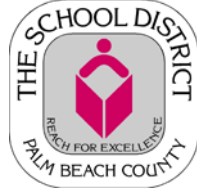


The School District of Palm Beach County, Florida

Internal Funds Accounts Audit June 30, 2014

Report #2015-04



MISSION STATEMENT

The School District of Palm Beach County is committed to providing a world-class education with excellence and equity to empower each student to reach his or her highest potential with the most effective staff to foster the knowledge, skills, and ethics required for responsible citizenship and productive careers.

E. Wayne Gent
Superintendent of Schools

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E. Wayne Gent, Superintendent of Schools
JulieAnn Rico, Esq., General Counsel
Stephanie Nance, Principal Representative
CTA Representative

**As of June 30, 2014*

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THE SCHOOL DISTRICT OF
PALM BEACH COUNTY, FLORIDA

OFFICE OF INSPECTOR GENERAL
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WEST PALM BEACH, FL 33406

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LUNG CHIU, CIG, CPA
INSPECTOR GENERAL

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MARCIA ANDREWS
KAREN M. BRILL
MICHAEL MURGIO
DEBRA L. ROBINSON, M.D.
ERICA WHITFIELD

E. WAYNE GENT, SUPERINTENDENT

February 13, 2015

Members of the School Board
Members of the School Board Audit Committee
E. Wayne Gent, Superintendent of Schools

Ladies and Gentlemen:

We have audited the Combined Statement of Changes in Fund Balance-Cash Basis for the Year Ended June 30, 2014, for the Internal Fund Accounts of the Schools (as listed in Note 4) of The School District of Palm Beach County, Florida, pursuant to the *Florida State Board of Education, Administrative Rules 6A-1.087(2)*. This financial statement is the collective responsibility of each school's principal. Our responsibility is to express an opinion on this combined financial statement based on our audit.

We conducted our audit in accordance with *Generally Accepted Auditing Standards* in the United States of America and the *Government Auditing Standards*, promulgated by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, this financial statement was prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. In addition, this financial statement presents only the Internal Fund Accounts and is not intended to present the changes in fund balance of The School District of Palm Beach County, Florida, on the basis of accounting discussed in Note 1.

This report presents the results of Internal Funds Audits for all 175 schools. In our opinion, the financial statement referred to in the first paragraph presents fairly, in all material respects, the changes in fund balance of the Internal Fund Accounts of the Schools of The School District of Palm Beach County, Florida, for Year Ended June 30, 2014, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2015, on our consideration of The School District of Palm Beach County, Florida's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, *School Board Policies*, and School District procedures and guidelines. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Our audit was made for the purpose of forming an opinion on the above-mentioned financial statement taken as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the Combined Statement of Changes in Fund Balance-Cash Basis for the Internal Funds of the Schools of The School District of Palm Beach County, Florida. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and in our opinion, is fairly presented in all material respects, in relation to the financial statement taken as a whole.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Lung Chiu', is written over a light blue horizontal line.

Lung Chiu, CPA
Inspector General
Office of Inspector General

The School District of Palm Beach County, Florida
 Combined Statement of Changes in Fund Balance – Cash Basis
 Internal Fund Accounts
 Year Ended June 30, 2014

FY 2014 ALL SCHOOLS	Beginning Balance	Receipts	Expenditures	Transfers In	Transfers Out	Ending Balance
1 - ATHLETICS	\$1,328,221.53	\$5,105,468.89	\$5,257,934.19	\$2,099,537.91	\$1,915,750.34	\$1,359,543.80
2 - MUSIC	821,211.67	4,301,297.20	4,287,018.60	1,346,688.95	1,282,451.04	899,728.18
3 - CLASSES	998,972.19	5,568,068.93	5,490,746.84	1,157,898.29	1,297,905.56	936,287.01
4 - CLUBS	1,313,833.90	4,653,768.68	4,535,990.25	1,382,503.25	1,435,378.27	1,378,737.31
5 - DEPARTMENTS	3,234,256.61	6,851,766.37	6,805,631.72	2,114,646.94	2,039,915.47	3,355,122.73
6 - TRUSTS	7,233,963.10	49,183,524.85	48,823,098.81	2,709,136.60	3,136,830.02	7,166,695.72
7 - GENERAL ACTIVITIES	1,583,643.65	3,074,327.18	3,389,085.70	1,787,652.94	1,489,834.18	1,566,703.89
	<u>\$16,514,102.65</u>	<u>\$78,738,222.10</u>	<u>\$78,589,506.11</u>	<u>\$12,598,064.88</u>	<u>\$12,598,064.88</u>	<u>\$16,662,818.64</u>

Source: Individual school Statements of Changes in Fund Balance

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(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

As defined by *Chapter 6A-1.085 Florida State Board of Education Rules*, internal funds are monies collected and expended within a school that are used for financing the normal program of school activities not otherwise financed, for providing necessary and proper services and materials for school activities, and for other purposes consistent with the school program as established and approved by The School District of Palm Beach County, Florida (the “District”). This report consists of the 175 schools listed in Note 4. The District retains no equity interest in these funds and they are included in the District’s Comprehensive Annual Financial Report as an agency fund. The District and its governing board are organized and operated under *Section 4, Article IX, of the Constitution of Florida and Chapter 1001 of Florida Statutes*. The District’s boundaries are coterminous with those of Palm Beach County. Management of the schools is independent of county and city governments.

Basis of Accounting

The financial statement is prepared on the cash basis of accounting; consequently, revenues are recognized when received rather than when earned, and disbursements are recognized when cash is disbursed rather than when the obligation is incurred.

(2) CASH AND INVESTMENTS

Cash and investments include petty cash, demand deposits, savings and time deposits and are held in qualified public depositories pursuant to *Florida Statutes, Chapter 280, “Florida Security for Public Deposits Act.”* Under the Act, every qualified public depository shall deposit with the State Chief Financial Officer eligible collateral of the depository to be held subject to his or her order. The State Chief Financial Officer, by rule, shall establish minimum required collateral pledging levels. The pledging level may range from 25% to 125% of the average monthly balance of public deposits depending upon the depository’s financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

(3) ACTIVITIES ACCOUNTS

The student activity accounts used in this report are as follows:

Athletics

All revenue and expenditures involving athletic business transacted at the school level is recorded in this account classification.

Music

Proceeds from activities of musical organizations; donations to these groups; and their expenses for supplies and trips are recorded in this account classification.

Classes and Clubs

Class and club accounts are those which support a group of students within a community of interest with a roster of members, officers, and a sponsor. Approval for the existence of all club and class activities is the responsibility of the principal. Class and club monies must be spent for the benefit of the class or club or for purposes designated by the class or club that participated in generating the revenue.

Departments

Departments are structured in a manner similar to classes and conduct their financial activities subject to those guidelines.

Trusts

Funds collected for specific, restricted purposes are accounted for in trust funds. Trust funds can be spent only for the purposes for which collected.

General

This category encompasses all other accounts for funds which are to be utilized for the general welfare of the student today.

(4) SCHOOLS IN THE DISTRICT

This report consists of the 175 schools listed below:

Area 1

Addison Mizner Elementary	Morikami Park Elementary
Atlantic High	Odyssey Middle
Banyan Creek Elementary	Olympic Heights High
Boca Raton Elementary	Omni Middle
Boca Raton High	Orchard View Elementary
Boca Raton Middle	Pine Grove Elementary
Boynton Beach High	Plumosa School of the Arts
Calusa Elementary	Poinciana Elementary
Carver Middle	Rolling Green Elementary
Coral Sunset Elementary	S.D. Spady Elementary
Crosspointe Elementary	Sandpiper Shores Elementary
Del Prado Elementary	South Intensive Transition School
Don Estridge High Tech Middle	Spanish River High
Eagles Landing Middle	Sunrise Park Elementary
Forest Park Elementary	Verde Elementary
Galaxy Elementary	Village Academy
Hammock Pointe Elementary	Waters Edge Elementary
J.C. Mitchell Elementary	West Boca Raton High
Loggers Run Middle	Whispering Pines Elementary

Area 2

Barton Elementary
Christa McAuliffe Middle
Citrus Cove Elementary
Clifford O. Taylor/Kirklane Elementary
Congress Middle
Coral Reef Elementary
Crystal Lakes Elementary
Diamond View Elementary
Discovery Key Elementary
Forest Hill Elementary
Freedom Shores Elementary
Greenacres Elementary
Hagen Road Elementary
Heritage Elementary
Hidden Oaks Elementary
Highland Elementary
Indian Pines Elementary
John I. Leonard High
L.C. Swain Middle

Lake Worth High
Lake Worth Middle
Lantana Elementary
Lantana Middle
Liberty Park Elementary
Manatee Elementary
North Grade Elementary
Okeehetee Middle
Palm Springs Elementary
Palm Springs Middle
Park Vista High
Royal Palm School
Santaluces High
South Grade Elementary
Starlight Cove Elementary
Sunset Palms Elementary
Tradewinds Middle
Woodlands Middle

Area 3

Acreage Pine Elementary
Belle Glade Elementary
Binks Forest Elementary
Crossroads Academy
Elbridge Gale Elementary
Emerald Cove Middle
Equestrian Trails Elementary
Frontier Elementary
Glade View Elementary
Glades Central High
Golden Grove Elementary
Gove Elementary
K.E. Cunningham/Canal Point Elementary
Lake Shore Middle
New Horizon Elementary

Osceola Creek Middle
Pahokee Elementary
Pahokee Middle/Senior High
Palm Beach Central High
Panther Run Elementary
Pierce Hammock Elementary
Pioneer Park Elementary
Polo Park Middle
Rosenwald Elementary
Seminole Ridge High
Wellington Elementary
Wellington High
Wellington Landings Middle
Western Pines Middle

Area 4

Allamanda Elementary
Bak Middle School of the Arts
Beacon Cove Intermediate
Bear Lakes Middle
Dr. Mary McLeod Bethune Elementary
Dwight D. Eisenhower Elementary
Egret Lake Elementary

Grove Park Elementary
Howell L. Watkins Middle
Independence Middle
Jerry Thomas Elementary
John F. Kennedy Middle
Jupiter Elementary
Jupiter Farms Elementary

Jupiter High
Jupiter Middle
Lake Park Elementary
Lighthouse Elementary
Limestone Creek Elementary
Lincoln Elementary
Marsh Pointe Elementary
Northboro Elementary
Northmore Elementary
Palm Beach Gardens Elementary
Palm Beach Gardens High
Palm Beach Lakes High

Riviera Beach Preparatory & Achievement
Academy
Seminole Trails Elementary
Suncoast High
The Conservatory @ North Palm Beach
Elementary
Timber Trace Elementary
Washington Elementary
Watson B. Duncan Middle
West Riviera Elementary
Westward Elementary
William T. Dwyer High

Area 5

Alexander W. Dreyfoos, Jr. School of the Arts
Belvedere Elementary
Benoist Farms Elementary
Berkshire Elementary
Cholee Lake Elementary
Conniston Middle
Crestwood Middle
Cypress Trails Elementary
Everglades Elementary
Forest Hill High
Gold Coast School
Grassy Waters Elementary
H.L. Johnson Elementary
Hope-Centennial Elementary
Indian Ridge School
U.B. Kinsey/Palmview Elementary
West Gate Elementary

Jeaga Middle School
Loxahatchee Groves Elementary
Meadow Park Elementary
Melaleuca Elementary
Palm Beach Public Elementary
Palmetto Elementary
Pine Jog Elementary
Pleasant City Elementary
Roosevelt Elementary
Roosevelt Middle
Royal Palm Beach Elementary
Royal Palm Beach High
South Olive Elementary
Turning Points Academy

Wynnebrook Elementary

Other Schools

Adult Education Center
Delray Full Service Center

Palm Beach Virtual School



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ERICA WHITFIELD

E. WAYNE GENT, SUPERINTENDENT

February 13, 2015

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Members of the School Board
Members of the School Board Audit Committee
E. Wayne Gent, Superintendent of Schools

Ladies and Gentlemen:

We have audited the Combined Statement of Changes in Fund Balance-Cash Basis of the Internal Fund Accounts of the Schools of The School District of Palm Beach County, Florida, as of and for the year ended June 30, 2014, and have issued our report thereon dated February 13, 2015. We conducted our audit in accordance with *Generally Accepted Auditing Standards* in the United States of America and the applicable standards contained in *Government Auditing Standards*, promulgated by the Comptroller General of the United States.

As part of obtaining reasonable assurance about whether The School District of Palm Beach County, Florida's financial statement for Internal Funds is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, *School Board Policies* and School District procedures and guidelines, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for providing the information of the School District to the School Board, Audit Committee, and other interested parties.

Sincerely,

Lung Chiu, CPA
Inspector General
Office of Inspector General

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E. WAYNE GENT, SUPERINTENDENT

February 13, 2015

MANAGEMENT LETTER

Members of the School Board
Members of the School Board Audit Committee
E. Wayne Gent, Superintendent of Schools

Ladies and Gentlemen:

We have audited the Combined Statement of Changes in Fund Balance-Cash Basis of the Internal Fund Accounts of The School District of Palm Beach County, Florida, as of and for the year ended June 30, 2014, and have issued our report thereon dated February 13, 2015.

In planning and performing our audit of the Combined Statement of Changes in Fund Balance-Cash Basis of the Internal Funds of The School District of Palm Beach County, Florida, for the year ended June 30, 2014, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the Combined Statement of Changes in Fund Balance-Cash Basis of the Internal Funds, and not to provide assurance on the internal control structure.

To evaluate the extent of compliance with *School Board Policies*, School District procedures and guidelines, and to detect potential irregularities, we conducted both random and judgmental sample testing. Judgmental sampling is widely used by the U.S. Government Accountability Office (GAO) and professional auditing practitioners to assess the effectiveness of controls and the extent of compliance with laws, rules, and regulations. In judgmental sampling, auditors base on their knowledge and experience to select items and transactions most likely to have a questionable public purpose, and therefore could provide an indicator of potential fraud or irregularity. If significant irregularities were identified during the audit, we would expand the scope to review all relevant transactions; and the instances of irregularities would be referred to School Police and Personnel for further investigation, if warranted. The results of these expanded scope audits were not included in this report, and were released in separate investigation reports.

As a result of this examination, we would like to present a number of findings and recommendations for consideration by District management, and management responses. These suggestions are based primarily on the work done during our audit engagement, and the findings are not necessarily covering every possible weakness. Nevertheless, we do think they deserve careful evaluation.

Collectively, there were nine findings for the 2014 Internal Funds Audit of 175 schools. These findings were categorized into three areas: Disbursements, Money Collections, and Leasing of School Facilities. Findings for each school were brought to the immediate attention of the Principal after the fieldwork. Individual management response was obtained from the Principal and was included in each school audit.

We recognize that implementing the recommendations outlined in each finding will require staff commitments. However, we believe that the benefits derived will far exceed the cost of implementing these recommendations.

OVERALL FINDINGS FOR 175 SCHOOLS

I. Disbursements

1. Accounts Payable
2. Disbursements Not Properly Documented or Approved
3. Vendors Allowed on Campus without *Consultant Contract*
4. Noncompliance in P-Card Transactions

II. Money Collections

5. Inadequate Fundraising Documentation
6. Monies Not Deposited Timely

III. Leasing of School Facilities

7. Inadequate Proof of Insurance
8. *Lease Agreement* Not Properly Signed
9. Late Payments

SAMPLING METHODOLOGY

(Source: GAO's "Using Statistical Sampling", May 1992)

Judgmental Sampling. To evaluate the extent of compliance with *School Board Policies*, School District procedures and guidelines, and to detect potential irregularities, we conducted both random and judgmental sample testing. Judgmental sampling is widely used by the U.S. Government Accountability Office (GAO) and professional auditing practitioners to assess the effectiveness of controls and the extent of compliance with laws, rules, and regulations. In judgmental sampling, auditors base on their knowledge and experience to select items and transactions most likely to have a questionable public purpose, and therefore could provide an indicator of potential fraud or irregularity.

Judgmental Sampling Results Cannot Be Generalized to Population. Judgmental sampling is not statistical or scientific sampling, and the rate of occurrence would not be the same in the remaining population of untested items. Therefore, the sampling results cannot be generalized to a population. Applying the occurrence rate from judgmental samples to the entire population of transaction is meaningless and will produce misleading generalization.

SCHOOLS WITH NO SIGNIFICANT NONCOMPLIANCES

We would like to recognize the 34 schools in which no significant noncompliances were identified during the Fiscal Year 2014 Audits. While not every error or control weakness is necessarily identified during our audit engagement, no significant noncompliances or weaknesses were found in the samples examined at the following 34 schools.

Acreage Pines Elementary	Meadow Park Elementary
Alexander W. Dreyfoos School of the Arts	North Grade Elementary
Binks Forest Elementary	Northboro Elementary
Congress Middle	Northmore Elementary
Dwight D. Eisenhower Elementary	Pine Jog Elementary**
Elbridge Gale Elementary	Royal Palm Beach Elementary
Freedom Shores Elementary	Sandpiper Shores Elementary**
Gold Coast Community School	Seminole Trails Elementary
Hammock Pointe Elementary**	South Intensive Transition**
Hope-Centennial Elementary	Starlight Cove Elementary**
Howell L. Watkins Middle	The Conservatory School
Independence Middle	@ North Palm Beach
Lake Park Elementary	Timber Trace Elementary
Lake Worth Middle	U.B. Kinsey/Palmview Elementary
Lantana Elementary**	Washington Elementary
Lantana Middle	Waters Edge Elementary
Liberty Park Elementary**	Wynnebrook Elementary**
Loxahatchee Groves Elementary	

Schools marked with ** also had no significant noncompliances during Fiscal Year 2013 Audits. We have notified the Area Superintendents of the above schools for their extraordinary performance in complying with *School Board Policies* and maintenance of their records.

I. DISBURSEMENTS

During Fiscal Year 2014, all 175 schools in the School District disbursed a total of \$78.6 million in payments for purchases of goods, services, and other expenditures through the Internal Funds. Four findings were noted in the area of disbursements.

1. Accounts Payable

As of June 30, 2014, four schools owed the Central Office a total of \$241,315. Individual debts ranged from \$17,874 to \$143,154.

School	Fund Balance	Amount Owed	Deficit
Palm Beach Lakes High	\$1,286	\$143,154	(\$141,868)
West Riviera Elementary	4,665	34,978 *	(30,313)
Pahokee Mid/Senior High	33,296	45,309	(12,013)
John F. Kennedy Middle	17,105	17,874	(769)
(*As of October 9, 2014)	Total	\$241,315	(\$184,963)

For another three schools, some of their unpaid debts were more than five years.

School	2008	2009	2010	2011	2012	2013	2014	Total
Glades Central High	-	\$32,929	-	-	-	-	\$2,811	\$35,740
Polo Park Middle	\$21,993	1,173	-	-	-	-	982	24,148
Lake Shore Middle	1,346	-	-	-	-	-	714	2,060
Total	\$23,339	\$34,102	\$0	\$0	\$0	\$0	\$4,507	\$60,948

As management has previously recognized, it is fiscally prudent for schools to reimburse the district promptly when they are billed for district services. To ensure proper fiscal accountability, the schools should (1) ensure that all unpaid bills are accurately reported on the financial reports submitted to the Central Office and (2) develop a payment plan to pay the bills owed.

***Management's Response:** While the Florida Prompt Payment Act does not apply to intra-company payables and receivables, we concur that it is fiscally prudent for schools to reimburse the district promptly when they are billed for district services. Management will work with schools and their area superintendents to develop repayment plans as warranted. Staff will also continue monthly monitoring efforts to help prevent these delinquencies from occurring. In some instances, schools have experienced turnover at the principal position with the principal inheriting a deficit. Management recommended the Inspector General's Office consider conducting school audits whenever there is a change in school leadership.*

2. Disbursements Not Properly Documented or Approved

The District continues to provide ongoing training opportunities in financial management for staff, both web-based and face-to-face. The 2014 Audit found that 103 schools (59%) were in compliance with the *Internal Accounts Manual* and related District guidelines for

disbursements. However, the audit also revealed that for 72 (41%) of the schools, some sampled disbursements did not have the required documentation such as vendor invoice, paid receipt, or other form of documentation from an independent source. The documentation noncompliance included:

- 9 schools (5%) issued checks with no supporting documentation.
- 13 schools (7%) made payments based on insufficient documentation, such as vendors' account statements or packing lists that did not have the details of the purchases.
- 48 schools (27%) did not issue the required *Purchase Orders* for purchases in excess of \$1,000, as required by **Chapter 8 (Cash Disbursements and Checks) of Internal Accounts Manual**.
- 30 schools (17%) paid consultants without a properly executed written agreement (PBSD 1420) or with written agreements that lacked critical information such as hourly rates, maximum contract amounts, consultants' signatures, etc.
- 16 schools (9%) issued payments based on purchase agreements and contracts signed by staff members instead of the principal.

(Please note that some of the above 72 schools had more than one of the above findings.)

Disbursement procedures should be administered in accordance with **Internal Accounts Manual** and related District guidelines. All disbursements should be adequately documented with *Check Requisitions* approved by the school principal and supported by itemized invoices and receipts. Without adequate supporting documentation, there is no assurance that the related expenses were appropriate. Contractual agreements should be signed by the Principal as required by **District Administrative Directive D-6.03**, which states "*the Principal of the school if the only person to whom authority has been granted to make any purchase that in any way obligates the school for payment.*"

Management's Response: *Management concurs. In FY14, 72 schools were cited for various audit findings in the Disbursements area which is comparable with FY12 and FY13. During FY13 the District implemented online training for teacher/sponsors. Bookkeepers also receive live face-to-face monthly training sessions offered by Accounting Services. Training and experience on the part of the bookkeeper contribute to the success of the school's audit. The Accounting Department will work with the Audit Department to increase the awareness of the training opportunities that are available.*

3. Vendors Performed Services on Campus without Consultant Contract

In 18 schools, vendors were permitted to perform services at the schools without a written contract. Section 8 of the District's standardized consultant contract (PBSD 1420) specifies the requirements for completing background checks/fingerprinting of vendors in accordance with the **Jessica Lunsford Act (Florida Statutes §1012.465)**. The lack of a *Consultant Agreement* could result in school's failure in enforcing this provision. To protect the safety and welfare of students and ensure that consultants, who will perform services on school

campus, have been cleared of the required background and clearance checks as required by *Florida Statutes §1012.465*, all vendors must have a properly executed *Consultant Agreement*.

Management's Response: *Management concurs. All consultant engagements require contracts. The Purchasing Department reinforces the proper procedures for consultant engagements at the monthly face-to-face bookkeeper training hosted by Accounting Services. In addition, the topic of Consultants is also addressed in the online Cash Disbursement training for Teacher/Sponsors that was implemented during FY13.*

4. Noncompliance in P-Card Transactions

The School District authorizes the use of Purchasing Cards (P-Cards) in order to expedite small dollar purchases in materials, supplies, and other items needed for daily operations. During Fiscal Year 2014, there were 76,767 P-Card transactions for a total P-Card purchases of \$14.1 million.

The School District requires all P-Card users, P-Card site administrators, Principals, and Department Heads to complete the annual online P-Card user training. Additionally, all P-Card purchase records and documentation is to be scanned and stored in a central online location to assist staff with monitoring. Random testing of receipt documentation is performed by the Central Office.

We recognize that ongoing management's efforts have resulted in a steady decrease in P-Card noncompliance. However, for the Fiscal Year 2014, missing or insufficient documentation for some P-Card purchases were noted in 29 (17%) schools, compared to 19 (11%) schools in previous year. Without adequate supporting documentation for purchases, there is no assurance that disbursements were appropriate and approved. We also noted that acquiring adequate supporting documentation when conducting P-Card purchases online can be challenging, especially for those schools with limited support staff, but it is a prudent business practice to ensure that all transactions are thoroughly documented with regards to descriptions, quantities, prices, proof of receipt, and business purpose. More importantly, purchase of certain items and commodities by individual schools is prohibited by the School District. Without proper descriptions of the items purchased, there is no assurance that the purchase is appropriate.

To ensure fiscal accountability and responsibility, District management should enforce compliance of P-Card usage rules mandated by the *Purchasing Card Procedures (Purchasing Manual Chapter 24)*. All transactions should be adequately and sufficiently supported to demonstrate the appropriateness of each purchase.

Management's Response: *Management concurs. Management continues to provide oversight of the P-card program by:*

- *Providing annual training for all P-card users, site administrators, Principals and Department heads and requiring each participant to take a quiz and sign a Cardholder Acceptance Guidelines and Contract agreeing to follow the school district’s policies and best practices while using the P-card and/or managing the P-card program.*
- *Monitoring schools and departments through random sampling of transactions to determine the validity of the charges and that the transaction is properly documented.*
- *Requiring schools and departments to scan and upload their monthly P-card packets to a document imaging system.*
- *Sampling the scanned documents and reviewing them for completeness and reasonableness.*

II. MONEY COLLECTIONS

During 2014, all 175 schools in the School District collected a total of \$78.7 million in Internal Fund revenues, mostly from (1) fundraising, (2) special trusts, and (3) program fees. Two findings were noted in the area of money collections.

5. Inadequate Fundraising Documentation

Fundraising activities are governed by ***School Board Policy 2.16 – Fund-Raising Activities Relating to Schools***. Noncompliances in fundraising were identified at 96 (55%) of the schools in four categories: 1) financial inaccuracy, 2) lack of authorization, 3) insufficient/lack of documentation, and 4) non-compliance with policy.

