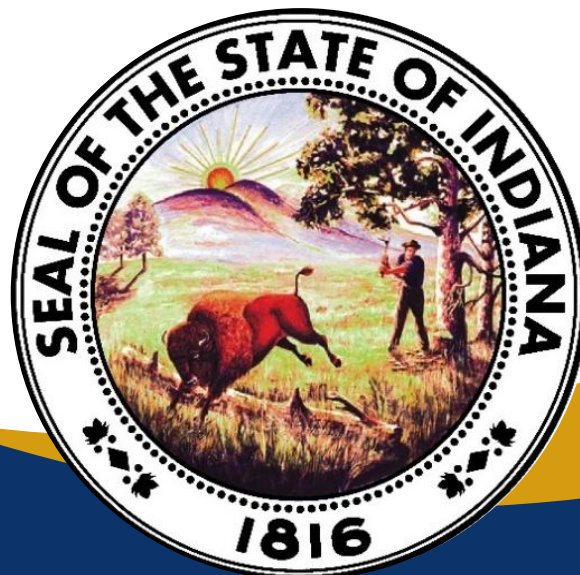


**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

**Paul D. Joyce, CPA
State Examiner**

SUPPLEMENTAL COMPLIANCE REPORT
OF
SOUTH BEND COMMUNITY SCHOOL CORPORATION
SAINT JOSEPH COUNTY, INDIANA
July 1, 2022 to June 30, 2023



FILED
04/29/2026

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Kareemah Fowler Ahnaf Tahmid (interim) Ahnaf Tahmid	07-01-22 to 09-30-24 10-01-24 to 10-06-24 10-07-24 to 06-30-26
Superintendent of Schools	Dr. C. Todd Cummings Mansour Eid (interim) Mansour Eid	07-01-22 to 02-18-25 02-19-25 to 05-04-25 05-05-25 to 06-30-26
President of the School Board	John Anella Dr. Stuart Greene Jeanette McCullough Dr. Stuart Greene	01-01-22 to 12-31-23 01-01-24 to 12-31-24 01-01-25 to 12-31-25 01-01-26 to 06-30-26



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

302 WEST WASHINGTON STREET
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TO: THE OFFICIALS OF THE SOUTH BEND COMMUNITY SCHOOL
CORPORATION, SAINT JOSEPH COUNTY, INDIANA

This report is supplemental to the audit report of the South Bend Community School Corporation (School Corporation), for the period from July 1, 2022 to June 30, 2023. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the School Corporation. It should be read in conjunction with the Financial Statement Audit Report of the School Corporation, which provides our opinions on the School Corporation's financial statement. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Audit Results and Comments, incorporated within this report, was not verified for accuracy.

Beth Kelley, CPA, CFE
Deputy State Examiner

February 5, 2026

SOUTH BEND COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

FINANCIAL TRANSACTIONS AND REPORTING

Condition and Context

Internal controls within the School Corporation are the policies and procedures established to safeguard assets, ensure accurate financial reporting, and maintain compliance with laws and regulations. Deficiencies were identified in the School Corporation's internal control system over financial transactions and reporting. The School Corporation had not implemented an effective framework of internal controls to ensure the separation of incompatible duties in the areas noted below. As a result, weaknesses in the internal control environment allowed instances of noncompliance to occur and remain undetected during the audit period.

Financial Transactions and Reporting

The June 30, 2023 financial information required for submission into the Annual Financial Report (AFR) via the Indiana Gateway for Government Units Financial reporting system was prepared by the Director of Internal Audit and reviewed by the Treasurer. Following review, the Director of Internal Audit entered the data into the AFR, and the Treasurer completed the submission. However, the School Corporation was unable to provide documentation verifying that the financial information was formally reviewed and approved both prior to its entry into the AFR and after its submission.

Cash and Investments

The School Corporation operated 11 separate bank accounts which included 3 sweep accounts. The following deficiencies were noted:

- The monthly Payroll Account bank reconciliations were not current at June 30, 2023, and remained incomplete until July 2025.
- A separate bank account established strictly for electronic vendor payments was present in the School Corporation's accounting system; however, this account has never been reconciled.
- Sweep transactions were either omitted or posted to the wrong bank in the accounting system, causing numerous unreconciled items in the bank reconciliations.
- Reconciling items were identified across all account reconciliations; however, many were not addressed or corrected in either the School Corporation's accounting system or the respective bank accounts. Several reconciling items have remained unresolved for extended periods, with some dating back as far as 2019.
- Checks that had cleared the bank were not removed from the outstanding checklist and continued to be carried forward on the subsequent reconciliation reports.
- A combined bank reconciliation had not been prepared to include all bank accounts, preventing verification of the ending cash balance recorded in the accounting system.

SOUTH BEND COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Disbursements

Vendor Claims

The School Corporation's procedures required vendor invoices and claim forms to be signed by the appropriate department head and then routed to an authorized Finance Department Director, such as the Deputy Treasurer, CFO, Budget Director, or another designated approver, before Accounts Payable processed the payment. However, documentation confirming these approvals was not consistently available. Furthermore, in some instances, invoices were processed without the required supporting documentation to verify that proper approval had been obtained.

EFTs

The School Corporation required two-factor authentication for electronic funds transfer payment approvals. The School Corporation was unable to provide documentation demonstrating that the internal control had been designed and implemented to ensure segregation of duties within the payment process. Specifically, no evidence was available to verify that the individual who prepared payments was separate from the individual who approved them.

Credit Card Payments

Credit card transactions were processed without documented prior authorization, management review, purchase order initiation, or budgetary review. These transactions occurred outside the standard accounting system procedures and bypassed the established procurement and credit card policies.

Procurement Card Expense Reports

School Corporation employees who were authorized to use credit cards were required to submit Procurement Card Expense reports. These reports itemized all credit card purchases made during the month and included the corresponding fund, account, and object code for each transaction, along with supporting documentation. However, no documented evidence was available to verify that the reports had been reviewed or approved by management.

Self-Insurance

The School Corporation's prior Budget Director reviewed the Anthem claims and initiated the claims payment process. During risk assessment procedures, it was determined that the documentation attached to self-insurance claims did not provide a breakdown of the individual claimants. Although the claims were reviewed by Accounts Payable and Payroll Administrator and the prior Budget Director, the review was limited to the invoice itself. As a result, there was no evidence to verify that payments were made solely on behalf of the School Corporation employees and, if applicable, their dependents.

SOUTH BEND COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Payroll

Employer's Quarterly Tax Return Form 941 Schedule B

The Accounts Payable Administrator ran the Employer's Quarterly Federal Tax Return Form 941 and the supplemental worksheet Schedule B report from the School Corporation's accounting system. This form verifies that all required 941 tax deposits made each payroll period were accurate and complete. There was no documented evidence of review by a supervisor or independent review.

W-2 Wage and Tax Statements

The School Corporation was responsible for submitting W-2 Wage and Tax Statements, which are the documents employers must provide to each employee and to the Internal Revenue Service at the end of every tax year. The School Corporation's W-2 file was issued without documented review.

Distribution and Exception Reports

The Payroll Supervisor was responsible for running Payroll Distribution Reports and Exception reports. The Exception reports provide a list of errors with employee pay for the payroll period. The Payroll Distributions report lists all employees who received payment during a specified pay period. There was no documented evidence of review of either of these reports.

Average Daily Membership

The School Corporation maintains a policy requiring Average Daily Membership (ADM) review prior to submission; however, the first ADM report for the 2022-2023 fiscal year was uploaded without verification by either the Superintendent of Schools or the CFO. In addition, the School Corporation did not have a formally adopted (or readopted) residency policy in place during the audit period.

Transfers

Transfers were processed without the required supporting documentation to verify that proper internal approval had been obtained. The School Corporation procedures required that all transfers be approved or initiated by the Director of Internal Audits, the District Budget Director, or the Director of Federal Grants before being routed to the District Accountant or designated staff for processing. No documentation was available to confirm that these approvals occurred.

Criteria

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

SOUTH BEND COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner as set forth in the uniform compliance guidelines. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

All documents and entries to records must be made in a timely manner to ensure that accurate financial information is available to allow the unit to make informed management decisions and to help ensure the preservation of public records. [IC 5-15-1-1]. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1, 1.03 WW)

All financial transactions pertaining to the unit must be recorded in the records of the unit at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1, 1.03 XX)

INTERNAL CONTROLS OVER COMPLIANCE

Condition and Context

The School Corporation did not establish adequate internal controls to ensure compliance with laws and regulations governing financial transactions. The absence of effective internal controls allowed instances of noncompliance to occur and go undetected throughout the audit period. As a result, internal control deficiencies contributed to noncompliance detailed in the following comments.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

SOUTH BEND COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

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An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

ALCOHOL PURCHASES

Condition and Context

On July 27, 2022, the School Corporation credit card was used to purchase alcoholic beverages for an event of undetermined purpose, coordinated by Milton Lee, Director of Communication Program and Athletics. The submitted receipts reflect charges for the following:

- Cash Bar Charge: \$100
- Three Mixed Drinks: \$24
- Eleven Import/Craft Beers: \$66

These expenditures were charged to ESSER III funds. No supporting documentation was provided to identify the nature of the event, its attendees, or its alignment with allowable uses under ESSER III guidelines. The ESSER III funds, authorized under the American Rescue Plan Act, are restricted to expenditures that address learning loss, improve school facilities, and support student health and safety. Alcohol purchases are not permissible under federal grant guidelines. While the School Corporation does not maintain a standalone policy explicitly addressing alcohol purchases, the School Corporation's Travel Payment and Reimbursement Policy 6550 clearly defines the purchase of alcohol as an unauthorized expense, thereby prohibiting reimbursement or payment for such items using public funds.

SOUTH BEND COMMUNITY SCHOOL CORPORATION
 AUDIT RESULTS AND COMMENTS
 (Continued)



Criteria

The governing body of a unit must have a written policy concerning the purchase of alcohol using public funds. This policy must address the exact situations in which alcohol can be purchased and outline any liability issues that may arise with using public funds to purchase alcohol. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1, 1.04 A)

Sources and uses of funds must be limited to those authorized by the enabling law, ordinance/ resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1, 1.03 X)

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1.03 DD)

Milton Lee, Director of Communication Program and Athletics, reimbursed the School Corporation \$190 for the unallowable purchase of alcohol. Reimbursement was made in full on February 12, 2026.

SOUTH BEND COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

ANNUAL FINANCIAL REPORT

Condition and Context

The Annual Financial Report (AFR) is required to be submitted annually via the Indiana Gateway for Government Units (Gateway) financial reporting system. Information reported in the AFR is used to compile the School Corporation's financial statement, the other information, and the Schedule of Expenditures of Federal Awards (SEFA). The School Corporation did not have adequate internal controls over the information submitted in the AFR, and, as a result, the following errors were identified.

The grant information used to prepare the SEFA for the year ending June 30, 2023, was compiled by the former Director of Federal Grants and provided directly to the former Director of Internal Audit for entry into Gateway. There was no documented evidence that the grant information was reviewed prior to submission. Although the former Treasurer was responsible for reviewing the financial information, including the grant schedule, there was no documented evidence that a review occurred.

Grant Schedule

The grant schedule presented for audit included the following errors:

- The School Breakfast Program expenditures were understated by \$2,979,484.
- The National School Lunch Program expenditures were understated by \$7,948,337.
- Multiple grants had individual errors that resulted in total overstatements of expenditures of \$1,118,400 and total understatements of expenditures of \$6,815,098.
- Other errors included incorrect program names, Assistance Listings Numbers, and identifying numbers.

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA presented in the Federal Compliance Audit Report of the School Corporation and to the grant information in the AFR.

Leases and Debt

The leases and debt information presented for audit included the following errors:

- The General Obligation (GO) Bonds, Series 2018, ending principal balance was overstated by \$885,000, and principal due within one year was overstated by \$885,000.
- The General Obligation (GO) Bonds, Series 2019, ending principal balance was overstated by \$125,000, and principal due within one year was understated by \$720,000.
- The General Obligation (GO) Bonds, Series 2020B, with an ending principal balance of \$2,390,000 and principal due within one year in the amount of \$1,575,000 was not reported.
- The General Obligation (GO) Bonds, Series 2021B, with an ending principal balance of \$3,155,000 and principal due within one year in the amount of \$1,545,000 was a duplication.

SOUTH BEND COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

- The General Obligation (GO) Bonds, Series 2023, with an ending principal balance of \$6,025,000 and principal due within one year in the amount of \$1,450,000 was not reported.
- The General Obligation (GO) Refunding Bonds, Series 2013, ending principal balance was overstated by \$675,000, and principal due within one year was understated by \$10,000.
- The Common School Loan Fund B410 with an ending principal amounts of \$1,317,555 and principal due within one year in the amount of \$146,395 was not reported.

Adjustments were proposed, accepted by the School Corporation, and made to the Schedule of Leases and Debt presented as Other Information in the Financial Statement Audit Report of the School Corporation and to the leases and debt information in the AFR.

Criteria

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner as set forth in the uniform compliance guidelines. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3-8-7."

AVERAGE DAILY MEMBERSHIP (ADM) - LACK OF RECORDS

Condition and Context

The School Corporation received approximately one-third of its total revenue from state tuition support. This funding is primarily determined by student enrollment counts of all students, which includes both brick-and-mortar and virtual, taken on specific days designated by the Indiana Department of Education (IDOE). These counts establish Average Daily Membership (ADM), which serves as the basis for calculating tuition support allocations. These counts are submitted in the Membership Report (ME) to the IDOE, and the finalized the ME reports served as the foundation for the Tuition Support Calculations worksheet, which determines state tuition funding.

For the 2022-2023 academic year, the School Corporation did not maintain adequate student enrollment and attendance records relating to the ADM reported in the ME reports. Sample testing of student records identified noncompliance in both brick-and-mortar and virtual populations:

Brick-and-Mortar Students (Sample of 61)

- There were 27 students that lacked proper enrollment forms verifying official enrollment.
- There was 1 student that did not have appropriate attendance documentation to confirm participation.
- There were 2 students that did not provide sufficient proof to meet the age requirement.
- There were 31 students that lacked proper residency documentation.

SOUTH BEND COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Virtual Students (Sample of 60)

- There were 41 students that lacked proper enrollment forms verifying official enrollment.
- There were 7 students that did not have sufficient attendance documentation to confirm participation.
- There was 1 student that did not provide adequate proof to meet the age eligibility requirement.
- There were 10 students that had missing daily attendance records in the student information system; however, there was evidence indicating overall attendance was recorded for the academic year.
- There was 1 student that had missing daily attendance records in the student information system, with no evidence to verify overall attendance for the school year.
- There were 50 students that lacked proper residency documentation.

Criteria

Indiana Code 5-15-6-3 states:

"No financial records or records relating to financial records shall be destroyed until the earlier of the following actions:

- (1) The audit of the records by the state board of accounts has been completed, report filed, and any exceptions set out in the report satisfied.
- (2) The financial record or records have been copied or reproduced in accordance with a retention schedule or with the written consent of the administration."

Officials shall maintain records (enrollment cards, rosters, reporting forms, etc.) which substantiate the number of students claimed for ADM. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

The building level official (Principal, Assistant Principal, etc.) is responsible for reporting ADM to the School Corporation Central Office, must provide a written certification of ADM to properly document responsibility. The certification must at a minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

BANK ACCOUNT RECONCILIATIONS - TIMELINESS

Condition and Context

The School Corporation did not complete bank reconciliations on a timely basis. A total of five months of bank reconciliations were tested, including 55 individual bank reconciliations, which identified significant delays in reconciliation. In some instances, the exact reconciliation date could not be determined, while 24 of the 55 individual reconciliations were performed between 105 and 353 days after month end.

