

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

AUDIT REPORT
OF

LONGFELLOW ELEMENTARY SCHOOL
LAKE RIDGE SCHOOLS
LAKE COUNTY, INDIANA

July 1, 2005 to January 28, 2010



FILED

01/13/2011

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SCHOOL OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
School Corporation Treasurer	Kimberly A. Pusateri	07-01-05 to 06-30-10
Superintendent of Schools	Dr. Robert Beach Dr. Sharon Johnson-Shirley	07-01-05 to 06-30-06 07-01-06 to 06-30-10
President of the School Board	Richard A. Lowe G. Annette Wells Richard A. Lowe	07-01-05 to 06-30-06 07-01-06 to 06-30-08 07-01-08 to 06-30-10
Principal of Longfellow Elementary School	Charles F. Kollross Deborah Chandler-Carlson	07-01-05 to 06-30-08 07-01-08 to 06-30-10
Extra-Curricular Treasurer of Longfellow Elementary School	Stacey L. Rodriguez	07-01-05 to 06-30-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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TO: THE OFFICIALS OF LAKE COUNTY

We have audited the records of the Longfellow Elementary School for the period from July 1, 2005 to January 28, 2010, 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

June 22, 2010

LONGFELLOW ELEMENTARY SCHOOL
LAKE RIDGE SCHOOLS
AUDIT RESULTS AND COMMENTS

CASH NOT DEPOSITED

Many duplicate deposit slips presented for audit included more checks deposited than the number of checks received as noted on the official receipts. Copies of the deposit slips and items included in the deposits were received from the depository. Many instances were noted that indicated that the Extra-Curricular Treasurer (Treasurer) was cashing personal checks for employees. However, there were also many instances noted that indicated that checks received were used to cover cash withheld from the deposits. These checks were clearly marked as payment for items such as yearbooks, volleyball shirts, field trips, and fundraisers, yet there were no receipts issued and checks were not reported as check payments on a SA-8, Summary Collection Form. Amounts of check payments not receipted and deposited for cash withheld from the deposits were as follows:

<u>School Years</u>	<u>Amount</u>
2005-2006	\$ 142.25
2006-2007	699.65
2007-2008	656.33
2008-2009	375.85
2009-2010	<u>43.50</u>
Total	<u>\$ 1,917.58</u>

We requested that Stacey L. Rodriguez, Extra-Curricular Treasurer, make restitution to Longfellow Elementary School \$1,917.58 for cash withheld and not deposited. (See Summary, page 21)

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.

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

COMPUTED YEARBOOK SALES RECEIPTS NOT DEPOSITED

Students and staff ordered and paid for yearbooks for the 2005-2006, 2006-2007, and 2007-2008 school years. The yearbook company in some years collected the orders and payments. The School received a commission check based upon the difference between the cost of the yearbooks and the payments received. The Extra-Curricular Treasurer (Treasurer) in other years collected the orders and payments and then paid the yearbook company for the cost of the yearbooks. Each year, additional yearbooks were ordered and were kept in the office and sold by the Treasurer. Cash receipts from the sale of the yearbooks were maintained by the Treasurer. Additionally, the Treasurer was responsible for purchasing the yearbooks, preparing the official receipt for the sales, recording the sales in the ledger, and taking the cash receipts to the bank for deposit. Many of the additional yearbooks were sold; however, not all receipts from the sales were recorded. Furthermore, several checks that were noted as payment for yearbooks, were deposited in place of other cash receipts (discussed in the previous comment entitled "Cash Not Deposited"). Computed yearbook receipts not deposited were as follows:

LONGFELLOW ELEMENTARY SCHOOL
LAKE RIDGE SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

	<u>2005-0006</u>	<u>2006-2007</u>	<u>2007-2008</u>	<u>Totals</u>
Yearbooks Ordered	200	200	150	
Inventory January 28, 2010	<u>(11)</u>	<u>(21)</u>	<u>(1)</u>	
Yearbooks Available for Sale	<u>189</u>	<u>179</u>	<u>149</u>	
Price per Yearbook	<u>\$ 8.50</u>	<u>\$ 9.00</u>	<u>\$ 9.50</u>	
Computed Yearbook Receipts	\$ 1,606.50	\$ 1,611.00	\$ 1,415.50	\$ 4,633.00
Yearbook Receipts Deposited	(1,318.00)	(1,098.00)	(969.00)	(3,385.00)
Yearbook Checks Deposited Instead of Cash	<u>-</u>	<u>(50.00)</u>	<u>(9.50)</u>	<u>(59.50)</u>
Computed Yearbook Receipts Not Deposited	<u>\$ 288.50</u>	<u>\$ 463.00</u>	<u>\$ 437.00</u>	<u>\$ 1,188.50</u>

*Computed based on information provided during the audit by School Officials.

We requested that Stacey L. Rodriguez, Extra-Curricular Treasurer, make restitution to Longfellow Elementary School \$1,188.50 for Computed Yearbook Sales Receipts Not Deposited. (See Summary, page 20)

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 Treasurers of Indiana, Chapter 10)

COMPUTED BOOKSTORE RECEIPTS NOT DEPOSITED

The School has a bookstore which offers paper, pencils, erasers, markers, rulers, and many other miscellaneous items for sale to the students before school hours. The bookstore items are kept in a separate room of the office and sold by two fifth grade students, office employees, or the librarian. Cash receipts from the sale of bookstore items were maintained in a cash box kept on the shelves with the items for sale. At the end of the sale period, the cash box is turned over to the Extra-Curricular Treasurer (Treasurer). If the Treasurer is not available, the Secretary places the cash box in a cabinet in the locked vault. Additionally, the Treasurer is responsible for preparing the official receipt for the daily sales, recording the sales in the ledger, and taking the cash receipts to the bank for deposit. Computed Bookstore Receipts not deposited were as follows:

LONGFELLOW ELEMENTARY SCHOOL
LAKE RIDGE SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

Beginning Bookstore Inventory July 1, 2005	-
Bookstore Items Purchased	<u>39,636</u>
Items Available for Sale	39,636
Ending Bookstore Inventory January 28, 2010	<u>(6,605)</u>
Computed Bookstore Items Sold	<u><u>33,031</u></u>
Computed Bookstore Sales at Retail (Computed Bookstore Items Sold x Sales Price)	\$ 11,649.90
Less: 5% of Sales for Spoilage	<u>(582.50)</u>
Computed Net Bookstore Sales	\$ 11,067.40
Bookstore Receipts Deposited	<u>(6,355.69)</u>
Computed Bookstore Receipts Not Deposited	<u><u>\$ 4,711.71</u></u>

The Computed Bookstore Items Sold amount did not include filler paper purchased for the teachers to provide to students in need. Additionally, the Computed Net Bookstore Sales amount is conservative due to the following:

1. There was no beginning inventory which would increase the number of items sold.
2. There were some items purchased for resale which were no longer available. We could not determine the number of items in each package purchased which would increase the number of items sold.
3. The Computed Bookstore Sales at Retail amount was decreased 5% for spoilage, theft, occasional donations to teachers for their students and occasional donations or rewards by the Principal.

We requested that Stacey L. Rodriguez, Extra-Curricular Treasurer, make restitution to Longfellow Elementary School \$4,711.71 for Computed Bookstore Receipts Not Deposited. (See Summary, page 20)

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 Treasurers of Indiana, Chapter 10)

LONGFELLOW ELEMENTARY SCHOOL
LAKE RIDGE SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

COMPUTED SNACK SALES RECEIPTS NOT DEPOSITED

The School purchases snack items for sale to the students during the lunch periods. The snack items are kept in the bookstore, a separate room of the office. Snacks were sold by the Extra-Curricular Treasurer, the Secretary or other adult employees. The cash is kept in a tray in the bookstore and is turned in to the Treasurer at the end of the lunch periods. If the Treasurer is not available, the Secretary places the cash tray in a cabinet in the locked vault. Additionally, the Treasurer was responsible for preparing the official receipt for the daily sales, recording the sales in the ledger, and taking the cash receipts to the bank for deposit. Computed Snack Sales Receipts deposited were as follows:

Beginning Snack Inventory July 1, 2005	-
Snack Items Purchased	<u>114,503</u>
Snack Items Available for Sale	114,503
Ending Snack Inventory January 28, 2010	<u>(7,160)</u>
Computed Snack Items Sold	<u>107,343</u>
Computed Snack Sales at Retail (Computed Snack Items Sold x Sales Price)	\$ 35,035.25
Less: Free Snacks - 2 Per Day - 820 Days; \$0.50 Each	(820.00)
Less: 5% of Sales for Spoilage	<u>(1,751.76)</u>
Computed Net Snack Sales	\$ 32,463.49
Snack Receipts Deposited	<u>(18,371.25)</u>
Computed Snack Receipts Not Deposited	<u>\$ 14,092.24</u>

The Computed Snack Sales amount is conservative due to the following:

1. There was no beginning inventory which would increase the number of items sold.
2. There were some items purchased for resale which were no longer available. We could not determine the number of items in each case purchased which would increase the number of items sold.
3. The amount for two \$0.50 items for each day of school was subtracted from the Computed Sales at Retail. Two students each day receive a free snack for selling bookstore items; however, adult staff members begin the year working in the bookstore. Adjusting sales for the actual number of days that free snacks were given to students would increase the calculated sales.
4. The Computed Sales at Retail amount was decreased 5% for spoilage, theft, occasional donations to teachers for their students, occasional donations to the nurse for ill students, and occasional rewards by the Principal.

LONGFELLOW ELEMENTARY SCHOOL
LAKE RIDGE SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

We requested that Stacey L. Rodriguez, Extra-Curricular Treasurer, make restitution to Longfellow Elementary School \$14,092.24 for Computed Snack Sales Receipts Not Deposited. (See Summary, page 20)

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 Treasurers of Indiana, Chapter 10)

EMPLOYEE BLANKET BOND

Lake Ridge Schools has Public Employees Position Schedule Bonds for the Extra-Curricular Treasurers. The bonds are with Travelers Casualty and Surety Company of America and provide \$7,500 of coverage each year for the Longfellow Elementary School Treasurer.

ADDITIONAL AUDIT COSTS – RECEIPTS NOT DEPOSITED

Additional audit costs in the amount of \$5,477.50 were incurred due to the examination of the items listed herein.

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)

SALES CONTROLS

Inventories and reconcilements of purchases and sales concerning the sales of additional year-books, snacks, and bookstore items were not performed. Beginning inventories were not presented for examination; ending inventories were taken as part of the audit due to the concerns noted in the previous comments.

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)

SUMMARY COLLECTION FORM (SA-8)

Longfellow Elementary School began using the Prescribed Summary Collection Form SA-8 in February 2006; however, the forms were not always accurately completed by the sponsors nor were the duplicates retained by the sponsors. The sponsors did not always list the check numbers and amounts received and many corrections were noted that were not approved by the sponsors.

LONGFELLOW ELEMENTARY SCHOOL
LAKE RIDGE SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

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.

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. Form (SA-8) is to be used as a transmittal document each time money is reported from the sponsor to the extra-curricular treasurer. Space is provided to list check numbers and amounts as applicable. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

GENERAL FUND (STUDENT ACTIVITY FUNDS)

We noted many purchases from the extra-curricular General Fund that did not benefit the student body. These purchases included food for staff luncheons; in-service meetings, book adoption meetings, and other professional development meetings; teacher appreciation luncheons and gifts; Christmas parties and gifts; and office decorations. Other purchases of office and classroom supplies appeared to have been reimbursed by the School Corporation.