<u>Noncompliance</u>	<u>Number of Schools</u>
Insufficient/Lack of Documentation	
• <i>Sales Item Inventory Report</i> missing or not used	51
• <i>Sales Item Inventory Report</i> incomplete/completed with inaccurate information	23
• <i>Ticket Sellers Report</i> not used/missing	12
• Record of “give-aways” or damaged items not maintained/documentated	15
Financial Inaccuracy	
• Revenue shortage, according to available sales and purchasing records	26
• Revenue recorded in the club’s/activity’s primary account instead of dedicated decimalized account	12
Lack of Authorization	
• <i>Fundraising Application/Recap</i> form missing (no evidence of principal’s authorization)	36
• Fundraising activity started before Principal’s authorization	9
• <i>Sales Item Inventory Report</i> not reviewed and/or signed by Principal	22

<u>Noncompliance</u>	<u>Number of Schools</u>
Conducted Activities Disallowed by Policy	
<ul style="list-style-type: none"> • Fundraising through prohibited “drawings of chance” (i.e. raffles) • Fundraising activity conducted to benefit staff 	1 2

To ensure proper fiscal accountability, (1) *Sales Item Inventory Report* and *Ticket Sellers Report* should be completed with accurate information for each fundraiser; (2) the above *Reports* should also be maintain to account for the revenue for sales items such as Yearbook, that might not be primarily intended for fundraising; and (3) items purchased with school funds and provided free-of-charge to students, staff members or the community should follow similar requirements as specified in District’s ***Bulletin #P-12690-CAO/COO/P*** for gift cards, that “*schools must maintain documentation of all recipients of gift cards.*”

While we recognize staff has taken proactive steps to strengthen controls and improve compliance, it is important to input accurate information onto the *Fundraiser Application/Recap Forms*, *Sales Item Inventory Reports*, and *Ticket Sellers Reports*. Management revised the *Sales Item Inventory Report* in FY14 to require the Principal or Assistant Principal to sign the *Sales Item Inventory Report*, attesting to the unsold items.

Complete and accurate sales information on the *Sales Item Inventory Reports* and *Ticket Sellers Reports* is critical to ensure all revenues are accounted for. The IG Office will coordinate with (1) Accounting Department to ensure staff is properly trained for the use of these forms, and (2) Human Resources to ensure that personnel actions will be taken accordingly if fundraising reports are missing or not prepared.

Management’s Response: *Management concurs. In FY14, 96 schools were cited for various audit findings in the Fundraising area which is comparable with FY12 and FY13. During FY13 the District implemented online training for teacher/sponsors. Fundraising appears to be the only area that has not shown improvement as a result of the training. The Accounting Department will work with the Audit Department to increase the awareness of the proper fundraising documentation.*

6. Monies Not Deposited Timely

In 41 (23%) of the schools, monies collected by staff were not always turned in timely to the bookkeeper for deposit, with delays ranging from one to 161 working days, and an average of nine working days. Delays in turning in the monies for deposit could result in potential irregularity and increase the risk exposure for staff. ***DOE Rules (Chapter 8 of the Department of Education’s Financial and Program Cost Accounting and Reporting for Florida Schools)*** and District’s guidelines require that all monies collected be (1) put in the drop-safe daily and (2) be deposited in the bank within five working days after collection.

Management’s Response: *Management concurs. In FY14, 41 schools were cited for not depositing monies timely which is comparable with FY 12 and FY13. Training and*

experience on the part of the bookkeeper contribute to the success of the school's audit. During FY13 the District implemented online training for teachers/sponsors. Bookkeepers also receive live face-to-face monthly training sessions. The Accounting Department will work with the Audit Department to increase the awareness of the training opportunities that are available.

It is important to note that the District policy is more restrictive than the Florida Department of Education Redbook requirement in that monies must be dropped off daily as compared to the next business day. It was determined that is was in the best interest of the District to retain the more stringent standard for security reasons.

III. LEASING OF SCHOOL FACILITIES

The School District recognizes the mutual benefits of the use of school facilities by the community and civic organizations, other government entities, and taxpayers. To meet the needs of the community while protecting the best interests of the schools, certain leasing guidelines were developed by the District and implemented by the schools.

Beginning in Fiscal Year 2011, the District implemented a new Computer Aided Facilities Management software program, the Tririga System, to manage school facility leasing activities. While the concerns related to rental rates and documentation were addressed by this new software, staff still needs to exercise diligence regarding lease agreement preparation, proof of liability insurance coverage, and rental charges collection and distribution. Three findings were noted in the area of leasing of school facilities.

7. Inadequate Proof of Insurance

We noted a significant improvement in insurance documentation compliance from last year. For the 2014 Internal Funds Audits, seven (4%) of the schools did not receive proof of adequate liability insurance coverage from some of their lessees. This is down from 56 schools in Fiscal Year 2013. While the Tririga System requires insurance certificates be scanned and attached prior to the approval of the lease, staff must continue to verify that the certificate is current and meets the required liability coverage, and specifically includes the School Board as an additional insured party. To protect the School District from potential unwarranted liabilities, all lessees should provide proof of adequate and proper insurance or purchase the required insurance coverage through the District's insurance pool prior to the use of school facilities.

Management's Response: *Management concurs. The significant improvement in lease documentation compliance and collection of late payments directly correlates to training implemented by the Department of Planning and Real Estate Services in FY13 including mandatory live training, one-on-one training for those schools that have asked for or are in need of additional "hands on" training/support and mandatory online training.*

8. Lease Agreement Not Properly Signed

Lease Agreements were not always executed with all the required dated signatures in a timely manner. Incomplete or missing information was noted on some leases for 38 (22%) of the schools, a reduction from 54 schools in Fiscal Year 2013. Beginning in Fiscal Year 2014, management modified the approval process by allowing for an electronic signature of the principal. However, the signature of lessee must still be obtained prior to the use of the facility. To ensure *Lease Agreements* are legally enforceable, they should be properly executed with all the required signatures prior to the lessees' use of facilities.

Management's Response: *Management concurs. The significant improvement in lease documentation compliance and collection of late payments directly correlates to training implemented by the Department of Planning and Real Estate Services in FY13 including mandatory live training, one-on-one training for those schools that have asked for or are in need of additional "hands on" training/support and mandatory online training.*

9. Late Payments

School Board Policy 7.18, requires that "*Fees are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*" However, due to certain technicalities in receiving lease payments from some long term leases, some leases at 27 of the schools (down from 42 in Fiscal Year 2013) did not comply with this requirement. All rental charges should be collected 48 hours prior to lessees' use of the school facilities in accordance with **School Board Policy 7.18** and related District guidelines.

Management's Response: *Management concurs. The significant improvement in lease documentation compliance and collection of late payments directly correlates to training implemented by the Department of Planning and Real Estate Services in FY13 including mandatory live training, one-on-one training for those schools that have asked for or are in need of additional "hands on" training/support and mandatory online training.*

This report is intended for providing the information of the School District to the School Board, Audit Committee, and other interested parties.

Sincerely,



Lung Chiu, CPA
Inspector General
Office of Inspector General

Elementary Schools

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Elementary Schools
All Schools
 Summary of Audit Findings
 FY 2014 Internal Funds Audits

Elementary Schools	School Age Child Care (SACC)													Disbursements						Receipts						Leases						Others						Number of Findings								
	Fiscal Management			Student Records				Payroll																																						
	14	14a	15	19	18	16	17	20	22	25	21	23	24	26	13	4	2	1	3	5	6	7	7a	8	12	9	10	31	28	27	30	29	29a	39	40	41	42		43	11	44	45	46	47		
	Fees Not Timely Transmitted To District	Fees / Registration Not Properly Collected	Accounting Records Incomplete/Incorrect	Registration Form Not Properly Maintained	Attendance and Parent Sign-out Records Missing / Not Properly Maintained	Student Released Without Parent Sign-out	Student Released To Unauthorized Person	Student FTE Reports Not Properly Maintained	Fee Waiver Not Properly Documented	Missing Timecard	Time Input Manually into Time Clock	Timecard Not Signed By Employee	Timecard Not Signed-off By Supervisor	Payroll Did Not Match With Employee Timecard	Employee Incurred Work Hours While On Leave/Holiday	Program Deficit and/or High Staffing Level	Wages/Stipends Paid From Internal Funds	Inadequate Support for Disbursement	P-Card Related Findings	Disbursement Not Properly Approved	Purchases From School Employee	Disbursement Funded By Incorrect Account	Access to Drop Safe	Drop Safe Log Not Used Completely	Monies Not Deposited Timely	Receipts Recorded in Wrong Account	Copy of MCR Not Maintained by Sponsor	Monies Collected Not Properly Documented	Lease Prequalification Not Available	Lease Agreement Not Adequately Maintained	Inadequate Proof of Insurance	Fees Collected After Use	Fee Waivers Not Documented / Undercharged Remal	Leasing Fee Collections Incorrectly Distributed	Monies and School Checks Not Adequately Safeguarded	Staff Performing Incompatible Duties	Bank Reconciliation Not Completed Timely	Bank Signature Card Not Updated	Adjustments To Records Not Properly Approved/Documented	Fundraisers Not Adequately Documented	Field Trips Not or Late Approved By Principal	Out of County Trips Not Approved By Area Superintendent	No Document Custodian Assigned for Prenumbered Documents	Periodic Inventory Not Performed for Prenumbered Documents		
Area 1 - 24 Schools	0	7	2	0	0	0	0	0	0	0	0	0	0	0	1	0	13	3	4	0	1	0	4	5	0	3	0	0	5	1	1	0	1	0	0	0	0	0	0	0	12	4	3	2	2	74
Area 2 - 23 Schools	0	5	1	1	0	0	0	0	0	0	0	0	0	0	0	0	6	1	2	0	0	0	4	5	0	3	1	0	4	1	2	1	4	0	0	0	1	0	9	1	1	1	1	55		
Area 3 - 17 Schools	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6	4	1	1	1	0	2	3	1	2	1	0	2	0	2	0	2	0	1	0	1	0	11	2	2	2	0	49		
Area 4 - 23 Schools	0	3	2	0	0	0	0	0	0	0	0	0	0	0	0	0	7	1	3	0	1	0	0	2	0	1	2	0	3	1	1	1	0	0	1	0	0	0	9	3	0	1	1	43		
Area 5 - 22 Schools	0	3	0	0	0	0	0	0	0	0	0	0	0	1	0	8	3	1	0	2	0	1	1	0	4	0	0	1	0	1	0	3	0	0	0	0	9	3	0	2	2	45				
Total - 109 Schools	0	20	5	1	0	0	0	0	0	0	0	0	0	2	0	40	12	11	1	5	0	11	16	1	13	4	0	15	3	7	2	10	0	2	0	2	0	50	13	6	8	6	266			

Acreage Pines Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014

Address: 14200 Orange Boulevard
Loxahatchee, FL 33470

Principal:
Fiscal Year 2014: Amy Dujon
During Audit: Amy Dujon

Treasurer:
Fiscal Year 2014: Barbara Schumacher
During Audit: Barbara Schumacher

Afterschool Site Director:
Fiscal Year 2014: Karla Powers
During Audit: Karla Powers

Cash and Investments

Checking	\$ 43,940.71
Investments	
	\$ 43,940.71

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	750.97	0.00	370.00	79.61	0.00	460.58
Classes	1,752.18	23,467.50	24,973.80	5,047.79	3,966.86	1,326.81
Clubs	376.46	320.24	360.84	0.00	0.00	335.86
Departments	1,691.59	8,563.52	9,369.70	538.88	88.86	1,335.43
Trusts	26,602.51	288,485.05	287,715.86	10,790.41	10,919.42	27,242.69
General	11,274.92	36,976.78	33,530.81	22,118.29	23,599.84	13,239.34
	\$ 42,448.63	\$ 357,813.09	\$ 356,321.01	\$ 38,574.98	\$ 38,574.98	\$ 43,940.71

Acreage Pines Elementary School
Management Letter
Year Ended June 30, 2014

This audit revealed no material instances of noncompliance.

**Addison Mizner Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 199 S.W. 12th Avenue
Boca Raton, FL 33486

Principal:
Fiscal Year 2014: Kelly Burke
During Audit: Kelly Burke

Treasurer:
Fiscal Year 2014: Robin Stewart
During Audit: Robin Stewart

Afterschool Site Director:
Fiscal Year 2014: Steve Robert
During Audit: Steve Robert

Cash and Investments

Checking	\$ 101,834.30
Investments	
	\$ 101,834.30

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	4,004.97	2,819.60	1,244.74	1,086.75	1,086.75	5,579.83
Classes	907.27	49,442.66	46,162.23	3,206.14	4,645.94	2,747.90
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	32,522.88	26,958.39	32,445.43	12,574.81	12,574.81	27,035.84
Trusts	77,050.00	1,021,963.36	1,035,543.96	18,600.39	20,604.28	61,465.51
General	5,203.99	9,250.98	12,893.44	4,007.19	563.50	5,005.22
	\$ 119,689.11	\$1,110,434.99	\$1,128,289.80	\$ 39,475.28	\$ 39,475.28	\$ 101,834.30

AFTERSCHOOL PROGRAM

Finding

The review of Afterschool Program records found that:

- The program had a year-end deficit of \$4,659 as of June 30, 2014.

Recommendation

Afterschool Program should be administered in accordance with District's guidelines and *Afterschool Programs Operational Manual*. Specifically,

- Afterschool Program is a self-sufficient program funded by user-fees. The school should monitor closely the program's financial condition so that program expenditures will not exceed revenues.

Management's Response

Concur. We understand District guidelines. However, many times there are fees that are being paid after school is out and the bookkeeper is off. Therefore, she cannot send up a transmittal.

DOCUMENTATION FOR FIELD TRIPS

Finding

The school began collecting the field trip fees for the 5th Grade Orlando Field Trip on February 25, 2014. However, the related *Field Trip Approval Request Form* was neither prepared by the sponsor nor approved by the Principal and Area Superintendent until April 2 and 3, 2014, respectively.

Recommendation

As required by *School Board Policy 2.40*, "the *Field Trip/Activity Planning Report and Approval Request* must be completed and approved for each field trip. No money is to be raised, plans for trips made, or contracts signed until proper approval has been received."

Management's Response

We understand district policy. However, the 5th grade field trips cost more than the regular field trips and parents like to/need to start preparing partial payments in advance.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for school facilities leasing found that *Lease Agreement 1023* did not indicate the dates for the lessee's and witness' signatures.

Recommendation

To protect the best interest of the School District, all *Lease Agreements* should be properly executed with all the required signatures, with dates, prior to the use of facilities by lessees.

Management's Response

Concur. We will make sure to have all documents dated properly.

**Allamanda Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 10300 Allamanda Drive
Palm Beach Gardens, FL 33410

Principal:
Fiscal Year 2014: Marilu Garcia
During Audit: Marilu Garcia

Treasurer:
Fiscal Year 2014: Millie Graff
During Audit: Millie Graff

Afterschool Site Director:
Fiscal Year 2014: Frances Grenon
During Audit: Frances Grenon

Cash and Investments

Checking	\$ 43,993.03
Investments	
	\$ 43,993.03

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	536.23	632.00	561.56	182.00	182.00	606.67
Classes	3,323.16	13,787.50	12,343.62	1,813.88	1,815.28	4,765.64
Clubs	0.62	713.00	363.06	221.62	448.56	123.62
Departments	3,527.02	8,577.98	9,269.58	8,362.53	8,362.53	2,835.42
Trusts	33,534.93	393,402.85	391,776.69	3,352.06	4,168.01	34,345.14
General	1,543.40	4,628.76	5,899.91	1,880.24	835.95	1,316.54
	\$ 42,465.36	\$ 421,742.09	\$ 420,214.42	\$ 15,812.33	\$ 15,812.33	\$ 43,993.03

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser documentation revealed that the Music Recorder Sales (Account #2-3500.01) did not have the required *Sales Item Inventory Report*. Due to lack of documentation and inventory counts, there is basis to determine if all sales revenues were properly accounted for.

Recommendation

To ensure proper fiscal accountability, *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser in order for staff to reconcile the sales revenue with the estimated revenue. Significant discrepancy, if any, between the estimated revenue and actual receipt should be investigated and resolved accordingly.

Management's Response

Concur. A Sales Inventory Report has been prepared for this year for the remaining inventory.

**Banyan Creek Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 4243 Sabal Lake Drive
Delray Beach, FL 33445

Principal:
Fiscal Year 2014: William J. Fay, Jr.
During Audit: William J. Fay, Jr.

Treasurer:
Fiscal Year 2014: Karen Spiro
During Audit: Janie Ochacher

Afterschool Site Director:
Fiscal Year 2014: Lydia Carreiro
During Audit: Gale Allen

Cash and Investments

Checking	\$ 75,779.77
Investments	
	\$ 75,779.77

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	30.00	0.00	0.00	0.00	0.00	30.00
Classes	3,664.96	69,120.30	65,218.75	8,151.03	7,181.98	8,535.56
Clubs	20,114.09	39,377.76	40,559.51	638.50	638.50	18,932.34
Departments	1,032.96	10,180.67	10,012.92	1.96	1.96	1,200.71
Trusts	32,281.02	485,350.73	472,008.76	19,395.65	20,285.88	44,732.76
General	3,575.54	2,831.72	3,980.04	60.95	139.77	2,348.40
	\$ 60,698.57	\$ 606,861.18	\$ 591,779.98	\$ 28,248.09	\$ 28,248.09	\$ 75,779.77

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and the money collection process at the school found that:

- Collections were not always deposited in a timely manner. For example, two sample collections (MCR #965-1 for \$170, and MCR #950-4 for \$490) were retained by the sponsors for one and five working days respectively before they were put into the drop-safe for deposit.
- The school began collecting monies for the St. Augustine Field Trip in October 2013, and paid \$8,300 in field trip expenses to a tour company in December 2013. However, the related *Field Trip/Activity Planning Report and Approval Request Form* was neither completed by the sponsor nor approved by the Principal and Area Superintendent until April 2014.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- *DOE Rules* and *Internal Accounts Manual* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in potential irregularities.
- *School Board Policy 2.40, (3)(a)*, states that "*The Field Trip/Activity Planning Report and Approval Request must be completed and approved for each field trip. No money is to be raised, plans for trips made, or contracts signed until proper approval has been received.*"

Management's Response

Concur.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraising records found that the Yearbook Sales (Account #4-1652.00) did not have the required *Sales Item Inventory Form*.

Recommendation

To ensure proper fiscal accountability, *Sales Item Inventory Report* should be prepared and completed with

accurate information. Accurate *Sales Item Inventory Report* should assist staff in (1) reconciling sales revenue and (2) tracking items purchased, given-away, or remained in ending inventory. Significant discrepancy, if any, between the estimated revenue and actual receipt should be investigated and resolved accordingly.

Management's Response

Concur.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for leasing of school facilities found that all the executed *Lease Agreements* for School Year 2014 were missing. According to staff, the files could not be located after the school's former leasing coordinator left the school.

Recommendation

School records should be properly maintained and retained for a time-period consistent with the District's *Records Retention Schedule*.

Management's Response

Concur.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation revealed that:

- Disbursement #11178 (for \$2,730.50) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*.
- A May 23, 2014, P-Card purchase (for \$1,144.95) exceeded the \$1,000 per vendor daily limit, but did not have the required *Purchase Order* and without prior approval of the Purchasing Department.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

- *Purchase Order* approved by the Principal is required for purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase. All purchases should be pre-approved by the Principal.
- P-Card purchase in excess of \$1,000 requires prior approval of the Purchasing Department.

Management's Response

Concur.

AFTERSCHOOL PROGRAM

Finding

As of June 30, 2014, the Afterschool Program had \$18,340.65 in accounts receivable from 106 student accounts. Of the \$18,340.65 in receivables, \$17,526.27 was past due for over six months.

Recommendation

Afterschool and Summer Camp Programs are self-sufficient programs supported by user fees. To ensure fiscal accountability, program fees should be collected in advance as required by ***Afterschool Programs Operational Manual***. The ***Manual*** states "*fees are payable in advance and are collected monthly on the first three school days of the month.*"

Management's Response

Concur.

**Barton Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 1700 Barton Road
Lake Worth, FL 33460

Principal:
Fiscal Year 2014: Denise Sanon
During Audit: Denise Sanon

Treasurer:
Fiscal Year 2014: Diane Witherspoon
During Audit: Diane Witherspoon

Cash and Investments

Checking	\$ 37,582.38
Investments	
	\$ 37,582.38

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	3,463.28	17,359.28	16,619.81	6,728.35	5,329.90	5,601.20
Clubs	0.00	1,187.00	1,537.92	470.55	0.00	119.63
Departments	2,225.21	6,085.37	3,574.26	2,492.01	4,731.01	2,497.32
Trusts	37,793.42	62,442.83	71,446.50	5,616.94	5,246.94	29,159.75
General	336.48	57.00	189.00	0.00	0.00	204.48
	\$ 43,818.39	\$ 87,131.48	\$ 93,367.49	\$ 15,307.85	\$ 15,307.85	\$ 37,582.38

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process at the school found:

- Collections were not always deposited in a timely manner. For example, \$4,140 collected through three MCRs (#469-1, #501-4, and #482-2) was either retained by the sponsors or not timely processed by the bookkeeper. Consequently, \$695 of the collections was not deposited into the bank until 10 to 11 working days after the monies were collected.
- Nineteen pages (#56329 through #56348) of the *Drop-safe Log* were missing. Based on the available *Drop-safe Log*, these pages should contain the deposit information for monies collected during September 6, through November 26, 2013.
- The *Drop-safe Log* was not always completed with all the required information. Specifically, *Section 3* of the *Log* was not always completed and signed by the independent verifier after the bookkeeper had entered the deposit information into the Internal Funds Accounting System.
- Some sponsors did not always retain the yellow copies of the MCRs when turning in the monies and MCRs to the bookkeeper for deposit. Instead, the yellow copies were also provided to the bookkeeper.

Recommendations

Money collections should be administered in accordance with District guidelines and *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*. Specifically,

- *DOE Rules* and District *Bulletin #P-14051-S/CFO* require that monies collected should be put into the drop-safe daily, and deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in potential irregularities.
- District's *Bulletin #P-14051-S/CFO* requires that "*Completed Drop Safes Logs must be filed sequentially in numerical order in a binder and retained for five years.*"
- To ensure proper fiscal accountability and comply with *Bulletin #P-14051-S/CFO*, responsible staff should properly complete the *Drop-safe Log* with all the required information. Specifically, (1) activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe, (2) the bookkeeper should complete *Section 2* of the *Log* after removing the deposits from the safe for processing, and (3) the verifier should complete *Section 3* of the *Log* after the bookkeeper entered the deposit information into the school's accounting system.
- As required by *Bulletin #P-14051-S/CFO*, activity sponsors should retain the yellow copy of the MCR, which should not be given to the bookkeeper while turning in the monies for deposit. Keeping a copy of the MCR will assist the sponsors in (1) ensuring that the dollar amount indicated on the *Official Receipt* provided by the bookkeeper agrees with the monies collected and submitted for deposit, (2) tracking the account balance periodically, and (3) providing documentation for the amount of revenue collected if bookkeeping errors should occur.

Management's Response

Concur. The Principal met with the responsible sponsors to review the procedures for fundraising events. The bookkeeper will monitor the documents submitted and ensure that all MCR copies are retained by sponsors.

BANK SIGNATURE CARD

Finding

The District's Treasury Department informed the bank that the school had a new bookkeeper who was the authorized check signer effective July 2013. However, as of October 8, 2014, the school did not have an updated bank account signature card to reflect the new check signing authorization arrangements.

Recommendation

In accordance with the *Internal Accounts Manual*, when banking signature changes are made, the Treasury Department must be notified and will generate a bank resolution letter authorizing the changes as soon as those changes have been approved through proper channels. Schools should retain the bank resolution letters, and a copy of the bank signature cards.

Management's Response

The revised signature cards have been given to the bank reflecting the new bookkeeper's signature.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser records found that:

- The Grade 5 Domino Pizza Card Field Day Fundraiser (Account #3-3500.04) and the Library Book Fair (Account #5-1700.01) did not have the required *Fundraising Application/Recap Forms* and *Sales Item Inventory Reports*. Moreover, the Guidance Snack Sale (Account #5-1000.02) did not have the *Sales Item Inventory Report*.
- The *Sales Item Inventory Report* for the Field Day Concession Stand (Account #3-3500.07) was not reviewed and approved by the Principal. Moreover, the *Report* was completed with the costs of the items purchased for resale, instead of the sales information.
- Some of the sales revenues for the three Safety Patrol's fundraisers (Hot Sausage Sales, Honey Bun Sales, and Car Wash) were recorded in the Safety Patrol's Primary Account (#6-4000.00), instead of the individual decimalized accounts for the fundraisers.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- To ensure proper fiscal accountability, *Sales Item Inventory Report* should be prepared and completed with accurate information. Accurate *Sales Item Inventory Report* should assist staff in (1) reconciling sales revenue and (2) tracking items purchased, given-away, or remained in inventory.
- The *Sales Item Inventory Report* should be approved by the Principal to confirm (1) the legitimacy for items, if any, were given-away free-of-charge, and (2) the missing items, if any. Discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.
- To assist the school in evaluating and monitoring the performance of individual fundraiser, the individual fundraiser accounts should include all the needed and accurate financial information for the related fundraisers.