SOUTH BEND COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Criteria

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

CAPITAL ASSETS

Condition and Context

The School Corporation had not conducted a physical inventory of its capital assets within the past two years. In addition, a detailed listing of capital assets was not properly maintained, and a formal depreciation policy had not been established, either as a standalone document or incorporated into the existing capital asset policy.

Ten capital assets were selected for physical observation. Of those, two items, including one classified as miscellaneous equipment and a Typhoon EV wet vacuum with a combined total value of \$2,123,619, could not be located during testing.

Criteria

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detailed listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1,1.03 E)

COMPENSATION - NON-EMPLOYEES


Background

In April 2022, the South Bend Community School Corporation's (SBCSC) Assistant Superintendent of Business and Finance Kareemah Fowler (Fowler) entered into a "general statement" (statement) with Karen White (White) of Reaching Higher Grounds. The statement obligated the SBCSC to pay \$25,000 in funds from an ESSER/CARES grant to the Reaching Higher Grounds program "to accelerate learning and support students across all grades with a focus on partnership between Community Based Organizations to provide enrichment programs. . . ." On April 27, 2022, a purchase order for \$25,000, identifying White of Reaching Higher Grounds as the vendor, was "ship[ped] to" SBCSC/Administrative Services to the attention of Cordell Martin. The description indicates the \$25,000 was due for various enrichment programs "as per the attached contract." An unidentified signature acknowledges the materials or services were completely received. A check signed by the SBCSC Treasurer was made payable to White on the same day.

Condition and Context

The next year, a handwritten "4/6/23" was made on the same statement along with highlighting the \$25,000 award to Reaching Higher Grounds and "the 21-22 & 22-23" school years. A handwritten Vendor Claim Form in the amount of \$25,000 (with a description of various services) was signed by the Deputy Treasurer, certifying receipt of the "supplies and materials," and a check was made payable to White on the same day (April 6, 2023). No invoice was provided to substantiate or support the services described on the Vendor Claim Form.

SOUTH BEND COMMUNITY SCHOOL CORPORATION
 AUDIT RESULTS AND COMMENTS
 (Continued)



South Bend Community School Corporation
 Dr. C. Todd Cummings, Superintendent
 Department Of Financial Services • Office of The Administration
 Suite 400
 Kareemah Fowler, Assistant Superintendent of Business & Finance

DATE: 4/8/22 *4/16/23*

TO: Reaching Higher Grounds- Karen White *1027 9109*

FROM: Kareemah Fowler, Assistant Superintendent of Business & Finance

SUBJECT: Community Based Organization

This is a general statement to ensure that funds from the ESSER/CARES grant will be presented to the Reaching Higher Grounds program.

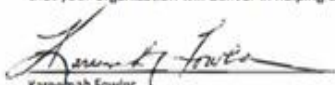
The said entity will be awarded \$25,000.

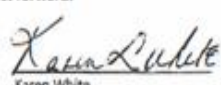
The goal of the partnership is to accelerate learning and support students across all grades with a focus on partnership between Community Based Organizations to provide enrichment programs centered around academic achievement, extended learning & social/emotional support.

These funds are intended to help your organization in continuing to service the youth of the South Bend School Corporation in support of social/emotional learning, leadership development, and academic achievement during the 21-22 & 22-23 school years. These funds will also be intended to support the Riley High School Sister Program, School-aged Mother Program, continuation & expansion of the RHS Sisterhood program to other SBSC High & Middle school students throughout the summer and support for Riley High & Jackson Middle School Sisterhood District Conference held at IUSB.

Each CBO will provide a monthly update with key metrics to track the progress of the program. Following the completion of the summer program, each organization will provide a complete summary detailing expected outcomes, actual outcomes, key observations, takeaways and recommendations.

While there are no additional stipulations or requirements for this funding, all are based on good faith efforts. Attached you will find additional documents meant to be filled out and returned to us. We look forward to working with your organization to continue the advancement of our youth. We are confident that your organization will deliver in helping us move the district forward.


 Kareemah Fowler


 Karen White

QUANTITY	UNIT	DESCRIPTION	UNIT PRICE	TOTAL
1		Community Partnership for SY 22-23: - Social/Emotional Learning - Leadership Development - Academic Achievement - Riley High school Sister Program - School Aged Mother Program - Expansion of RHS Sisterhood Program to other SBSC Middle & High schools throughout the summer - Support for Riley High & Jackson Middle School Sisterhood District Conference held at IUSB	\$25,000	\$25,000
				\$25,000

The undersigned agrees by executing this Purchase order that it is a condition of doing business with South Bend Community School Corporation that the undersigned may not discriminate against any person or applicant for employment on the basis of race or color and that it is an equal opportunity employer and that it is an equal housing opportunity employer in accordance with the laws of this state, color, sex, national origin, age or handicap and further, that the undersigned shall comply with all Procedures adopted by South Bend Community in order to implement the policies with respect to non-discrimination against persons.

I hereby certify that the above is true and correct and that the same was ordered by the SBSCC and the supplies and materials therein enumerated have been certified as received by an employee of SBSCC except

SIGNED: *Karen White* DATE: _____

SIGN HERE: _____ DATE: _____

TITLE: _____

FUND	ACCOUNT NO.	AMOUNT
		\$25,000

SOUTH BEND COMMUNITY SCHOOL CORPORATION
 AUDIT RESULTS AND COMMENTS
 (Continued)

CONTROL#	FOR	INVOICE#	DESCRIPTION	DATE	AMOUNT
006189-9994		SY22-23	COMMUNITY PARTNERSHIP	4/06/23	25,000.00

TOTAL AMOUNT >> 25,000.00

NO. 506385

South Bend Comm School Corp
 215 S. De Meigs, Lottier, King Jr
 SOUTH BEND, IN 46601

ACCOUNTS PAYABLE FUND

PAY ONLY ***** TWENTY-FIVE THOUSAND AND 00/100

PAY TO THE ORDER OF:
 KAREN L. WHITE

DATE: 4/06/23

AMOUNT: \$25,000.00

THE CHECK IS VOID 90 DAYS AFTER
 THE 31st DAY OF JUNE OF 2024

TREASURER

COPY

The docket on which the claim for payment to White appeared was approved by the School Board after payment was made to White. We did not see evidence that the statement was presented to or approved by the SBCSC's School Board.

Public filings with the Indiana Secretary of State show that in April 2022, Reaching Higher Grounds was and remains incorporated as a domestic nonprofit corporation, and White was and is the registered agent of the corporation. Due to Reaching Higher Grounds' status as a nonprofit corporation, the Indiana State Board of Accounts (SBOA) would expect to see payment rendered to the corporation. However, during the audit, the SBOA discovered that the check was made payable to White, not the corporation.

Indiana Code provides the steps a School Corporation must follow to approve contracts and pay claims. To approve a contract, the contract must be presented to the governing body and approved by a majority of all members; the president and secretary of the governing body are entitled to sign contracts on behalf of the School Corporation.

During audit, the SBOA would expect to see School Board approval of all contractual obligations entered into by the SBCSC. The SBCSC did not provide proof that the School Board approved the agreement between Fowler and White.

Criteria

Indiana Code 20-26-4-8 states:

"Notwithstanding any other law, the president and secretary of the governing body of a school corporation are entitled, on behalf of the school corporation, to sign any contract, including employment contracts and contracts for goods and services. However, each contract must be approved by a majority of all members of the governing body. In the absence of either the president or secretary of the governing body, the vice president is entitled to sign the contracts with the officer who is present."

SOUTH BEND COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Payments for services provided by an organization must go directly to the organization and not to an individual employee of the organization. All payments for services must be supported by a written contract. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1, 1.03 J)

ORDINANCES AND RESOLUTIONS

Background

In April 2022, the South Bend Community School Corporation's (SBCSC) Assistant Superintendent of Business and Finance Kareemah Fowler (Fowler) entered into a "general statement" (statement) with Karen White (White) of Reaching Higher Grounds. The statement obligated the SBCSC to pay \$25,000 in funds from an ESSER/CARES grant to the Reaching Higher Grounds program "to accelerate learning and support students across all grades with a focus on partnership between Community Based Organizations to provide enrichment programs. . . ." On April 27, 2022, a purchase order for \$25,000, identifying White of Reaching Higher Grounds as the vendor, was "ship[ped] to" SBCSC/Administrative Services to the attention of Cordell Martin. The description indicates the \$25,000 was due for various enrichment programs "as per the attached contract." An unidentified signature acknowledges the materials or services were completely received. A check signed by the SBCSC Treasurer was made payable to White on the same day

Condition and Context

The SBCSC has policies relating to contracting and purchasing which the SBOA expects the School Corporation to follow. The SBCSC's policy manual mandates that "all contracts obligating the School Corporation or the School Board, whether written or oral, and however named (. . . memorandum of understanding . . . etc.) . . . shall be approved or ratified by the Board." *South Bend Schools Policy Manual, Approval of Contracts*, po6330, Last Revised: August 19, 2019. During the audit, the SBOA would expect to see School Board approval of the contract; the SBCSC did not provide proof that the School Board approved the agreement between Fowler and White.

Additionally, in the same policy, only the Superintendent of Schools is authorized to negotiate and enter into contracts with a direct cost to the SBCSC of up to \$50,000. A separate SBCSC policy designates only the Superintendent of Schools as the purchasing agent for the School Board; only the Superintendent of Schools may purchase services on behalf of the School Board. (*South Bend Schools Policy Manual, Purchasing*, po6320, Last Revised: November 16, 2015). The SBOA is not aware of any policy authorizing Fowler, as the Assistant Superintendent of Schools, to negotiate and enter into contracts or purchase services for the School Board, and the SBCSC did not provide any policy authorizing Fowler to do so.

Criteria

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1, 1.03 DD)

SOUTH BEND COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

CONTROLLED PROJECT REFERENDUM

Condition and Context

On June 2, 2020, voters in the South Bend Community School Corporation (SBCSC) district approved increasing the property tax rate to pay debt service on bonds or lease rentals on a renovation, improvement, remodeling, or alteration project in the amount of \$54,000,000 (\$54 Million). The bonds or lease rentals were issued for a controlled project dedicated to enhancing the SBCSC facilities. The referendum appeared as two separate questions on the primary election ballot, with the second specifically authorizing the issuance of bonds or entering into a lease to finance the controlled project and increasing the property tax rate for debt service. According to the ballot language and the board-approved resolution, the \$54 million allocation was designated for the following purposes:

- Safety and security upgrades.
- Building maintenance and restoration.
- Modernization of facilities as part of the *2020 SBCSC School Building Basic Renewal/Restoration and Safety Project (Project)*.
 - One of the SBCSC facilities included in the Project was Riley High School.
 - The School Board-approved resolution identified the following work to be completed at Riley High School as part of the Project:
 - Replacement and updating of the: (1) (a) (i) heating and cooling system; (ii) windows and window systems; (iii) fire alarm system; (iv) flooring; (v) ceilings and classroom lights; (vi) chalkboards with dry erase boards; (vii) storage casework; (viii) classroom doors; (ix) venetian blinds; (b) restoration and repair of the building masonry; (c) renovation of the stairs, stairwells, and handrails; (d) repainting of the classrooms and corridors; (e) renovations throughout the interior and exterior building areas to address accessibility issues; (2) installation of central air systems; (3) renovation of entrance vestibules and office suites; and (4) site improvements to include, but not be limited to, the addition of parent pick up lanes.

During our testing of expenditures from the referendum controlled project tax levy fund, we identified one out of ten transactions that was not compliant with Indiana Code, which requires that referendum controlled project tax levy funds be used only for debt service, lease payments, and similar obligations directly related to a controlled project approved by the voters.

The School Corporation made a down payment of \$2,683 for "boulevard banners" and banner pole bracket sets at Riley High School; however, banners and/or advertisement were not included in the controlled project referendum approved by voters. Additionally, available documentation was inadequate to determine the purpose or whether the expenditure related to the specific referendum-approved Project.

The above disbursement of public funds appear to be contrary to uniform compliance guidelines or applicable law. The SBOA, therefore, considers the disbursements to be questioned costs. The SBOA expects the School Corporation and those charged with governance to review each disbursement; determine allowability in accordance with applicable law, regulation, grant, or contract terms; and take corrective action to resolve or recover any unallowable disbursements.

SOUTH BEND COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Criteria

Indiana Code 20-40-19-3 states: "The referendum controlled project tax levy may be used only for debt service, lease payments, and similar obligations actually due for a controlled project approved by the voters in a referendum under IC 6-1.1-20."

Sources and uses of funds must be limited to those authorized by the enabling law, ordinance/ resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1, 1.03 X)

CONDITION OF RECORDS

Condition and Context

The financial records presented for audit of the School Corporation funds were incomplete.

The following errors were identified:

- Sweep account deposits and disbursements were processed by the bank but were not recorded in the School Corporation's accounting system, resulting in discrepancies between bank activity and recorded transactions.
- Deposits and payments were recorded to incorrect bank accounts in the School Corporation's accounting system, while the bank statements reflected those transactions in different bank accounts.
- Bank fees were not recorded consistently or in a timely manner.
- Voided and outstanding checks were not properly identified as voided or cleared in the accounting system, leading to inaccuracies in check reconciliations.
- As of June 30, 2023, three bank accounts contained multiple reconciling items, including items outstanding for several years, the had not been recorded in the accounting system.
- The Payroll Account bank reconciliations were not current at June 30, 2023, and remained incomplete until July 2025.
- A separate bank account established strictly for electronic vendor payments was present in the School Corporation's accounting system; however, this account has never been reconciled.
- A combined bank reconciliation has never been prepared to include all bank accounts, preventing verification of the ending cash balance recorded in the accounting system.
- The unresolved reconciliation issues have resulted in significant time and effort required to audit and verify account balances.

The total amounts of reconciling items, categorized by bank account, are shown below:

SOUTH BEND COMMUNITY SCHOOL CORPORATION
 AUDIT RESULTS AND COMMENTS
 (Continued)

Bank Account	Reconciling Adjustments as of June 30, 2023 Bank Long (Short)
Operating Account	\$ (5,132,341)
Accounts Payable Account	4,804,487
Payroll Account	(2,980,049)
Benefit Account	3,974,399
Total Combined Adjustments	\$ 666,496

Criteria

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1, 1.03 K)

All documents and entries to records must be made in a timely manner to ensure that accurate financial information is available to allow the unit to make informed management decisions and to help ensure the preservation of public records. [IC 5-15-1-1]. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1, 1.03 WW)

CONTRACTS

Condition and Context

The School Corporation was required to maintain contracts with vendors and comply with applicable state and local policies and procedures when initiating and approving such agreements. The following contractual deficiencies were identified:

City of South Bend

The School Corporation entered into a contract with the City of South Bend to utilize the parking garage located at 121 East Wayne Street, South Bend, Indiana, for staff parking. Upon review, the contract did not have sufficient detail to verify the applicable parking rates. Additionally, no supporting documentation was provided to clarify the terms and conditions of the agreement. We were unable to determine if payments made were in accordance with the contract.

Otis R. Bowen Center

The School Corporation entered into a service agreement with the Otis R. Bowen Center to provide mental health and professional development services. Disbursements totaling \$33,129 were paid for the student assistance program; however, no supporting documentation was available to substantiate the scope of services provided. Additionally, the School Corporation was unable to produce a service agreement applicable to the audit period and instead provided an agreement from a subsequent period.

SOUTH BEND COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Southeast Service Corporation

On December 6, 2021, the School Board approved a contractual agreement with the Southeast Service Corporation to provide comprehensive janitorial and maintenance services. The scope of work included standard custodial duties, grounds maintenance, plant operations, and management, as well as integrated facilities and equipment management across district buildings. The annual contracted amount of \$18,306,494 included start-up costs of \$794,941 and equipment purchases, totaling \$2,079,232, both incorporated into the annual price and amortized over five years. The contract also included provisions for additional services based on hours worked.