The State Board of Accounts consistently has been of the audit position to not take an audit exception to a school extra-curricular account having a general fund if the fund consists of revenues received from functions (vending machines or sales of a similar nature, etc.) not generated by students for a specific class or organization (for which a fund should be established). Our audit position has been with the provision that the functions for which the expenditures are made benefit the student body as a whole (as opposed to a select group of students, school employees or administrators). Examples of appropriate expenditures in the past would be convocations, field trips which the entire student body has the opportunity to take during the course of the school year, etc. Our audit position has been based in part upon the substance of the transaction (the revenues are primarily from students or parents paying into vending machines, picture money, etc.). Naturally, we would not take audit exception to a public policy of a school corporation which would provide that a general fund does not exist and that money from these type of functions be used to offset the cost of the function (reduced prices of vending machine items, reduce the costs of pictures, etc.). The State Board of Accounts' audit position is as stated above. However, we will not take audit exception to a school having disbursements from an extra-curricular "general fund" or "student activity fund" for authorized school corporation type expenditures, such as equipment, supplies, etc., with the following conditions:

1. A policy has been adopted by a school board in a public meeting authorizing these types of expenditures.
2. Providing there are no objections from a majority of an applicable student body to these types of expenditures.
3. Equipment purchases would still require separate approval from the local school board.

LONGFELLOW ELEMENTARY SCHOOL
LAKE RIDGE SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

Since alternatives exist for funding educational expenditures (i.e., taxes, authorized investment income expenditures, etc.) and other alternatives for the use of a general fund are available (i.e., reducing the cost of items to students and/or parents), we must emphasize the adoption of the aforementioned would be a public policy decision for which the local board of school trustees must accept any and all responsibility. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 6)

FURTHER INVESTIGATION

We have requested Stacey L. Rodriguez, Extra-Curricular Treasurer, submit detailed documentation which provides for a proper accounting for the issues as detailed herein or to remit \$21,910.03 to Longfellow Elementary School.

Due to the unresolved nature of the information provided herein, we are forwarding this Report to the Indiana State Police, Prosecuting Attorney of Lake County, and Attorney General of the State of Indiana for further investigation and resolution.

LONGFELLOW ELEMENTARY SCHOOL
LAKE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 22, 2010, with Dr. Sharon Johnson-Shirley, Superintendent of Schools; G. Annette Wells, School Board member; Kimberly A. Pusateri, School Corporation Treasurer; James Huddleston, Business Manager; Deborah Chandler-Carlson, Principal of Longfellow Elementary School; and Stacey L. Rodriguez, Extra-Curricular Treasurer of Longfellow Elementary School. The official response has been made a part of this report and may be found on pages 12 through 19.

Mr. Bruce Hartman
State Board of Accounts
302 West Washington Street Room E 418
Indianapolis, IN 46204-2765

June 24, 2010

Dear Mr. Hartman:

I am writing this in response to the Audit results for Longfellow Elementary School.

Cash Not Deposited : There are several reason I can account cashing out checks for;

* Parents who had two or more students or wanted to pay for two or more things but only had the one check. I would cash it out so they could divide the money for the needed areas. For example to the different teacher's for fieldtrips, to the cafeteria, or for fundraisers etc...

* Teachers (Social Committee) who would collect money and wanted to give cash to the person as a gift. In some cases instead of them making the check out to the person they would write it out to Longfellow and then the Social Committee would ask me to cash it.

* Teachers (Coaches) in some cases had paid for or ordered volleyball, basketball and or cheerleading t-shirts and instead of the checks being made out to the store for the t-shirts they were made out to Longfellow and in those insistences the Coach would ask me to cash the check out so they could pay for the t-shirts.

Looking back now I see how this could have been handled differently but, at the time I didn't realize it to be an issue since it was for school related reasons. I am seeking statements from the teachers involved to support my claims.

Yearbook Sales Receipts Not Deposited: In the past years we would order a certain number of books, then collect the order forms and money. We would end up taking a loss because we ordered more than we could sell. We have since changed the procedure within the last two years. The parents just pay the company directly and then I compile the list and pass out the yearbooks once they came in. This made more sense, less stress and no handling of any money and less room for mistakes. In turn they would just send us the profit check. As for all of the excess yearbooks from previous years, they were either put in the vault, or put in the bookstore. Also, every year one was given to the Librarian and to Teachers upon request at no cost. We have also given some students the old yearbooks because they couldn't afford one or they were moving and didn't get one or just given away to students.