Management's Response

Concur. Fundraiser policies will be addressed at the next faculty meeting to ensure that all fundraiser documents are complete according to school board policy. Bookkeeper will also monitor that all required information is completed.

DOCUMENTATION OF DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation found that:

- Disbursement #2818 (for \$360) did not have any supporting documentation for the expenses.
- Disbursement #2887 (for \$169.41) did not have the required *Check Requisition*.
- Two *Check Requisitions* (#2793 for \$1,600, and #2814 for \$221.96) were not completed with pertinent information such as the date, payee, and signature of the requestor.
- Two disbursements (#2863 for \$3,500, and #2793 for \$1,600) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically,

- All disbursements should be adequately documented with (1) Principal's approved *Check Requisitions*

that were completed with the needed and accurate information, and (2) itemized invoices and receipts. Without adequate supporting documentation, there was no assurance that the expenses were appropriate.

- *Purchase Order* approved by the Principal should be issued for purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase.

Management's Response

Concur. The bookkeeper will monitor the documents such as check requisition to ensure that all required information is complete. In addition, all purchases over \$1000 is adequately documented and approved by the principal.

LEASING OF SCHOOL FACILITIES

Finding

The review of school facility leasing records found that:

- The Tririga System indicated that the school had 21 leasing arrangements during the year. However, the school did not have a hard copy of the executed *Lease Agreements* for 12 leases: #1007, #1011, #1012, #1013, #1014, #1015, #1016, #1018, #1019, #1020, #1022 and #1023.
- *Lease Agreements* were not always executed with all the required signatures prior to the use of facilities by the lessees. Specifically,
 - *Agreement* #1002 was not signed by the lessee, a witness, and the Principal.
 - Four *Agreements* (#1006, #1009, #1010, and #1017) were not signed by a witness and the Principal.
 - *Agreement* #1008 was not approved by the Principal.
 - Four *Agreements* (#1003, #1004, #1005, and #1009) were not fully executed with all the signatures until two to 57 days after the leasehold periods began.
- Lease #1003 was for the use of facilities by the lessee during July 1 through 28, 2013. However, the rental was not collected until October 1, 2013; i.e. 86 days after the leasehold period began.
- Four Disbursements (# 2788, #2814, #2892 and #2893, totaling \$763.96) were incorrectly funded by the Utility Fees Account (#6-5500.00). Moreover, \$371 in utility fees collected from the non-profit Lease #1003 was inadvertently recorded in the Rental Income Account (#6-3800). As a result, the school under-transmitted a total of \$1,134.96 (\$763.96 + \$371) in utility fees to the Central Office.

Recommendation

Leasing of school facilities should be administered in accordance with ***School Board Policy 7.18*** and related District guidelines. Specifically,

- To ensure *Lease Agreements* are legally enforceable, they should be properly executed with all the required signatures, prior to the use of facilities by lessees. The school should also maintain a hard copy

of the executed *Lease Agreement* for future reference, in addition to recording leasing activities in the Tririga System.

- **School Board Policy 7.18**, requires that “*Fees are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*”
- The portion of utility fees should be recorded in the Facilities Rental Utilities (#6-5500) and transmitted to the Central Office in accordance with the District’s approved *Rate Schedule*.

Management’s Response

Concur. Principal and Secretary will monitor all leasing agreements to ensure that the proper procedure in processing leasing fees will be taken in all future payments according to the school board policy.

CONTROL OF PRENUMBERED DOCUMENTS

Finding

The school neither assigned a document custodian nor maintained the *Prenumbered Document Inventory Register (PBSD0160)* for school checks, *Classroom Receipt Books*, and *Drop-safe Log*.

Recommendation

To ensure proper fiscal accountabilities and as required by **Chapter 27 of the Internal Accounts Manual**,

- Designated staff should be assigned as document custodians for each prenumbered form, and the assignments should be recorded on the *Document Custodian Assignment Register* (PBSD 1663).
- The *Prenumbered Document Inventory Register* (PBSD 0160) should be maintained to document the periodic inventory checks of the each prenumbered form by the document custodian.

Management’s Response

Concur. Principal has assigned a staff member to be the designated Document Custodian Recorder. The Principal will address the importance of the Drop-safe Log and the maintenance to the log’s records.

Additional comments: *The Principal and Bookkeeper have received these findings and recommendations and we are in the process of implementing the guidelines in accordance to the school board policies to be in compliance with future audits.*

Beacon Cove Intermediate School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014

Address: 150 School House Road
 Jupiter, FL 33458

Principal:
 Fiscal Year 2014: Leslie Bolte
 During Audit: Leslie Bolte

Treasurer:
 Fiscal Year 2014: Catherine Steveson
 During Audit: Catherine Steveson

Afterschool Site Director:
 Fiscal Year 2014: Jane Winters
 During Audit: Jane Winters

Cash and Investments

Checking	\$ 92,760.66
Investments	
	\$ 92,760.66

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	7,309.05	45,548.00	41,929.02	19,211.73	19,211.73	10,928.03
Classes	154.56	32,980.52	31,559.93	6,027.29	7,412.93	189.51
Clubs	2,083.61	6,258.66	5,296.99	0.66	666.45	2,379.49
Departments	15,506.82	37,555.23	36,311.31	14,286.19	12,312.41	18,724.52
Trusts	52,567.88	719,474.49	717,158.28	11,059.42	15,189.89	50,753.62
General	11,049.30	91,271.93	96,743.86	17,887.93	13,679.81	9,785.49
	\$ 88,671.22	\$ 933,088.83	\$ 928,999.39	\$ 68,473.22	\$ 68,473.22	\$ 92,760.66

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser documentation revealed that:

- The Book Fair Sales (Account #5-1700.01) was conducted during September 20, through October 2, 2013. However, the *Fundraising Application/Recap Form* was neither prepared by the sponsor nor approved by the Principal until October 7, 2013; i.e. 11 working days after the event had begun.
- The *Sales Item Inventory Report* for the School Store (Account #7-0100.02) was not completed with the accurate information. Specifically, the *Report* included the item costs, instead of the item selling prices. Due to the lack of selling prices, we were unable to determine whether all revenues were accounted for.
- The Safety Patrol Fall Dance Party (Account #6-4000.01) did not have a *Ticket Sellers Report* for ticket sales.
- The school purchased 2,200 coupon books for resale, which should have generated a total estimated revenue of \$44,000 if all the coupon books were sold and money was collected. As indicated by the sponsor on the *Sales Item Inventory Report*, 211 coupon books were either missing or given-away free-of-charge. The missing/give-away items had an estimated resale value of \$4,220, or 9.6% of the total estimated revenue. According to staff, three coupon books were provided to each student for selling at the beginning of the fundraiser. Some students did not return all the monies or unsold coupon books at the end of the fundraising event. However, no records were maintained as to who did not return the money from sales and the unsold coupon books, if any.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- To ensure proper fiscal accountability, *Ticket Sellers Report* and *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser in order for staff to reconcile the sales revenues with the estimated revenues. Significant discrepancy, if any, between the estimated revenue and actual receipt should be investigated and resolved accordingly.
- The school should maintain records for the names of persons who received fundraising items free-of-charge, and the names of students who did not return the unsold fundraising items at the end of the fundraising activity. Moreover, the school should consider including the responsible students on the obligation list responsible for the uncollected funds.

Management's Response

Concur. Book Fair: In place is a procedure to make sure that all timelines and requirements are followed for fund raising. Training is mandatory for all fundraising sponsors. Sales item Inventory Report: All items from the bookstore have been inventoried and documented. The store has been closed. Safety Patrol Fall Dance Party: mandatory training for all fundraising sponsors is in place. The Fall party this year has the Ticket Sellers' Report completed. Coupon Book Sale: mandatory training for fundraising sponsor and parent volunteers with the activity is in place. The list of students not fulfilling their obligation for the fundraiser was on file with the sponsor, not with the submitted paperwork to the treasurer. With the list were records of attempts to get the books or money to fulfill the obligation. The students have no been flagged in TERMS for failure to full the obligation.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card purchases found that:

- Disbursement #10847 (for \$1,659) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*.
- A \$82.49 P-Card transaction for an online purchase that was supported by a screen-print of the cardholder's "shopping cart" with a total amount of \$52.50. As a result, \$29.99 of the purchase (\$82.49 - \$52.50) did not have the needed supporting documentation.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

- *Purchase Order* approved by the Principal is required for purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase. All purchases should be pre-approved by the Principal.
- All disbursements and P-Card purchases should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there was no assurance that the expenses were appropriate.

Management's Response

Disbursement 10847: This was signed by the former Principal prior to my appointment to Beacon Cove. P-Card transaction: The secretary had a PO for this transaction.

**Belle Glade Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 500 N.W. Avenue "L"
Belle Glade, FL 33430

Principal:
Fiscal Year 2014: Angela Avery Moore
During Audit: Robera Walker-Thompson

Treasurer:
Fiscal Year 2014: Krista Carter
During Audit: Jazzmyn Shirley

Cash and Investments

Checking	\$ 9,998.39
Investments	
	\$ 9,998.39

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	2,500.00	2,500.00	0.00	0.00	0.00
Classes	0.00	2,645.05	2,417.73	547.32	547.32	227.32
Clubs	0.00	500.00	500.39	158.01	0.00	157.62
Departments	2,414.59	5,953.39	7,247.30	735.95	736.34	1,120.29
Trusts	3,032.82	56,065.29	51,385.85	13,949.67	13,174.60	8,487.33
General	9,918.00	710.66	9,690.14	0.00	932.69	5.83
	\$ 15,365.41	\$ 68,374.39	\$ 73,741.41	\$ 15,390.95	\$ 15,390.95	\$ 9,998.39

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process found that the bookkeeper did not always timely process collections that were put into the drop-safe by sponsors. For example, \$822.05 recorded on three MCRs (#220-0123, #229-0254, and #231-0311) were not processed for deposit into the bank by the bookkeeper until six to seven working days after the monies were put into the drop-safe. As a result, the time lapsed for deposit exceeded the Department of Education's five-working-day rule.

Recommendation

DOE Rules (Chapter 8 of the 2013 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools) requires that monies collected be deposited into the bank within five working days after collection. Delay in turning in the monies for deposit could result in exposure to staff and potential irregularities.

Management's Response

Concur. I will meet with the bookkeeper at least once a week to ensure district policies are followed.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records found that:

- There were no *Sales Item Inventory Reports* for three sample fundraisers: (1) BG Boosters FF (Account #6-0300.07), (2) Safety Patrol Candy Sales (Account #6-4000.01), and (3) BG-Boosters-MDCS (Account #6-0300.08).
- The BG Boosters-MDCS (Account #6-0300.08) had a total of \$1,174 in sales revenues deposited into the Internal Funds during the year. Based on the school's purchasing records, this fundraiser should have generated a total estimated revenue of \$1,292. As a result, \$118 (or 9%) in estimated revenue was unaccounted for.
- The Safety Patrol Candy Sales (Account #6-4000.01) had a total of \$5,100 in sales revenues deposited into the Internal Funds during the year. According to the sponsor's records, a total of \$30 in candy was infested with ants, \$15 in candy was provided to students as an incentive, and \$180 worth of candy could not be accounted for from the students. Based on the school's purchasing records and the sponsor's records, this fundraiser should have generated a total estimated revenue of \$5,775. As a result, a total of \$675 (or 12%) in estimated revenue was unaccounted for. Moreover, the students who could not account for the \$180 worth of candy were not included on the student obligation list for uncollected funds.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure proper fiscal accountability, *Sales Item Inventory Report* should be prepared and completed with accurate information. Accurate *Sales Item Inventory Report* should assist staff in (1) reconciling sales revenue and (2) tracking items purchased, given-away, or remained in inventory. Significant discrepancy, if any, between the estimated revenue and actual receipt should be investigated and resolved accordingly.
- The school should consider including the students, who were responsible for the \$180 missing, on the obligation list.

Management's Response

Concur. I will meet with the bookkeeper at least once a week to ensure all district policies are followed. I will make sure that the teachers place students on the obligation list for any materials or other items.

DOCUMENTATION OF DISBURSEMENTS

Finding

The review of sample disbursements and P-Card transaction records found that disbursements #10209 (for \$305.14) was for purchase of food for a staff luncheon. However, it was inappropriately funded with the General Activities Account, instead of the Administrative Courtesy Account.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically, all expenditures should be funded by the appropriate funding sources in accordance with District's guidelines.

Management's Response

Concur.

**Belvedere Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 3000 Parker Avenue
West Palm Beach, FL 33405

Principal:
Fiscal Year 2014: Diane Mahar
During Audit: Diane Mahar

Treasurer:
Fiscal Year 2014: Adis Garcia
During Audit: Adis Garcia

Afterschool Site Director:
Fiscal Year 2014: Connie Abston
During Audit: Connie Abston

Cash and Investments

Checking	\$ 24,260.76
Investments	
	\$ 24,260.76

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	0.00	1,612.25	1,609.25	6.00	9.00	0.00
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	574.51	9,952.58	9,910.18	0.00	0.00	616.91
Trusts	33,926.75	107,329.36	122,997.17	697.70	702.73	18,253.91
General	4,700.83	5,782.94	5,101.86	632.66	624.63	5,389.94
	\$ 39,202.09	\$ 124,677.13	\$ 139,618.46	\$ 1,336.36	\$ 1,336.36	\$ 24,260.76

LEASING OF SCHOOL FACILITIES

Finding

The school collected a total of \$8,400 in leasing charges from four non-profit leases (#1005, #1006, #1007 and #1008). The \$8,400 leasing charges included \$5,600 in rentals and \$2,800 in labor costs. The school inadvertently allocated \$2,205 to the utility account instead of the required \$1,960 (35% of the rentals). As a result, the school over-transmitted \$245 in utility fees to the Central Office.

Recommendation

Leasing of school facilities should be administered in accordance with *School Board Policy 7.18* and related District guidelines. Specifically, the portion of utility fees should be allocated and transmitted to the Central Office in accordance with the District's approved *Rate Schedule*.

Management's Response

Concur. It was an error in the Treasurer's calculations. Double check calculations.

**Benoist Farms Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 1765 Benoist Farms Road
West Palm Beach, FL 33411

Principal:
Fiscal Year 2014: Ruthann Miller
During Audit: Ruthann Miller

Treasurer:
Fiscal Year 2014: Robin McLaughlin
During Audit: Robin McLaughlin

Afterschool Site Director:
Fiscal Year 2014: Calvin Lewis
During Audit: Calvin Lewis

Cash and Investments

Checking	\$ 15,626.27
Investments	
	\$ 15,626.27

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	597.31	594.95	0.00	2.36	0.00
Classes	201.26	779.55	790.93	0.00	0.11	189.77
Clubs	1,375.67	920.03	1,576.14	0.00	18.95	700.61
Departments	1,163.44	207.54	371.51	0.00	0.00	999.47
Trusts	14,232.13	249,818.25	250,624.81	6,592.21	6,589.85	13,427.93
General	241.62	3,874.93	3,827.12	791.01	771.95	308.49
	\$ 17,214.12	\$ 256,197.61	\$ 257,785.46	\$ 7,383.22	\$ 7,383.22	\$ 15,626.27

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and the money collection process at the school found that at the year-end, some of the sponsors did not turn in the yellow copies of the MCRs to the school secretary for filing and future referencing as required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7's Record Retention Requirements*.

Recommendation

As required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7's Record Retention Requirements*, "Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary..."

Management's Response

Concur. Send reminder email to all staff members to turn in yellow copy to secretary at the end of the year.

DOCUMENTATION FOR FUNDRAISERS

Finding

The Agenda Sales Fundraiser was conducted during August 16, 2013, through May 27, 2014. However, the related *Fundraising Application/Recap Form* was not approved by the Principal until May 27, 2014; i.e. after the event had completed.

Recommendation

To ensure that fundraising activities are consistent with the School Board Mission and in compliance with *School Board Policy 2.16*, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.

Management's Response

When going through paperwork, principal noticed blank date next to signature. Principal copied the date wrong on the form for approval.

AFTERSCHOOL AND SUMMER CAMP PROGRAMS

Finding

The review of the school's Afterschool and Summer Camp Programs found that:

- The school provided Early Release Day Activity Program to students on the District's Professional Development Days (PDD) during the school year. However, the school did not collect the PDD activity

fees (which amounted to a total of \$681.25) for the January 30, 2014, PDD day.

- The 2014 Summer Camp Program had \$19,385 year-end deficit.

Recommendation

Afterschool and Summer Camp Programs should be administered in accordance with *Afterschool Programs Operational Manual* and *Summer Camp Operational Manual* Specifically,

- Afterschool program fees, including PDD activities fees, should be collected from parents in accordance with District's guidelines.
- Summer Camp Program is a self-sufficient program supported by user fees. The school should monitor closely the program's financial condition to ensure that expenditures will not exceed revenues.

Management's Response

Concur. Reminded staff to cross check of all dates to avoid this in the future. As for the second above Summer Camp Program statement; this plan was sent into the aftercare office, approved, and monitored by their staff. The aftercare department did not notify the school when they noticed there was a deficit. Also, the total dollar amount is incorrect. We have been given three different totals.

**Berkshire Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 1060 South Kirk Road
West Palm Beach, FL 33406

Principal:
Fiscal Year 2014: Maria Bishop
During Audit: Maria Bishop

Treasurer:
Fiscal Year 2014: Brizeida Lora
During Audit: Brizeida Lora

Afterschool Site Director:
Fiscal Year 2014: Josephine Costa
During Audit: Josephine Costa

Cash and Investments

Checking	\$ 28,321.46
Investments	
	\$ 28,321.46

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	0.00	14,273.97	9,223.51	1,527.19	2,787.50	3,790.15
Clubs	0.00	3,260.00	2,509.00	0.00	751.00	0.00
Departments	8,616.61	27,123.03	25,991.50	1,252.32	240.01	10,760.45
Trusts	33,758.98	573,998.34	600,300.81	11,797.22	9,763.63	9,490.10
General	13,667.54	24,342.41	32,694.60	12,675.49	13,710.08	4,280.76
	\$ 56,043.13	\$ 642,997.75	\$ 670,719.42	\$ 27,252.22	\$ 27,252.22	\$ 28,321.46

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraisers found that:

- The Spanish/English Dictionary Sales (Account #7-0100.01) was conducted during September 17, 2013, through June 4, 2014. However, the related *Fundraising Application/Recap Form* was not approved by the Principal until September 23, 2014.
- The Music Recorders Sales (Account #6-4404.02) and the Safety Patrol Movie Night (Account #6-4000.04) did not have the required *Sales Item Inventory Reports*.
- The *Sales Item Inventory Report* for the Gingerbread Night Sales (Acct #6-4000.04) was neither signed by the sponsor nor approved by the Principal.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser in order for staff to reconcile the sales revenue with the estimated revenue. Moreover, the *Sales Item Inventory Report* should be approved by the Principal to confirm (1) the legitimacy for items, if any, were given-away free-of-charge, and (2) the missing items, if any. Discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.

Management's Response

Clear procedures and check and balance system is being implemented to avoid this situation.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation found that:

- Disbursement #10745 (for \$200) was for payment to a consultant that did not have the required *School District Consultant Agreement* (PBSD 1420).
- On May 27, 2014, the school purchased a total of \$1,128.68 in snacks for the Afterschool Program. However, this purchase was split into two transactions (invoice #37937 for \$701.18, and invoice #37936 for \$427.50), and were subsequently paid with the school's P-Card on May 29, and June 2, 2014,

respectively.

- The book fair vendor charged the school's P-Card account twice (\$389.51 each) for the same purchase on May 30, and June 6, 2014. As a result, the school overpaid the vendor by \$389.51.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

- To protect the safety and welfare of students, prior to the consultant performing services at the school: (1) the *School District Consultant Agreement (PBSD 1420)* should be properly executed with all the required signatures, and (2) the consultant's background and clearance check must have been conducted as required by *Section 8 of the Agreement* and *Florida Statutes §1012.465*.
- P-Card purchase in excess of \$1,000 requires prior approval from the Purchasing Department. Pursuant to *Purchasing Card Procedures*, "*Splitting an invoice totaling more than \$1,000 is considered Pyramiding and is not allowed. Payment for purchases shall not be split to stay within the single purchase limit.*" The school should not circumvent purchasing rule through splitting purchase.
- The monthly reconciliation of P-Card activities by cardholder should have revealed the \$389.51 in overpayment to the vendor. The school should recoup the overpayment from the vendor.

Management's Response

Concur. Procedures reviewed with staff. The May 27th snack order invoice was for two separate orders. The company listed the two orders on the same invoice. We were not trying to circumvent the policy. The \$389.51 was credited back to the school.

PRENUMBERED DOCUMENTS

Finding

The school did not maintain the *Prenumbered Document Inventory Register (PBSD 0160)* for the *Drop-safe Log*.

Recommendation

As required by *Bulletin #P-14051-S/CFO* and *Chapter 27 of the Internal Accounts Manual*, the *Drop-safe Log* should be inventory-checked monthly by completing the *Prenumbered Document Inventory Register (PBSD 0160)*.

Management's Response

Concur. The log was maintained, however it was not checked monthly. This has been corrected.

Binks Forest Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014

Address: 15101 Bent Creek Road
Wellington, FL 33414

Principal:
Fiscal Year 2014: Michella Levy
During Audit: Michella Levy

Treasurer:
Fiscal Year 2014: Lisa Molbogot
During Audit: Lisa Molbogot

Afterschool Site Director:
Fiscal Year 2014: Leila Truitt
During Audit: Leila Truitt

Cash and Investments

Checking	\$ 101,290.10
Investments	
	\$ 101,290.10

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	201.40	480.00	295.88	225.00	0.00	610.52
Classes	9,356.78	64,803.17	69,382.93	13,429.54	7,575.79	10,630.77
Clubs	4,610.80	30,874.34	30,395.01	1,068.14	1,600.09	4,558.18
Departments	4,319.94	27,247.19	23,247.59	9,146.49	8,107.41	9,358.62
Trusts	57,303.54	800,720.76	797,259.05	20,074.50	26,790.59	54,049.16
General	33,748.19	22,741.45	34,537.00	6,651.71	6,521.50	22,082.85
	\$ 109,540.65	\$ 946,866.91	\$ 955,117.46	\$ 50,595.38	\$ 50,595.38	\$ 101,290.10

Binks Forest Elementary School
Management Letter
Year Ended June 30, 2014

This audit revealed no material instances of noncompliance.

**Boca Raton Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 103 S.W. 1st Avenue
Boca Raton, FL 33432

Principal:
Fiscal Year 2014: Renee Elfe
During Audit: Renee Elfe

Treasurer:
Fiscal Year 2014: Janice Williams
During Audit: Heather Jones

Afterschool Site Director:
Fiscal Year 2014: Patricia Jackson
During Audit: Patricia Jackson

Cash and Investments

Checking	\$ 12,626.92
Investments	
	\$ 12,626.92

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	829.26	798.60	30.66	30.66	30.66
Classes	0.00	1,605.67	1,528.79	7.20	0.00	84.08
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	3,747.40	6,905.11	8,373.07	1,081.06	540.53	2,819.97
Trusts	8,983.72	158,224.17	158,867.67	4,612.46	4,038.51	8,914.17
General	2,591.75	7,477.68	8,169.71	1,267.01	2,388.69	778.04
	\$ 15,322.87	\$ 175,041.89	\$ 177,737.84	\$ 6,998.39	\$ 6,998.39	\$ 12,626.92

DEPOSIT OF MONIES

Finding

The review of the money collection process at the school revealed that some sponsors did not always complete the *Drop-safe Log* with all the required information. Specifically, nine collections recorded on the *Drop-safe Log* (page #s 12-06366, 12-26884, 12-26889, 12-26890, and 12-26904) did not have the dates of collection or the dates when the collections were dropped into the safe.

Recommendation

To ensure proper fiscal accountability and as required by *Bulletin #P-14051-S/CFO*, deposit information should be properly recorded on the *Drop-safe Log*.

Management's Response

Concur. In the future, Administration will make sure the bookkeeper requires all sponsors to complete the Drop-safe log with the correct dates and in a timely manner.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser documentation revealed that the *Sales Item Inventory Form* for the Music Recorders Sales (Account #2-3500.01) was not completed with accurate information. Instead of recording the selling prices and sales revenues on the *Form*, the sponsor entered the purchase price for the items.

Recommendation

Sales Item Inventory Report should be prepared and completed with accurate information for each fundraiser. Accurate information in selling prices and revenues should assist staff in reconciling the actual revenue with the estimated revenue. Significant discrepancy, if any, between them should be investigated and resolved accordingly.

Management's Response

Concur. In the future, Administration will make sure the bookkeeper checks all Sales Inventory Forms for accuracy.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample records for disbursements and P-Card purchases found that:

- Disbursement #10398 (for \$2,150) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*.

- Disbursement #10454 (for \$350) was for payment of DJ services provided by a consultant during the December 14, 2013, Faculty Holiday Party. However, the consultant was engaged without the required *School District Consultant Agreement* (PBSD 1420).

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically,

- *Purchase Order* approved by the Principal is required for purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase.
- To protect the best interests of the school, the *School District Consultant Agreement* (PBSD 1420) should be properly executed prior to the consultants performing services at the school.