A review of three out of four payments totaling \$4,508,561 identified insufficient documentation to determine whether the payments complied with the contractual agreement. Each of the three invoices reviewed included charges for services rendered to various janitorial cost centers which represent the individual schools that were charged. However, the invoices only reflected a total cost per school without providing a detailed breakdown of charges. One invoice included an Associate Information Report listing the personnel involved and indicating whether each associate was hourly or salaried; however, it did not include calculations of hours worked or corresponding wages.

Community-Based Organization Contracts

The School Corporation entered into Community-Based Organization initiative contracts with various vendors to provide educational and student support services. In several instances, contracts lacked documented evidence of Superintendent of Schools review and approval, as required under the School Corporation's established contract approval po6330 *Approval of Contracts*.

In addition, the School Corporation executed contracts with multiple vendors under the framework of the Community Consortium Memorandum of Understanding (MOU), designed to enhance educational and student support initiatives. While the MOU serves as a blanket agreement to establish partnerships and shared goals, it does not specify service dates, payment terms, or measurable performance expectations. The document provides only a general framework for collaboration and does not confer operational authority or binding financial commitments.

1. *Let's Turn It Around*

The School Corporation entered into two separate MOUs with Let's Turn It Around (LTIA), dated September 6, 2022, and April 6, 2023, respectively. Through these agreements, the LTIA was awarded a total of \$14,000 in ESSER/CARES grant funding as part of the Community-Based Organization initiative. The purpose of the partnership was to accelerate learning and support students across all grade levels by collaborating with community-based organizations to deliver enrichment programs focused on academic achievement, extended learning opportunities, and social-emotional development. There was no documented evidence that the original MOU was reviewed and approved by the Superintendent at Schools at the time of execution. Additionally, no itemized invoice was submitted to substantiate the two payments totaling \$14,000 or detail the services rendered.

SOUTH BEND COMMUNITY SCHOOL CORPORATION
 AUDIT RESULTS AND COMMENTS
 (Continued)

2. *Mamas Against Violence*

On May 12, 2022, the School Corporation entered into a MOU with Mamas Against Violence, awarding \$5,000 through ESSER/CARES funding as part of the Community-Based Organization initiative. The partnership aimed to accelerate learning and support students across all grade levels by delivering enrichment programs focused on academic achievement, extended learning, and social-emotional development.

Per the terms of the MOU, Mamas Against Violence was required to submit biweekly updates tracking key performance metrics, including program progress, student attendance, and engagement levels. There was no documented evidence that the original MOU was reviewed and approved by the Superintendent of Schools at the time of execution. Additionally, no itemized invoice was submitted to substantiate the \$5,000 payment or detail the services rendered.

3. *Kingdom Life Christian Cathedral*

On May 18, 2022, the School Corporation entered into a MOU with Kingdom Life Christian Cathedral - 3R's Summer Youth Academy, awarding \$10,000 through ESSER/CARES funding as part of the Community-Based Organization initiative. The partnership aimed to accelerate learning and support students across all grade levels by delivering enrichment programs focused on academic achievement, extended learning, and social-emotional development. There was no documented evidence that the original MOU was reviewed and approved by the Superintendent of Schools at the time of execution. Additionally, no itemized invoice was submitted to substantiate the \$10,000 payment or detail the services rendered.

4. *Gladys Muhammad*

On November 1, 2020, the School Corporation entered into a MOU with Gladys Muhammad. The agreement commenced on the effective date and established a minimum term of eight months, during which the consultant was expected to dedicate adequate weekly time and maintain continuous availability. The MOU outlined the consultant's role as a Community Ambassador with responsibilities including serving as a liaison during critical events, fostering community engagement to improve educational outcomes, collaborating with nonprofit organizations to expand after-school opportunities, and promoting diversity and inclusion initiatives across district stakeholders.

The fee schedule in the contract specified a fixed total compensation of \$25,000 to be paid in eight installments.

<u>Month of Installment Payment</u>	<u>Fee Amount</u>
November	\$ 4,000
December	3,000
January	3,000
February	3,000
March	3,000
April	3,000
May	3,000
June	3,000

SOUTH BEND COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Payments were to be issued within 14 days of invoice submission with invoices due on the first business day of each month.

In the period preceding the prior one, Gladys Muhammad received two payments totaling \$13,000 and \$10,000 on February 2, 2021, and \$3,000 on March 4, 2021. During the audit period, the School Corporation issued an additional payment of \$12,000 on July 8, 2022.

However, the School Corporation was unable to provide supporting invoices for any of the payments. As a result, the payments could not be verified against the specific services outlined in the Community Ambassador role, nor could their alignment with the scope of work defined in the MOU be confirmed. Furthermore, there was no documented evidence that the original MOU was reviewed and approved by the Superintendent of Schools at the time of execution.

Payments were issued to the following vendors in amounts that exceeded the \$50,000 threshold established under School Board Policy 6330, *Approval of Contracts*. For the payments identified, executed contracts or supporting documentation were not available to substantiate the approval of the services rendered.

1. *Metropolis Greens (Solarhay Farms)*

The South Bend Empowerment Zone received a proposal from the Metropolis Greens dated September 11, 2022, for the deployment of a container farm site. The proposal included a lease deposit and a one-time deployment cost totaling \$135,000, with an in-kind contribution of \$60,000 and a remaining balance of \$75,000. The proposal also outlined a 60-month service and maintenance agreement at \$3,750 per month.

An invoice for the container deployment was received on November 16, 2022, and payments for service and maintenance began in December 2022 and January 2023, as supported by an invoice dated January 6, 2023. A formal contractual agreement with the Metropolis Green for service and maintenance at \$3,750 per month was later executed on March 17, 2023.

Neither the initial proposal nor the subsequent contract was presented to the School Board for review or approval. In accordance with the School Board Policy 6330, *Approval of Contracts*, all contracts must be approved by the board, and "contracts not approved by the Board shall be considered null and void."

2. *Indiana Parenting Institute of Saint Joseph County*

The School Corporation received an invoice from the Indiana Parenting Institute requesting reimbursement for summer programming conducted during the 2022-2023 school year under the Pathways 2 Success initiative in the amount of \$80,000. This transaction was recorded in the accounting system as "GUSB/Contract."

However, the School Corporation was unable to provide documentation verifying that a formal contract had been executed with the Indiana Parenting Institute for the services rendered under the Gear Up South Bend grant-funded initiative. The only Memorandum of Understanding provided pertained to services under the 21st Century Community Learning Center Out-of-School Time Program, which did not cover the Pathways 2 Success initiative. As a result, key contractual elements, including the scope of work, deliverables, timelines, payment terms, and compliance with federal grant conditions could not be determined.

SOUTH BEND COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Criteria

Payments made or received for contractual services must be supported by a written contract. Each unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1, 1.03 M)

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1, 1.03 DD)

PUBLIC WORKS - RENOVATION OF BROWN INTERMEDIATE SCHOOL

Condition and Context

The School Corporation initiated renovations at Brown Intermediate School (Brown Center renovations) to convert the facility into the School Corporation's administrative offices. However, the School Corporation did not adhere to the statutory bidding and quoting procedures. Furthermore, the School Board meeting minutes did not reflect any emergency declaration or special process that would exempt the project from these requirements, nor did they document approval of contracts related to the renovation. As a result, additional audit time was needed to gather accurate contractual information.

Alignment Ventures

Alignment Ventures was engaged to perform interior painting at the Brown Center renovations, beginning January 10, 2023. Although the scope of work was consistently executed, no formal contract was established for the painting services. There were no records available to determine if the job was advertised, quotes/bids were received, Bid Form 96, financial statements, escrow contract for retainage, existence of bid bond, existence of performance bond, existence of non-collusion affidavit, or evaluations and vendor were performed. The final cost as of September 30, 2024, totaled \$506,534, exceeding the \$300,000 threshold which would require bidding the project under Indiana Code 36-1-12-4. Our audit identified invoices dated prior to the creation of purchase orders in the School Corporation accounting system. The review further identified that six vendor checks were processed by the bank prior to the check date.

Coach Ready Mix

Coach Ready Mix was contracted to remove lockers, school items, whiteboards, shelving, and miscellaneous debris from the facility. Services commenced in November 2022, and the final cost amounted to \$74,778. There was no evidence that there was an invitation for quotes or evaluation on vendors as required by Indiana Code 36-1-12-4.7. No contract was executed for these services. Similar to Alignment Ventures, invoices were issued before purchase orders were entered into the accounting system for the Brown Center renovations.

M. Haywood

M. Haywood was hired to provide mobilization services from the Administration Building to the Brown Center renovations. Work began in September 2022, with a final cost of \$40,260 and final payment recorded on November 10, 2023. However, no evidence was provided to demonstrate that quotes were solicited or that a vendor evaluation was conducted. In addition, no formal contract was executed for this mobilization effort. Required purchase orders were not completed; instead, payment requests were submitted using Vendor Claim Forms, which did not include documented dates related to the Brown Center renovations.

SOUTH BEND COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Criteria

Indiana Code 5-14-3.8-3.5 states in relevant part:

". . . (b) As used in this section, 'contract' includes all pages of a contract and any attachments to the contract.

(c) A political subdivision shall upload a digital copy of a contract to the Indiana transparency Internet web site one (1) time if the total cost of the contract to the political subdivision exceeds fifty thousand dollars (\$50,000) during the term of the contract. This subsection applies to all contracts for any subject, purpose, or term, except that a political subdivision is not required to upload a copy of an employment contract between the political subdivision and an employee of the political subdivision. In the case of a collective bargaining agreement, the political subdivision shall upload a copy of the collective bargaining agreement and a copy of a blank or sample individual employment contract. A political subdivision shall upload the contract not later than sixty (60) days after the date the contract is executed. If a political subdivision enters into a contract that the political subdivision reasonably expects when entered into will not exceed fifty thousand dollars (\$50,000) in cost to the political subdivision but at a later date determines or expects the contract to exceed fifty thousand dollars (\$50,000) in cost to the political subdivision, the political subdivision shall upload a copy of the contract within sixty (60) days after the date on which the political subdivision makes the determination or realizes the expectation that the contract will exceed fifty thousand dollars (\$50,000) in cost to the political subdivision. . . ."

Indiana Code 36-1-12-2(a)states:

"As used in this chapter, 'public work' means the construction, reconstruction, alteration, or renovation of a public building, airport facility, or other structure that is paid for out of a public fund or out of a special assessment. The term includes the construction, alteration, or repair of a highway, street, alley, bridge, sewer, drain, or other improvement that is paid for out of a public fund or out of a special assessment. The term also includes any public work leased by a political subdivision under a lease containing an option to purchase."

Indiana Code 36-1-12-4 (2002 version) states in part:

(a) This section applies whenever the cost of a public work project will be at least one hundred fifty thousand dollars (\$150,000).

(b) The board must comply with the following procedure:

- (1) The board shall prepare general plans and specifications describing the kind of public work required, but shall avoid specifications which might unduly limit competition. If the project involves the resurfacing (as defined by IC 8-14-2-1) of a road, street, or bridge, the specifications must show how the weight or volume of the materials will be accurately measured and verified.
- (2) The board shall file the plans and specifications in a place reasonably accessible to the public, which shall be specified in the notice required by subdivision (3).
- (3) Upon the filing of the plans and specifications, the board shall publish notice in accordance with IC 5-3-1 calling for sealed proposals for the public work needed. If the board receives electronic bids as set forth in subsection (d), the board shall also provide electronic access to the notice of the bid solicitation through the computer gateway administered under IC 4-13.1-2-2(a)(6) by the office of technology.

SOUTH BEND COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

- (4) The notice must specify the place where the plans and specifications are on file and the date fixed for receiving bids.
- (5) The period of time between the date of the first publication and the date of receiving bids shall be governed by the size of the contemplated project in the discretion of the board. The period of time between the date of the first publication and receiving bids may not be more than:
 - (A) six (6) weeks if the estimated cost of the public works project is less than twenty-five million dollars (\$25,000,000) . . .
- (6) The board shall require the bidder to submit a financial statement, a statement of experience, a proposed plan or plans for performing the public work, and the equipment that the bidder has available for the performance of the public work. The statement shall be submitted on forms prescribed by the state board of accounts.
- (7) The board may not require a bidder to submit a bid before the meeting at which bids are to be received. The meeting for receiving bids must be open to the public. All bids received shall be opened publicly and read aloud at the time and place designated and not before. Notwithstanding any other law, bids may be opened after the time designated if both of the following apply:
 - (A) The board makes a written determination that it is in the best interest of the board to delay the opening.
 - (B) The day, time, and place of the rescheduled opening are announced at the day, time, and place of the originally scheduled opening.
- (8) Except as provided in subsection (c), the board shall:
 - (A) award the contract for public work or improvements to the lowest responsible and responsive bidder; or
 - (B) reject all bids submitted.
- (9) If the board awards the contract to a bidder other than the lowest bidder, the board must state in the minutes or memoranda, at the time the award is made, the factors used to determine which bidder is the lowest responsible and responsive bidder and to justify the award. The board shall keep a copy of the minutes or memoranda available for public inspection. . . ."

Indiana Code 36-1-12-4.7 (2002 version) states:

"(a) This section applies whenever a public work project is estimated to cost at least fifty thousand dollars (\$50,000) and less than one hundred fifty thousand dollars (\$150,000).

(b) The board must proceed under the following provisions:

- (1) The board shall invite quotes from at least three (3) persons known to deal in the class of work proposed to be done by mailing them a notice stating that plans and specifications are on file in a specified office. The notice must be mailed not less than seven (7) days before the time fixed for receiving quotes.

SOUTH BEND COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

- (2) The board may not require a person to submit a quote before the meeting at which quotes are to be received. The meeting for receiving quotes must be open to the public. All quotes received shall be opened publicly and read aloud at the time and place designated and not before.
- (3) The board shall award the contract for the public work to the lowest responsible and responsive quoter.
- (4) The board may reject all quotes submitted."

Indiana Code 36-1-12-5 states in relevant part:

"(a) This section applies whenever a public work project is estimated to cost less than fifty thousand dollars (\$50,000). Except as provided in subsection (g) for local boards of aviation commissioners and local airport authorities, if a contract is to be awarded, the board may proceed under section 4 of this chapter or under subsection (b) or (c).

(b) The board must proceed under the following provisions:

- (1) The board shall invite quotes from at least three (3) persons known to deal in the class of work proposed to be done by either of the following:
 - (A) Mailing them a notice stating that plans and specifications are on file in a specified office. The notice must be mailed not less than seven (7) days before the time fixed for receiving quotes. The board may not require a person to submit a quote before the meeting at which quotes are to be received. The meeting for receiving quotes must be open to the public. All quotes received shall be opened publicly and read aloud at the time and place designated and not before.
 - (B) Soliciting at least three (3) quotes by telephone, facsimile transmission, or electronic mail. The seven (7) day waiting period required by clause (A) does not apply to quotes solicited under this clause. A quote received under this clause shall be reported to the board during the public meeting at which the contract is considered. The name of each person submitting a quote, and the amount of each quote, shall be read aloud at the public meeting.
- (2) The board shall award the contract for the public work to the lowest responsible and responsive quoter.
- (3) The board may reject all quotes submitted. . . ."

Payments made or received for contractual services must be supported by a written contract. Each unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1, 1.03 M)

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1, 1.03 DD)

SOUTH BEND COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

CREDIT CARD POLICY

Condition and Context

During the audit period, the School Corporation incurred \$635,171 in credit card expenditures. The School Corporation Board of Trustees adopted Board Policy 6423, *Use of Credit Cards*, to authorize the use of school-issued credit cards for official business purposes. The policy aimed to streamline payments and improve financial recordkeeping while maintaining internal controls.

Policy 6423 assigned the Superintendent of Schools the responsibility for developing administrative rules that define authorized users, permissible expenses, and procedures for monitoring usage. It also requires the maintenance of a detailed log documenting cardholder information, estimated charges, and issuance, and return dates. The policy strictly prohibits personal use and emphasizes that credit card transactions must not circumvent the district's established accounting procedures. All credit card payments must comply with the claims process outlined in Board Policy 6470, entitled Payment of Claims.

