPENCER COUNTY SCHOOL CORPORATION  
SUMMARY OF CHARGES

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Melissa Isaacs, former Extra-Curricular Treasurer of Heritage Hills High School/Middle School: Collections Not Recorded or Deposited, page 4	\$ 45,705.71	\$ -	\$ 45,705.71
Athletic Fund Collections Not Deposited, pages 4 and 5	1,115.00	-	1,115.00
Unauthorized Athletic Fund Disbursement, pages 5 and 6	4,252.17	-	4,252.17
Parking Fees Collected But Not Deposited, page 6	1,655.00	-	1,655.00
Compensation and Benefits from Extra-Curricular Activity Funds, pages 6 and 7	7,000.00		
Reimbursed by Melissa Isaacs on November 2, 2012, Receipt Numbers 2668 and 2669		7,000.00	-
ECA Deposits, page 7	3,507.73	-	3,507.73
School Lunch Deposits, page 8	7,862.17		
Lunch Deposit Made Fifty-Six Days After Release From Duties, pages 7 and 8		7,862.17	-
Advance Payments, page 8	500.00		
Reimbursed by Melissa Isaacs on February 6, 2013, Receipt Number 2745		500.00	-
Penalties, Interest, and Other Charges, page 9	325.10	-	325.10
Deposits Made Fifty-Six Days After Release From Duties, pages 7 and 8		7,140.00	(7,140.00)
Audit Costs - Missing Funds, page 9	<u>34,134.43</u>	<u>-</u>	<u>34,134.43</u>
Totals	<u>\$ 106,057.31</u>	<u>\$ 22,502.17</u>	<u>\$ 83,555.14</u>

This report was forwarded to the Office of the Indiana Attorney General and the local prosecuting attorney.



AFFIDAVIT

STATE OF INDIANA )  
Vanderburgh COUNTY )

I, Mary Jo Beckman CPA, Field Examiner, being duly sworn on my oath, state that the foregoing report based on the official records of the Heritage Hills High School/Middle School Extra-Curricular Account, North Spencer County School Corporation, Spencer County, Indiana, for the period from July 1, 2007 to February 25, 2013, is true and correct to the best of my knowledge and belief.

Mary Jo Beckman CPA  
Field Examiner

Subscribed and sworn to before me this 18<sup>th</sup> day of June, 2013

Dena D. Goad  
Notary Public

My Commission Expires: 04/04/2015

County of Residence: Vanderburgh



DENA D. GOAD  
Notary Public, State of Indiana  
Residing in Vanderburgh County  
My Commission Expires April 4, 2015