Management's Response

Concur. In the future, Administration will make sure all disbursements for the P-Card do not exceed \$1000 and all consultants complete the required Consultant Agreement form.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for school facility leasing revealed that *Lease Agreement* #1007 was not signed by the lessee and approved by the Principal until one day after the leasehold period began. In addition, the rental charges for this lease was not collected until three days after the lessee had begun using the facilities.

Recommendation

Leasing of school facilities should be administered in accordance with *School Board Policy 7.18* and related District guidelines. Specifically,

- To protect the best interest of the School District, all *Lease Agreements* should be executed with all the required signatures prior to the lessees' use of facilities.
- *School Board Policy 7.18*, requires that "*Fees are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*"

Management's Response

Concur. In the future, Administration will make sure that rental charges for all leases are collected prior to the lessee using the facilities.

**Calusa Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 2051 Clint Moore Road
Boca Raton, FL 33496

Principal:
Fiscal Year 2014: Jamie Wyatt
During Audit: Jamie Wyatt

Treasurer:
Fiscal Year 2014: Lynda Kramer
During Audit: Lynda Kramer

Afterschool Site Director:
Fiscal Year 2014: Laurie Ostrow
During Audit: Laurie Ostrow

Cash and Investments

Checking	\$ 36,710.72
Investments	
	\$ 36,710.72

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	243.60	4,077.00	3,871.42	971.84	746.84	674.18
Classes	3,580.04	51,325.45	55,888.11	13,073.23	7,641.22	4,449.39
Clubs	1,754.27	217.88	1,746.67	0.00	5.50	219.98
Departments	10,383.93	22,555.03	22,134.75	6,079.64	6,009.98	10,873.87
Trusts	17,391.47	580,882.89	578,168.29	7,387.12	11,234.37	16,258.82
General	3,835.32	23,227.44	20,954.36	7,526.72	9,400.64	4,234.48
	\$ 37,188.63	\$ 682,285.69	\$ 682,763.60	\$ 35,038.55	\$ 35,038.55	\$ 36,710.72

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser documentation revealed that the *Sales Item Inventory Form* for the School Store Fundraiser (Account #7-0100.01) was neither signed by the sponsor nor approved by the Principal.

Recommendation

To ensure proper fiscal accountability, *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser in order for staff to reconcile the sales revenue with the estimated revenue. Moreover, the *Report* should be approved by the Principal to confirm (1) the legitimacy for items, if any, were given-away free-of-charge, and (2) the missing items, if any. Discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.

Management's Response

Concur. One Sales Item Inventory Report was accidentally overlooked for my signature. My bookkeeper and I met to review the process for ensuring that the form is signed for all future fundraisers.

DOCUMENTATION FOR DISBURSEMENTS

Finding

Disbursement #10745 (for \$2,250) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically, *Purchase Order* approved by the Principal is required for purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase. All purchases should be pre-approved by the Principal.

Management's Response

Concur. The bookkeeper had just returned from summer break and there was an oversight of the purchase order being created. This is the only time during the school year that this occurred and next year when the mulch is ordered we will be sure to follow the purchase order guidelines.

**Cholee Lake Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 6680 Dillman Road
Greenacres, FL 33413

Principal:
Fiscal Year 2014: Marline Campbell
During Audit: Marline Campbell

Treasurer:
Fiscal Year 2014: LaSonya Martin
During Audit: LaSonya Martin

Afterschool Site Director:
Fiscal Year 2014: Joycelyn Cardona
During Audit: Joycelyn Cardona

Cash and Investments

Checking	\$ 17,472.22
Investments	
	\$ 17,472.22

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	825.76	985.50	571.10	985.50	985.50	1,240.16
Classes	206.08	10,712.96	8,790.22	10,697.02	10,654.02	2,171.82
Clubs	3,367.11	1,638.32	2,884.47	1,495.35	1,495.35	2,120.96
Departments	2,223.48	3,381.68	2,251.30	2,437.54	2,506.81	3,284.59
Trusts	6,806.03	198,395.57	198,485.29	35,472.99	35,314.14	6,875.16
General	0.00	29,828.61	27,916.50	23,739.45	23,872.03	1,779.53
	\$ 13,428.46	\$ 244,942.64	\$ 240,898.88	\$ 74,827.85	\$ 74,827.85	\$ 17,472.22

DOCUMENTATION OF DISBURSEMENTS

Finding

The review of sample disbursements and P-Card transaction records found that three P-Card transactions (for \$77.88, \$98.20, and \$9.89, totaling \$185.97) made on August 22, 2013, did not have any supporting documentation for the expenses.

Recommendation

To ensure that purchases are appropriate, disbursements and P-Card purchases should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there was no assurance that the expenses were appropriate.

Management's Response

Concur. Bookkeeper will follow the above recommendation.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records found that the expenditures for Safety Patrol Shoulder Buddies Fundraiser (Account #6-4000.02) were recorded in the Safety Patrol's Primary Account (#6-4000.00), and the expenditures for the Yearbook Sales (Account #7-0100.03) were recorded in the General Activities Account (#7-0100.00).

Recommendation

To assist the school in evaluating and monitoring the performance of individual fundraisers, a separate decimalized account should be established for each of them. Fundraiser account should include all the needed and accurate financial information.

Management's Response

Concur. Bookkeeper is now aware that decimalized accounts are to be separated for each fundraiser.

**Citrus Cove Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 8400 Lawrence Road
Boynton Beach, FL 33436

Principal:
Fiscal Year 2014: Laura Green
During Audit: Laura Green

Treasurer:
Fiscal Year 2014: Denise Farley/Cheryl Conner
During Audit: Cheryl Conner

Afterschool Site Director:
Fiscal Year 2014: Sheila Ross
During Audit: Sheila Ross

Cash and Investments

Checking	\$ 65,729.05
Investments	
	\$ 65,729.05

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	3,750.17	5,843.55	4,295.47	2,766.90	2,766.90	5,298.25
Classes	7,181.10	52,255.72	48,396.48	6,692.43	17,023.50	709.27
Clubs	3,418.85	4,201.40	2,947.14	1,254.26	1,255.01	4,672.36
Departments	4,656.13	19,071.75	18,149.23	2,777.31	2,473.88	5,882.08
Trusts	34,187.41	557,570.21	562,558.28	19,068.49	18,652.29	29,615.54
General	18,735.31	34,474.25	43,270.20	22,638.58	13,026.39	19,551.55
	\$ 71,928.97	\$ 673,416.88	\$ 679,616.80	\$ 55,197.97	\$ 55,197.97	\$ 65,729.05

DOCUMENTATION OF DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation found that:

- Disbursement #10629 (for \$57,800) was for the payment of the expenses for the Safety Patrol field trip to Washington, DC. However, there were no invoice and *Check Requisition* for the expenditure.
- Disbursement #10488 (for \$6,565.50) was for payment of an invoice date July 9, 2013. However, the *Purchase Order* was not approved by Principal until August 5, 2013; i.e. 27 days after the invoice date.
- Disbursement #10664 (for \$9,504) for the payment of expenses for the St. Augustine field trip that did not have the required *Field Trip Request Form* approved by the Principal and the Area Superintendent.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically,

- All disbursements should be adequately documented with the *Check Requisitions*, approved by the Principal and supported by itemized invoices and receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.
- *Purchase Orders* approved by the Principal are required for purchases in excess of \$1,000. This will help ensure that funds are and will be available for the purchase. All purchases should be pre-approved by the Principal.
- Field trips should be administered in accordance with *School Board Policy 2.40*. Specifically, out-of-county field trips should be pre-approved by the Principal and the Area Superintendent.

Management's Response

Concur. Documents were not located for the field trips. Supplementary documents were located and attached to file. This P.O. was issued in prior year and then had to be reissued in new fiscal year resulting in the new paperwork. This is no longer the procedure.

DOCUMENTATION FOR FUNDRAISERS

Finding

The *Sales Item Inventory Report* for the Yearbook Sales (Account #7-0100.01) was not completed with accurate information. Specifically, the *Report* indicated that Yearbooks were sold at two prices, \$30 and \$35. However, our review of the deposit records found that some Yearbooks were sold at \$40 each.

Recommendation

Sales Item Inventory Report should be prepared and completed with accurate information for each fundraiser

in order for staff to reconcile the sales revenue with the estimated revenue.

Management's Response

Concur. Provide additional trainings. The extra yearbooks were given by the company after the close of the paperwork therefore we did not expect additional copies of yearbook. The contact has been informed of the issue for the future sales.

LEASING OF SCHOOL FACILITIES

Finding

The review of school facility leasing records found that:

- Lease #1014 was recorded in the Tririga System as “Completed” and the rental was received by the school on March 27, 2014 (MCR#533/13). However, the school did not have a hard copy of the signed *Lease Agreement* for future reference.
- The school used the non-profit rate (35%) instead of the commercial rate (20%) for allocating the utility fees to the Central Office for Leases #1009 and #1014. As a result, the school over-transmitted \$299.60 in utility fees to the Central Office.

Recommendation

Leasing of school facilities should be administered in accordance with ***School Board Policy 7.18*** and related District guidelines. Specifically,

- To protect ensure *Lease Agreements* are legally enforceable, they should be properly executed with all the required signatures, prior to the use of facilities by lessees. Besides recording leasing activities in the Tririga System, the school should also maintain a copy of the executed *Lease Agreement* for future reference.
- Utility fees should be allocated and transmitted to the Central Office in accordance with the percentages of the District's approved *Rate Schedule*.

Management's Response

Concur. Additional trainings have been provided to new secretary and Tririga program contact.

Clifford O. Taylor/Kirklane Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014

Address: 4200 Purdy Lane
Palm Springs, FL 33461

Principal:
Fiscal Year 2014: Agartha Gragg
During Audit: Agartha Gragg

Treasurer:
Fiscal Year 2014: Linda Hawkins
During Audit: Raysa Serpa

Afterschool Site Director:
Fiscal Year 2014: Cybil Askew
During Audit: Cybil Askew

Cash and Investments

Checking	\$ 28,122.83
Investments	
	\$ 28,122.83

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	946.95	602.36	724.59	815.14	254.04
Classes	6,369.47	108,868.20	100,639.63	35,623.22	41,048.95	9,172.31
Clubs	1,212.07	1,553.92	1,316.81	998.61	642.05	1,805.74
Departments	1,242.57	19,245.36	17,992.63	1,008.37	1,075.97	2,427.70
Trusts	8,957.89	477,469.63	471,911.14	8,110.55	8,401.53	14,225.40
General	0.00	21,043.65	26,324.31	14,790.66	9,272.36	237.64
	\$ 17,782.00	\$ 629,127.71	\$ 618,786.88	\$ 61,256.00	\$ 61,256.00	\$ 28,122.83

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and the money collection process found that monies were not always deposited in a timely manner. Specifically,

- \$8,430 collected through MCR #426-1226 was not processed and deposited into the bank by the bookkeeper until six working days after the sponsor put the monies in the safe.
- \$430.40 collected through MCR #737-1251 was retained by the sponsor for five working days before it was put in the drop-safe for deposit.

Recommendations

DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools) and the District's *Internal Accounts Manual* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could increase the exposure for staff and result in potential irregularities.

Management's Response

Our Bookkeeper was on vacation 10/30/2013 until 11/4/2013. Our teachers are directed at the beginning of the school year and reminded monthly of the monies collection process. We will increase the reminders to twice monthly.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser documentation found that:

- The *Fundraising Application/Recap Forms* for three fundraisers were not approved by the Principal: (1) Backsack Sales (Account #7-0100.10), (2) Mother's Day Cake Sales (Account #7-0100.08), and (3) School Uniform Sales (Account #7-0100.05).
- The *Sales Item Inventory Reports* for four sample fundraisers were neither signed by the sponsors nor approved by the Principal: (1) Yearbook Sales (Account #7-0100.12), (2) Backsack Sales (Account #7-0100.10), (3) Mother's Day Cake Sales (Account #7-0100.08), and (4) School Uniform Sales (Account #7-0100.05)

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.

- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. Moreover, the *Sales Item Inventory Report* should be approved by the Principal to confirm the legitimacy for items, if any, that were given-away free-of-charge, or missing. Significant discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.

Management's Response

Concur. The fundraisers were approved verbally by the Principal. The original forms were filed prior to the Principal's signature. All fundraisers will not begin without the sponsor receiving a signed fundraiser form copy from the Bookkeeper.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card purchase records found that five disbursements (#10744, #10778, #11012, #11013, and #11014, totaling \$250.00) were made payable to staff members as farewell gifts. District's guidelines prohibit giving cash, gift cards or gift certificates as gifts for adults.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically, pursuant to *Bulletin #P-12690-CAO/COO/P*, "gift cards may be purchased for students only" and "schools must maintain documentation of all recipients of gift cards". Moreover, *Internal Accounts Manual, Chapter 4*, states "gifts for adults may not be in the form of gift cards or gift certificates".

Management's Response

Concur. The practice of giving retirement checks had been overlooked as a means of giving cash.

AFTERSCHOOL PROGRAM

Finding

The review of the school's Afterschool and Summer Camp Programs found that:

- As of June 30, 2014, the Afterschool Program had an accounts receivable balance of \$10,616.28 from 127 student accounts. Moreover, \$9,249.56 (or 87%) of the receivable balance was past due for more than six months.
- The Summer Camp Program ended in August 2014. However, as of October 27, 2014, the program had an accounts receivable balance of \$12,920.78 from 67 student accounts.

Recommendation

Afterschool and Summer Camp Programs are self-sufficient programs supported by user fees. To ensure fiscal accountability, the program fees should be collected in advance as required by *Afterschool Programs Operational Manual*. The manual requires “fees are payable in advance and are collected monthly on the first three school days of the month.”

Management’s Response

Concur. Efforts will continue to collect past due amounts. The Family Central printout had not been received to credit accounts for Summer Camp.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for leasing of school facilities found that:

- The school used non-profit leasing rate to allocate the utility fees for four commercial leases (#1004, #1009, #1016, and #1018). Consequently, the school over-allocated and over-transmitted \$51.85 in utility fees to the Central Office.
- Rental fees for *Lease Agreement* #1021 were recorded in the Rental Income Account (#6-3800), without allocating and recording the utility fees in the Utilities Account (#6-5500). As a result, \$31.50 in utility fees was not transmitted to the Central Office.
- Insurance and labor charges for Lease #1009 were inadvertently allocated and recorded in the Rental Income Account (#6-3800) and the Utilities Account (#6-5500).

Recommendation

To facilitate timely and accurate transmission of utility and other leasing related fees to the Central Office, leasing revenues should be allocated in accordance with the *Approved Rate Schedule*. These revenues should be recorded in the respective leasing accounts, including Rental Income (#6-3800), Facilities Rental Utilities (#6-5500), Extra Services-Custodial (#6-1500), Extra Services-Other (#6-1600), Rental Facilities Event Insurance (#6-1850), and Florida Sales Tax Payable (#6-1800).

Management’s Response

Concur. The Assistant Principal for leases will write the actual amounts to be allocated on the lease to assist the Bookkeeper with the accurate amounts for distribution.

**Coral Reef Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 6151 Hagen Ranch Road
Lake Worth, FL 33467

Principal:
Fiscal Year 2014: Bobbi Moretto
During Audit: Bobbi Moretto

Treasurer:
Fiscal Year 2014: Donna Laska
During Audit: Donna Laska

Afterschool Site Director:
Fiscal Year 2014: Pat Felice
During Audit: Pat Felice

Cash and Investments

Checking	\$ 74,283.99
Investments	
	\$ 74,283.99

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	1,325.13	395.00	1,316.49	250.80	250.80	403.64
Classes	6,468.25	52,100.40	56,004.60	18,121.61	15,775.16	4,910.50
Clubs	6,094.66	35,154.00	23,949.49	12,892.76	24,499.22	5,692.71
Departments	7,187.44	19,089.17	16,601.78	8,243.39	8,987.17	8,931.05
Trusts	41,964.04	682,914.69	683,710.94	17,063.19	6,870.44	51,360.54
General	2,349.96	12,942.15	12,117.60	3,629.96	3,818.92	2,985.55
	\$ 65,389.48	\$ 802,595.41	\$ 793,700.90	\$ 60,201.71	\$ 60,201.71	\$ 74,283.99

AFTERSCHOOL PROGRAM

Finding

The school's Summer Camp Program ended on August 1, 2014. However, as of September 30, 2014, the program had a total accounts receivable of \$4,103.72 from 24 student accounts.

Recommendation

Summer Camp Program is a self-sufficient programs supported by user fees. To ensure fiscal accountability, program fees should be collected in advance as required by the *Afterschool Programs Operational Manual*.

Management's Response

Concur. An EZ care software upgrade and a change in staffing during our summer close out impacted our collection. To date we have reduced the accounts receivable to \$163.28.

**Coral Sunset Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 22400 Hammock Street
Boca Raton, FL 33428

Principal:
Fiscal Year 2014: Danielle Garcia
During Audit: Danielle Garcia

Treasurer:
Fiscal Year 2014: Tracey Coleman
During Audit: Tracey Coleman

Afterschool Site Director:
Fiscal Year 2014: Evelyn Garcia
During Audit: Evelyn Garcia

Cash and Investments

Checking	\$ 36,822.24
Investments	
	\$ 36,822.24

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	45.00	44.55	0.00	0.00	0.45
Classes	2,072.13	22,510.25	22,484.26	2,604.05	3,304.36	1,397.81
Clubs	1,788.02	200.00	1,670.48	4,594.42	0.00	4,911.96
Departments	2,926.13	12,686.24	11,996.89	3,253.09	3,288.59	3,579.98
Trusts	22,250.54	336,618.24	332,178.53	26,974.88	31,834.09	21,831.04
General	1,715.67	7,268.85	4,884.12	2,790.71	1,790.11	5,101.00
	\$ 30,752.49	\$ 379,328.58	\$ 373,258.83	\$ 40,217.15	\$ 40,217.15	\$ 36,822.24

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and the money collection process at the school found that some sponsors did not always record all the required information on the *Drop-safe Log*. Missing information included the date of collection and the date of depositing monies into the safe.

Recommendation

Money collections should be administered in accordance with the *Internal Accounts Manual*, and the related District guidelines. Specifically, to ensure proper fiscal accountability and as required by *Bulletin #P-14051-S/CFO*, the *Drop-safe Log* should be completed with all the required information.

Management's Response

Concur. School staff will be re-trained on proper Drop-safe Log usage. Bookkeeper will also check log daily for proper completion.

**Crosspointe Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 3015 South Congree Avenue
Boynton Beach, FL 33426

Principal:
Fiscal Year 2014: Cheryl A. McKeever
During Audit: Annmarie Dilbert

Treasurer:
Fiscal Year 2014: Mona Francois
During Audit: Tammy King

Afterschool Site Director:
Fiscal Year 2014: Abeer Majdalawi
During Audit: Abeer Majdalawi

Cash and Investments

Checking	\$ 47,466.92
Investments	
	\$ 47,466.92

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.04	489.00	488.61	0.00	0.00	0.43
Classes	10,915.29	12,989.66	13,758.02	3,662.56	3,738.76	10,070.73
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	4,730.68	11,102.98	11,705.57	2,269.91	2,269.91	4,128.09
Trusts	45,077.87	276,045.86	291,436.84	7,086.11	7,136.11	29,636.89
General	4,167.90	7,715.01	8,378.33	1,738.54	1,612.34	3,630.78
	\$ 64,891.78	\$ 308,342.51	\$ 325,767.37	\$ 14,757.12	\$ 14,757.12	\$ 47,466.92

DEPOSIT OF MONIES

Finding

The total dollar amounts for deposit listed on two MCRs (#385-15 and #410-8) were reduced by the bookkeeper from \$97.55 to \$96.75 and \$115 to \$97 respectively after the bookkeeper counted the monies. However, the changes on the MCRs were not signed or initialed by the sponsors to acknowledge the corrections.

Recommendation

To ensure proper fiscal accountability, changes on MCRs made by the bookkeeper should be acknowledged by the MCRs' preparers.

Management's Response

[Former principal] Treasurer indicated that her normal procedures when dollars dropped are more or less than what's on Monies Collected Form that the document custodian makes the corrections on the Drop-safe Log and place a receipt in sponsor's mailbox of corrections. Procedure was discussed in treasurer's meeting. Treasurer was later advised otherwise by contact that if difference is more than \$1.00, sponsor is to be called to office to sign off on change. So does this eliminate use of the document custodian in reviewing, correcting, and informing sponsor when it's under \$1.00? However, treasurer will implement this additional adjustment for the upcoming school year.

[Current principal] Concur. Preceded by tenure, will abide by recommendations.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation found that:

- Disbursement #4442 (for \$741.58) was supported by an invoice for \$722.50. As a result, the school overpaid the vendor by \$19.08.
- Two May 8, 2014, P-Card transactions, for a total of \$94.01, were for purchases of fuel without documentation of the purposes for the purchases. As stated in the P-Card purchasing guidelines, gasoline can only be purchased for operating rental vehicles; District vehicles for out-of-county trips; golf carts; and small custodial equipment.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

- All disbursements and P-Card purchases should be adequately documented and supported by itemized invoices and receipts. The school should recoup the \$19.08 overpayment from the vendor for

Disbursement #4442.

- To ensure proper fiscal accountability, the purposes and justifications should be documented for all expenditures.

Management's Response

[Former principal] Concur. Treasurer indicates she checks her paperwork and it could have possibly been a mistake, or the auditor possibly missed something, she was not notified on the day of the audit to address. Have school recoup the \$19.08 overpayment from the vendor for Disbursement #4442.

The purchase of fuel was for a District approved rental vehicle for travel with signed TDEs by proper authorities for the Avis rental in which the District approved form was used to pickup of vehicle at an authorized rental company.

[Current principal] Concur. Preceded by tenure, will abide by recommendations.

AFTERSCHOOL PROGRAM

Finding

The review of the school's Afterschool Program records found that:

- As of June 30, 2014, the Afterschool and Summer Camp programs had a total accounts receivable of \$3,431.48, of which \$1,062.65 was past due for more than six months.
- The *Family Central's Subsidy Reimbursement Reports* for February and May 2014 were missing. Without these reimbursement reports, there is no assurance that all Family Central's subsidy payments were received.

Recommendation

Afterschool Program should be administered in accordance with District's guidelines and *Afterschool Programs Operational Manual*. Specifically,

- Afterschool Program is a self-sufficient programs supported by user fees. To ensure fiscal accountability, program fees should be collected in advance as required by the *Afterschool Programs Operational Manual*. Specifically, "*fees are payable in advance and are collected monthly on the first three school days of the month.*"
- To ensure Family Central's subsidy payments are properly received and accounted for, its *Reimbursement Reports* should be reviewed to ensure all payments are received, and the reports be retained for a time-period consistent with District's *Record Retention Schedule*.

Management's Response

[Former principal] The finding review is indicative of the constant need for the financial monitoring of the

Afterschool Director's lack of ability to maintain continuity and consistency of the financial responsibilities of money management and daily operation of aftercare program without the assistance and monitoring of a treasurer who's familiar with the district's procedures guidelines to limit the number of audit findings that could occur with this program.

[Current principal] Concur. Preceded by tenure, will abide by recommendations.

LEASING OF SCHOOL FACILITIES

Finding

The review of school facility leasing records found that:

- *Lease Agreements #1028 and #1032 were not signed by the lessees until four and seven days respectively after the leasehold periods began.*
- *Lease #1007 did not have the proof of liability insurance coverage.*

Recommendation

Leasing of school facilities should be administered in accordance with **School Board Policy 7.18** and related District guidelines. Specifically,

- *To protect the best interest of the School District and ensure Lease Agreements are legally enforceable, they should be properly executed with all the required signatures prior to the use of facilities by lessees.*
- *To protect the School District from unwarranted liability and as required by School Board Policy 7.18, lessee must "provide a copy of liability insurance policy in the amount of \$1,000,000, naming the School Board of Palm Beach County as an additional insured, with the Lease Agreement or purchase liability insurance from the School District." This will ensure the School Board is well protected.*

Management's Response

[Former principal] Lease Agreement #1028 and #1032 were not returned to the school until the District processes and immediately upon receipt is when they are signed by the lessees. Please check the dates of submission by school administrator which has to be submitted prior to leases use. The lease paid their money and it was entered into the system as stated before the lease begins. He would stop by and sign when it was returned to the school.

Lease #1007 proof of liability insurance coverage was there before the school treasurer transitioned to her new position at Lake Worth high School. The audit was not conducted until weeks later after I requested the audit. The school treasurer disagrees and should have been notified to ask to if she had it or not.

[Current principal] Concur. Preceded by tenure, will abide by recommendations.

Additional comments: *[Former principal] Please note that I have worked closely with the transitioning*

Crosspointe Elementary School
Management Letter
Year Ended June 30, 2014

school treasurer to provide responses to the findings on this report. I requested that the audit be conducted prior to her transition to allow her to be able to answer to and provide any requested documents needed to support a finding and she was not allowed to participate in person nor via telephone. I believe if she had been allowed to participate, several of the findings would not have been listed. The current school center personnel were allowed to provide input and had no previous knowledge to any of its contents or information pertaining to FY 2014 audit.

[Current principal] When I assumed the duties as Principal of Crosspointe Elementary School, I did what every incoming principal would have done; I had an audit performed. I requested an audit to get a thorough understanding of the financial solvency of the school. The purpose of my request for a review was to establish a starting point for my tenure as principal of Crosspointe Elementary School and to clear up any outstanding issues.