In addition to the policy, the prior administration implemented a Credit Card Procurement (P-Card) agreement, which outlines responsibilities and restrictions for authorized users. The agreement designates the Chief Financial Officer (CFO) as the primary authority over the P-Card program, including oversight of usage and enforcement of consequences for misuse. However, this structure diverges from the School Board Policy 6423, which delegates oversight authority to the Superintendent of Schools. The P-Card agreement does not reference the Superintendent of School's role, creating a structural inconsistency between administrative practice and the School Board policy.

The Board of Trustees did not ensure that Policy 6423 was properly implemented. The following instances of noncompliance were identified:

- A credit card log was not available for audit. Select administrative staff were allowed to retain credit cards on a continuous basis, rather than signing them out per transaction as required by the P-Card agreement. This practice was not approved by the School Board and conflicted with established policy.
- The School Board approved payments to the credit card issuer but did not review or approve the individual credit card purchases listed on the claims docket.
- There were 72 percent of the credit card transactions reviewed that lacked sufficient supporting documentation to justify the expenditure.
- Credit card usage bypassed the accounting system. The Director of Purchasing received credit card transaction records only after purchases were made, then created purchase orders in bulk by fund. This practice made it difficult to trace individual transactions from the credit card statement to the general ledger.
- Credit cards were used to purchase alcohol, as detailed in the related comment *Alcohol Purchases* within this report, in violation of policy and allowable use standards.
- Credit cards were used to purchase personal items, as noted within this report, in violation of policy and allowable use standards.

These findings indicated a breakdown in internal controls and a failure to enforce School Board Policy 6423, which increased the risk of misuse of funds and reduced transparency in financial operations.

SOUTH BEND COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Criteria

Indiana Code 20-26-5-4 states in part:

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

(18) To prepare, make, enforce, amend, or repeal rules, regulations, and procedures: . . ."

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

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

(Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1 1.04 E)

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1, 1.03 DD)

SOUTH BEND COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

ERRORS ON CLAIMS

Condition and Context

Review of claims identified payments that were processed without full compliance with statutory requirements. Specifically:

Vendor Disbursements

Testing of 48 vendor claims identified the following deficiencies:

- There were 41 claims that lacked documentation indicating that the invoice was audited or approved by the fiscal officer (the prior Treasurer).
- There were 37 claims that did not include evidence that the goods or services were received or verified by the individual responsible for accepting them.

Credit Cards

The following errors were noted in the testing of credit cards:

- All credit card charges reviewed during testing were not processed through the standard claims procedure as required. Furthermore, the transactions did not comply with established accounting protocols and were used on an ongoing basis throughout each month without adequate oversight. The associated claims lacked documented approval from the fiscal officer and the individual responsible for receiving the goods or services.
- Of the 3 months of credit card purchases tested, 22 claims, totaling \$13,976, were submitted without a fully item-by-item breakdown of the goods or services rendered; each claim contained only a summary total.
- Of the 3 months of credit card purchases tested, 7 credit entries amounting to \$1,273 lacked both an itemized invoice supporting the credit and a designated fund reference, preventing proper tracing to the ledger.

Referendum Fund Vendor Disbursements

Of the 13 claims tested from the referendum fund, 7 were missing Vendor Claim Forms and lacked sufficient supporting documentation to verify whether the invoices or bills had been approved by the designated officer or individual responsible for receiving the goods and/or services.

Criteria

Indiana Code 5-11-10-1.6 states in part:

". . . (b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services.

(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless all of the following apply:

- (1) There is a fully itemized invoice or bill for the claim.

SOUTH BEND COMMUNITY SCHOOL CORPORATION
 AUDIT RESULTS AND COMMENTS
 (Continued)

- (2) The invoice or bill is approved by the officer or person receiving the goods and services.
- (3) The invoice or bill is filed with the governmental entity's fiscal officer.
- (4) The fiscal officer audits and certifies before payment that the invoice or bill is true and correct.
- (5) Payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim. . . ."

MONTHLY AND ANNUAL UPLOADS

Condition and Context

The monthly uploads of bank reconciliation documentation were incomplete, as the uploads did not include all bank statements or the outstanding checklist for the three months tested. In addition, the required annual submission of the following reports was not provided:

- A complete detail of disbursements for the school year.
- The School Lunch Prepaid Account Balance report as of June 30, 2023.

Criteria

All counties, cities, towns, townships, libraries, schools and special districts will use the Engagement Uploads to upload files containing financial and governmental unit information on Gateway to allow the SBOA to conduct audit planning and audit processes prior to on-site work at a unit. This remote process will provide for more efficient data processing and save audit costs for our clients. (Amended State Examiner Directive 2018-1, Updated November 9, 2020, and effective with uploads due February 15, 2021)

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1, 1.03 U)

OVERDRAWN CASH BALANCES

Condition and Context

The financial statement presented for audit included the following funds with overdrawn cash balances as of June 30, 2023:

Fund	Amount Overdrawn
Fees	\$ 456,176
Alumni Assoc	131
Pub Ed Foundat	2,272
Zone School	9,798,166
Kaleidscope	92,334

SOUTH BEND COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

- The Fees fund carried a negative cash balance resulting from previously uncollected textbook rental payments and delays in state reimbursement. Beginning with the 2023-2024 school year, the State of Indiana enacted legislation prohibiting the collection of textbook rental fees from students and families. The State now provides annual funding to cover curricular material costs, and these reimbursements have helped offset prior deficits.
- The Alumni Assoc fund was closed, and the final disbursement exceeded the remaining balance. This discrepancy has since been corrected.
- The Public Education Foundation (Pub Ed Foundat) fund, associated with printing-related expenditures, incurred a deficit due to delayed reimbursements. The issue was addressed and corrected during the 2023-2024 fiscal year.
- The Zone School fund operated without a formally adopted budget which was required to be submitted to the CFO on an annual basis per the agreement, and expenditures consistently exceeded the annual transfers from the Education fund. These transfers were based on a portion of state tuition support, calculated using Average Daily Membership counts. The lack of financial planning and oversight contributed to a persistent and increasing deficit balance.
- The Kaleidoscope fund is primarily supported through parent payments for the after school care program. Despite this revenue stream, the fund has consistently operated at a deficit and has remained in deficit since 2018. During the audit period, the fund operated without a formally adopted budget, limiting financial oversight, and internal control which raises concerns regarding the overall integrity of fund management practices.

Those funds with overdrawn cash balances due to the timing of reimbursements for expenditures were not included in this comment.

Criteria

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1, 1.03 EE)

PAYMENT OF CLAIMS PRIOR TO BOARD APPROVAL

Condition and Context

South Bend Schools Policy 6470, entitled *Payment of Claims*, permitted the Treasurer to issue payment for specific claim types prior to a regular School Board meeting, including approved construction payments, petty cash replenishment, payroll and fringe benefits, postage, invoices eligible for early payment discounts or subject to late fees, and travel claims with prior School Board approval. All other claims must be supported by a fully itemized invoice, approved by the individual who received the goods or services filed with the Treasurer, and included in a consolidated register for School Board review and approval prior to payment.

Credit card claims presented in the School Board dockets were aggregated and lacked sufficient detail. Individual transactions were not clearly defined, limiting the ability to determine the nature of the expenditures or assess compliance with board policy and statutory requirements.

SOUTH BEND COMMUNITY SCHOOL CORPORATION
 AUDIT RESULTS AND COMMENTS
 (Continued)

Of the 48 claims tested:

- 39 claims did not meet the criteria for prepayment and were paid prior to the School Board approval.
- 6 claims were not included in the School Board dockets, and, therefore, were not formally presented for review and approval. These payments are listed below:

Date	Payee	Amount
11-18-22	Internal Revenue Service	\$ 12,574
12-22-22	Motorola Solutions Inc	162,025
12-02-22	Casie	950
07-08-22	Gladys Mohammad	12,000
07-08-22	FGB Group Inc	17,895
07-15-22	Mamas Against Violence	5,000
	Total	\$ 210,445

The above disbursements of public funds totaling \$210,445 appear to be contrary to uniform compliance guidelines or applicable law. The SBOA, therefore, considers the disbursements to be questioned costs. The SBOA expects the School Corporation and those charged with governance to review each disbursement; determine allowability in accordance with applicable law, regulation, grant, or contract terms; and take corrective action to resolve or recover any unallowable disbursements.

Criteria

Indiana Code 5-11-10-1.6(c) states in part:

"The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless: . . .

- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim. . . ."

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1, 1.03 DD)

PENALTIES, INTEREST, AND OTHER CHARGES

Condition and Context

There were two payments tested in which the School Corporation did not remit payment in a timely manner. These delays resulted in the assessment of penalties and interest as noted below.

SOUTH BEND COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Ditch Fees

The School Corporation received multiple billing statements for parcels assessed with ditch fees. The associated fee schedules included charges for delinquent Owner's Association (OA) taxes totaling \$337 and delinquent OA penalties amounting to \$67. These amounts were paid from the Referendum fund.

Form 941 - IRS Employer's Quarterly Federal Tax Return

The School Corporation received a notice from the Internal Revenue Service (IRS) dated October 31, 2022, regarding penalties and interest due to a late deposit of payroll taxes associated with Form 941 for the quarter ending June 30, 2022. The total charge to the School Corporation for "failure to make a proper federal tax deposit penalty" was \$13,728. A payment of \$12,574 was made on November 18, 2022, from the Operation fund to pay the remainder of the amount owed to the IRS for penalties and interest incurred as a result of the late deposit.

Criteria

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the unit. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the unit. Any penalties, interest, or other charges paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1, 1.03 GG)

PROCUREMENTS

Condition and Context

The School Corporation received Invoice #4501 from FGB Group, dated May 14, 2022, for services described as "Saturday school and early summer school—moving, packaging, and distribution services (books and furniture), indexing, sorting, warehousing, packaging, and removal" totaling \$17,895 paid from the ESSER II fund, a federal grant fund.

The School Board Policy 6325, entitled *Procurement-Federal Grants/Funds*, requires competitive quotes for purchases exceeding \$3,500. However, no documentation was available to demonstrate that the required three quotes were solicited or obtained nor was there supporting evidence of the rationale for vendor selection.

Criteria

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1, 1.03 UU)

Sources and uses of funds must be limited to those authorized by the enabling law, ordinance/ resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1, 1.03 X)

SOUTH BEND COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1, 1.03 DD)

REFERENDUM FUND DISBURSEMENTS

Condition and Context

In December 2019, the South Bend Community School Corporation (SBCSC), through its governing body, passed a resolution to place a ballot referendum whether the School Corporation may impose a property tax under Indiana Code 20-46-1 et seq.

To secure the referendum tax levy, the SBCSC identified the purposes for which the levy would be used. The resolution and referendum ballot question stated the levy would be used for:

- (a) the maintenance, enhancement, and expansion of curriculum and course offerings,
- (b) the creation of additional opportunities for career pathways including trades and career center course offerings,
- (c) increases in teacher compensation, and
- (d) comprehensive behavioral and emotional support for students with counselors, college coaches, and social workers in each building.

The referendum was presented in two separate ballot questions and approved by voters in June 2020. The first ballot question authorized an annual operational investment of \$20.8 million dollars. The second question approved an Operating Referendum Tax Levy totaling \$166.4 million dollars over an eight-year period. After the referendum was approved, the SBCSC deposited the property tax collections in the (operating) referendum tax levy fund pursuant to Indiana Code 20-40-3 et seq. Use of fund monies is prescribed by Indiana Code 20-40-3-5: "[m]oney in the fund may be used for any lawful school expenses, including making a transfer to the school corporation's education fund (IC 20-40-2) or operations fund (IC 20-40-18)."

However, during the applicable audit period, subsequent to the referendum's approval, the SBCSC used property taxes collected pursuant to the referendum tax levy totaling \$65,490 to pay for the following expenditures:

- (1) Ditch fees assessed by the county (which included a delinquent tax and delinquent penalty).
- (2) A requisition for a service building plow truck, later substituted with a Chevrolet Equinox, due to backorder delays.
- (3) Payments for custodial services, building and grounds maintenance, and vehicle repairs.
- (4) Utility expenses.
- (5) Staff parking fees.
- (6) Bottled water purchases for teacher lounges.
- (7) Payroll for a building and maintenance employee.

SOUTH BEND COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

None of these expenditures were included in the resolution passed by the SBCSC's Board of Trustees or in the referendum presented to voters for its approval.

The above disbursements of public funds appear to be contrary to uniform compliance guidelines or applicable law. The SBOA, therefore, considers the disbursements to be questioned costs. The SBOA expects the School Corporation and those charged with governance to review each disbursement; determine allowability in accordance with applicable law, regulation, grant, or contract terms; and take corrective action to resolve or recover any unallowable disbursements.

Criteria

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1, 1.03 DD)

Sources and uses of funds must be limited to those authorized by the enabling law, ordinance/ resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1, 1.03 X)

SCHOOL FOOD SYSTEMS - PREPAID FOOD

Condition and Context

As of June 30, 2023, the Prepaid Food account reflected a balance of \$3,249 while subsidiary ledgers showed a balance of \$32,822, resulting in a variance of \$29,633.

A review of the ledgers found that prepayments collected at individual school locations had been incorrectly receipted into the Cafeteria fund instead of a Prepaid Food fund. Additionally, prepayments collected electronically via the School Corporation website were properly receipted into the Prepaid Food fund, but the necessary transfers to the Cafeteria fund were not completed in a timely manner.

Criteria

The SBOA opinion is that money a student puts into their individual meal account (prepaid food account) should not be considered income to the child nutrition program until that student goes through the lunch line and charges a meal to their account. Therefore, while it is in the student's individual account balance, it should not be included in the School Lunch fund. It is required that you set up a Prepaid School Lunch Accounts fund clearing account. When a student brings in a deposit the receipt would be recorded to the Prepaid School Lunch Accounts fund. Periodically, after the student has charged meals, you should disburse the amount charged from the Prepaid School Lunch Accounts fund and receipt it into the School Lunch fund. At this point it is considered program income and should be included on any reports that are required to be completed. Also, on a monthly basis the balance of the Prepaid School Lunch Accounts fund should be reconciled with the total of the individual meal accounts. The School Food Prescribed Forms and any approved computerized Forms will be required to be maintained in the following manner to accurately account for prepaid items. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 10)

SOUTH BEND COMMUNITY SCHOOL CORPORATION
 AUDIT RESULTS AND COMMENTS
 (Continued)

STALE-DATED CHECKS

Condition and Context

As of June 30, 2023, the School Corporation's cash and investment records showed three checking accounts, Accounts Payable Bank 9, Payroll Account, and Unified Athletics, with outstanding checks that had remained unresolved for more than two years as of December 31, 2022.

<u>Bank Account</u>	<u>Date of Oldest Outstanding Check</u>	<u>Number of Stale-Dated checks</u>	<u>Total Amount of Stale-Dated Checks Included in Bank Reconciliation</u>
Accounts Payable Bank 9	08-10-12	245	\$ 124,627
Payroll Account	06-23-14	177	54,018
Unified Athletics	11-13-20	1	50

Criteria

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.

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 states:

"(a) 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.

(b) If the disbursing officer does not serve also as treasurer of the political subdivision, the disbursing officer shall also enter the amounts so listed as a receipt into the fund or funds from which the warrants or checks were originally drawn. If the fund from which the warrant or check was originally drawn is not in existence, or cannot be ascertained, the amount of the outstanding warrant or check shall be receipted into the general fund of the political subdivision. However, in the case of a school corporation, the warrant or check shall be receipted into the operations fund."

SOUTH BEND COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

PAYROLL DISBURSEMENTS

Condition and Context

The School Corporation did not retain all required documentation related to employee contracts, compensation, stipends, and payroll authorizations.