Bookstore Receipts Not Deposited : The bookstore has always been an issue, but it was also common practice before I started working at Longfellow if items were needed for a child, a teacher would get the items the child needed from the bookstore. Since previous audits never stated this to be a problem, I did not, nor was ever advised to take any type of inventory since working at Longfellow. Unless, however it was to order what we were low on. Items on a regular basis were taken from the bookstore for the students. Some items were also used for a program called Fantastic Fours, pencils were given to all students during testing, the Art teacher would get scissors or other supplies when needed, myself and the other secretary would give new enrolling students, that couldn't afford supplies, some supplies to get started and Teachers always came to get stuff for their student's.

The bookstore and the snack room is a shared room off of the office area which is easily accessed by all staff. The bookstore was worked by students or occasionally by an adult employee only in the morning between 8:00 -8:30 am. The money box was then placed on my desk and then I would count and receipt the money for the daily deposit. If I was not there the money box was placed in the vault. This year the students were not allowed to leave the cafeteria in the morning therefore the bookstore wasn't used often this year.

I will also seek statements from teachers and staff supporting my claims of items continually being taken from the bookstore for students.

Snack Sales Receipts Not Deposited : I would like to clarify that for the past three or more years myself nor the other secretary worked the snacks during lunch periods like the audit states. We had students who worked during the lunch periods. We tried to keep the same students but it didn't always work out that way because they were either caught giving out free snacks or stealing. We did however have a few reliable students that we could count on.

The procedure was the same as the bookstore and in the same room, once the lunch period was over they would place the money box on my desk and then I would count and receipt the money for the daily deposit. Once again I never took inventory or was advised by the principal or auditors (except, in January of this year she said something about a inventory sheet but it would be best to start the inventory at the beginning of the year.) that I should be taking inventory on the snack items. I did however stress that I felt uncomfortable being "so called" in charge of something that I really had no control over. I didn't realize the severity of taking some sort of inventory until the audit on June 22, 2010. With that being said, to my knowledge, I know snacks were given out for the following:

- *Good Behavior
- *Perfect Attendance
- *Snacks were issued on days of testing for ISTEP for all students taking the test.
- *Students were given snacks during or following basketball & volleyball practice by the coach.
- *Teachers would come get snacks for their class if they were being good.
- *Students who missed the bus and left waiting in the office for a ride were given snacks.
- *Students who came to the office with stomach aches were given crackers
- *Parents in the office with a small child/children were given snacks for the little ones.

*Students who came to office saying they were hungry but we still had a ways until lunch were given a snack.

*Teachers, Janitorial and Staff, including myself have helped themselves to snacks

*Students who helped clean up the cafeteria were given snacks

*In past years snack money was used for students would couldn't afford to pay for their fieldtrips and that money was given to the teacher to put into her account to pay for the fieldtrip for that student.

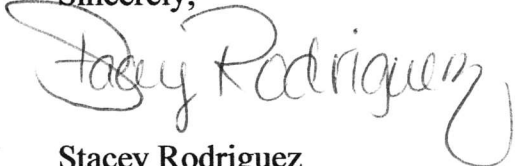
These are just some of things that I can recall snacks being given away for, not to mention snacks being taken or given away that I wasn't aware of. Once again I will seek statements from Teachers & Staff supporting my claims.

In closing, I would like to say that since being employed by Lake Ridge Schools for almost 14 years, I have always took pride in being a hard working, honest, dedicated employee even when faced with many stressful events in my life. One of those was trying to work full time while raising two daughters and being pregnant (please note that I was on maternity leave from March 1, 2006 until June 2006), all while my husband was deployed to Iraq (twice in the last 5 years), plus the never ending demands of my job, I'm sure left room for mistakes on my part. However, I am not making excuses but would just like to make clear the entire picture. I am saddened, sickened and frustrated that I am being held accountable for many things that I did not have control over or was never advised or trained to do.

I am available to be completely cooperative in this matter and can be reached at (219) 940-3819 or (219) 688 -6921.

Thank you for your time.

Sincerely,

A handwritten signature in cursive script that reads "Stacey Rodriguez". The signature is written in black ink and is positioned to the right of the typed name.

Stacey Rodriguez

June 25, 2010

To whomever it may concern,

This letter is in regards to the snack/ bookstore at Longfellow Elementary School. This room is impossible to monitor being that everyone uses or needs things from this room from the principal to the janitors. Here are some examples of situations involving the snack/bookstore.