I do not have any reason to dispute the audit findings and/or the former principal's management response. As the current principal of Crosspointe Elementary School I agree with the findings of the auditors and will abide by all recommendations. I accept the findings and any resolution between the district and the former principal. While I fond of the former principal, I am not party to her management response. Furthermore, I do not wish to create adversity with a colleague; this was the purpose of my inquiry.

**Crystal Lakes Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 6050 Gateway Boulevard
Boynton Beach, FL 33437

Principal:
Fiscal Year 2014: Diane Curcio-Greaves
During Audit: Diane Curcio-Greaves

Treasurer:
Fiscal Year 2014: Penny Richter
During Audit: Penny Richer

Afterschool Site Director:
Fiscal Year 2014: Michelle Soto
During Audit: Michelle Soto

Cash and Investments

Checking	\$ 55,442.94
Investments	
	\$ 55,442.94

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	5,223.72	318.50	803.61	6.10	6.10	4,738.61
Classes	5,429.57	16,581.00	16,777.13	1,989.74	1,989.74	5,233.44
Clubs	328.13	1,643.00	1,731.47	65.00	65.00	239.66
Departments	13,505.04	16,681.53	15,821.26	4,334.18	4,334.18	14,365.31
Trusts	28,724.56	457,910.45	456,260.86	3,585.29	3,927.11	30,032.33
General	374.53	2,667.65	2,550.41	341.82	0.00	833.59
	\$ 53,585.55	\$ 495,802.13	\$ 493,944.74	\$ 10,322.13	\$ 10,322.13	\$ 55,442.94

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card purchases found that disbursement #10516 (for \$1,225) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically, a *Purchase Order* approved by the Principal is required for purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase. All purchases should be pre-approved by the Principal.

Management's Response

Concur

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser records found that:

- The *Sales Item Inventory Reports* (SIIR) for the Music Recorders Sales (Account #2-3500.04) and Safety Patrol Coupon Books Sales (Account #6-4000.01) were not completed with accurate information. Specifically, 85 recorders were purchased for the Music Recorders Sales but the SIIR indicated only 75 recorders were purchased for resale. Moreover, the Safety Patrol Coupon Books sales did not have ending inventory but the SIIR indicated that 34 unsold coupon books were remained in ending inventory.
- The financials for the Chorus T-shirt Sales were recorded in the Chorus Club's Primary Account (#4-0900.00), instead of a decimalized account for the fundraiser.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser in order for staff to reconcile the sales revenue with the estimated revenue. Significant discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.
- To assist the school in evaluating and monitoring the performance of individual fundraisers, a separate decimalized account should be established for each fundraiser. Fundraiser account should include all the needed and accurate financial information.

Crystal Lakes Elementary School
Management Letter
Year Ended June 30, 2014

Management's Response

Concur. Steps are in place to correct this.

**Cypress Trails Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 133 Park Road North
Royal Palm Beach, FL 33411

Principal:
Fiscal Year 2014: Tameka Moore-Robinson
During Audit: Shari Bremekamp

Treasurer:
Fiscal Year 2014: Erica Rolf
During Audit: Erica Rolf

Afterschool Site Director:
Fiscal Year 2014: Kelly Hinde
During Audit: Kelly Hinde

Cash and Investments

Checking	\$ 77,427.75
Investments	
	\$ 77,427.75

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	3,460.83	703.00	776.92	134.43	134.43	3,386.91
Classes	1,958.14	4,240.24	3,219.81	2,211.99	5,190.56	0.00
Clubs	1.60	0.00	0.00	0.00	0.00	1.60
Departments	2,686.22	8,401.47	8,234.96	4,552.32	4,552.32	2,852.73
Trusts	58,979.23	270,031.00	270,115.32	28,082.12	28,082.12	58,894.91
General	10,794.43	7,360.34	8,841.74	3,646.25	667.68	12,291.60
	\$ 77,880.45	\$ 290,736.05	\$ 291,188.75	\$ 38,627.11	\$ 38,627.11	\$ 77,427.75

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation revealed that:

- Two disbursements (#10464 for \$1,550, and #10465 for \$1,512.88) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Orders*.
- A June 3, 2014, P-Card purchase (for \$157.82) was for payment of expenses during a field trip. However, this field trip did not have the required *Field Trip/Activity Planning Report and Approval Requests* (PBSD 1894).

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically,

- *Purchase Orders* approved by the Principal are required for purchases in excess of \$1,000. This will help ensure that funds are and will be available for the purchase. All purchases should be pre-approved by the Principal.
- All field trip plans should be reviewed and approved in accordance with *School Board Policy 2.40* and related District guidelines. Specifically, a *Field Trip/Activity Planning Report and Approval Request* must be completed by the sponsor and approved by the Principal for each field trip.

Management's Response

Concur. Recommendations were put into place for FY15 school year.

Additional comments: Findings were cited prior to current principal's job assignment which began 7/1/2014.

**Del Prado Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 7900 Del Prado Circle
Boca Raton, FL 33433

Principal:
Fiscal Year 2014: Carol Goode
During Audit: Carol Goode

Treasurer:
Fiscal Year 2014: Maria Leggio
During Audit: Maria Leggio

Afterschool Site Director:
Fiscal Year 2014: Lori Goldfinger
During Audit: Lori Goldfinger

Cash and Investments

Checking	\$ 49,830.02
Investments	
	\$ 49,830.02

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	944.12	0.00	0.00	478.00	0.00	1,422.12
Classes	100.00	50,735.78	62,109.37	17,802.10	6,503.76	24.75
Clubs	5,498.95	7,018.00	5,359.75	3,248.00	3,248.00	7,157.20
Departments	3,247.01	25,762.91	29,541.18	8,767.45	5,605.45	2,630.74
Trusts	28,029.71	646,579.41	639,766.19	10,067.93	9,770.93	35,139.93
General	4,672.53	34,907.87	20,889.78	5,195.37	20,430.71	3,455.28
	\$ 42,492.32	\$ 765,003.97	\$ 757,666.27	\$ 45,558.85	\$ 45,558.85	\$ 49,830.02

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) revealed that \$3,293.87 in revenues collected through MCR #328-28 during the October 25, 2013, Bookfair event was retained by the sponsor for five working days before the money was put into the drop-safe on November 1, 2013, for deposit. The monies was subsequently processed by the bookkeeper and deposited into the bank on November 6, 2013; i.e. eight working days after collection. The time lapsed for deposit in the bank exceeded the Department of Education's five-working-day rule.

Recommendations

DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools) and District *Bulletin #P-14051-S/CFO* require that monies collected be put into the drop-safe daily, and be deposited in the bank within five working days after the collections. Delay in turning in the monies for deposit could increase the exposure to staff and result in potential irregularities.

Management's Response

Spoke with sponsor. Monies were dropped on 10/25/14 but not logged in. bookkeeper returned deposit to sponsor for corrections. She has been advised to follow procedures.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser records found that:

- The *Sales Item Inventory Report* for the Yearbook Sales (Account #7-0100.02) was not completed with the accurate information. Specifically, the *Report* indicated that 435 Yearbooks were purchased for resale and no Yearbook remained in ending inventory. However, the school's purchasing records indicated that 450 Yearbooks were purchased for this fundraiser and 15 Yearbooks were found in the ending inventory during the audit.
- The *Master Ticket Sellers Report* and *Ticket Sellers Reports* for the Drama Admission to Play Event were not signed by the sponsor and ticket sellers, respectively.

Recommendation

Sales Item Inventory Report and *Ticket Sellers Report* should be completed with accurate. Accurate *Sales Item Inventory Report* and *Ticket Sellers Report* should assist staff in (1) reconciling sales revenues and (2) tracking of items purchased, given away, or remained in inventory. Significant discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.

Management's Response

Concur. Both sponsors have been advised that they are responsible for completing all fundraising

documentation. Recommended TrainU course.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation found that six purchases did not have adequate supporting documentation for the expenses:

- Disbursement #10764 (for \$226.53) for purchase of staff shirts was supported by an account statement and order form, instead of an itemized invoice or receipt.
- Disbursement #11124 (for \$500) was for payment to a restaurant for staff's end-of-the-year luncheon. This disbursement was supported by a letter from the hospitality committee requesting for payment to the vendor, instead of a vendor's invoice or receipt.
- Four P-Card purchases during June 2014, totaling \$2,266.50, were supported by credit card receipts that indicated the total dollar amounts only, without the details of the items purchased.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. To ensure that purchases are appropriate, disbursements and P-Card purchases should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.

Management's Response

Concur. (1) Missing receipt/payment made during transition of bookkeepers (2) New bookkeeper / misinformed (3) Itemized receipts attached to audit response.

PRENUMBERED DOCUMENTS

Finding

The review of controls of prenumbered documents found that the school did not have the (1) *Document Custodian Assignment Register (PBSD 1663)*, and (2) *Prenumbered Document Inventory Register (PBSD 0160)* for *Drop-safe Log*. Moreover, the Afterschool Site Director was the document custodian for the Afterschool Program Receipts, although this specific staff also used the receipts for collecting program fees from parents.

Recommendation

To ensure proper fiscal accountabilities and as required by *Chapter 27 of the Internal Accounts Manual*,

- Designated staff should be assigned as document custodians for each prenumbered form, and the

assignments should be recorded on the *Document Custodian Assignment Register* (PBSD 1663).

- The *Drop-safe Logs* should be inventory-checked monthly by the document custodian and record the results on the *Prenumbered Document Inventory Register* (PBSD 0160).
- The document custodian for each form may be someone different, but it should be someone who is not involved in the day-to-day use of the form.

Management's Response

Concur. (1) New bookkeeper unaware of form/procedures. (2) AP has been assigned this role.

**Diamond View Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 5300 Haverhill Road
Greenacres, FL 33463

Principal:
Fiscal Year 2014: Carolyn Seal
During Audit: Carolyn Seal

Treasurer:
Fiscal Year 2014: Wendy Martin
During Audit: Wendy Martin

Afterschool Site Director:
Fiscal Year 2014: Luis Lebron
During Audit: Luis Lebron

Cash and Investments

Checking	\$ 75,592.27
Investments	
	\$ 75,592.27

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	444.70	352.00	248.61	0.00	0.00	548.09
Classes	179.47	37,559.21	34,667.18	7,577.00	10,331.82	316.68
Clubs	4,973.24	23,832.20	13,254.50	11,786.04	23,611.16	3,725.82
Departments	7,176.49	13,406.04	13,422.81	4,457.63	4,480.48	7,136.87
Trusts	54,077.29	383,005.27	392,128.40	22,365.13	10,580.09	56,739.20
General	8,241.24	7,960.37	11,893.75	3,619.72	801.97	7,125.61
	\$ 75,092.43	\$ 466,115.09	\$ 465,615.25	\$ 49,805.52	\$ 49,805.52	\$ 75,592.27

LEASING OF SCHOOL FACILITIES

Finding

The review of school facility leasing records found that Lease #1003 had a total contract amount of \$1,475. According to staff, this leasing arrangement was cancelled after the transaction was recorded in the Tririga System. However, the cancellation was not recorded in the Tririga System, and as a result, the system overstated the school's leasing income by \$1,475.

Recommendation

Leasing information should be accurately recorded in the Tririga System; and the system should be updated with new information such as amendments and cancellation of leasing arrangements.

Management's Response

Concur.

**Discovery Key Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 3550 Lyons Road
Lake Worth, FL 33467

Principal:
Fiscal Year 2014: Catherine Lewis
During Audit: Catherine Lewis

Treasurer:
Fiscal Year 2014: Stacey Colella
During Audit: Stacey Colella

Afterschool Site Director:
Fiscal Year 2014: Jessica Rosenfeld
During Audit: Jessica Rosenfeld

Cash and Investments

Checking	\$ 69,135.12
Investments	
	\$ 69,135.12

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	565.00	50.00	0.00	0.00	515.00
Classes	4,460.15	46,122.80	43,472.06	3,361.51	4,123.16	6,349.24
Clubs	780.77	1,178.23	1,343.57	6.00	(41.50)	662.93
Departments	16,521.57	29,610.60	25,286.82	4,386.36	4,386.36	20,845.35
Trusts	54,057.69	589,296.78	609,358.01	16,176.44	17,337.33	32,835.57
General	12,159.92	13,657.80	19,765.73	4,773.39	2,898.35	7,927.03
	\$ 87,980.10	\$ 680,431.21	\$ 699,276.19	\$ 28,703.70	\$ 28,703.70	\$ 69,135.12

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports (MCRs)* and the money collection process at the school found that:

- A total of \$3,720.00 in yearbook sales revenues collected by various staff members were recorded on 48 MCRs. However, some of the MCRs were not completed with all the required information. Missing information included the dates and the dollar amounts for the collections. Also, the deposit information was not recorded on the *Drop-safe Log* by the respective staff members before dropping off the monies into the safe. Instead, the information was subsequently recorded as one collection on the *Log* by the staff who assisted the bookkeeper in opening the drop-safe.
- \$240 collected through MCR #448-3 was retained by the sponsor for three working days before it was put into the drop-safe for deposit.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and related District guidelines. Specifically,

- *DOE Rules* and District *Bulletin #P-14051-S/CFO* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in potential irregularities.
- Monies collected should be supported by MCRs, with all the required information, including payer's name and the amount of payment.
- To ensure proper fiscal accountability and as required by *Bulletin #P-14051-S/CFO*, deposit information should be properly recorded on the *Drop-safe Log* before the monies were put into the drop-safe.

Management's Response

Concur. Monies collected will be put in drop safe daily and deposited within 5 days. All required information will be reported on the MCR and the deposits will be properly recorded on the Drop Safe Log before monies are put in the drop-safe.

AFTERSCHOOL PROGRAM

Finding

The review of the Afterschool and Summer Camp Programs found that:

- As of October 20, 2014, the Afterschool Program had a total accounts receivable of \$4,694.75 from 57 student accounts. Of the \$4,694.75 in receivables, \$2,071.22 was past due for over six months.

- The Summer Camp Program ended in August 2014. However, the program had a total accounts receivable of \$1,934.51 from 11 student accounts as of October 20, 2014.

Recommendation

Afterschool and Summer Camp Programs are self-sufficient programs supported by user fees. To ensure fiscal accountability, the program fees should be collected in advance as required by *Afterschool Programs Operational Manual*. The manual requires “fees are payable in advance and are collected monthly on the first three school days of the month.”

Management’s Response

Summer Camp fees will be collected in advance. Aftercare fees will be collected monthly on the first three school days of the month.

LEASING OF SCHOOL FACILITIES

Finding

The school collected a total of \$ 6,487.20 in leasing revenues from six commercial leases during the year. The \$6,487.20 in leasing revenues included \$367.20 in sales tax and \$1,224 in utility fees. However, the school under-allocated and under-transmitted a total of \$14.40 in sales tax and \$48 in utility fees to the Central Office.

Recommendation

Leasing revenues should be allocated in accordance with the Approved Rate Schedule. These revenues should be recorded in the respective leasing accounts. The portion of utility fees and sales tax should be recorded in the Facilities Rental Utilities Account (#6-5500) and Florida Sales Tax Payable Account (#6-1800) respectively; and these fees should be periodically transmitted to the Central Office accordingly.

Management’s Response

Concur. Leasing revenue will be allocated in accordance with the approved rate schedule and recorded in the respective leasing accounts. The fees will be transmitted periodically to the Central Office.

**Dr. Mary McLeod Bethune Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 1501 Avenue "U"
Riviera Beach, FL 33404

Principal:
Fiscal Year 2014: Edwina Mooney
During Audit: Katrina Granger

Treasurer:
Fiscal Year 2014: Mary Kozlowski
During Audit: LaTasha Smart

Afterschool Site Director:
Fiscal Year 2014: Corlyss Grant
During Audit: Corlyss Grant

Cash and Investments

Checking	\$ 26,964.84
Investments	
	\$ 26,964.84

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	3,222.64	0.00	0.00	0.00	0.00	3,222.64
Classes	2,113.11	1,090.00	461.66	0.00	0.00	2,741.45
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	1,405.62	4,981.66	6,095.85	0.00	0.00	291.43
Trusts	22,216.17	72,085.08	78,138.89	1,834.13	1,654.74	16,341.75
General	4,200.34	6,337.09	5,990.47	5,529.87	5,709.26	4,367.57
	\$ 33,157.88	\$ 84,493.83	\$ 90,686.87	\$ 7,364.00	\$ 7,364.00	\$ 26,964.84

DEPOSIT OF MONIES

Finding

\$300 in collection through MCRs #454-2 was a donation to the school. However, the fund was recorded in Administrative Courtesy Account (#6-0200.00) instead of General Activities (Account #7-0100.00), in the absence of a letter from the donor indicating the purpose for the donation.

Recommendation

Donation received by the school should be deposited into the General Activities Account unless the donor has a specific purpose for the donation.

Management’s Response

Concur. The donation was collected and recorded under the previous administration. All future collections will be recorded accurately in the appropriate account(s).

DOCUMENTATION FOR FUNDRAISERS

Finding

The School Spirit Shirt Sales (Account # 6-4401.06) did not have the required *Sales Item Inventory Report*. The school’s accounting records indicated that a total of \$459 in sales revenue was deposited into the Internal Funds. Based on the school’s purchasing records and our examination of the inventory during the audit, this fundraiser should have generated a total estimated revenue of \$1,280. As a result, \$821 (or 64%) in estimated revenue was unaccounted for.

Item	Quantity					Selling Price	Revenues
	Beginning Inventory ⁽¹⁾	Purchases ⁽²⁾	Items Given Away ⁽¹⁾	Inventory On Hand ⁽³⁾	Units Sold		
Shirts	0	500	0	340	160	\$8	\$1,280
Total Estimated Revenues							\$1,280
Total \$ Deposited into Internal Funds							\$459
<i>Estimated Revenues Unaccounted For</i>							<u><u>\$821</u></u>

- (1) *Sales Item Inventory Report* was not completed.
- (2) Based on purchasing records during July 1, 2013, and June 30, 2014.
- (3) Based on our examination of physical inventory on September 17, 2014.

Recommendation

To ensure proper fiscal accountability, *Sales Item Inventory Report* should be prepared and completed with accurate information. Accurate *Sales Item Inventory Report* should assist staff in (1) reconciling sales revenue and (2) tracking items purchased, given-away, or remained in inventory. Significant discrepancy, if any, between the estimated revenue and actual receipt should be investigated and resolved accordingly.

Management’s Response

Concur. The fundraiser was conducted under the previous administration. As a corrective action, Sales item

Inventory Reports will be prepared promptly with accurate information.

DOCUMENTATION FOR DISBURSEMENTS

Finding

Disbursements #4821 (for \$550) and #4822 (for \$600) were for payments to two vendors for renting a bounce house and video game services, with attendants, for the Field Day Event. However, the *School District Consultant Agreements (PBSD 1420)* for both disbursements were not signed by the Principal.

Recommendation

To protect the safety and welfare of students, prior to the consultant performing services at the school: (1) the *School District Consultant Agreement (PBSD 1420)* should be properly executed with all the required signatures, and (2) the school should ensure that the consultant has passed the required background and clearance check as required by *Florida Statutes §1012.465*.

Moreover, to protect the School District from unwarranted liability, rental of bounce house should follow the guidelines as provided by the *Afterschool Program Operational Manual* that “*Bounce house rentals require the owner of the bounce house to provide a general liability insurance policy for one million dollars and name the School Board of Palm Beach County as an additional insured.*”

Management’s Response

Concur. The bounce house and video game services disbursement occurred under the previous administration. Moving forward, School District Consultant Agreements will be executed prior to services being performed.

LEASING OF SCHOOL FACILITIES

Finding

The review of school facility leasing records revealed that *Lease Agreement #1001* was not signed by the lessee, a witness, and the Principal until nine to 10 days after the leasehold period began.

Recommendation

Leasing of school facilities should be administered in accordance with *School Board Policy 7.18* and related District guidelines. To protect the best interest of the School District and ensure *Lease Agreements* are legally enforceable, they should be properly executed with all the required signatures prior to the use of facilities by lessees.

Management’s Response

Concur. The original Lease Agreement was executed under the previous administration. Moving forward, Lease Agreements will be properly executed with all of the required signatures prior to the use of the facilities by lessees.

D.D. Eisenhower Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014

Address: 2926 Lone Pine Road
Palm Beach Gardens, FL 33410

Principal:
Fiscal Year 2014: James Pegg
During Audit: Jo Anne Rogers

Treasurer:
Fiscal Year 2014: Sarah Weis
During Audit: Sarah Weis

Afterschool Site Director:
Fiscal Year 2014: Alicia DeCavalcanti
During Audit: Alicia DeCavalcanti

Cash and Investments

Checking	\$ 58,649.79
Investments	
	\$ 58,649.79

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	1,330.78	630.25	499.10	290.96	290.96	1,461.93
Classes	3,833.46	15,275.81	17,442.93	3,873.07	2,300.78	3,238.63
Clubs	952.59	346.35	402.42	249.10	249.10	896.52
Departments	4,721.91	7,955.67	6,212.01	3,632.69	3,583.74	6,514.52
Trusts	43,368.99	244,639.42	247,227.03	13,617.54	16,815.39	37,583.53
General	6,099.94	20,100.71	18,822.60	6,498.88	4,922.27	8,954.66
	\$ 60,307.67	\$ 288,948.21	\$ 290,606.09	\$ 28,162.24	\$ 28,162.24	\$ 58,649.79

D.D. Eisenhower Elementary School
Management Letter
Year Ended June 30, 2014

This audit revealed no material instances of noncompliance.

**Egret Lake Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 5115 47th Place North
West Palm Beach, FL 33417

Principal:
Fiscal Year 2014: Christine Rick
During Audit: Christine Rick

Treasurer:
Fiscal Year 2014: Cherrie Ullom
During Audit: Cherrie Ullom

Afterschool Site Director:
Fiscal Year 2014: Lori Seal
During Audit: Lori Seal

Cash and Investments

Checking	\$ 59,016.36
Investments	
	\$ 59,016.36

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	16.99	122.00	113.09	8.91	8.91	25.90
Classes	0.00	159.00	145.00	14.00	28.00	0.00
Clubs	0.00	597.00	501.87	172.00	172.00	95.13
Departments	18,485.33	11,711.67	9,470.93	3,610.15	3,610.15	20,726.07
Trusts	31,578.51	179,829.99	175,740.62	12,413.76	12,457.23	35,624.41
General	1,407.89	6,783.75	5,704.26	2,227.63	2,170.16	2,544.85
	\$ 51,488.72	\$ 199,203.41	\$ 191,675.77	\$ 18,446.45	\$ 18,446.45	\$ 59,016.36

AFTERSCHOOL PROGRAM

Finding

The review of Afterschool Program records revealed the following:

- A total of \$75 in registration fees was neither collected for three of the seven sample students nor recorded into the EZ Care database.
- As of June 30, 2014, the school's Afterschool Program had a total accounts receivable balance of \$1,692.27 from 18 student accounts. Of the \$1,692.27 in receivables, \$772.02 was past due for over six months.

Recommendation

Afterschool Program should be administered in accordance with District's guidelines and *Afterschool Programs Operational Manual*. Specifically,

- Afterschool Program fees, including registration fee, should be collected in accordance with the *Afterschool Programs Operational Manual*. The school should recoup the \$75 undercharged fees from the parents.
- Afterschool Program is a self-sufficient program supported by user fees. To ensure fiscal accountability, program fees should be collected in advance as required by the *Afterschool Programs Operational Manual* that "*fees are payable in advance and are collected monthly on the first three school days of the month.*"

Management's Response

Concur. We will continue to attempt to collect for the back due accounts receivable balance.

**Elbridge Gale Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 1915 Royal Fern Drive
Wellington, FL 33414

Principal:
Fiscal Year 2014: Gail Pasterczyk
During Audit: Gail Pasterczyk

Treasurer:
Fiscal Year 2014: Ranka Connor
During Audit: Ranka Connor

Afterschool Site Director:
Fiscal Year 2014: Denise Halperin
During Audit: Denise Halperin

Cash and Investments

Checking	\$ 76,521.39
Investments	
	\$ 76,521.39

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	1,058.00	1,001.28	0.00	56.72	0.00
Classes	704.83	54,404.24	51,871.91	5,039.79	7,639.23	637.72
Clubs	5,945.46	12,048.46	14,865.15	1,173.74	675.08	3,627.43
Departments	5,067.60	24,880.58	19,668.67	7,616.94	7,791.94	10,104.51
Trusts	41,627.45	725,180.60	720,084.03	18,636.55	19,995.82	45,364.75
General	7,434.41	26,103.25	20,442.45	10,917.56	7,225.79	16,786.98
	\$ 60,779.75	\$ 843,675.13	\$ 827,933.49	\$ 43,384.58	\$ 43,384.58	\$ 76,521.39

Elbridge Gale Elementary School
Management Letter
Year Ended June 30, 2014

This audit revealed no material instances of noncompliance.