A sample of 34 employee payroll disbursements was tested and identified that supporting documentation was not available to substantiate all payments. The following issues were noted:

Administrators and Directors

- Of the 9 administrators and directors reviewed, 6 did not have contracts available for examination.
- The Superintendent of Schools was the only administrator with a contract explicitly outlining additional compensation for transportation, pension contributions, VEBA, and vacation payout. For the payroll tested, the pension, VEBA, and vacation payout were calculated incorrectly.
- For 3 other administrators, no approved contracts were available to verify whether their pension, VEBA, and vacation payouts were authorized by the School Board.
- There was 1 administrator's salary that was allocated across two separate funds, but no documentation was provided to support or justify the allocation methodology.
- There was 1 administrator that was paid an extra duty stipend from ESSER funds without showing extra duties performed as required.

Teachers and Principals

- Of the 9 teachers and principals reviewed, 3 lacked School Board approved contracts.
- Among the teachers tested, 2 received extra duty pay; however, only 1 had an approved contract supporting the additional compensation.

Hourly Employees

- All 14 hourly employees tested did not have individual time sheets on file, preventing verification that compensation was based on actual hours worked and that payments were not issued in advance of work performed.
- While attendance reports were available and reviewed by supervisors, 1 hourly employee had no recorded hours on the supervisor-approved attendance report but was paid for 75 hours.

Stipends and Additional Pay

- A total of 6 stipends paid were identified in the payroll records tested. Of these, only 2 were explicitly referenced in the 2021-2023 Professional Agreement.
- There were 3 stipends that lacked documentation confirming School Board approval.

SOUTH BEND COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Direct Deposit Authorizations

- Of the 26 employees tested for direct deposit of payroll checks, 19 did not have Direct Deposit Authorization forms on file to verify the accuracy of the designated bank accounts. The absence of this documentation limits the ability to confirm that payroll funds were deposited into authorized accounts and exposes the School Corporation to potential financial and compliance risks.
- In addition, testing of 18 payroll checks under separate procedures revealed that employees were not compensated at School Board approved rates.

Criteria

Indiana Code 5-15-6-3 states:

"No financial records or records relating to financial records shall be destroyed until the earlier of the following actions:

- (1) The audit of the records by the state board of accounts has been completed, report filed, and any exceptions set out in the report satisfied.
- (2) The financial record or records have been copied or reproduced in accordance with a retention schedule or with the written consent of the administration."

Indiana Code 5-10-9-2 states:

"An employee of a municipal corporation may make a written request that any compensation due him from the municipal corporation be deposited to his account in a bank or trust company. Upon receipt of request, the officer responsible for making the disbursements may:

- (1) draw a check in favor of the bank or trust company set forth in the request for the credit of the employee; or
- (2) in the event more than one (1) employee of the same municipal corporation designates the same bank or trust company, draw a single check in favor of the bank or trust company for the total amount due the employees and transmit the check to the bank or trust company identifying each employee and the amount to be deposited in each employee's account."

Indiana Code 5-10-9-3 states: "Payment by a municipal corporation of a check properly endorsed and drawn in accordance with this chapter constitutes full payment for the amount due the employee."

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1, 1.03 UU)

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 law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1, 1.03 I)

SOUTH BEND COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

TRANSFERS

Condition and Context

During testing of fund transfers, multiple instances of noncompliance with financial reporting and governance procedures were identified:

- A transfer-in totaling \$500,000 was not recorded using the appropriate account classifications to designate the transaction as other financing sources and uses. Instead, it was incorrectly recorded as a receipt and corresponding disbursement, misrepresenting the nature of the transaction.
- A transfer-in totaling \$181,416 was erroneously recorded 12 times in the accounting system, with multiple journal entries used to adjust the amounts. The transactions were not classified under other financing sources and uses, resulting in duplicate accounting treatment.
- Out of 24 transfers tested, 21 were not recorded using the appropriate account classification codes for other financing sources and uses.
- Out of 24 transfers tested, 21 were not presented to the School Board for approval, as required.

Criteria

Indiana Code 5-11-10-1.6 states in part:

". . . (b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services.

(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless all of the following apply:

- (1) There is a fully itemized invoice or bill for the claim.
- (2) The invoice or bill is approved by the officer or person receiving the goods and services.
- (3) The invoice or bill is filed with the governmental entity's fiscal officer.
- (4) The fiscal officer audits and certifies before payment that the invoice or bill is true and correct.
- (5) Payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim. . . ."

Sources and uses of funds must be limited to those authorized by the enabling law, ordinance/ resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1, 1.03 X)

Transfers From One Fund to Another. Receipt to this account all authorized transfers from one fund to another for specific purposes not provided in receipt accounts 5201 to 5207. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 5)

SOUTH BEND COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

TRAVEL POLICY

Condition and Context

During our review of travel related expenses, including lodging, meals, and transportation, we identified instances where disbursements were paid using a School Corporation credit card instead of through the reimbursement process outlined in the School Board Policy 6550, *Travel Payment and Reimbursement*, and the policy's related administrative guidelines.

Both policy and administrative guidelines require that travel expenses be reimbursed based on documented preapproval, itemized receipts, and standardized reimbursement forms. Direct payment of travel costs using the School Corporation credit card is not authorized unless explicitly permitted under separate School Board approved procedures.

Additionally, School Board Policy 6550 and the policy's related administrative guidelines did not establish per diem rates or clearly define which travel-related expenses are eligible for reimbursement, contributing to inconsistent application and oversight.

The Treasurer and School Board Trustees did not ensure that the policy was properly implemented or consistently applied. As noted in the comment entitled *Questioned Costs*, direct credit card payments for travel expenses lacked the required documentation, including preapproval, itemized receipts, and reimbursement forms.

Criteria

Each unit must adopt a written travel policy in conformity with applicable laws, which must include criteria for reimbursement of eligible expenses. Reimbursements for lodging and meals must be based upon actual receipts or a fully itemized invoice or bill for amounts paid unless otherwise authorized by law. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1, 1.04 N)

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1, 1.03 DD)

CONFLICT OF INTEREST

Condition and Context

Alignment Ventures

The following disbursements of public funds appear to be contrary to uniform compliance guidelines or applicable law. The SBOA, therefore, considers the disbursements to be questioned costs. The SBOA expects the School Corporation and those charged with governance to review each disbursement; determine allowability in accordance with applicable law, regulation, grant, or contract terms; and take corrective action to resolve or recover any unallowable disbursements.

SOUTH BEND COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Cheksha Donaldson (Donaldson) was employed by the School Corporation as an office intern from February 2, 2023, to January 5, 2024. As a paid intern, Donaldson was a "public servant" for purposes of Indiana Code 35-31.5-2-261. Per email correspondence with Ahnaf Tahmid (Tahmid), Chief Financial Officer (CFO), on May 27, 2025, Tahmid stated that Donaldson was also the owner of Alignment Ventures LLC. The SBOA searched the Indiana Secretary of State (SOS) website and found that Donaldson was listed as the registered agent of Alignment Ventures LLC, as well as the President and Treasurer. Alignment Ventures LLC was created on February 24, 2023, with the first payment to Alignment Ventures LLC coming 20 days after the date of creation.

Per an SBOA email request on September 23, 2025, for the written contracts between Alignment Ventures LLC and the School Corporation, the Director of Internal Audit stated that there were no written contracts between Alignment Ventures LLC and the School Corporation.

Payments to Alignment Ventures LLC were for the Brown School renovations, which as of the date of this report is the School Corporation's new administration office. The vendor invoices indicated that painting was performed in the following areas of the school, which included:

- Superintendent's suite
- Cafeteria
- Library
- Science Labs
- Bilingual/Special Education Department
- Guidance office
- Auditorium
- Restrooms

Between March 16, 2023, and December 21, 2023, Alignment Ventures LLC received 20 payments totaling \$271,568 while Donaldson was employed as an office intern.

Additionally, 3 of the invoices contained notes of service completion dates as January 10, 2023, January 19, 2023, and February 23, 2023. The dates of work indicate the services were completed prior to Alignment Ventures LLC formation on February 24, 2023.

Under these facts, considering the absence of written contracts, the SBOA would have expected to receive fully completed and executed conflict of interest disclosure statements from Donaldson filed within 15 days of final action on each payment to Alignment Ventures LLC received while Donaldson was employed as an office intern.

Indiana Parenting Group

The SBOA reviewed the Articles of Incorporation found on the SOS website for the Indiana Parenting Institute of St. Joseph County (IPISJC). Leslie Wesley (Wesley) was listed as the Incorporator and Chief Executive Officer (CEO). Wesley was also listed as the Executive Director of IPISJC on the IPISJC website. Wesley served as a School Board member from 2017 through 2024. As an elected School Board member, Wesley was a "public servant" for purposes of Indiana Code 35-31.5-2-261(2).

SOUTH BEND COMMUNITY SCHOOL CORPORATION
 AUDIT RESULTS AND COMMENTS
 (Continued)

The Articles of Incorporation for IPISJC indicate IPISJC is a non-profit organization formed pursuant to the provisions of the Indiana Nonprofit Corporation Act of 1991. The purpose of IPISJC per the Articles of Incorporation state under the heading Statement of Purpose: "To strengthen parents through education and training, thus creating a better environment for children and families to thrive."

The School Corporation paid IPISJC to provide programs in accordance with the organization's purpose, including Pathways 2 Success and Gear Up South Bend.

The following schedule summarizes payments to IPISJC for July 1, 2022, through December 31, 2024. (The duration of Wesley serving on the School Board and performing services for the School Corporation under the IPISJC non-profit organization.)

	2022-2023	2023-2024	2024-2025	Total Paid
Indiana Parenting Institute	<u>\$ 206,000</u>	<u>\$ 424,540</u>	<u>\$ 547,363</u>	<u>\$ 1,177,903</u>

Conflict of interest disclosure statements were completed by Wesley and provided to the School Board for 2021 through 2023. The School Board minutes from August 16, 2021, indicated the School Board members accepted Wesley's conflict of interest disclosure statement with Wesley abstaining from the vote. The School Board minutes from January 24, 2022, and January 23, 2023, indicated the School Board members accepted "Board Member Conflict of Interest Form" by unanimous vote.

A conflict of interest disclosure statement was not found for Wesley for 2024. Wesley did not file an annual conflict of interest disclosure statement with either the SBOA or the Clerk of the Circuit Court for St. Joseph County, as required by Indiana Code 35-44.1-1-4 for 2021, 2022, 2023, or 2024.

Criteria

Indiana Code 35-44.1-1-4(b) sets forth the offense of conflict of interest:

"A public servant who knowingly or intentionally:

- (1) has a pecuniary interest in; or
- (2) derives a profit from;

a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Level 6 felony."

However, it is not an offense for conflict of interest if a public servant complies with the disclosure requirements set forth at Indiana Code 35-44.1-1-4(d):

"A disclosure must:

- (1) be in writing;
- (2) describe the contract or purchase to be made by the governmental entity;
- (3) describe the pecuniary interest that the public servant has in the contract or purchase;
- (4) be affirmed under penalty of perjury;

SOUTH BEND COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

- (5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity before final action on the contract or purchase;
- (6) be filed within fifteen (15) days after final action on the contract or purchase with:
 - (A) the state board of accounts; and
 - (B) . . . the clerk of the circuit court in the county where the governmental entity takes final action on the contract or purchase . . ."

Payments made or received for contractual services must be supported by a written contract. Each unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1, 1.03 M)

Conflict of interest disclosures must be completed using the COI Form available on Gateway. It is the duty of the public servant to ensure that a fully completed disclosure is uploaded on Gateway and meets the required provisions of IC 35-44.1-1-4(d). (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations Chapter 1, 1.03L)

The attorney for the unit or a private attorney must be consulted in regard to whether a conflict of interest disclosure statement must be filed and whether the format of the disclosure is sufficient. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations Chapter 1, 1.03L)

SUPPORTING DOCUMENTATION - See Appendix for detail listing.

Condition and Context

The following disbursements of public funds appear to be contrary to uniform compliance guidelines or applicable law. The SBOA, therefore, considers the disbursements to be questioned costs. The SBOA expects the School Corporation and those charged with governance to review each disbursement; determine allowability in accordance with applicable law, regulation, grant, or contract terms; and take corrective action to resolve or recover any unallowable disbursements.

Donations

A review of credit card expenditures charged to the GEAR UP program identified the School Corporation's credit card was used to make a \$1,000 payment recorded as a donation to Ivy Tech Community Foundation dated April 13, 2023.

Vendor Disbursements (Not Including Credit Cards)

The following disbursements totaling \$68,885 were not supported by sufficient supporting documentation to determine whether they were allowable use of public funds.

Testing of 61 vendor claims identified the following deficiencies:

- There were 6 claims totaling \$66,000 that did not have documentation available to determine the purpose of the payments or if they were allowable.

SOUTH BEND COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

- A payment of \$2,635 to the DoubleTree by Hilton Hotel for catering expenses related to a Women's Summit was charged to the Operation fund. The Operation fund is intended for general maintenance and operational needs of the School Corporation, including facilities, transportation, and support services necessary for educational programs. Documentation was not provided to demonstrate that this expenditure aligned with the fund's intended purpose.
- A payment of \$220 to Wygant Floral Co., Inc. was charged to the Education fund. The Education fund is intended to support student instruction and learning, including teacher compensation, classroom materials, and curricular programs. Expenditures must directly relate to instructional services and may not be used for general operations or noninstructional purposes. Documentation was not provided to demonstrate that this expenditure aligned with the fund's intended purpose.

Credit Cards

Credit card transactions were tested separately from vendor disbursement claims to address areas identified as high risk. Multiple purchases were noted that either lacked sufficient supporting documentation or had no documentation to verify the purpose and validity of the expenditures.

A total of \$635,171 was charged on School Corporation credit cards for the audit period. In a test of credit card transactions totaling \$248,979, the following exceptions totaling \$115,888.83 were noted.

A total of 29 airfare purchases, including additional services, were made totaling \$10,887.91. The School Corporation did not provide supporting documentation to verify whether employees received prior approval, submitted travel requisitions, or completed leave of absence forms. Additional services included 7 charges for seat upgrades and 4 charges for excessive luggage, none of which were supported by sufficient documentation to justify the necessity of these fees. Of the airfare purchased, 1 lacked traveler identification to verify it was on behalf of the School Corporation employee.

A total of 39 lodging purchases were made totaling \$55,206.35. The School Corporation did not provide supporting documentation to verify whether the employee received prior approval for overnight lodging, submitted travel requisitions, or completed leave of absence forms.

A total of 61 meal purchases were made totaling \$5,714.01. Receipts provided included meal transactions; however, the School Corporation did not provide supporting documentation for purpose of the meals provided. Of the 61 meal purchases, 29 totaling \$1,418, were made out of town and 32 totaling \$4,296 were local. Among the 29 out of town purchases, 23 totaling \$948 lacked documentation identifying who consumed the meals or whether the employees were authorized for travel and eligible for reimbursement. No travel vouchers or approved leave of absence forms were provided. The remaining out of own purchases indicated that meals were consumed by more than one individual; however, there was no documentation specifying who participated. Locally, 32 meal purchases totaling \$4,296 were made without documentation identifying the individuals served or the purpose of the expense. This included bulk meal orders intended to cater group events, which also lacked records confirming the attendees or the nature of the events

A total of 29 transportation-related purchases were made, totaling \$5,265.66. No supporting documentation was submitted to confirm travel approval or to identify the individual(s) involved.

SOUTH BEND COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

A total of 7 credit card transactions totaling \$4,512.73 were charged to the Construction fund for capital improvement purposes. Documentation for these purchases was limited to receipt copies, with no additional justification or linkage to specific approved projects. The purchases lacked documentation specifying the capital project to which the costs were allocated. As a result, expenditures could not be verified as consistent with the purposes authorized in the bond resolution.