If a teacher needs a folder, paper, scissors, ruler or a pencil, they get them from the bookstore. In some cases, it might be a classroom set which could be 25 each give or take.

We have had students who have come down to the office who don't feel well, maybe their stomach hurts or they might say their hungry, we **don't** let them go hungry. We will give them a bag of cheezits. Sometime this makes their stomach feel better. A child who is hungry or who doesn't feel well will not perform well. I work until 4:00 o'clock, a parent might call and say I'm running late but I'll be there can my child wait with you. If child says he/she is hungry, we give them something if they don't have any money.

When the volleyball team did real good, the coach gave his whole team a snack from the snack/bookstore room.

Sometimes when a parent comes for a conference with the principal, they might have to bring a younger child with them. If that younger child is acting up or keeping the mom from getting the information, we might give the child a snack to keep them busy.

There are some things in the bookstore that we order special because the teachers want the students to have them for their classroom. (Example: magnet men, word dictionary, laddie pencils etc.) If a new student or one of our other students can't afford it, we don't let them do without and we give it to them.

There are teachers who stay after school to do lessons or other things in their room and their own children will go in and get a snack (the book keeper is gone at this time).

When I need a pen, folder or a tablet of paper for my job I get it from the bookstore. I have even had a snack from the snack room.

The principal will give a student a snack for behaving especially if they are a problem student. Sometimes this is all it takes for them to behave.

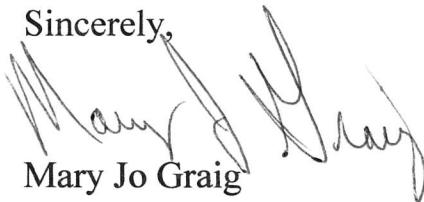
When the Sign-In, Early Dismissal and Substitute check in sheets need a pen we get it from the bookstore.

We also have students that run the snack/bookstore. We test them on their adding ability before we let them work but they can still mess up. We also let them have a snack for working.

The taking and giving of snack/bookstore is generally done for the benefit of the school and the students.

The bookkeeper should not be held responsible for something she does not have any control of. This stuff goes on whether she is there or not. Everyone from the principal to the janitor knows this goes on.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mary Jo Graig', written in a cursive style.

Mary Jo Graig
Secretary/Registrar

June 25, 2010

To Whom It May Concern:

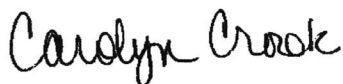
I am writing you this letter on behalf of Stacey Rodriguez. I started working for the Lake Ridge School system in March 1994. During my employment I worked at Longfellow Elementary School from March 1994 – September 2006 as the Secretary/Records Clerk. I also took over Stacey's duties of Secretary/Bookkeeper while she was on maternity leave from April 2006-June 2006.

While I was at Longfellow Elementary School the staff there took snack items from where the snacks were stored. Some took snacks for children in their classroom for rewards. The principal would give out a snack here or there. Sometimes he would give out a snack to reward a student or sometimes he would give out a snack to a student who was in the office to register for school. Sometimes I would give children that were in the nurses office a snack if they in there all day and were hungry. I'm sure that snacks were taken by staff members without the office being notified. Staff occasionally took bookstore items as well. Some examples are, but are not limited to: pencils-during testing, some teachers would come in and take pencils for those students who did not have one. School boxes-some teachers may take a school box if a student didn't have one because they couldn't afford one. Again, I am sure that items were taken from the bookstore by staff without the office being notified.

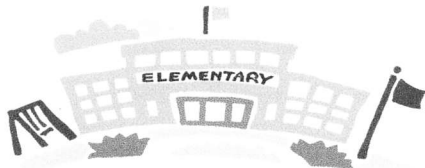
When Stacey and I would place the order for yearbooks, we always ordered extra yearbooks. We always had students who forgot to order and wanted one once they seen the other children get a yearbook. When I was at Longfellow, we kept one yearbook for the office and gave one to the Librarian for her to keep in the library. Some yearbooks were given out free to students. If we knew of a family who could not afford a yearbook, we would give a yearbook to that student(s) in that family. Yearbooks were given out free after everyone who may have forgotten had the chance to purchase one.