**Equestrian Trails Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 9720 Stribling Way
Wellington, FL 33414

Principal:
Fiscal Year 2014: Michele Johnson
During Audit: Michele Johnson

Treasurer:
Fiscal Year 2014: Lourdes Santos
During Audit: Lourdes Santos

Afterschool Site Director:
Fiscal Year 2014: Ken Haines
During Audit: Ken Haines

Cash and Investments

Checking	\$ 119,276.05
Investments	
	\$ 119,276.05

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 508.23	\$0.00	\$ 30.99	\$0.00	\$0.00	\$ 477.24
Music	131.70	842.50	771.81	216.59	109.59	309.39
Classes	8,761.99	68,511.19	71,781.36	11,155.92	6,605.72	10,042.02
Clubs	2,317.24	8,189.18	4,637.66	5.50	1,558.76	4,315.50
Departments	18,426.17	15,174.98	13,066.82	5,262.79	3,809.53	21,987.59
Trusts	32,750.01	578,497.90	551,931.20	34,119.11	40,286.01	53,149.81
General	11,873.34	53,097.58	37,586.12	21,034.32	19,424.62	28,994.50
	\$ 74,768.68	\$ 724,313.33	\$ 679,805.96	\$ 71,794.23	\$ 71,794.23	\$ 119,276.05

DOCUMENTATION FOR FUNDRAISERS

Finding

The Fourth Grade T-Shirts Sales (Account #3-3400.04) did not have the required *Fundraising Application/Recap Form* and *Sales Item Inventory Report*.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser in order for staff to reconcile the sales revenue with the estimated revenue. Moreover, the *Sales Item Inventory Report* should be approved by the Principal to confirm (1) the legitimacy for items, if any, were given-away free-of-charge, and (2) the missing items, if any. Discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.

Management's Response

Concur. All district forms required for Fundraising and Sales Inventory will be utilized and filled out correctly.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card purchase records found that:

- Disbursement #10718 (for \$275) was not supported by itemized invoice or receipts; instead, it was supported by a vendor's statement, without the details of the purchase.
- The *School District Consultant Agreement* (PBSD 1420) for Disbursement #10462 (for \$700) was neither signed nor approved by the Principal.
- Disbursement #10521 (for \$720) was for payment of gift items for staff. However, the items were purchased from a business owned by a staff member of the school.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically,

- All disbursements should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there was no assurance that the expenses were appropriate.

- To protect the safety and welfare of students, prior to the consultant performing services at the school: (1) the *School District Consultant Agreement (PBSD 1420)* should be properly executed with all the required signatures, and (2) the consultant's background and clearance check must have been conducted as required by *Section 8 of the Agreement* and **Florida Statutes §1012.465**.
- **Administrative Directive D6.01** states, "Purchases from any business owned totally or in part by an employee of the School Board or the employee's immediate family may constitute a conflict of interest as defined by Florida Statutes, and are prohibited." To avoid potential conflict of interest, the school should comply with **Administrative Directive D6.01** for all school purchases.

Management's Response

Concur. All disbursements will be adequately documented. District consultant forms will be utilized and followed accurately. No purchases will be made from employees.

AFTERSCHOOL PROGRAM

Finding

The review of records for the Afterschool and Summer Camp Programs found that:

- As of June 30, 2012, the Afterschool Program Snack Account (#6-9550) had a year-end balance of \$6,004.79, and the Special Activities Account (#6-9600) had a year-end balance of \$6,736.27. Both accounts exceeded the \$1,500 and \$750 year-end balance respectively as allowed by the **Afterschool Programs Operational Manual**.
- The Summer Camp Program had a receivable balance of \$3,599.33 from 13 student accounts as of September 30, 2014; i.e. one month after the 2014 Summer Camp Program ended.

Recommendation

Afterschool and Summer Camp Programs should be administered in accordance with District's guidelines and **Afterschool Programs Operational Manual**. Specifically,

- As required by the **Manual**, charges to the students should approximate the cost of the activities and no excessive profits should be accrued to Afterschool Program accounts. Year-end balances for the Snack Account and Special Activities Account should not exceed the amounts allowed by the **Manual**. The school should monitor the revenues and expenditures of these accounts accordingly.
- Summer Camp Program is a self-sufficient program supported by user fees. To ensure fiscal accountability, program fees should be collected in advance as required by the **Manual**.

Management's Response

Concur. All money from Afterschool and Summer Camp Programs will be calculated prior and no excessive profits will be accrued in Afterschool Program Accounts. Manual will be followed.

CONTROL OF PRENUMBERED DOCUMENTS

Finding

The school did not assign a document custodian for the *Drop-safe Log*.

Recommendation

As required by *Bulletin #P-14051-S/CFO* and *Chapter 27 of the Internal Accounts Manual*,

- A document custodian should be assigned for the each prenumbered document, including *Drop-Safe Log*, and document the assignment on the *Document Custodian Assignment Register* (PBSD 1663)
- Prenumbered documents should be periodically inventoried and record the inventory checks on the *Prenumbered Document Inventory Register* (PBSD 0160).

Management's Response

Concur. The document custodian will be assigned and the prenumbered documents will be checked periodically.

Additional comments: Admin Directive D6.01 – Just wanted it documented that I had documentation that no profit was made by employee and employee was representative, not an owner of a business. Gifts were purchased for all 100 staff employees at cost. I was not aware in this case that it was not permitted, however will make sure it doesn't happen again.

**Everglades Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 407 Marginal Road
West Palm Beach, FL 33411

Principal:
Fiscal Year 2014: Tara Dellegrotti
During Audit: Tara Dellegrotti

Treasurer:
Fiscal Year 2014: Cheryl Conner/Mary Kozlowski
During Audit: Mary Kozlowski

Afterschool Site Director:
Fiscal Year 2014: Jennifer Sunderman
During Audit: Jennifer Sunderman

Cash and Investments

Checking	\$ 40,842.55
Investments	
	\$ 40,842.55

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	370.00	2,468.12	1,582.88	503.59	503.59	1,255.24
Classes	0.00	65,119.20	62,059.85	4,750.67	5,940.02	1,870.00
Clubs	4,027.01	8,964.05	5,264.04	3,543.03	3,541.38	7,728.67
Departments	7,762.24	18,852.20	15,320.25	4,331.77	4,332.96	11,293.00
Trusts	10,029.51	446,611.35	442,823.97	1,969.85	3,418.22	12,368.52
General	9,608.77	15,167.65	21,086.56	7,585.23	4,947.97	6,327.12
	\$ 31,797.53	\$ 557,182.57	\$ 548,137.55	\$ 22,684.14	\$ 22,684.14	\$ 40,842.55

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser records found that the Student Council T-shirt Sales (Account #4-4810.03) did not have the required *Fundraising Application/Recap Form* and *Sales Item Inventory Report*.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- To protect the school's best interest, *Sales Item Inventory Report* should be completed for each fundraiser with accurate information. Accurate *Sales Item Inventory Report* should assist staff in (1) reconciling sales revenues and (2) tracking items purchased, given-away, or remained in inventory. Significant discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.

Management's Response

Student Council T-Shirts was not a fundraiser. Please see listing of all Student Council members and also members that received the Student Council T-Shirts.

**Forest Hill Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 5555 Purdy Lane
West Palm Beach, FL 33415

Principal:
Fiscal Year 2014: Ana Arce-Gonzalez
During Audit: Ana Arce-Gonzalez

Treasurer:
Fiscal Year 2014: Susan Adrion
During Audit: Susan Adrion

Afterschool Site Director:
Fiscal Year 2014: Anita Winkis
During Audit: Marie Gavino

Cash and Investments

Checking	\$ 41,536.61
Investments	
	\$ 41,536.61

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	2,511.19	300.00	1,444.31	0.00	0.00	1,366.88
Classes	2,197.03	4,797.00	5,171.61	1,490.00	1,495.00	1,817.42
Clubs	0.00	10,642.80	7,348.02	3,865.55	3,865.55	3,294.78
Departments	5,468.43	9,219.63	5,529.62	3,302.71	4,528.81	7,932.34
Trusts	27,740.11	232,817.98	235,153.08	10,186.52	10,099.56	25,491.97
General	1,955.34	4,470.65	5,936.91	1,493.98	349.84	1,633.22
	\$ 39,872.10	\$ 262,248.06	\$ 260,583.55	\$ 20,338.76	\$ 20,338.76	\$ 41,536.61

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation found that the school executed a *School District Consultant Agreement (PBSD 1420)* with a consultant for providing entertainment services for the Afterschool Program, with a contracted maximum amount of \$295. During the year, the school paid the consultant a total of \$1,180 through four disbursements (#12361, #12476, #12597, and #12630). Total payments exceeded the contract amount by \$885.

Recommendation

Consultant payment should be made in accordance with provisions of the agreement. An addendum to the agreement should be prepared for procuring additional service beyond the contract amount.

Management's Response

Concur.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records revealed that the Jump Rope for Heart Event (Account #6-0901) did not have the required *Fundraising Application/Recap Form*.

Recommendation

To ensure that fundraising activities are consistent with the School Board Mission and in compliance with ***School Board Policy 2.16***, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.

Management's Response

Concur.

**Forest Park Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 1201 SW 3rd Street
Boynton Beach, FL 33435

Principal:
Fiscal Year 2014: Suzanne Matuella
During Audit: Nancy Robinson

Treasurer:
Fiscal Year 2014: JoAnn Bazer
During Audit: JoAnn Bazer

Afterschool Site Director:
Fiscal Year 2014: Kim Stivers
During Audit: Kim Stivers

Cash and Investments

Checking	\$ 36,885.27
Investments	
	\$ 36,885.27

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	13.14	0.00	0.00	0.00	0.00	13.14
Classes	520.38	4,478.34	4,604.51	2,270.15	2,140.46	523.90
Clubs	776.62	753.00	700.89	207.31	207.31	828.73
Departments	2,979.23	4,211.14	3,724.16	592.48	592.48	3,466.21
Trusts	19,502.90	208,360.34	196,757.89	7,035.70	7,204.55	30,936.50
General	5.63	3,573.99	2,501.99	1,266.36	1,227.20	1,116.79
	\$ 23,797.90	\$ 221,376.81	\$ 208,289.44	\$ 11,372.00	\$ 11,372.00	\$ 36,885.27

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser records found that the Yearbook Sales (Account #7-0100.04) did not have the required *Fundraising Application/Recap Form*.

Recommendation

To ensure that fundraising activities are consistent with the School Board Mission and in compliance with ***School Board Policy 2.16***, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.

Management's Response

Concur. All staff responsible for fundraising will complete district training.

AFTERSCHOOL PROGRAM

Finding

As of June 30, 2013, the Afterschool and Summer Camp Program had an accounts receivable balance of \$6,335.78, including:

- Afterschool Program: \$2,650.50 from 20 student accounts, of which \$1,545.15 from 11 accounts was past due for more than six months.
- Summer Camp Program: \$3,685.28 from 17 student accounts, of which \$622.96 from five accounts was past due for more than six months.

Recommendation

Afterschool and Summer Camp Programs are self-sufficient programs supported by user fees. To ensure fiscal accountability, program fees should be collected in advance as required by ***Afterschool Programs Operational Manual***. The ***Manual*** states "*fees are payable in advance and are collected monthly on the first three school days of the month.*"

Management's Response

Concur. Aftercare Director registered for Fiscal Management training. In addition, monthly ageing reports will be submitted to the principal.

Freedom Shores Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014

Address: 3400 Hypoluxo Road
 Boynton Beach, FL 33436

Principal:
 Fiscal Year 2014: Patricia Trejo
 During Audit: Patricia Trejo

Treasurer:
 Fiscal Year 2014: Maida Daughtrey
 During Audit: Maida Daughtrey

Afterschool Site Director:
 Fiscal Year 2014: Kim Sheehan
 During Audit: Kim Sheehan

Cash and Investments

Checking	\$ 74,450.72
Investments	
	\$ 74,450.72

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$31.75	\$20.00	\$0.00	\$0.00	\$51.75	\$0.00
Music	309.93	453.00	462.50	261.17	0.00	561.60
Classes	19,728.94	54,469.61	66,521.71	11,249.66	9,471.15	9,455.35
Clubs	4,264.50	75,666.65	75,486.16	10,022.25	9,240.07	5,227.17
Departments	5,513.44	18,412.75	16,264.36	5,551.51	9,602.32	3,611.02
Trusts	38,258.37	634,434.45	616,321.67	7,795.20	11,677.52	52,488.83
General	2,005.25	11,813.62	15,875.14	8,372.26	3,209.24	3,106.75
	\$ 70,112.18	\$ 795,270.08	\$ 790,931.54	\$ 43,252.05	\$ 43,252.05	\$ 74,450.72

Freedom Shores Elementary School
Management Letter
Year Ended June 30, 2014

This audit revealed no material instances of noncompliance.

**Frontier Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 6701 180th Avenue North
Loxahatchee, FL 33470

Principal:
Fiscal Year 2014: Susan Groth
During Audit: Susan Groth

Treasurer:
Fiscal Year 2014: Beatriz Sarmiento
During Audit: Nicole Traver

Afterschool Site Director:
Fiscal Year 2014: Kim Harrell/Ali Huffstetler
During Audit: Ali Huffstetler

Cash and Investments

Checking	\$ 43,432.82
Investments	
	\$ 43,432.82

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	246.35	654.50	703.81	0.00	0.00	197.04
Classes	4,412.49	29,662.44	25,366.50	5,650.82	6,935.09	7,424.16
Clubs	507.46	698.49	1,058.45	760.50	260.50	647.50
Departments	5,857.14	11,024.78	14,359.79	3,721.02	3,726.79	2,516.36
Trusts	25,715.15	366,181.46	364,670.89	20,080.45	20,581.40	26,724.77
General	17,616.78	14,702.64	27,687.42	8,481.34	7,190.35	5,922.99
	\$ 54,355.37	\$ 422,924.31	\$ 433,846.86	\$ 38,694.13	\$ 38,694.13	\$ 43,432.82

SEGREGATION OF DUTIES

Finding

We noted that incoming mails were sorted and distributed by someone other than the bookkeeper; however, those mails addressed to the bookkeeper were opened by her for processing.

Recommendation

To safeguard school assets through proper segregation of duties, incoming mails should be received and opened by different staff members. Payments, if any, received in the mails should be recorded on a *Monies Collected Report* (MCR) by the staff who opens the mail, prior to providing the collections to the bookkeeper for deposit.

Management's Response

Concur. New Treasurer was not aware of this policy. New procedures have been implemented for the Confidential Secretary to receive and open the Treasurer's mail.

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and the money collection process found that:

- According to the Principal and her secretary, school staff did turn in the yellow copies of the MCRs and the related computerized *Official Receipts*, to the secretary for filing and future referencing. However, the school could not locate the MCR files for our review during the audit.
- Some sponsors did not always record the deposit information on the *Drop-safe Log* before dropping off the monies into the safe. For example, the deposit information for a total of \$2,464.50 from two sample collections (MCRs # 440-1 and 443-46) was not recorded on the log.
- Deposit #433 (for \$10,398.06) was for collections from the Afterschool Program. However, the related MCRs and supporting documentation were missing.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- As required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7's Record Retention Requirements*, at year-end "*Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary...*"
- To ensure proper fiscal accountability and as required by *Bulletin #P-14051-S/CFO*, deposit information

should be properly recorded on the *Drop-safe Log*.

- Monies collected should be supported by MCRs, with all the required information, including payer's name and the amount of payment.

Management's Response

Concur. The previous Treasurer supplied envelopes for the teachers to turn in the MCR's at the end of the school year to her. If the treasurer was not available the Secretary would assist in receiving and turn in to the Treasurer. The MCR's were kept in the Treasurer's office in a box as witnessed by the Secretary. The Treasurer has since relocated and the box has not been located. Frontier Elementary will be sure to keep these documents in a safe location.

The faculty and staff are provided a Treasurer's packet every school year to include policies and procedures. Drop-safe Log procedures are included and reiterated throughout the year. We will continue this practice.

This occurred with the previous Treasurer and Afterschool Director who have both since relocated. The new employees in this position will have been notified to be diligent with the correct practices.

DOCUMENTATION FOR FUNDRAISERS

Finding

The *Sales Item Inventory Report* Safety Patrol Candy Sales (Account # 6-4000-06) was neither signed by the sponsor nor approved by the Principal. Moreover, as indicated by the sponsor on this *Report*, a total of \$576 in candy was given-away free-of-charge without records documenting the purposes and the recipients for these free items.

Recommendation

To ensure proper fiscal accountability,

- *Sales Item Inventory Report* should be approved by the Principal in order to account for items given-away free-of-charge or missing. Significant discrepancy between the estimated revenue and actual collection should be investigated and resolved accordingly.
- Items purchased with school funds and provided free-of-charge to students, staff members or the community should be adequately documented. Records should include the purposes and the names of the recipients for the gifts.

Management's Response

Concur. After review of said candy sales fundraiser it was discovered that when the forms were completed the sales tax and shipping were included in the inventory and not separate. The actual candy bars purchased were incorrect. Two boxes were stolen and each fifth grade student received a free candy bar (approx. 110 students). The sponsor signed a letter attached explaining this.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation revealed that:

- An \$1,152 purchase occurred on April 26, 2014, exceeded the \$1,000 per vendor daily limit, but did not have the required *Purchase Order* and prior approval of the Purchasing Department. Moreover, this purchase was split into two \$576 transactions and paid with the school's P-Card.
- Disbursements #10370 (for \$1,119.84) exceeded the \$1,000 *Purchase Order* threshold; however, the related *Purchase Order* indicated that the total purchase was for \$489.93.

Recommendation

Disbursements should be processed in accordance with *DOE Rules (Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools, Chapter 8)* and related District guidelines. Specifically,

- *Purchase Order* pre-approved by the Principal should be issued for purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase.
- P-Card purchase in excess of \$1,000 requires prior approval from the Purchasing Department. Pursuant to *Purchasing Card Procedures*, "*Splitting an invoice totaling more than \$1,000 is considered Pyramiding and is not allowed. Payment for purchases shall not be split to stay within the single purchase limit.*" The school should not circumvent purchasing rule through splitting large purchase.

Management's Response

Concur. Frontier Elementary will follow recommendations given in the audit and be sure that Purchase Orders are completed for all orders totaling over \$1,000.

We will be sure to update any purchase orders with amount changes and follow protocol for P-Card purchase orders.

AFTERSCHOOL PROGRAM

Finding

The review of Afterschool Program records found that:

- The school's Summer Camp Program ended in August 2014. However, as of August 31, 2014, the program had a total accounts receivable of \$5,089.34 from 27 student accounts.
- As of June 30, 2014, the Afterschool Program had \$1,538.43 in accounts receivable from 16 student accounts. Of the \$1,538.43 in receivables, \$446.50 was past due for over six months.

Recommendation

Afterschool and Summer Camp Programs should be self-sufficient supported by user-fees. To ensure fiscal accountability, program fees should be collected in advance as required by ***Afterschool Programs Operational Manual***. The ***Manual*** states “*fees are payable in advance and are collected monthly on the first three school days of the month.*”

Management’s Response

The finding required us to contact the auditor for explanation. It was confirmed \$5,089.34 is uncollected funds for summer camp. Our new Director has been trying to collect outstanding funds from previous summer camp sessions that have been rolling over. Also, there have been deposits after the August 31st date the will reflect a lesser deficit.

The finding required us to contact the auditor for explanation. It was confirmed that \$1,538.43 is uncollected funds for the regular school year. Our new Director has been trying to collect outstanding funds from previous years that have been rolling over.

In regards to both items above the new SACC Director has been in constant contact with District Afterschool employees to support and assist us in these deficits using proper protocol and procedures.

**Galaxy E3 Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 550 NW 4th Avenue
Boynton Beach, FL 33435

Principal:
Fiscal Year 2014: Ed Capitano
During Audit: Ed Capitano

Treasurer:
Fiscal Year 2014: Jennifer Srabian
During Audit: Jennifer Srabian

Afterschool Site Director:
Fiscal Year 2014: Katina Thomas
During Audit: Katina Thomas

Cash and Investments

Checking	\$ 19,942.76
Investments	
	\$ 19,942.76

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	5,045.04	6,869.70	6,550.19	1,965.93	5,180.93	2,149.55
Clubs	625.24	2,361.00	1,118.16	140.00	1,120.00	888.08
Departments	244.90	5,036.51	4,907.91	3.70	3.70	373.50
Trusts	8,067.39	151,278.38	148,064.63	10,973.73	6,401.75	15,853.12
General	2,552.82	16,350.16	17,847.49	1,680.12	2,057.10	678.51
	\$ 16,535.39	\$ 181,895.75	\$ 178,488.38	\$ 14,763.48	\$ 14,763.48	\$ 19,942.76

DOCUMENTATION FOR FUNDRAISERS

Finding

The *Sales Item Inventory Report* for the School Uniform Shirt Sales (Account #7-0100.01) was not accurately completed. Specifically, the quantities of the items available for resale did not agree with the school’s purchasing records. Based on the school’s purchasing records and the *Sales Item Inventory Report*, this fundraiser should have generated a total of \$12,362. Comparing to the \$11,429 in revenues being deposited in the Internal Funds, a total of \$933 (or 8%) in estimated revenue was unaccounted for.

Moreover, as indicated by the sponsor on the *Sales Item Inventory Report*, a total of 67 shirts, with a resale value of \$670, were given away free-of-charge. Although the *Sales Item Inventory Report* was approved by the Principal, no documentation was maintained as to who received the given-away items.

Item	Quantity					Selling Price	Revenues
	Beginning Inventory ⁽¹⁾	Purchases ⁽²⁾	Items Given Away ⁽¹⁾	Inventory On Hand ⁽¹⁾	Units Sold		
S-XL T-Shirts	0	1,296	67	63	1,166	10	\$11,660
XXL-Adult Shirts	0	41	0	0	41	12	492
XS T-Shirt	0	60	0	18	42	\$ 5	210
Total Estimated Revenues							\$12,362
Total \$ Deposited into Internal Funds							11,429
Estimated Revenues Unaccounted For							<u>\$933</u>

(1) Based on the *FY14 Sales Item Inventory Report*
 (2) Based on purchasing records during July 1, 2013, and June 30, 2014.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. Moreover, the *Sales Item Inventory Report* should be approved by the Principal to confirm the legitimacy for items, if any, that were given-away free-of-charge, or missing. Significant discrepancy between the estimated revenue and actual collection should be investigated and resolved accordingly.
- To ensure proper fiscal accountability, items purchased with school funds and provided free-of-charge to students, staff members or the community should follow similar requirements of **Bulletin #P-12690-CAO/COO/P** for gift cards, that “schools must maintain documentation of all recipients of gift cards.” Records for give-away items should include the purposes and the names of recipients.

Management’s Response

Concur. We have already taken corrective action.

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports (MCRs)* and money collection process at the school found that some activity sponsors did not always retain the yellow copies of the MCRs when turning in the monies and MCRs to the bookkeeper for deposit. Instead, the yellow copies were also provided to the bookkeeper.

Recommendations

To ensure proper fiscal accountability and as required by *Bulletin #P-14051-S/CFO*, activity sponsors should keep the yellow copy of the MCR, instead of giving it to the bookkeeper with the monies collected. Keeping a copy of the MCR will assist the sponsors in (1) ensuring that the dollar amount indicated on the *Official Receipt* provided by the bookkeeper agrees with the monies collected and submitted for deposit, (2) tracking the account balance periodically, and (3) providing documentation for the amount of revenue collected if recording errors should occur.

Management's Response

Concur. Corrective actions are already in place.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card purchase records found that:

- Four P-Card transactions, totaling \$1,642.35, were not supported by itemized invoices or receipts. Instead, they were supported by credit card slips or online credit card account's transactions.
- Disbursement #11686 (for \$1,212.50) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*. Moreover, Disbursement #11696 (for \$1,189.02) was for payment of a June 6, 2014, purchase. However, the *Purchase Order* was neither prepared by staff nor approved by the Principal until June 23, 2014; i.e. 17 days after the purchase.
- Three P-Card transactions (\$1,190, \$1,552, and \$1,908.60 occurred on May 29 and 30, 2014) exceeded the \$1,000 per vendor daily limit, without prior approval from the Purchasing Department.
- A \$255 P-Card payment was for rental of chafers for an afterschool event. However, payment for rental items with a P-Card is prohibited by the *Purchasing Manual*.
- Three P-Card transactions, totaling \$370, were for payment of Summer Camp field trips expenses. However, (1) two of the trips did not have the required *Field Trip/Activity Planning Report and Approval Request Forms*; and (2) the *Field Trip/Activity Planning Report and Approval Request Form* for the other one was not approved by the Principal until one day after the field trip took place.
- The *School Portrait Agreement* for School Year 2013-14 was not approved by the Principal. Instead, the

agreement was signed by the bookkeeper.

- Supporting documents for five sample disbursements (#11524, #11627, #11639, #11657, and #11686) were not defaced after payments. Defacing the supporting document should help prevent potential duplicate payments.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and the related District guidelines. Specifically,

- To ensure that purchases are appropriate, disbursements and P-Card purchases should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.
- *Purchase Order* approved by the Principal is required for purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase. All purchases should be pre-approved by the Principal.
- P-Card purchase in excess of \$1,000 requires prior approval of the Purchasing Department.
- P-Card should not be used for purchase of items and services disallowed by the School District.
- Field trips should be conducted in accordance with *School Board Policy 2.40* and related District guidelines. Specifically, a *Field Trip/Activity Planning Report and Approval Request* and TDEs must be completed by the sponsor and pre-approved by the Principal for each field trip.
- Contractual agreements should be approved by the Principal as required by *District Administrative Directive D-6.03*, which states “*the Principal of the school is the only person to whom authority has been granted to make any purchase that in any way obligate the school for payment.*”
- To avoid potential duplicate payments, supporting documentation should be defaced (stamped “PAID”) after payment was made.