A total of 6 separate purchases of gift cards were made totaling \$616.95. No supporting documentation was provided to clarify the purpose of these purchases or identify the recipients.

A total of 31 transactions classified as supply purchases totaling \$11,359.26. No supporting documentation was provided to support the reason for the purchase.

Additional 45 miscellaneous products and services were purchased on credit cards that did not include sufficient documentation to verify the nature, quantity, or appropriateness of the items purchased. The additional purchases totaled \$19,861.97.

There were 12 transactions from the Operation fund and 8 transactions from the Education fund totaling \$6,126.20 that lacked sufficient documentation to verify allowability to be paid from that fund.

The School Corporation received credits totaling \$3,662.21 without supporting documentation to verify the reason for the credit. Additionally, 9 of the credits were not assigned a designated fund number, making it difficult to determine proper allocation.

Conference Travel Transactions - paid with credit card

Building Expertise Educators Conference - Walt Disney Resort, June 2023

Flights and lodging totaling \$27,896.85 were arranged for 22 School Corporation employees to attend the Building Expertise Educators Conference at the Walt Disney Resort in Orlando, Florida, in June 2023. Travel requisitions were not presented for audit. For 1 employee, airfare was paid despite the absence of a confirmed conference registration. Room receipts were not submitted for 15 travelers. In addition, preferred airline seating charges totaling \$74.48 were incurred without justification or supporting documentation. Multiple school funds were charged inconsistently throughout the process, with both deposit and final payments applied to different funds for this trip.

Innovative School Summit - Caesars Palace, July 2022

There were 12 School Corporation employees that attended the Innovative School Summit at Caesars Palace in Las Vegas, Nevada, in July 2022. Room upgrades of \$552.97 for 2 employees and early check-in of \$62.36 for 1 employee for a total of \$615.33 charged without supporting documentation to verify or justify the additional costs.

Art Schools Network Conference - Golden Nugget, October 2022

Flights and lodging totaling \$3,143.45 were paid for 4 attendees who traveled to the Golden Nugget in Las Vegas, Nevada, in October 2022 for the Art School Network Conference. Travel requisitions were not on file for any of the travelers. There was 1 attendee that flew on a different airline than the others, resulting in \$71 in additional preferred seating charges without justification or supporting documentation. No formal conference materials were attached; only a promotional flyer for the Golden Nugget was provided.

SOUTH BEND COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Criteria

Public funds cannot be donated or given to other organizations or individuals unless specifically authorized by law. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1, 1.03 P)

Indiana Code 5-11-10-1.6 states in part:

". . . (b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services.

(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless all of the following apply:

- (1) There is a fully itemized invoice or bill for the claim.
- (2) The invoice or bill is approved by the officer or person receiving the goods and services.
- (3) The invoice or bill is filed with the governmental entity's fiscal officer.
- (4) The fiscal officer audits and certifies before payment that the invoice or bill is true and correct.
- (5) Payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim. . . ."

Indiana Code 20-40-2-4 states:

"Except as provided in IC 36-1-8-5.1 (school corporation rainy day fund), the education fund shall be used only to pay for expenses allocated to student instruction and learning under IC 20-42.5. The fund may not be used to pay directly any expenses that are not allocated to student instruction and learning under IC 20-42.5 or expenses permitted to be paid from the school corporation's operations fund."

Indiana Code 20-40-18-5 states:

"The operations fund may be used only to do the following:

- (1) Carry out a capital projects plan approved under:
 - (A) IC 20-46-6 (before January 1, 2019); or
 - (B) section 6 of this chapter (after December 31, 2018) for facility expenditures described in section 7 of this chapter.
- (2) Pay transportation costs described in section 8 of this chapter.
- (3) Carry out a school bus replacement plan approved under:
 - (A) IC 20-46-5 (before January 1, 2019);
 - (B) section 9 of this chapter (after December 31, 2018).

SOUTH BEND COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

- (4) Pay expenses that are allocated to overhead and operational expenditures or to nonoperational expenditures under IC 20-42.5.
- (5) Provide funds to an art association or a historical society as provided in IC 36-10-13.
- (6) Establish, maintain, and equip a public playground under IC 36-10-14."

Indiana Code 20-35-4-7 states:

"(a) The governing body of a school corporation may do the following:

- (1) Accept, receive, and administer any gift, devise, legacy, or bequest of real or personal property, including the income from real estate:
 - (A) to or for the benefit of any school, dormitory, or facility for the education of children with disabilities; and
 - (B) for any of the purposes contemplated under this chapter and not inconsistent with this chapter or Indiana law.
- (2) Invest or reinvest any of the funds received under this section in the same kind of securities in which life insurance companies are authorized by law to invest their funds.

(b) All money received by a school corporation under this section and all money, proceeds, or income realized from any real estate or other investments or property:

- (1) shall be kept in a special fund;
- (2) may not be commingled with any other fund or funds received from taxation; and
- (3) may be expended by the governing body of the school corporation in any manner consistent with the:
 - (A) purposes of IC 20-35-2 through IC 20-35-6 and IC 20-35-8; and
 - (B) intention of the donor or donors."

Sources and uses of funds must be limited to those authorized by the enabling law, ordinance/ resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1, 1.03 X)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1. 1.03 UU)

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the unit. Any personal expenses paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1, 1.03 HH)

SOUTH BEND COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts.
(Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter
1, 1.03 DD)



OFFICIAL STATEMENT OF THE CHIEF FINANCIAL OFFICER

TO: Indiana State Board of Accounts (SBOA) & The Taxpayers of South Bend
FROM: Ahnaf Tahmid, Chief Financial Officer & Treasurer
DATE: April 20, 2026
RE: Official Response to the 2022-23 Audit Results and Comments

A Mandate for Transformation

The South Bend Community School Corporation (SBCSC) formally accepts the findings and comments detailed in the 2022-23 Audit Report. While the audit period (concluding June 30, 2023) predates my appointment as Chief Financial Officer in October 2024, our administration perceives this report as an invaluable diagnostic tool and a "stepping stone" toward our goal of absolute transparency.

Our guiding principle is simple: the first step toward rebuilding trust is to acknowledge and accept areas for improvement. We do not perceive the audit process as a threat, but as a collaborative scope for self-improvement. It is our firm mandate to become the best possible stewards of taxpayer dollars, ensuring that the Corporation serves our students and community with the highest level of financial integrity.

Proactive Collaboration and Real-Time Correction

This audit process was intentionally exhaustive. We worked collaboratively with the SBOA, often extending the timeline to ensure we received the most detailed analytical report possible. Notably, many of the findings from the 2022-23 period were originally identified and brought to the attention of the state auditors by the current finance team.

Furthermore, we did not wait for the publication of this report to act. By working simultaneously with the ongoing audit in 2025 and 2026, many of the deficiencies noted for the 2022-23 period have already been fundamentally corrected through leadership-driven reforms. These corrective actions were initiated independently as part of our internal commitment to fiscal excellence. SBCSC in 2026 is a fundamentally different organization than the one described in this report.

Comprehensive Key Corrective Actions and Systemic Progress

- **Implementation of the District's First Comprehensive Internal Control Manual** In 2025, the finance team prepared the district's first-ever full-length Internal Control Manual. This document functions as a comprehensive administrative guideline for all financial processes. **We view this manual as a living, evolving document, subject to ongoing refinement and updates to ensure it remains aligned with evolving best practices and regulatory requirements.**

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- **Segregation of Duties:** The manual strictly mandates that no single individual can both process and approve the same transaction, establishing essential checks and balances.
- **Training and Oversight:** All relevant employees have been trained on these procedures, ensuring documented evidence of review and significantly better oversight of all financial transactions.
- **Restoration of Bank Reconciliation Integrity** Upon my arrival, it was discovered that some bank reconciliations were years behind. Our team has successfully:
 - **Cleared the Backlog:** We have eliminated the reconciliation backlog and are now operating in real-time for most district bank accounts.
 - **Historical Correction:** We have addressed historical inaccuracies and discrepancies, ensuring that the accounting system accurately reflects our bank balances.
 - **Stale Check Processing:** We have implemented timely procedures for processing outstanding and stale checks to prevent them from remaining unresolved for extended periods.
- **Addressing Overdrawn Fund Balances** We have taken decisive action to address funds with notable negative cash balances, particularly those stemming from the Empowerment Zone, which remained at a deficit exceeding \$9.7 million at the time of the audit.
 - **Accounting Adjustments:** The finance team secured a Board-approved fund transfer resolution to accountingly adjust these negative balances. **These transfers were executed in strict accordance with Indiana law and applicable SBOA guidance.**
 - **Balance Integrity:** These adjustments were made to ensure accurate fund reporting without altering the district's actual bank cash balance.
- **Capital Asset Accountability** The district has completed its first full-scale capital asset inventory project in years.
 - **Inventory Documentation:** All district-owned assets valued at \$5,000 or more were listed, documented, and barcoded where applicable.
 - **Periodic Updates:** Following SBOA recommendations, we have established a schedule to update this inventory list periodically to maintain accurate records of district property.
- **Procurement and Contractual Control** To correct past findings regarding undocumented or unapproved agreements, we have overhauled our procurement process:
 - **Universal Board Approval:** As of 2025, all contracts—both below and over the \$50,000 threshold—now go to the Board for formal approval.
 - **Documentary Rigor:** We have implemented strict requirements to ensure that no payment is made without a written contract and proper supporting documentation, ensuring an unprecedented level of control and transparency.
- **Credit Card Usage Reform** Perhaps the most significant correction involves our credit card procedures. To address the lack of oversight inherent in the previous system, we have implemented the following:

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- **Withdrawal of Cards:** We have withdrawn all credit cards from department heads, reducing the count from 15+ cards down to only two (held by the Superintendent and CFO as per board policy).
- **Pre-Authorization Protocol:** Any employee needing to utilize a card must now submit a pre-authorization form stating the intended purpose.
- **Check-and-Balance System:** Cards must be returned immediately with proper documentation and itemized receipts, establishing a rigorous audit trail for every purchase. **These enhanced internal controls are now formally governed by Board-approved policies to ensure long-term institutional compliance.**
- **Strict Travel and Mileage Enforcement** We are strictly enforcing travel and mileage policies to ensure that taxpayer dollars are spent with discretion and caution. These procedures ensure that all travel is for a documented public purpose and that expenditures are reasonable and necessary. **Consistent with our other financial reforms, these travel controls are maintained under a rigorous governance framework approved by the Board of Trustees.**

Conclusion: A New Era of Transparency

The State Board of Accounts' audit report identifies several individuals and entities associated with questionable expenses, activities, and past decisions. Regardless of which administration is in place, when SBCSC makes poor decisions, our taxpayers and students are the ones who suffer. Therefore, our purpose is to correct systemic flaws, inefficiencies, and past failures to strengthen the Corporation. By doing so, we can prevent these issues from recurring and serve our community to the best of our ability.

I would like to emphasize that the current administration has prioritized transparency by self-reporting various past questionable activities to auditors and releasing information to the public long before this audit report was published. A prime example is the Brown renovation project. In mid-2025—nearly a year before this report's publication—the current finance team shared details regarding contracts, expenses, and approvals with the Board and the public. This proactiveness substantiates many of the findings now presented from an independent, state perspective.

There is one specific area highlighted in the report that I would like to comment on: the use of referendum operating funds. While the audit report notes the expense categories presented to the public during the referendum campaign and highlights expenditures on areas like buildings, grounds, and maintenance, we must view the overall picture through a lens of strategic funding alignment. For instance, teacher salary increases were a primary promise of the referendum campaign. With more than 1,000 teachers in the Corporation, the vast majority (approximately 86%) are paid from the Education Fund. It is neither practically nor accounting-wise feasible to pay all teachers—or even just their specific raise amounts—directly from the referendum fund, which is capped at approximately \$30 million annually. Instead, the Referendum Operating Fund provided the strategic flexibility to cover operational costs beyond our General Operations Fund. By utilizing these funds

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South Bend Community School Corporation
Ahnaf Tahmid, Chief Financial Officer
Department of Financial Services • Office of The Administration

for facilities and maintenance, we successfully reduced the necessary transfer from the Education Fund to the Operations Fund from 15% down to 9.1%, then 5.5%, and finally to just 1% in the 2026 budget. This shift created the financial capacity to implement historic teacher raises. Thus, the administration maintains that the use of these funds has been highly strategic and entirely in line with our public promises.

Systemic deficiencies in compliance—including segregation of duties, internal controls, and contract or payroll approvals—have been extensively addressed. We have implemented a new Internal Control Manual and now ensure that all contracts and stipends receive formal Board approval. These measures were established well in advance of this report, marking a definitive shift from a reactive to a proactive stance. The significant steps taken in 2025 and 2026 have already begun to rebuild trust through regular financial updates, public presentations, and direct responses to community queries. We believe this audit period marks the end of one era and the beginning of another defined by professional excellence and transparency. Our future reports will undoubtedly demonstrate that by 2026, South Bend Schools has become a model of fiscal responsibility, fundamentally transformed from the 2022-23 period.

A handwritten signature in black ink that reads "Ahnaf Tahmid".

Ahnaf Tahmid, MBA, SFO
Chief Financial Officer (CFO) and Treasurer
South Bend Community School Corporation

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Additional Comments from Board Attorney Peter Agostino; Submitted to the CFO for Communication to the SBOA

In response to the information shared during the exit conference, which including notification of a charge for \$1000 for what was considered by SBOA as an improper donation, additional investigation was conducted. With respect to the \$1000 charge for a table at an Ivy Tech event, this was miscategorized as a “contribution” by Ivy Tech. SBOA requested a pay back of this amount. As this item was miscategorized we request that the SBOA withdraw the charge based on the information summarized below.

1. The federal GEAR UP grant is a partnership grant and requires activities that facilitate and foster strategic partnerships. The table sponsorship of \$1,000 for SBCSC GEAR UP team members to participate was not considered a donation in any way. Per GEAR UP federal program officer and guidance from specified grant consultant Edushift, the table sponsorship was allowable as it was aligned with a) direct programmatic purpose b) identified Higher Education, grant-named partner considered 'necessary and reasonable' for project performance c) provided a 'proportionate benefit' with a direct benefit to GEAR UP South Bend's federal project, especially the students we serve.
2. The expectation from the School Board of Trustees and SBCSC district leadership at the time (Dr. Todd Cummings) was to participate in and foster community partnerships and related activities as in conformity with SBCSC’s mission statement at the time. The direction for the team's at that time, including GEAR UP SB, was that we would fully and robustly participate in community partnerships and related events as opportunities to strengthen opportunities for students and to disseminate information about the affiliated and shared work of our teams, including federally-supported program GEAR UP SB.

SOUTH BEND COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on February 5, 2026, with Ahnaf Tahmid, Treasurer; Marlaina Johns, Director of Internal Audits; Luisa Brand, Deputy Chief Financial Officer; Dr. Stuart Greene, President of the School Board; Carlos Leyva, Vice President of the School Board; William Sniadecki, School Board member; Kate Lee, School Board member; Mark Costello, School Board member; Jeanette McCullough, School Board member; Marcus Ellison, School Board member; Mansour Eid, Superintendent of Schools; Peter Agostino, School Board Counsel; and Matt Lawson, General Counsel.

The comment entitled *Alcohol Purchases* was discussed on February 5, 2026, with Milton Lee, Director of Communication Program and Athletics.