If you have any other questions, please feel free to contact me. My email address is cjcrook0730@yahoo.com. My phone number is 219-746-4146.

Sincerely,



Carolyn Crook



Working together, we ALL can learn.

Longfellow Elementary School
4500 Calhoun Street
Gary, Indiana 46408
Phone: 219.923.7004
Fax: 219.923.7103

Longfellow School Website:
<http://lakeridge.k12.in.us/longfellow>

Deb Carlson, Principal

Date: June 30, 2010

To: Mr. Bruce Hartman

RE: Exit Conference for Longfellow School, Gary, IN

Dear Mr. Hartman,

I am writing in response to the Audit Results and Comments for Longfellow Elementary School. I have been the principal at Longfellow for the past two school years which include 2008-09 and 2009-10 included in this reports. My comments are listed for each section of the report. I have reviewed this audit and will change the necessary procedures for the coming school years.

Cash Not Deposited:

The practice of cashing checks for employees was stopped before I became principal.

Yearbook Sales Receipts Not Deposited:

There was a common practice before I became principal to give 1 yearbook to the library each year.

Bookstore Receipts Not Deposited:

When I became principal, I met with the previous principal. He told me that we needed to keep track of the bookstore items that were given to students who needed them but could not pay for them, items given to classroom teachers for instructional use, or items given to students in our remediation programs. At that time, I instructed Stacey Rodriguez to keep track of these items and she agreed to do so.

Snack Sales Not Deposited:

When I became principal, I met with the previous principal. He told me that we needed to keep track of the snacks that were given to students as a reward or during ISTEP testing.

At that time, I instructed Stacey Rodriguez to keep track of the items. In fact, I created a coupon for "free treat" for students who had perfect attendance or who were on the honor roll. I created these coupons as a way to track treats that were given to students. I told Stacey that

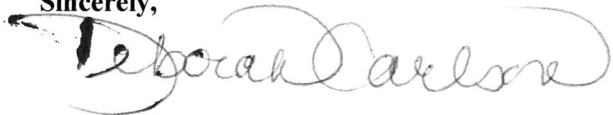
students were to write their name on the back when they were redeemed. It was my understanding that Stacey was tracking these coupons and the treats that were given away to students.

General Fund:

During 2008-09 & 2009-10 I instructed Stacey to use monies from the Interest Fund or the Pepsi Fund (located in the staff lounge) for staff luncheons and gifts.

If you have any other questions, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Deborah Carlson". The signature is written in black ink and is positioned to the right of the word "Sincerely,".

Deborah Carlson
Principal

dcarlson@lakeridge.k12.in.us
219-989-5034

LONGFELLOW ELEMENTARY SCHOOL
LAKE RIDGE SCHOOLS
SUMMARY OF DISCREPANCIES

	<u>Discrepancies</u>
Computed Yearbook Sales Receipts Not Deposited, pages 4 and 5	\$ 1,188.50
Computed Bookstore Receipts Not Deposited, pages 5 and 6	4,711.71
Computed Snack Sales Receipts Not Deposited, pages 7 and 8	<u>14,092.24</u>
Total	<u>\$ 19,992.45</u>

LONGFELLOW ELEMENTARY SCHOOL
LAKE RIDGE SCHOOLS
SUMMARY OF CHARGES

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Stacey L. Rodriguez, Extra-Curricular Treasurer: Cash Not Deposited, page 4	\$ 1,917.58	\$ -	\$ 1,917.58

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AFFIDAVIT

STATE OF INDIANA)
Lake)
COUNTY)

We, Susan M. Lardino and Cynthia M. David, Field Examiners, being duly sworn on our oaths, state that the foregoing report based on the official records of the Longfellow Elementary School, Lake County, Indiana, for the period from July 1, 2005 to January 28, 2010, is true and correct to the best of our knowledge and belief.

Susan M. Lardino

Cynthia M. David
Field Examiners

Subscribed and sworn to before me this 10th day of January, 2011.

Katherine M. Lodovisi
Notary Public

My Commission Expires: May 31, 2018

County of Residence: Lake