Management’s Response

Concur. We met with Aftercare Director and corrective actions are taken.

AFTERSCHOOL PROGRAM

Finding

The review of Afterschool and Summer Camp Programs found that:

- As of June 30, 2014, the Afterschool Program had an accounts receivable balance of \$3,103.08 from 42 student accounts. Moreover, \$2,817.34 (or 91%) of the receivable balance was past due for more than six months.

- The school's Summer Camp Program ended in August 2014. However, as of November 25, 2014, (three months after program ended) this program had an accounts receivable balance of \$933.63 from 10 student accounts.

Recommendation

Afterschool and Summer Camp Programs are self-sufficient programs supported by user fees. To ensure fiscal accountability, program fees should be collected in advance as required by *Afterschool Programs Operational Manual*. The *Manual* states "fees are payable in advance and are collected monthly on the first three school days of the month."

Management's Response

Concur.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for school facilities leasing found that:

- On June 18, 2014, the school received a \$493 check for payment from Lease #1005. However, the check was subsequently returned due to insufficient fund (NSF check). As of November 25, 2014, the school had not recovered the \$493 from the lessee.
- Leasing revenues were not allocated and recorded into the appropriate accounts for four non-profit leases (#1001, #1003, #1004, and #1005). Consequently, the school under-transmitted \$200.29 in utility fees to the Central Office.

Recommendation

Leasing of school facilities should be administered in accordance with *School Board Policy 7.18* and related District guidelines. Specifically,

- The school should recoup the \$493 in NSF check for Lease #1005.
- To facilitate timely and accurate transmission of utility and other leasing related fees to the Central Office, leasing revenues should be allocated in accordance with the *Approved Rate Schedule*. These revenues should be recorded in the respective leasing accounts, including Rental Income (#6-3800), Facilities Rental Utilities (#6-5500), Extra Services-Custodial (#6-1500), Extra Services-Other (#6-1600), Rental Facilities Event Insurance (#6-1850), and Florida Sales Tax Payable (#6-1800).

Management's Response

Concur. Lessee will make missing \$493 lease payment by February.

PRENUMBERED DOCUMENTS

Finding

The review of controls in prenumbered documents found that the school did not maintain the following records:

- *Document Custodian Assignment Register (PBSD 1663).*
- *Prenumbered Document Inventory Register (PBSD 0160) for Drop-Safe Log and School Checks.*

Recommendation

To ensure proper fiscal accountabilities and as required by *Chapter 27 of the Internal Accounts Manual*,

- Designated staff should be assigned as document custodians for each prenumbered form, and the assignments should be recorded on the *Document Custodian Assignment Register (PBSD 1663)*.
- To ensure all prenumbered documents are properly accounted for, the document custodian for each prenumbered document, including *Drop-safe Logs* and *School Checks*, should use the *Prenumbered Document Inventory Register (PBSD 0160)* to confirm the periodic inventory check of the prenumbered forms.

Management's Response

Concur. Designated staff will be assigned as document custodian.

**Glade View Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 1100 SW Avenue "G"
Belle Glade, FL 33430

Principal:
Fiscal Year 2014: Linda Edgecomb
During Audit: Linda Edgecomb

Treasurer:
Fiscal Year 2014: Brenda Dominique
During Audit: Brenda Dominique

Cash and Investments

Checking	\$ 13,658.98
Investments	
	\$ 13,658.98

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	0.00	2,305.70	2,213.45	0.00	92.25	0.00
Clubs	0.00	1,517.54	1,329.70	187.84	187.84	187.84
Departments	103.44	821.11	744.56	29.41	29.41	179.99
Trusts	16,378.76	29,238.07	34,615.08	6,218.77	6,218.77	11,001.75
General	2,595.96	7,426.40	7,825.21	2,177.55	2,085.30	2,289.40
	\$ 19,078.16	\$ 41,308.82	\$ 46,728.00	\$ 8,613.57	\$ 8,613.57	\$ 13,658.98

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records revealed that three fundraisers did not have the required *Sales Item Inventory Reports*: (1) Yearbook Sales (Account # 7-0100.03), (2) McDonald's Coupon Sales (Account #6-4000.11), and (3) Smencils Sales (Account #7-0100.12).

Recommendation

Fundraisers should be administered in accordance with ***School Board Policy 2.16*** and related District guidelines. Specifically, to ensure proper fiscal accountability, *Sales Item Inventory Report* should be prepared for all fundraisers. The information on the *Report* should assist staff in reconciling the sales revenue with the estimated revenue. Significant discrepancy, if any, between the estimated revenue and actual collection should be investigated and resolved accordingly.

Management's Response

Concur. Fundraisers will be administered in accordance with School Board Policy 2.16 & related district guidelines. Sales item Inventory Reports will be prepared for all fundraisers. Significant discrepancies between estimated revenue & actual collection will be investigated & resolved.

**Golden Grove Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 5959 140th Avenue North
West Palm Beach, FL 33411

Principal:
Fiscal Year 2014: Adam Miller
During Audit: Adam Miller

Treasurer:
Fiscal Year 2014: Grace Wersching
During Audit: Grace Wersching

Afterschool Site Director:
Fiscal Year 2014: Patricia Packard
During Audit: Patricia Packard

Cash and Investments

Checking	\$ 38,268.32
Investments	
	\$ 38,268.32

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 1,335.86	\$ 205.00	\$ 633.34	\$0.00	\$ 25.00	\$ 882.52
Music	591.34	906.36	692.69	500.86	500.86	805.01
Classes	8,017.76	34,430.70	33,391.40	894.60	3,108.05	6,843.61
Clubs	2,622.47	1,113.55	1,982.94	0.00	0.00	1,753.08
Departments	2,790.14	3,749.20	5,569.09	718.39	718.39	970.25
Trusts	30,815.35	262,642.97	271,805.84	23,159.89	21,134.75	23,677.62
General	5,495.22	32,959.79	35,332.09	3,218.81	3,005.50	3,336.23
	\$ 51,668.14	\$ 336,007.57	\$ 349,407.39	\$ 28,492.55	\$ 28,492.55	\$ 38,268.32

DEPOSIT OF MONIES

Finding

The review of the money collection process at the school found that \$1,356 recorded on MCR #464-3 was retained by the sponsor for one working day before the money was put into the drop-safe for deposit.

Recommendations

DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools) and the District's *Internal Accounts Manual* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in increased exposure to staff and potential irregularities.

Management's Response

As indicated in this finding, this is an isolated incident. Our staff is completely aware of the proper protocols for MCRs. This was possibly an error in date entry and not an intentional delay in dropping funds into the safe. This has been addressed with the teacher.

**Gove Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 900 SE Avenue "G"
Belle Glade, FL 33430

Principal:
Fiscal Year 2014: Darren Edgecomb
During Audit: Osvaldo Garcia

Treasurer:
Fiscal Year 2014: JoAnn Rivers
During Audit: JoAnn Rivers

Cash and Investments

Checking	\$ 61,366.90
Investments	
	\$ 61,366.90

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	9,118.75	68,258.67	61,400.23	23,167.23	25,936.03	13,208.39
Clubs	12,243.14	57,527.42	61,414.08	13,388.62	10,914.22	10,830.88
Departments	8,576.71	10,582.93	8,072.38	1,962.94	1,732.99	11,317.21
Trusts	19,534.53	54,728.18	54,445.60	10,706.65	11,529.35	18,994.41
General	10,859.85	4,884.54	9,615.53	2,182.50	1,295.35	7,016.01
	\$ 60,332.98	\$ 195,981.74	\$ 194,947.82	\$ 51,407.94	\$ 51,407.94	\$ 61,366.90

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and the money collection process at the school found that:

- At the year-end, some sponsors did not turn in the yellow copies of the MCRs, along with the computerized receipts, to the school secretary for filing and future references.
- \$720 in donations recorded on two MCRs (#390-2 and #403-5) was incorrectly recorded in the Facilities Rental Income Account (Account #6-3800), instead of the General Activities Account (#7-0100).

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7's Record Retention Requirements* require that "Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary..."
- Donation received by the school should be deposited into the General Activities Account unless the donation is designated for a specific purpose by the donor.

Management's Response

Concur. Submission procedures of yellow copies of the MCR : CPU receipts will be explained & provided to teachers/sponsors. Donations will be deposited into the General Activities unless it is designated to a specific purpose by the donor.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser documentation revealed that:

- The 6th Grade Candy Sales (Account #3-3600.01) and 6th Grade Yankee Candle Sales (Account #3-3600.02) did not have the required *Sales Item Inventory Reports*.
- The *Sales Item Inventory Report* for the Safety Patrol Candy Sales (Account #4-4300.01) was not approved by the Principal.
- Some of the expenditures for the Safety Patrol Candy Sales and 6th Grade Yankee Candle Sales fundraisers were recorded in their respective primary accounts, instead of the decimalized accounts for the individual fundraisers.

Recommendation

Fundraisers should be administered in accordance with ***School Board Policy 2.16*** and the related District guidelines. Specifically,

- To ensure proper fiscal accountability, *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser in order for staff to reconcile the sales revenue with the estimated revenue. Moreover, the *Report* should be approved by the Principal to confirm the legitimacy for items, if any, that were given-away free-of-charge, or missing. Significant discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.
- To assist the school in evaluating and monitoring the performance of individual fundraiser, a separate decimalized account should be established for each fundraiser. Fundraiser account should include all the needed and accurate financial information.

Management's Response

Concur. All Sales Item Inventory Report will be reviewed by the Principal for approval. Separate decimalized accounts will be established for each fundraiser.

DOCUMENTATION FOR FIELD TRIPS

Finding

The review of field trip documentation revealed that:

- Disbursement #11856 (for \$4,368.51) was for payment of the June 3, 2014, Disney Field Trip that did not have the required *Field Trip/Activity Planning Report and Approval Requests* (PBSD 1894) and *Leaves/Temporary Duty Elsewhere (TDE) Forms*.
- The school began collecting the field trip fees for the 6th Grade St. Augustine Field Trip on February 12, 2014. However, the related *Field Trip Approval Request Form* was neither prepared by the sponsor nor approved by the Principal until March 12, 2014.

Recommendation

Field trips should be approved by the Principal in accordance with ***School Board Policy 2.40*** and related District guidelines. Specifically,

- *“The Field Trip/Activity Planning Report and Approval Request must be completed and approved for each field trip. No money is to be raised, plans for trips made, or contracts signed until proper approval has been received.”*
- TDE forms should be prepared and properly approved for staff, who are working away from the school premises, such as attending conferences and going to field trips.

Management's Response

Concur. The Principal will approve field trips which are allowed and money is not raised for such field trips until a final approval is made by the principal.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation revealed that:

- Disbursement #11824 (for \$525) was for payment to a consultant for the April 3, 2014, service. However, the related *School District Consultant Agreement* (PBSD 1420) was not approved by the Principal until April 25, 2014.
- Two P-Card purchases (\$9,998.90 and \$1,128.15 with the same vendor) made on May 22, 2014, exceeded the \$1,000 per vendor per day threshold. However, these purchases did not have the required *Purchase Order* and prior approval from the Purchasing Department.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

- To protect the best interests of the school, the *School District Consultant Agreement (PBSD 1420)* should be properly executed with all the required signatures prior to the consultant performing services at the school.
- P-Card purchase in excess of \$1,000 requires prior approval of the Purchasing Department.

Management's Response

Concur. Confirmation emails will be included from Title 1 area department shall be forwarded to the Purchasing Department for approval.

**Grassy Waters Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 3550 North Jog Road
West Palm Beach, FL 33411

Principal:
Fiscal Year 2014: Amy Wilkinson
During Audit: Jennifer Galindo

Treasurer:
Fiscal Year 2014: Theresa Ferry
During Audit: Theresa Ferry

Afterschool Site Director:
Fiscal Year 2014: Carissa Hehn
During Audit: Carissa Hehn

Cash and Investments

Checking	\$ 74,544.18
Investments	
	\$ 74,544.18

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	213.64	0.00	30.06	0.00	0.00	183.58
Classes	8,935.44	24,062.43	23,599.82	1,337.28	1,337.28	9,398.05
Clubs	4,077.48	1,767.45	1,003.11	1,263.66	1,254.66	4,850.82
Departments	5,089.27	9,543.35	9,476.25	2,458.85	2,458.85	5,156.37
Trusts	40,864.50	538,411.55	527,929.53	7,403.15	7,403.15	51,346.52
General	4,366.54	8,321.64	9,070.34	2,103.73	2,112.73	3,608.84
	\$ 63,546.87	\$ 582,106.42	\$ 571,109.11	\$ 14,566.67	\$ 14,566.67	\$ 74,544.18

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card records found that:

- During the year, the school paid a total of \$8,698 through 15 disbursements to a consultant for providing various shows to students in the Afterschool Program. Although the total payment exceeded the \$5,000 threshold, none of the *School District Consultant Agreements* (PBSD 1420) was approved by the Chief Academic Office and the Superintendent as required by *School Board Policy*.
- Disbursement #5498 (for \$1,615.44) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*.
- The charter bus service contract for Disbursement #5666 (for \$995) was signed and approved by the sponsor, instead of the Principal.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically,

- Pursuant to *School Board Policy 6.14* and the instructions on the *School District Consultant Agreement (PBSD 1420)*, consultant contracts for “\$5,001 to \$10,000 per vendor/fiscal year/location requires signature of consultant, principal/director, area/assistant superintendent, chief academic/operating officer and superintendent.”
- *Purchase Orders* approved by the Principal are required for purchases in excess of \$1,000. This will help ensure that funds are and will be available for the purchase. All purchases should be pre-approved by the Principal.
- Contractual agreements should be signed by the Principal as required by *District Administrative Directive D-6.03*, which states “*the Principal of the school is the only person to whom authority has been granted to make any purchase that in any way obligate the school for payment.*”

Management’s Response

Concur. The amount cap poses an issue at times with regard to SACC Summer Camp. The SACC Director is aware of signature issues and will correct it with all further instances.

LEASING OF SCHOOL FACILITIES

Finding

The review of school facility leasing records found that:

- *Lease Agreements* were not always executed with all the required signatures in a timely manner. Specifically, *Agreements* #1001 and #1009 were not signed by the Principal until 10 and 19 days

respectively after leasehold periods had begun.

- Leasing charges for three leases (#s 1007, 1008, and 1009) were not collected prior to the use of facilities. Delays in collection ranged from 26 to 36 days.

Recommendation

Leasing of school facilities should be administered in accordance with ***School Board Policy 7.18*** and related District guidelines. Specifically,

- To protect the best interest of the School District and ensure *Lease Agreements* are legally enforceable, they should be properly executed with all the required signatures prior to the lessees' use of facilities.
- ***School Board Policy 7.18***, requires that "*Fees are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*"

Management's Response

Concur. All parties have been made aware and will adhere to this with all further actions.

**Greenacres Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 405 Jackson Avenue
Greenacres, FL 33463

Principal:
Fiscal Year 2014: Melissa Patterson
During Audit: Melissa Patterson

Treasurer:
Fiscal Year 2014: Donna Shaw
During Audit: Donna Shaw

Afterschool Site Director:
Fiscal Year 2014: Omni Torres
During Audit: Omni Torres

Cash and Investments

Checking	\$ 43,076.24
Investments	
	\$ 43,076.24

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	84.51	1,226.42	1,189.03	532.85	477.85	176.90
Classes	11,135.18	28,641.07	29,326.48	10,945.22	11,869.74	9,525.25
Clubs	220.20	0.00	24.54	0.00	195.66	0.00
Departments	3,844.88	18,299.24	18,437.39	1,537.42	478.74	4,765.41
Trusts	32,551.91	258,943.82	264,482.60	20,392.97	21,719.99	25,686.11
General	2,025.35	518.50	954.80	1,333.52	0.00	2,922.57
	\$ 49,862.03	\$ 307,629.05	\$ 314,414.84	\$ 34,741.98	\$ 34,741.98	\$ 43,076.24

DEPOSIT OF MONIES

Finding

The review of *Drop-safe Log* records found that three pages of the *Log* (#11-51502, #11-51541, and #11-51542) were missing. These three pages should contain the collection information for February 6-7, and April 22-25, 2014.

Recommendation

To ensure proper fiscal accountability for money collections and as required by **Bulletin #P-14051-S/CFO**, “*Completed Drop Safes Logs must be filed sequentially in numerical order in a binder and retained for five years.*”

Management’s Response

Concur. Principal will train staff on proper procedures. Principal will provide all staff members with a copy of Bulletin #P-14051-S/CFO

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records found that:

- The *Sales Item Inventory Reports* for three fundraisers were not approved by the Principal: (1) PE Uniforms (Account #5-1900.01), (2) PTO Shirts (Account #6-3100.01), and (3) Yearbook (Account #5-0450.00)
- The Safety Patrol Dance Fundraiser (Account #6-4000.05) collected a total of \$1,596 in ticket sales revenue. However, the required *Ticket Sellers Report* was not prepared to account for the sales of admission tickets. Due to the lack of documentation and sales information, there was no basis to ascertain whether all revenues were accounted for.

Recommendation

Fundraisers should be administered in accordance with **School Board Policy 2.16** and the related District guidelines. Specifically,

- *Sales Item Inventory Report* should be approved by the Principal to confirm the legitimacy for items, if any, that were given-away free-of-charge, or missing.
- As required by **Internal Accounts Manual, Chapter 26**, “*Prenumbered tickets must be used to account for admissions to campus events if the anticipated revenues at the event are expected to exceed \$500 at the elementary level or \$1,000 at the secondary level.*” Moreover, *Ticket Sellers Report* should be prepared in order for staff to reconcile revenues with tickets sold. Significant discrepancies, if any, between the estimated revenue and actual receipt should be investigated and disposed of accordingly in a timely manner.

Management's Response

Concur. The Principal will re-train staff on School Board Policy 2.16 and Internal Accounts Manual, Chapter 26.

AFTERSCHOOL PROGRAM

Finding

As of June 30, 2014, the Afterschool Program had an accounts receivable balance of \$ 3,658.04 from 44 student accounts. Moreover, \$3,366.40 (or 92%) of the receivable balance was past due for more than six months.

Recommendation

Afterschool and Summer Camp Programs are self-sufficient programs supported by user fees. To ensure fiscal accountability, program fees should be collected in advance as required by the *Afterschool Programs Operational Manual*. The manual requires that "fees are payable in advance and are collected monthly on the first three school days of the month."

Management's Response

After reviewing the printed report during the audit, it was determined that the report was not accurate. After printing a new report, the disparities were as a result of claiming credit card deposits twice. The principal has addressed this issue with the Director.

LEASING OF SCHOOL FACILITIES

Finding

The review of facility leasing records found that *Lease Agreements* #1002 and #1004 (with the same lessee) were for the use of school facilities during September 8, 2013, through May 18, 2014. These leases had a total contract leasing payments of \$10,430.40. However, the school's accounting records indicated that the school collected a total of \$10,973.16 from the lessee, which was \$542.76 more than the total contract amount. According to staff, the difference was payment from the lessee for additional spaces used by the lessee. However, the additional spaces used by the lessee were not updated in the Tririga System as required by the District's leasing guidelines.

Recommendation

Leasing information should be accurately recorded in the Tririga System; and the system should be updated with new information such as amendments to leasing arrangements. Moreover, a new *Lease Agreement* or addendum should be executed properly to reflect the changes.

Greenacres Elementary School
Management Letter
Year Ended June 30, 2014

Management's Response

Concur. The Principal has addressed this issue with the Bookkeeper.

**Grove Park Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 8330 North Military Trail
Palm Beach Gardens, FL 33410

Principal:
Fiscal Year 2014: Eric Gross
During Audit: Eric Gross

Treasurer:
Fiscal Year 2014: Kanishia Mortin
During Audit: Kanishia Mortin

Afterschool Site Director:
Fiscal Year 2014: Patricia Almaguer
During Audit: Patricia Almaguer

Cash and Investments

Checking	\$ 58,136.20
Investments	
	\$ 58,136.20

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	23.78	806.00	818.38	444.38	408.38	47.40
Classes	0.00	2,476.46	2,325.65	479.00	524.81	105.00
Clubs	268.52	0.00	0.00	1,795.62	1,795.62	268.52
Departments	1,963.69	6,148.75	7,864.28	671.74	671.74	248.16
Trusts	40,479.12	183,577.21	176,206.40	2,750.62	2,744.62	47,855.93
General	2,115.76	9,117.34	1,625.72	908.41	904.60	9,611.19
	\$ 44,850.87	\$ 202,125.76	\$ 188,840.43	\$ 7,049.77	\$ 7,049.77	\$ 58,136.20

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card purchases found that:

- A staff purchased \$141 in food for students during the August 9, 2013, field trip. Subsequently, the school reimbursed the expenses to the staff twice through Checks #10252 (dated September 13, 2013) and #10353 (dated January 16, 2014). Consequently, the staff was over-reimbursed by \$141.
- Disbursement (#10421 for \$1,324.13) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*.
- A December 12, 2013, P-Card transaction (for \$185.40) was for purchase of food without documentation for the business or educational purposes.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

- The school should recoup the \$141 over-payment from the staff.
- *Purchase Order* approved by the Principal is required for purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase. All purchases should be pre-approved by the Principal.
- To ensure proper fiscal accountability, the purposes and justifications should be documented for purchases of food items.

Management's Response

Concur. The school recouped the overpayment amount of \$141 from the member on November 7th when the error was identified. All purchases in excel of \$1000 will have a purchase order attached. P-card purchases will be documented as required by district guidelines.

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports (MCRs)* and the money collection process at the school found that \$230 collected through MCR #334-001 was an anonymous donation received by the school. However, the money was deposited into the Administrative Courtesy Account instead of the General Activities Account, in the absence of a letter from the donor indicating the purpose of the donation.

Recommendation

Donation received by the school should be deposited into the General Activities Account unless the donor has a specific purpose for the donation.

Management's Response

Concur. Donations will be deposited into the proper account specified by the donor. If no specification is designated, then funds will be deposited into the general activities account.

PRENUMBERED DOCUMENTS

Finding

The review of controls in prenumbered documents found that:

- The *Document Custodian Assignment Register (PBSD 1663)*, was not signed and approved by the Principal.
- The *Prenumbered Document Inventory Register (PBSD 0160)* was not maintained to account for and record the inventory checks of the *Drop-safe Log*.

Recommendation

To ensure proper fiscal accountabilities and as required by *Chapter 27 of the Internal Accounts Manual*,

- The assignment of custodians for prenumbered documents should be approved by the Principal and documented on the *Document Custodian Assignment Register (PBSD 1663)*.
- The *Drop-safe Log* should be inventory-checked monthly through the completion of the *Prenumbered Document Inventory Register (PBSD 0160)*.

Management's Response

Concur. An inventory of the Drop-safe Log will be completed monthly and the document custodian register will be completed and approved annually.

**Hagen Road Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 10565 Hagen Ranch Road
Boynton Beach, FL 33437

Principal:
Fiscal Year 2014: Richard Hughes
During Audit: Richard Hughes

Treasurer:
Fiscal Year 2014: Ana Santana
During Audit: Ana Santana

Afterschool Site Director:
Fiscal Year 2014: Sasha Lejeune
During Audit: Sasha Lejeune

Cash and Investments

Checking	\$ 35,615.91
Investments	
	\$ 35,615.91

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	17,342.55	25,893.85	30,025.47	6,867.15	8,347.06	11,731.02
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	2,705.58	6,925.27	7,213.74	1,469.57	1,469.57	2,417.11
Trusts	29,850.43	507,447.84	522,665.58	41,322.04	40,025.05	15,929.68
General	7,175.97	12,435.98	14,256.77	5,345.00	5,162.08	5,538.10
	\$ 57,074.53	\$ 552,702.94	\$ 574,161.56	\$ 55,003.76	\$ 55,003.76	\$ 35,615.91

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser records found that:

- The Kindergarten T-shirt Sales (Account #3-3000.01) and Yearbook Sales (Account #7-0100.01) did not have the required *Sales Item Inventory Reports*.
- The Enjoy the City Fundraiser (Account #3-3500.07) had a total sales revenue of \$12,560 deposited into the Internal Funds. As indicated by the sponsor on the *Sales Item Inventory Report*, 63 books with an estimated sale value of \$1,260 (or 9% of the total estimated revenue) were given-away free-of-charge without documentation. Staff indicated that some students did not return the books or funds for the books received. In addition, the *Sales Item Inventory Report* was not approved by the Principal.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser in order for staff to reconcile the sales revenue with the estimated revenue. The report should be approved by the Principal in order to account for items given-away free-of-charge or missing. Significant discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.
- The school should maintain records for the names of persons who received fundraising items free-of-charge, and the names of students who did not return unsold fundraising items at the end of the fundraising activity. Moreover, the school should consider including the responsible students on the obligation list for uncollected funds.

Management's Response

Concur. Treasurer and those overseeing sales will complete the required reports and maintain required names. Furthermore, uncollected funds will be listed and provided to the data processor for obligation requirements and consequences.

DOCUMENTATION OF DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation found that:

- Three P-Card purchases, totaling \$1,032.23 did not have any supporting documentation for the expenses. These purchases were conducted on May 27, June 5, and June 27, 2014, for \$56.23, \$200, and \$576, respectively.