SOUTH BEND COMMUNITY SCHOOL CORPORATION
SUMMARY OF QUESTIONED COST

	<u>Questioned Cost</u>
Controlled Project Referendum, Pages 17 and 18	\$ 2,683.00
Payment of Claims Prior to Board Approval, Pages 31 and 32	210,445.00
Referendum Fund Disbursements, Pages 34 and 35	65,490.00
Conflict of Interest, Chekesha Donaldson, Page 41	271,568.00
Supporting Documentation, Pages 43 through 48	
Donations	1,000.00
Vendor Disbursements	68,855.00
Credit Cards	115,888.83
Conference Travel - Building Expertise Education	27,896.85
Conference Travel - Innovatice School Summit	615.33
Conference Travel - Art School Network Conference	\$ 3,143.45
<u>Totals</u>	<u>\$ 767,585.46</u>

This report was forwarded to the Office of the Indiana Attorney General and the local County Prosecutor.

APPENDIX



DONATIONS

<u>Payee</u>	<u>Date</u>	<u>Amount</u>	<u>Description of Purchase (if any)</u>	<u>Beneficiary (if any)</u>
Ivy Tech Community Foundation	04/13/2023	\$ 1,000.00	Donation	

VENDOR DISBURSEMENTS

<u>Payee</u>	<u>Date</u>	<u>Amount</u>	<u>Description of Purchase (if any)</u>	<u>Beneficiary (if any)</u>
Gladys Mohammad	07/08/2022	\$ 12,000.00	Consult/Cares/GFP/Henry	
Kindom Life Christian Cathed	07/08/2022	10,000.00	Comm Partnership/GFP/Martin	
Mamas Against Violence	07/15/2022	5,000.00	Comm Partnership/Budget/GFP	
LTIA Inc	09/23/2022	8,000.00	Comm Prtnsp/Budget/GFP/Martin	
Reaching Higher Ground Corp.	04/06/2023	25,000.00	Community Partnership	
LTIA Inc	04/06/2023	6,000.00	Community Partnership	
		\$ 66,000.00		
Double Tree by Hilton Hotels		\$ 2,635.00	Catering for Women's Summit	
Wygant Floral Co., Inc.		\$ 220.00		
Total Vendor Disbursements		\$ 68,855.00		

CREDIT CARDS

<u>Card Holder</u>	<u>Date</u>	<u>Amount</u>	<u>Description of Purchase (if any)</u>	<u>Beneficiary (if any)</u>
Airfare				
Administration	07/05/2022	\$ 882.69	Airfare	Julie Haun-Frank
Administration	07/05/2022	882.69	Airfare	Shane Wery
Tessa Sutton	07/23/2022	90.91	Airfare - cancelation	
Tessa Sutton	07/23/2022	33.97	Airfare - cancelation	
Brandon White	07/01/2022	70.00	Airfare - Additional Services, excessive luggage fee	Brandon White
Brandon White	07/06/2022	30.00	Airfare - Additional Services, excessive luggage fee	Brandon White
Brandon White	07/08/2022	30.00	Airfare - Additional Services, excessive luggage fee	Brandon White
Administration	07/05/2022	125.00	Airfare - Additional Services, upgrade economy plus window seat/extra baggage	
Administration	07/05/2022	125.00	Airfare - Additional Services, upgrade economy plus window seat/extra baggage	
Administration	07/05/2022	94.00	Airfare - Additional Services, upgrade economy plus window seat/extra baggage	
Administration	07/05/2022	94.00	Airfare - Additional Services, upgrade economy plus window seat/extra baggage	
Administration	04/19/2023	787.90	Airfare	
Bianca Jones	04/20/2023	726.40	Airfare	Joel Boehner
Administration	01/20/2023	583.41	Airfare	
Administration	01/20/2023	583.41	Airfare	
Administration	01/17/2023	546.15	Airfare	Rachel Sachritz
Administration	01/17/2023	546.15	Airfare	Lauren Sox
Administration	01/17/2023	546.15	Airfare	Amber Long
Administration	01/20/2023	51.00	Airfare - Additional Services, upgrade economy plus window seat	
Administration	01/20/2023	51.00	Airfare - Additional Services, upgrade economy plus window seat	
Administration	01/20/2023	56.00	Airfare - Additional Services, upgrade economy plus window seat	
Administration	01/20/2023	56.00	Airfare - Additional Services, upgrade economy plus window seat	
Administration	01/20/2023	419.38	Airfare	Mark Zache
Administration	01/20/2023	419.38	Airfare	Erin Harding
Sarita Stevens	01/06/2023	448.80	Airfare	Kamika Valmond
Sarita Stevens	01/09/2023	470.81	Airfare	Sarita Stevens
Sarita Stevens	01/21/2023	584.91	Airfare	Sarita Stevens
Tessa Sutton	01/20/2023	776.40	Airfare	Taylor Williams
Tessa Sutton	01/20/2023	\$ 776.40	Airfare	Stephanie Dridges
		\$ 10,887.91		

CREDIT CARDS

Card Holder	Date	Amount	Description of Purchase (if any)	Beneficiary (if any)
Lodging				
Chadwick Addie	07/22/2022	\$ 589.71	Lodging	
Chadwick Addie	07/22/2022	366.68	Lodging	
Chadwick Addie	07/22/2022	675.90	Lodging	
Chadwick Addie	07/22/2022	618.44	Lodging	
Chadwick Addie	07/22/2022	675.90	Lodging	
Chadwick Addie	07/22/2022	675.90	Lodging	
Chadwick Addie	07/22/2022	618.44	Lodging	
Chadwick Addie	07/22/2022	675.90	Lodging	
Administration	07/18/2022	23,968.64	Lodging	16 individual employees to stay at Marriott in Chicago. Their stay was from 07/20/2022 - 07/23/2022, however one employee stayed 07/19/2022 only.
Administration	07/25/2022	591.82	Lodging	Hotel room for Shane Wery
Administration	07/25/2022	591.82	Lodging	Hotel room for Julie Haun-Frank
Tessa Sutton	07/11/2022	336.08	Lodging	Michael Boyd
Tessa Sutton	07/11/2022	300.87	Lodging	Angel Ash
Tessa Sutton	07/11/2022	523.22	Lodging	Gilbert Washington
Tessa Sutton	07/11/2022	467.22	Lodging	Dalila Huerta
Tessa Sutton	07/11/2022	523.22	Lodging	Kristen Haubold
Tessa Sutton	07/11/2022	523.22	Lodging	Jori Hardman
Tessa Sutton	07/11/2022	700.83	Lodging	Derrick Perry
Tessa Sutton	07/11/2022	784.83	Lodging	Kathe Streeter
Chadwick Addie	04/04/2023	232.83	Lodging	Chadwick Addie
Administration	04/21/2023	241.88	Lodging	Jennifer Van Haver
Administration	04/21/2023	241.88	Lodging	Elizabeth Wohiford
Administration	04/04/2023	1,302.20	Lodging	Sybil Snyder
Administration	04/04/2023	1,302.20	Lodging	Heidi Erikson
Administration	04/09/2023	235.83	Lodging	Daniel Kmitta
Mary Hernandez	04/03/2023	447.76	Lodging	Lesley Wesley
Mary Hernandez	04/04/2023	671.64	Lodging	Stephanie Ball
Milton Lee	04/10/2023	5,834.71	Lodging	41 people this includes select students and employees
Tessa Sutton	04/26/2023	590.36	Lodging	Sierra Savannah
Tessa Sutton	04/26/2023	400.14	Lodging	Moniqu Williams
Tessa Sutton	04/26/2023	382.64	Lodging	Erika Jones
Tessa Sutton	04/26/2023	360.64	Lodging	Ana Brand
Sarita Stevens	01/16/2023	1,340.00	Lodging	Rebecca Byers, Magdalene Dickerson, Kelya Jenkins, Megan Maxwell, Jacob Long, Taylor Pyzynski, Brenda Saaverda, Skylar Thomas, Gabrielle VanLue, and Chritine Jones
Tessa Sutton	01/30/2023	168.81	Lodging	Kendra Key
Tessa Sutton	01/16/2023	306.76	Lodging	Hyatt place nashville - cancellation fee for Ms. Bridges room at Hyatt Place Nashville
Tessa Sutton	01/23/2023	2,410.43	Lodging	Mr. Williams
Tessa Sutton	01/18/2023	1,545.75	Lodging	Kendra Key
Tessa Sutton	01/18/2023	1,950.75	Lodging	Tessa Sutton
Tessa Sutton	01/18/2023	\$ 1,030.50	Lodging	Pamela Paluszewski
		<u>\$ 55,206.35</u>		

CREDIT CARDS

Card Holder	Date	Amount	Description of Purchase (if any)	Beneficiary (if any)
Meals				
Christopher Cummings	04/24/2023	\$ 6.41	Meals -7-Eleven Ausitn TX	Christopher Cummings
Christopher Cummings	04/23/2023	54.82	Meals - Dinner at Aloft in Austin, TX	Christopher Cummings
Sarita Stevens	04/26/2023	10.29	Meals - BP food items purchased	
Christopher Cummings	04/18/2023	43.43	Meals - Charlestons in Carmel IN	
Chadwick Addie	07/21/2022	28.51	Meals - 3 nonalcoholic drinks Detroit Metro Airport	
Chadwick Addie	07/19/2022	45.40	Meals - Duplex Dinner/2 meals	
Chadwick Addie	07/21/2022	115.06	Meals - Grille District/5 entries to go	
Chadwick Addie	07/21/2022	13.89	Meals - Grille District/3 waters	
Chadwick Addie	07/19/2022	236.30	Meals - Hilton Four Oaks/7 meals	
Chadwick Addie	07/22/2022	32.50	Meals - Hilton McClellan's	
Sarita Stevens	04/26/2023	9.02	Meals - Love's Gas Station	
Chadwick Addie	07/21/2022	113.50	Meals - Mission Dupont	
Chadwick Addie	07/21/2022	3.13	Meals - Reagan National Airport	
Chadwick Addie	07/21/2022	18.69	Meals - Reagan National Airport	
Chadwick Addie	07/21/2022	3.13	Meals - Reagan National Airport	
Sarita Stevens	04/26/2023	11.14	Meals - Starbucks	
Chadwick Addie	07/19/2022	6.37	Meals - Uber Eats/Tip	
Chadwick Addie	07/19/2022	7.93	Meals - Uber Eats/Tip	
Chadwick Addie	07/19/2022	31.87	Meals - Uber Eats	
Chadwick Addie	07/19/2022	39.18	Meals - Uber Eats	
Chadwick Addie	07/19/2022	24.34	Meals - Uber Eats	
Chadwick Addie	07/20/2022	4.38	Meals - Uber Eats/Tip	
Julia Cordova-Gurule	07/01/2022	19.25	Meals - Little Caesers pizza	
Julia Cordova-Gurule	07/13/2022	44.89	Meals - Little Caesers pizza	
Mary Hernandez	07/08/2022	155.36	Meals - Taqueria Chicago	
Mary Hernandez	07/15/2022	72.47	Meals - Chick-fil-a	
Mary Hernandez	07/20/2022	63.00	Macri's Italian Bakery; cookies for cabinet and SBEZ	
Mary Hernandez	07/29/2022	13.50	Macri's Italian Bakery; donuts for Monica's birthday	
Milton Lee	07/27/2022	150.00	Meals - Howard Park Event Center	
Milton Lee	07/29/2022	974.24	Meals - Howard Park Event Center/catering event	
Tessa Sutton	07/04/2022	239.09	Meals - Bruno's Original Pizza	
Tessa Sutton	07/26/2022	46.00	Meals - Cinco International	
Tessa Sutton	07/29/2022	48.52	Meals - Howard Park Event Center	
Brandon White	07/08/2022	106.55	Meals - Café Americano Las Vegas, NV	
Julia Cordova-Gurule	01/19/2023	204.80	Meals - Michoacan Supermarket	
Julia Cordova-Gurule	01/20/2023	204.80	Meals - Michoacan Supermarket	
Mary Hernandez	01/24/2023	128.82	Meals - Barnaby's Pizza	
Mary Hernandez	01/18/2023	20.58	Meals - Macri's	
Sarita Stevens	01/19/2023	72.60	Meals - Barnaby's Pizza	
Chadwick Addie	04/19/2023	133.17	Meals - Chick-fil-a	
Julia Cordova-Gurule	04/04/2023	53.65	Meals - El Campito	
Julia Cordova-Gurule	04/13/2023	206.50	Meals - Marco Pizza	
Julia Cordova-Gurule	04/05/2023	267.30	Meals - El Campito	
Julia Cordova-Gurule	04/27/2023	66.00	Meals - Kroger	
Julia Cordova-Gurule	04/13/2023	3.59	Meals - Martins	
Julia Cordova-Gurule	04/27/2023	75.52	Meals - Walmart	
Julia Cordova-Gurule	04/13/2023	105.22	Meals - Walmart	
Julia Cordova-Gurule	04/03/2023	68.77	Meals - El Campito	
Christopher Cummings	04/22/2023	88.33	Meals - Suerte Austin TX	
Brandon White	07/08/2022	151.64	Meals - Hells Kitchen Las Vegas NV	
Brandon White	07/08/2022	61.63	Meals - Café Americano Las Vegas, NV	
Brandon White	07/11/2022	40.10	Meals - Palms Las Vegas NV	
Brandon White	07/11/2022	42.37	Meals - Café Americano 2022 Las Vegas NV	
Mary Hernandez	04/20/2023	20.63	Meals - Macri	
Mary Hernandez	04/18/2023	21.65	Meals - Linden Grill	
Mary Hernandez	04/17/2023	109.31	Meals - Popeyes	
Sarita Stevens	04/27/2023	121.79	Meals - Woonchi Japanese	
Sarita Stevens	04/11/2023	136.99	Meals - Jimmy Johns	
Brandon White	07/11/2022	68.36	Meals - Vandcrpump Cocktail Grill Las Vegas NV	
Brandon White	07/21/2022	160.00	Meals - Jacks Donuts	
Brandon White	07/28/2022	\$ 287.73	Meals - Panera bread	
		\$ 5,714.01		

CREDIT CARDS

Card Holder	Date	Amount	Description of Purchase (if any)	Beneficiary (if any)
Transportation				
Chadwick Addie	07/19/2022	\$ 10.36	Yellow Cab	
Chadwick Addie	07/19/2022	9.91	Grand Cab Com	
Chadwick Addie	07/19/2022	26.09	Uber trip	
Chadwick Addie	07/19/2022	4.10	Uber trip	
Chadwick Addie	07/21/2022	33.94	Yellow Cab	
Chadwick Addie	07/21/2022	35.39	Yellow Cab	
Chadwick Addie	07/21/2022	1,200.00	Luxury Ride purchase custom amount \$1,000, Atif Ali included (driver) and tip of \$200. Jul 21 2022 at 2:17 AM	
Chadwick Addie	07/21/2022	53.28	Uber trip	
Chadwick Addie	07/22/2022	36.00	South Bend Airport	
Chadwick Addie	07/21/2022	53.40	DCA Taxi Cab	
Tessa Sutton	07/25/2022	702.00	supershuttl canceled	
Tessa Sutton	07/26/2022	843.50	Go Airport Shuttle canceled	
Brandon White	07/04/2022	45.00	RPS Fort Wayne International Airport: Parking for Las Vegas trip,	
Brandon White	07/06/2022	48.37	Uber trip Las Vegas NV	
Brandon White	07/07/2022	5.41	Uber trip Las Vegas NV	
Brandon White	07/08/2022	26.46	Uber trip Las Vegas NV	
Brandon White	07/11/2022	27.57	Uber trip Las Vegas NV	
Brandon White	07/11/2022	35.90	Uber trip Las Vegas NV	
Brandon White	07/19/2022	45.00	RPS Fort Wayne International Airport: Parking for Las Vegas trip,	
Sarita Stevens	04/26/2023	37.76	Family Express - gas	
Sarita Stevens	04/26/2023	60.92	BP - gas	
Tessa Sutton	01/23/2023	64.00	Mears Connect - Airport and tip	
Tessa Sutton	01/30/2023	48.00	Mears Connect - Airport and tip	
Brandon White	09/26/2022	367.17	Stretch Limousine, Inc	
Brandon White	09/29/2022	416.69	Stretch Limousine, Inc	
Brandon White	06/28/2022	330.38	MG Limousine, Inc	
Brandon White	07/01/2022	194.07	Pick up Ride	
Roberto Leal	02/15/2023	65.00	Amazon 1 Hoodie, Champion	
Sarita Stevens	06/29/2023	\$ 439.99	AJL International Business	
		\$ 5,265.66		
Construction Fund				
Kareemah Fowler	04/04/2023	\$ 603.40	C Decorating Center	
Kareemah Fowler	04/04/2023	1,134.64	Sherwin Williams - South Bend IN	
Kareemah Fowler	01/25/2023	577.00	Sherwin Williams - South Bend IN	
Kareemah Fowler	01/21/2023	69.71	Hobby lobby - Mishawaka IN	
Kareemah Fowler	01/14/2023	436.78	Lowe's Home Center - Mishawaka IN, Purchased a door handle, an electric deadbolt light keypad for a door, 3 plastic underbed storage tote with standard lid	
Kareemah Fowler	01/22/2023	1,160.82	Lowe's Home Center - Mishawaka IN	
Kareemah Fowler	12/31/2022		Lowe's Home Center - Mishawaka IN Lowe's purchase; 4 - project source 40-gal wheeled totes, 11 - Hefty Large 13 -Gallons (52 -Quarts) Clear/White Stackable Underbed tote with Latching Lid, 4 - Hefty Large 13 -Gallons (52 -Quarts) Clear/White Stackable Underbed tote with Latching Lid, 2- Contractor's Choice Contractor 42-Gallon Scent free Black Outdoor Plastic Construction Flap Tie Trash Bag 24 -Count	
		\$ 530.38		
		\$ 4,512.73		

CREDIT CARDS

Card Holder	Date	Amount	Description of Purchase (if any)	Beneficiary (if any)
Gift Cards				
Mary Hernandez	07/28/2022	\$ 150.00	Gift Cards for Teachers TLT's	
Administration	04/19/2023	75.00	Cinco International gift card	
Julia Cordova-Gurule	01/24/2023	110.00	Speedway - gas cards for parent meetings	
Mary Hernandez	08/02/2022	150.00	Gift cards for teachers	
Mary Hernandez	08/02/2022	75.00	Walgreens, 2 gift cards for teachers	
Tessa Sutton	11/22/2022	\$ 56.95	Walgreens - 1 gift card speaker gift card	
		<u>\$ 616.95</u>		
Supplies				
Julia Cordova-Gurule	07/01/2022	\$ 559.98	Monitor/HDMI cables - Samsung TV and HDMI cables	
Julia Cordova-Gurule	07/04/2022	151.27	Martins	
Milton Lee	07/04/2022	7.98	Turn's pay and pack - Ice	
Administration	07/06/2022	360.00	banners for back to school	
Chadwick Addie	07/11/2022	62.50	Dollar Tree	
Mary Hernandez	07/15/2022	149.46	Costco Instacart - Supplies for office	
Julia Cordova-Gurule	07/18/2022	333.54	Walmart - Storage bin	
Chadwick Addie	07/18/2022	29.24	Walmart	
Brandon White	07/19/2022	4,535.80	Totally promotional	
Brandon White	07/21/2022	88.01	Sams Club: Principle institute event 07/21/22 refreshments	
Brandon White	07/22/2022	110.66	Sams Club: Principle institute event 07/22/22 refreshments	
Milton Lee	01/19/2023	11.22	Amazon Mktp	
Brandon White	01/19/2023	147.13	Fedex: printing duplicate 2-page forms	
Julia Cordova-Gurule	01/20/2023	81.49	Walmart	
Julia Cordova-Gurule	01/20/2023	117.03	Walmart	
Milton Lee	01/20/2023	44.06	Amazon.com	
Milton Lee	01/20/2023	8.96	Amazon Mktp	
Milton Lee	01/20/2023	6.79	Amazon Mktp	
Tessa Sutton	01/20/2023	2,318.50	Livingworks ASIST training 11 participant kit x 50	
Milton Lee	01/23/2023	15.17	Amazon Mktp	
Erin Wagler	01/25/2023	275.00	Fun by the yard; balloons for press conference	
Brandon White	01/27/2023	55.60	Full focus; notebooks and pens	
Sarita Stevens	01/30/2023	86.25	USPS	
Mary Hernandez	01/30/2023	44.98	Amazon picture frames for office	
Tessa Sutton	04/04/2023	352.12	FEDEX printed 250 color copies of the pledge for the m8k ceremony	
Administration	04/12/2023	57.67	Lowe's	
Administration	04/13/2023	67.22	Menards	
Julia Cordova-Gurule	04/13/2023	139.74	Lowe's	
Sarita Stevens	04/16/2023	39.00	e-forms	
Tessa Sutton	04/17/2023	1,012.00	Barnes and Noble books for family literacy night in April	
Brandon White	04/26/2023	\$ 90.89	no attached procurement report	
		<u>\$ 11,359.26</u>		

CREDIT CARDS				
Card Holder	Date	Amount	Description of Purchase (if any)	Beneficiary (if any)
Miscellaneous				
Erin Wagler	04/05/2023	\$ 2,500.00	thought leadership conference registration	
Tessa Sutton	04/04/2023	21.50	REV student services use of transcription of speech to text	
Tessa Sutton	04/11/2023	200.00	PAYPAL	
Julia Cordova-Gurule	04/24/2023	700.00	IDRC recruiter conference registration	
Julia Cordova-Gurule	01/27/2023	1,500.00	NASDME 2023 Albuquerque NM Registration fee x4	
Administration	01/23/2023	500.00	NCP partners in education annual meeting	
Tessa Sutton	04/23/2023	8.00	Marketing & Promotion	
Tessa Sutton	01/24/2023	8.00	Marketing & Promotion	
Tessa Sutton	01/24/2023	150.00	Manchester University	
Sarita Stevens	04/20/2023	156.00	Membership	
Erin Wagler	04/27/2023	325.00	KREATIVE KONCE	
Erin Wagler	04/06/2023	150.00	KREATIVE KONCE	
Erin Wagler	04/08/2023	75.65	SENDIBLE.COM	
Erin Wagler	04/05/2023	231.00	EB THOUGHT LEADERSHIP	
Tessa Sutton	04/03/2023	1.25	PAYPAL	
Tessa Sutton	04/05/2023	700.99	VISTAPRINT	
Tessa Sutton	04/18/2023	12.95	PAYPAL	
Erin Wagler	01/10/2023	75.65	SENDIBLE.COM	
Tessa Sutton	01/20/2023	2,299.00	SCHED LLC	
Sarita Stevens	01/25/2023	770.00	MCDONALD STUDIO INC.	
Tessa Sutton	01/19/2023	156.00	St Joseph County Rental	
Administration	04/26/2026	1,990.30	Stata statistical software	
Sarita Stevens	04/26/2023	114.97	Carolina Biology Supply	
Milton Lee	04/23/2023	80.25	Amazon Marketplace	
Milton Lee	04/24/2023	86.66	Amazon Marketplace	
Julia Cordova-Gurule	04/15/2023	2,953.57	CAMBRIDGE UNIV PRESS	
Tessa Sutton	07/06/2022	660.00	Fun by the Yard	
Brandon White	04/26/2023	25.68	JibJab	
Tessa Sutton	04/11/2023	208.00	Canva	
Milton Lee	04/27/2023	12.99	Canva	
Erin Wagler	01/10/2023	960.00	Monday.com	
Milton Lee	01/30/2023	12.99	Canva	
Brandon White	07/25/2022	79.00	SMORE.COM - EDUCATOR	
Tessa Sutton	07/25/2022	8.00	EIG	
Milton Lee	07/28/2022	12.99	Canva	
Erin Wagler	01/27/2023	25.00	Facebook Advert	
Erin Wagler	01/25/2023	25.00	Facebook Advert	
Erin Wagler	01/30/2023	25.00	Facebook Advert	
Milton Lee	01/20/2023	150.00	Indiana BBHOF Events	
Milton Lee	01/20/2023	150.00	Indiana BBHOF Events	
Cordell Martin	07/04/2022	64.42	Indeed	
Administration	04/19/2023	48.15	WYGANT FLORAL CO I	
Administration	01/19/2023	120.89	FLOWERS BY LEGACY	
Milton Lee	07/14/2022	137.77	SYMPATHY FLORAL STORE IL	
Sarita Stevens	09/08/2022	\$ 1,369.35	LifeHoney 9 Gifts - Porcelain bowls	
		\$ 19,861.97		

CREDIT CARDS

Card Holder	Date	Amount	Description of Purchase (if any)	Beneficiary (if any)
Operation fund				
Todd Cummings	06/08/2022	\$ 43.00	Kim's Alterations Clothes alterations	
Todd Cummings	06/27/2022	12.77	Linden Grill Food	
Christopher Cummings	10/04/2022	15.37	Panera Food	
Mary Hernandez	06/02/2022	130.87	Pizza King	
Mary Hernandez	06/08/2022	32.95	Macri's Italian Bakery - cabinet meeting	
Sarita Stevens	08/10/2022	419.32	Franklin Planner Overpriced bags/briefcases/planners/pens	
Sarita Stevens	09/30/2022	268.00	Franklin Planner Ladies' Briefcase	
Sarita Stevens	9/30/2022	260.00	Franklin Planner Ladies' Briefcase	
Sarita Stevens	05/03/2023	164.95	Franklin Planner Leather Zipper Binder	
Sarita Stevens	05/03/2023	200.00	Franklin Planner Leather Laptop Backpack	
Kareemah Fowler	10/14/2022	2,510.00	SBMA Art Gala Table Sponsorship	
Cordell Martin	9/20/2022	600.00	100 Black Men Table Sponsorship	
Education fund				
Brandon White	07/18/2022	102.98	Amazon Rolling Laptop Bag	
Brandon White	07/21/2022	99.99	Amazon Apple Leather Sleeve	
Brandon White	11/10/2022	155.29	Franklin Planner Overpriced bags/briefcases/planners/pens	
Brandon White	11/15/2022	373.43	Apple Mac Keyboard	
Tessa Sutton	12/01/2022	230.33	Franklin Planner Overpriced bags/briefcases/planners/pens	
Brandon White	02/14/2023	344.44	Franklin Planner Overpriced bags/briefcases/planners/pens	
Brandon White	02/23/2023	63.51	Franklin Planner Overpriced bags/briefcases/planners/pens	
Keith Lewis - Adams HS	03/22/2023	\$ 99.00	Amazon Apple AirPods	
		\$ 6,126.20		
Credits				
Administration	07/27/2022	\$ (1,123.53)	HR Indiana SHRM Conference	
Pauline Busby	07/04/2022	(12.95)	Ultimate SLP Credit/ no supporting documentation	
Pauline Busby	07/14/2022	(12.95)	Ultimate SLP Credit/ no supporting documentation	
Tessa Sutton	07/26/2022	(843.50)	Go airport shuttle - canceled	
Tessa Sutton	07/27/2022	(351.00)	SuperShuttle canceled	
Tessa Sutton	07/27/2022	(351.00)	SuperShuttle canceled	
Mary Hernandez	04/17/2023	(683.40)	Delta cancelation/ no supporting documentation	
Tessa Sutton	04/11/2023	(13.88)	skyzone field trip for m8k students at jackson M.S credit	
Sarita Stevens	01/13/2023	(90.00)	Purdue Conference/no supporting documentation	
Sarita Stevens	01/13/2023	(90.00)	Purdue Conference/no supporting documentation	
Sarita Stevens	01/13/2023	\$ (90.00)	Purdue Conference/no supporting documentation	
		\$ (3,662.21)		
Total Credit Card		\$ 115,888.83		

CREDIT CARDS

Card Holder	Date	Amount	Description of Purchase (if any)	Beneficiary (if any)
Conference Travel				
Building Expertise Education - Walt Disney Resort June 2023				
Administration	02/08/2023, 05/02/2023, 06/22/2023	\$ 1,504.93	Flight and hotel	Rachel Sachritz
Administration	02/08/2023, 05/02/2023, 06/22/2023	1,504.93	Flight and hotel	Kenard Robinson
Administration	02/08/2023, 05/02/2023, 06/22/2023	1,504.93	Flight and hotel	LaraUngethum
Administration	02/08/2023, 05/02/2023, 06/22/2023	537.41	Flight	Diamond Robinson
Administration	02/08/2023, 05/02/2023, 06/22/2023	1,338.89	Flight, hotel, and preferred seating	Mark Zache
Administration	02/08/2023, 05/02/2023, 06/22/2023	1,297.42	Flight and hotel	Jennifer McGhee
Administration	02/08/2023, 05/02/2023, 06/22/2023	1,297.42	Flight and hotel	Adrianne Esquibel
Administration	02/08/2023, 05/02/2023, 06/22/2023	1,297.42	Flight and hotel	Matt Emery
Administration	02/08/2023, 05/02/2023, 06/22/2023	1,317.54	Flight, hotel, and preferred seating	Yvonne Kinney
Administration	02/08/2023, 05/02/2023, 06/22/2023	1,317.54	Flight, hotel, and preferred seating	Jennifer VanHaver/Ledford
Administration	02/08/2023, 05/02/2023, 06/22/2023	1,297.42	Flight and hotel	Adam Tenbarge
Administration	02/08/2023, 05/02/2023, 06/22/2023	1,297.42	Flight and hotel	Nieshe Phillips
Administration	02/08/2023, 05/02/2023, 06/22/2023	1,297.42	Flight and hotel	Tony Brooks
Administration	02/08/2023, 05/02/2023, 06/22/2023	1,297.42	Flight and hotel	David Thompson
Administration	02/08/2023, 05/02/2023, 06/22/2023	1,307.42	Flight and hotel	Melanie Meyer
Administration	02/08/2023, 05/02/2023, 06/22/2023	1,317.54	Flight, hotel, and preferred seating	Jessica Lane
Administration	02/08/2023, 05/02/2023, 06/22/2023	1,317.54	Flight, hotel, and preferred seating	Elizabeth Wohlford
Administration	02/08/2023, 05/02/2023, 06/22/2023	1,317.54	Flight, hotel, and preferred seating	Thomas Skyles
Administration	02/08/2023, 05/02/2023, 06/22/2023	1,317.54	Flight, hotel, and preferred seating	Anne Schultz Strehl
Administration	02/08/2023, 05/02/2023, 06/22/2023	1,276.12	Flight and hotel	Hughes Valmond
Administration	02/08/2023, 05/02/2023, 06/22/2023	967.52	Hotel	Rachel Anders
Administration	02/08/2023, 05/02/2023, 06/22/2023	\$ 967.52	Hotel	Nicole Medich
		<u>\$ 27,896.85</u>		
Innovative School Summit - Ceasars Palace, July 2022				
Brandon White	07/11/2022	\$ 293.90	Room upgrade	Brandon White
Brandon White	07/07/2022	259.07	Room upgrade	Chase Slesman
Brandon White	07/07/2022	\$ 62.36	Early check in	Javier Jimenez
		<u>\$ 615.33</u>		
Art School Network Conference - Golden Nugget, October 2022				
Administration	05/30/2022, 06/02/2022	\$ 402.28	Hotel	Kemilyn Schreiber
Administration	05/30/2022, 06/02/2022	402.28	Hotel	Meaghan Beard
Administration	05/30/2022, 06/02/2022	402.28	Hotel	Sarah Morris-Mesaros
Administration	09/28/2022	89.70	Hotel	Mark Zache
Administration	06/02/2022	443.97	Flights	Unknown
Administration	06/02/2022	443.97	Flights	Unknown
Administration	06/02/2022	443.97	Flights	Unknown
Administration	06/02/2022	492.00	Flights and preferred seating	Unknown
Administration	06/02/2022	\$ 23.00	Flights and preferred seating	Unknown
		<u>\$ 3,143.45</u>		
Total Supporting Documentation		<u>\$ 217,399.46</u>		