Hagen Road Elementary School
Management Letter
Year Ended June 30, 2014

- Disbursement #10944 (for \$3,804.08) was for payment of an invoice dated May 12, 2014. However, the related *Purchase Order* was not prepared by the sponsor and approved by the Principal until May 15, 2014.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

- Disbursements and P-Card purchases should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there was no assurance that the expenses were appropriate.
- *Purchase Orders* pre-approved by the Principal are required for purchases in excess of \$1,000. This will help ensure that funds are and will be available for the purchase.

Management's Response

Concur. Those not providing adequate documentation have been reminded of responsibility of maintaining documentation and purchase orders will be pre-approved by the principal for items exceeding \$1,000.

Hammock Pointe Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014

Address: 8400 SW 8th Street
 Boca Raton, FL 33433

Principal:
 Fiscal Year 2014: Carol Crilley
 During Audit: Carol Crilley

Treasurer:
 Fiscal Year 2014: Elsa Esparaza
 During Audit: Elsa Esparaza

Afterschool Site Director:
 Fiscal Year 2014: Bonnie Welch
 During Audit: Bonnie Welch

Cash and Investments

Checking	\$ 56,462.33
Investments	
	\$ 56,462.33

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	4,213.28	2,046.00	2,115.81	1,867.05	1,867.05	4,143.47
Classes	243.51	51,736.70	53,307.92	7,445.29	5,916.16	201.42
Clubs	1,729.11	30,659.51	29,296.69	65.00	65.00	3,091.93
Departments	17,716.63	13,988.38	22,177.42	4,381.76	4,362.96	9,546.39
Trusts	30,386.94	418,825.64	410,685.12	4,419.82	9,066.94	33,880.34
General	3,939.85	12,038.43	13,478.69	4,703.47	1,604.28	5,598.78
	\$ 58,229.32	\$ 529,294.66	\$ 531,061.65	\$ 22,882.39	\$ 22,882.39	\$ 56,462.33

Hammock Pointe Elementary School
Management Letter
Year Ended June 30, 2014

This audit revealed no material instances of noncompliance.

**Heritage Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 5100 Melaleuca Lane
Greenacres, FL 33463

Principal:
Fiscal Year 2014: Nina Lant
During Audit: Nina Lant

Treasurer:
Fiscal Year 2014: Leslie Mennella
During Audit: Leslie Mennella

Afterschool Site Director:
Fiscal Year 2014: Laura Lowman
During Audit: Laura Lowman

Cash and Investments

Checking	\$ 27,644.57
Investments	
	\$ 27,644.57

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	353.02	0.00	0.00	0.00	0.00	353.02
Classes	853.14	3,036.01	3,160.57	119.80	125.80	722.58
Clubs	38.62	515.35	393.11	278.45	309.35	129.96
Departments	3,485.04	16,591.55	16,779.71	5,111.70	4,553.49	3,855.09
Trusts	17,688.06	223,975.39	221,640.94	23,317.56	24,051.20	19,288.87
General	2,238.84	9,630.46	8,786.58	5,753.54	5,541.21	3,295.05
	\$ 24,656.72	\$ 253,748.76	\$ 250,760.91	\$ 34,581.05	\$ 34,581.05	\$ 27,644.57

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser records found that:

- The Baby Picture 50/50 Give-Away Fundraiser (Account # 6-1700.02) was conducted during November 11, through 18, 2013. However, the related *Fundraising Application/Recap Form* was not approved by the Principal until November 19, 2013. Although this fundraiser did not involve students, the winning staff member was awarded 50% of the total collection from this fundraiser. ***School Board Policy 2.16*** states “*schools may not have drawings of chance*” for fundraiser.
- Some financial transactions were recorded in the primary accounts instead of individual decimalized accounts for three sample fundraisers: PTO Popcorn Friday (Account #6-3300.01), Safety Patrol Candy Bars (Account #6-4000.01) and Yearbook Sales (Account #7-0100.10).

Recommendation

Fundraisers should be administered in accordance with ***School Board Policy 2.16*** and related District guidelines. Specifically,

- ***School Board Policy 2.16***, states that “*schools may not have drawings of chance; however, organizations qualified under 26 U. S.C. § 501(c)(3), (4), (7), (8), (10), or (19) are authorized to conduct raffles or drawings by chance pursuant to § 849.0935, Fla. Stat. provided the organization has complied with all provisions of Ch. 496, Fla. Stat.*”
- To assist the school in evaluating and monitoring the performance of individual fundraiser, a separate decimalized account should be established for each fundraiser. Fundraiser account should include all the needed and accurate financial information.

Management’s Response

Concur. The fundraising guidelines have been shared with all staff and in addition all staff members who are involved in fundraising were required to view the breeze presentation.

**Hidden Oaks Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 7685 S. Military Trail
Lake Worth, FL 33463

Principal:
Fiscal Year 2014: Sari Myers
During Audit: Sari Myers

Treasurer:
Fiscal Year 2014: Katrinka Combs
During Audit: Katrinka Combs

Afterschool Site Director:
Fiscal Year 2014: Ruben Soto
During Audit: Ruben Soto

Cash and Investments

Checking	\$ 74,877.47
Investments	
	\$ 74,877.47

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	40.55	722.00	258.23	34.76	3.37	535.71
Classes	13,039.40	56,028.95	54,232.95	19,887.62	17,435.12	17,287.90
Clubs	2,244.60	77,641.58	75,812.21	9,454.28	9,850.71	3,677.54
Departments	5,597.87	12,603.36	11,538.57	3,546.04	3,577.43	6,631.27
Trusts	33,770.67	482,426.07	471,897.00	17,158.03	17,099.10	44,358.67
General	1,221.76	22,084.33	18,804.71	5,016.96	7,131.96	2,386.38
	\$ 55,914.85	\$ 651,506.29	\$ 632,543.67	\$ 55,097.69	\$ 55,097.69	\$ 74,877.47

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card purchases found that:

- A \$900 P-Card transaction was for payment for the July 26, 2013, Summer Camp field trip expenses. According to staff, the vendor informed the school that the P-Card payment was not completed. Subsequently, the school paid the vendor another \$1,000 for the same expenses through Disbursement #10449 on August 5, 2013, which was supported by a February 27, 2013, invoice. However, our review found that the \$900 P-Card transaction was successfully charged to the school's P-Card account. Consequently, the school overpaid the vendor by \$1,000.
- Two disbursements (#10620 for \$1,501.49, and #10645 for \$1,694.94) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Orders*.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

- Prior to issuing a replacement check to the vendor, the school should verify that the previous P-Card payment did not go through. The school should recoup the \$1,000 overpayment from the vendor.
- *Purchase Orders* should be issued for purchases in excess of \$1,000. This is to ensure that funds are or will be available for the purchases, and all purchases are approved by the Principal.

Management's Response

Concur. The vendor has been contacted and states he will begin making payments Nov. 1st, but will not be able to pay it until Feb 2015. As for the purchase orders, the bookkeeper will obtain any necessary purchase orders for qualifying amounts.

LEASING OF SCHOOL FACILITIES

Finding

The review of school facility leasing records found that *Lease Agreement* #1001 was not signed by the lessee, witness, and the Principal until five days after the leasehold period began. In addition, the related the *Certificate of Insurance* did not include the School Board as an additional insured party for liability insurance coverage.

Recommendation

Leasing of school facilities should be administered in accordance with *School Board Policy 7.18* and related District guidelines. Specifically,

Hidden Oaks Elementary School
Management Letter
Year Ended June 30, 2014

- To protect the best interest of the School District, all *Lease Agreements* should be properly executed with all the required signatures prior to the use of facilities by lessees.
- ***School Board Policy 7.18*** requires that lessee must “*provide a copy of liability insurance policy in the amount of \$1,000,000, naming the School Board of Palm Beach County as an additional insured, with the Lease Agreement or purchase liability insurance from the School District,*” this will protect the School District from unwarranted liability,

Management’s Response

Concur. The certificate of insurance DOES state additional insured. The box for additional insured is “x”, it is not typed out in the “other remarks” box where it is typically indicated. The school will attempt to have leases signed in the parameter set for by the School District for all future leases.

**Highland Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 500 Highland Avenue
Lake Worth, FL 33461

Principal:
Fiscal Year 2014: Brian Killeen
During Audit: Brian Killeen

Treasurer:
Fiscal Year 2014: Teresa Porter
During Audit: Teresa Porter

Afterschool Site Director:
Fiscal Year 2014: Heather Emerson
During Audit: Heather Emerson

Cash and Investments

Checking	\$ 101,769.65
Investments	
	\$ 101,769.65

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	1,210.09	79.00	1,253.21	0.00	0.00	35.88
Classes	6,522.03	26,900.25	25,873.27	8,573.77	8,789.28	7,333.50
Clubs	13,394.04	16,705.06	4,508.17	21,611.46	25,006.29	22,196.10
Departments	9,087.96	11,009.93	12,421.93	3,459.48	3,474.73	7,660.71
Trusts	26,202.50	200,139.82	194,526.74	8,567.84	4,942.25	35,441.17
General	37,679.47	3,804.92	12,382.10	364.75	364.75	29,102.29
	\$ 94,096.09	\$ 258,638.98	\$ 250,965.42	\$ 42,577.30	\$ 42,577.30	\$ 101,769.65

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraising records revealed the following exceptions for the Candy Cane Shop Fundraiser (Account #7-0100.03):

- The *Sales Item Inventory Report* was not completed with the required information. Missing information included item description, beginning inventory, quantities purchased, quantities sold, selling price, ending inventory, and sales revenue.
- The school purchased a total of \$2,828.65 in candies for resale and collected a total of \$2,678 in sales revenue, resulting in a deficit of \$150.65.
- The *Fundraiser Application/Recap Form* indicated that the selling prices were at a 5% markup (note: vendor's suggested a 10% markup), which should have generated a total estimated revenue of \$2,970 ($\$2,828.65 \times 1.05$). As a result, \$292 ($\$2,970 - \$2,678$, or 9.8%) in estimated sales revenue was unaccounted for,

Recommendation

Sales Item Inventory Report should be prepared and completed with accurate information for each fundraiser in order for staff to reconcile the sales revenue with the estimated revenue. The *Report* should be approved by the Principal to confirm (1) the legitimacy for items, if any, were given-away free-of-charge, and (2) the missing items, if any. Discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.

Management's Response

Concur. Inventory Report – Sponsor purchased a pre-packed kit from the company and returned what was not sold. There was an attached worksheet with detailed items returned. Too many items to list individually. First time event for sponsor. Will charge more next fundraiser. We will be using a different company and seeking help from another school's PTA.

**H.L. Johnson Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 1000 Crestwood Boulevard North
Royal Palm Beach, FL 33411

Principal:
Fiscal Year 2014: Patricia Lucas
During Audit: Patricia Lucas

Treasurer:
Fiscal Year 2014: Maria Medina
During Audit: Maria Medina

Afterschool Site Director:
Fiscal Year 2014: Jennifer Tingler
During Audit: Jennifer Tingler

Cash and Investments

Checking	\$ 75,104.17
Investments	
	\$ 75,104.17

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	405.29	0.00	0.00	0.00	0.00	405.29
Classes	12,950.97	28,445.00	27,157.86	2,208.71	4,321.88	12,124.94
Clubs	59.75	658.60	504.00	114.00	114.00	214.35
Departments	7,246.80	19,609.98	24,785.32	25.00	25.00	2,071.46
Trusts	56,065.86	501,758.05	506,584.27	132.25	132.25	51,239.64
General	9,589.97	7,018.24	9,672.89	11,340.19	9,227.02	9,048.49
	\$ 86,318.64	\$ 557,489.87	\$ 568,704.34	\$ 13,820.15	\$ 13,820.15	\$ 75,104.17

DEPOSIT OF MONIES

Finding

The review of money collection process at the school noted that some activity sponsors also submitted the yellow copies of the MCRs to the bookkeeper when turning in the collections for deposit.

Recommendations

To ensure proper fiscal accountability and as required by *Bulletin #P-14051-S/CFO*, activity sponsors should keep the yellow copy of the MCR, instead of giving it to the bookkeeper with the monies collected. Keeping a copy of the MCR will assist the sponsors in (1) ensuring that the dollar amount indicated on the *Official Receipt* provided by the bookkeeper agrees with the monies collected and submitted for deposit, (2) tracking the account balance periodically, and (3) providing documentation for the amount of revenue collected if recording errors should occur.

Management's Response

Concur. We will provide a refresher training for teachers on monies collected procedures at the January 14, 2015 Faculty Meeting. This is part of our beginning of the year procedures for teachers.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser documentation found that:

- Five fundraisers did not have the required *Fundraising Application/Recap Forms*. These fundraisers included: (1) The Season to Share (Account #3-3300.07), (2) Nut Day- ACS (Account #7-0100.01), (3) Nut Day- Earth Day (Account #7-0100.03), (4) SECME T-shirt sales (Account #4-4500.02), and (5) Yearbook Sales (Account # 7-0100.02).
- The SECME T-shirt Sales did not have the required *Sales Item Inventory Report*. Based on the school's purchasing records, 30 T-shirts were purchased for resale at \$15 each, which should have generated a total estimated revenue of \$450. However, the school's accounting records indicated that \$345 was deposited into the Internal Funds. As a result, \$105 (or 23%) in estimated revenue was unaccounted for.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- To ensure proper fiscal accountability, *Sales Item Inventory Report* should be prepared for all fundraisers. The information on the *Report* should assist staff in reconciling the sales revenue with the estimated revenue. Significant discrepancy, if any, between the estimated revenue and actual collection should be investigated and resolved accordingly.

Management's Response

The ledger shows \$345 was collected for SECME t-shirts and \$114 was transferred into SECME's main account to close out the school year. There is not \$105 unaccounted for. The club sponsor should have completed fundraising forms. This will be reviewed with staff in January.

DOCUMENTATION FOR FIELD TRIPS

Finding

The review of field trip documentation revealed that:

- The *Field Trip/Activity Planning Report and Approval Request Forms* for two out-of-county field trips were not approved by the Area Superintendent: (1) the 4th Grade St. Augustine Field Trip and (2) the 3rd Grade Kennedy Space Center Field Trip.
- The school began collecting money for the St. Augustine Field Trip on September 19, 2013. However, the related *Field Trip/Activity Planning Report and Approval Request Form* was not prepared by the sponsor and approved by the Principal until November 18 and 19, 2013, respectively.

Recommendation

Field trips should be pre-approved by the Principal in accordance with ***School Board Policy 2.40*** and the related District guidelines. Specifically, "*The Field Trip/Activity Planning Report and Approval Request must be completed and approved for each field trip. No money is to be raised, plans for trips made, or contracts signed until proper approval has been received.*"

Management's Response

Concur. I have worked with the area office to put procedures in place to receive signed copies of all electronically transmitted forms for out of county field trips.

Hope Centennial Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014

Address: 5350 Stacy Street
 West Palm Beach, FL 33417

Principal:
 Fiscal Year 2014: Awilda Tomas-Andres
 During Audit: Awilda Tomas-Andres

Treasurer:
 Fiscal Year 2014: Elizabeth Biaggi
 During Audit: Elizabeth Biaggi

Afterschool Site Director:
 Fiscal Year 2014: Danielle Cole
 During Audit: Danielle Cole

Cash and Investments

Checking	\$ 19,889.06
Investments	
	\$ 19,889.06

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	866.25	62.50	234.97	0.00	62.50	631.28
Classes	640.58	613.00	687.00	82.00	82.00	566.58
Clubs	0.56	4,920.00	4,824.07	2,549.96	2,169.11	477.34
Departments	2,472.09	4,259.57	4,017.03	643.10	643.10	2,714.63
Trusts	9,293.42	120,041.62	114,710.67	5,267.00	5,476.40	14,414.97
General	893.00	2,570.98	2,270.77	1,415.41	1,524.36	1,084.26
	\$ 14,165.90	\$ 132,467.67	\$ 126,744.51	\$ 9,957.47	\$ 9,957.47	\$ 19,889.06

Hope Centennial Elementary School
Management Letter
Year Ended June 30, 2014

This audit revealed no material instances of noncompliance.

**Indian Pines Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 6000 Oak Royal Drive
Lake Worth, FL 33463

Principal:
Fiscal Year 2014: Jill Robinson
During Audit: Jill Robinson

Treasurer:
Fiscal Year 2014: Keyla Perez
During Audit: Keyla Perez

Afterschool Site Director:
Fiscal Year 2014: Marie Charles
During Audit: Marie Charles

Cash and Investments

Checking	\$ 24,289.98
Investments	
	\$ 24,289.98

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	525.00	6,611.35	6,129.61	1,246.87	1,295.23	958.38
Clubs	3,827.82	22,153.58	11,839.83	12,831.10	19,646.96	7,325.71
Departments	2,100.12	4,204.83	4,927.83	0.00	0.00	1,377.12
Trusts	7,766.00	189,997.35	190,083.86	7,269.98	434.00	14,515.47
General	1,304.76	1,390.05	2,609.75	108.36	80.12	113.30
	\$ 15,523.70	\$ 224,357.16	\$ 215,590.88	\$ 21,456.31	\$ 21,456.31	\$ 24,289.98

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card records found that:

- Disbursement #12752 (for \$3,052.80) was not supported by an itemized invoice. Instead, it was supported by a vendor's statement that included only the invoice date, invoice number, and dollar amount without the details for the purchase.
- Disbursement #12819 (for \$1,049.73) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically,

- All disbursements should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there was no assurance that the expenses were appropriate. The school should obtain a copy of the invoice from the vendor, with the details of the purchase.
- *Purchase Orders* approved by the Principal should be issued for purchases in excess of \$1,000. This will help ensure that funds are and will be available for the purchase. All purchases should be pre-approved by the Principal.

Management's Response

Concur. A new bookkeeper has been hired and is being trained using correct district protocols and procedures.

LEASING OF SCHOOL FACILITIES

Finding

Commercial Lease #1011 had a total contracted leasing charge of \$127.20 consisted of \$120 in rental and \$7.20 in sales tax. However, the school inadvertently waived the school portion of the rental (\$96, i.e. 80% of the rental) and collected only the utility fee (\$24, i.e. 20% of the rental) and sales tax (\$7.20) from the lessee.

Recommendation

School Board Policy 7.18, states that the school portion of the rental may be waived only if (1) the lessee is a non-profit organization, and (2) the facility shall be used for the benefit of the District's student population.

Management's Response

Concur. A new bookkeeper has been hired and is being trained using correct district protocol and procedures.

**J.C. Mitchell Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 2470 NW 5th Avenue
Boca Raton, FL 33431

Principal:
Fiscal Year 2014: Joan Pierre-Jerome
During Audit: Joan Pierre-Jerome

Treasurer:
Fiscal Year 2014: Laura Sattler
During Audit: Laura Sattler

Afterschool Site Director:
Fiscal Year 2014: Lisa Faustini
During Audit: Lisa Faustini

Cash and Investments

Checking	\$ 44,140.32
Investments	
	\$ 44,140.32

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	2,683.39	3,625.25	2,640.79	307.16	307.16	3,667.85
Classes	6,339.31	13,163.51	11,337.95	753.12	1,146.33	7,771.66
Clubs	159.90	630.00	647.67	12.23	12.23	142.23
Departments	8,600.93	18,182.62	18,992.96	5,677.18	4,452.74	9,015.03
Trusts	18,130.02	336,122.96	339,729.70	6,009.51	6,868.63	13,664.16
General	7,115.67	15,945.69	13,209.86	3,763.07	3,735.18	9,879.39
	\$ 43,029.22	\$ 387,670.03	\$ 386,558.93	\$ 16,522.27	\$ 16,522.27	\$ 44,140.32

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records found that:

- The Music Recorder/Book Sales (Account #2-3501.00) did not have the required *Sales Item Inventory Report*.
- The Bullying T-shirt Fundraiser (Account #7-0100.04) did not have the required *Fundraising Application/Recap Form* and *Sales Item Inventory Report*. The school purchased 263 T-shirts for resale at \$8 each for this fundraiser, which should have generated a total estimated revenue of \$2,104. However, only \$1,903 in sales revenue was deposited into the Internal Funds. As a result, \$201 (or 9.6%) in estimated revenue was unaccounted for.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser in order for staff to reconcile the sales revenue with the estimated revenue. Moreover, the *Sales Item Inventory Report* should be approved by the Principal to confirm (1) the legitimacy for items, if any, were given-away free-of-charge, and (2) the missing items, if any. Discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.

Management's Response

Concur. Findings were reviewed at November 2014 Faculty Meeting. Principal and Bookkeeper will meet with each fundraisers' sponsors to review Fundraising Recap Form as part of the school's end of the year closeout procedures to double check accuracy. In addition, in the future any items for resale will be sold at a set price (staff members offered a discounted price when purchasing the shirts sold through the Bullying T-shirt Fundraiser Account #7-0100.04). Staff members were charged \$5.00 per shirt when the shirts were sold for resale to others for \$8.00.

**Jerry Thomas Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 800 Maplewood Drive
Jupiter, FL 33458

Principal:
Fiscal Year 2014: Ann Wark
During Audit: Ann Wark

Treasurer:
Fiscal Year 2014: Doralien Ciaramella
During Audit: Doralien Ciaramella

Afterschool Site Director:
Fiscal Year 2014: Lisa Borrie
During Audit: Lisa Borrie

Cash and Investments

Checking	\$ 57,897.40
Investments	
	\$ 57,897.40

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	5.57	745.00	750.57	0.00	0.00	0.00
Classes	3,195.41	66,158.70	66,156.80	5,860.91	6,164.05	2,894.17
Clubs	5,486.70	24,078.44	12,959.98	10,155.37	20,750.72	6,009.81
Departments	9,323.41	9,159.49	8,072.40	282.38	200.00	10,492.88
Trusts	31,849.86	443,712.87	448,796.16	20,220.55	9,898.28	37,088.84
General	971.86	12,957.25	13,011.25	3,387.87	2,894.03	1,411.70
	\$ 50,832.81	\$ 556,811.75	\$ 549,747.16	\$ 39,907.08	\$ 39,907.08	\$ 57,897.40

DOCUMENTATION FOR FUNDRAISERS

Finding

The school's accounting records indicated that a total of \$2,651.85 in sales revenue was collected from three T-Shirts Sales Fundraisers: Grade 2 (Account #3-3200.01), Grade 3 (Account #3-3300.01), and Grade 4 (Account #3-3400.01). As indicated by the sponsors on the *Sales Item Inventory Reports*, a total of 93 T-Shirts were given-away free-of-charge for these three fundraisers. The give-away items had a total estimated resale value of \$504.50, or 15% of the estimated total sales revenue (\$2,651.85 + \$504.50). Although the *Sales Item Inventory Reports* were approved by the Principal, no documentation was maintained as to who received the given-away items.

Recommendation

To ensure proper fiscal accountability, items purchased with school funds and provided free-of-charge to students, staff members or the community should follow similar requirements specified in **Bulletin #P-12690-CAO/COO/P** for gift cards, that "*schools must maintain documentation of all recipients of gift cards.*" Records for give-away items should include the purposes and the names of recipients.

Management's Response

No corrective action required. School followed District guidelines. The Principal signature was added to the Sales Item Inventory form to acknowledge the disposition of the unsold items. This was added to eliminate the need for the school to endlessly track unsold inventory from fundraisers. Each year needy students are given class shirts if unable to purchase them.

**Jupiter Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 200 South Loxatatchee Drive
Jupiter, FL 33458

Principal:
Fiscal Year 2014: Daniel Smith
During Audit: Daniel Smith

Treasurer:
Fiscal Year 2014: Ramona Solozabal
During Audit: Beatriz Sarmientos

Afterschool Site Director:
Fiscal Year 2014: Cherrie Rosen
During Audit: Cherrie Rosen

Cash and Investments

Checking	\$ 72,323.14
Investments	
	\$ 72,323.14

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	637.13	1,036.50	1,601.84	0.00	0.00	71.79
Classes	10,986.05	21,114.16	22,339.78	5,088.82	5,088.82	9,760.43
Clubs	960.84	452.24	875.75	0.00	0.00	537.33
Departments	11,406.30	8,430.95	13,256.07	15.00	0.00	6,596.18
Trusts	36,152.47	332,476.44	316,856.69	617.06	632.06	51,757.22
General	4,444.01	6,831.31	7,675.13	703.08	703.08	3,600.19
	\$ 64,586.80	\$ 370,341.60	\$ 362,605.26	\$ 6,423.96	\$ 6,423.96	\$ 72,323.14

SEGREGATION OF DUTIES

Finding

During the audit, we noted that the bookkeeper was performing incompatible duties. In addition to maintaining the Internal Funds records, the bookkeeper was also receiving and opening incoming mails, which could contain payments, such as school commission checks.

Recommendation

Incoming mails should be received and opened by different staff members. Payments, if any, received in the mails should be recorded on a *Monies Collected Report* (MCR) by the staff who opens the mail, prior to providing the collections to the bookkeeper for deposit.

Management's Response

This is not a policy and therefore should not be cited on the audit. The reality is no matter who opens the mail they could choose to take what they want and not tell anyone. I will take it into consideration, but it needs to be removed.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraisers found that the Music Recorder Sales (Account #2-3500.01) did not have the required *Sales Item Inventory Report*.

Recommendation

To ensure proper fiscal accountability, *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser in order for staff to reconcile the sales revenue with the estimated revenue. Significant discrepancy, if any, between the estimated revenue and actual receipt should be investigated and resolved accordingly.

Management's Response

Concur.

**Jupiter Farms Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 17400 Haynie Lane
Jupiter, FL 33478

Principal:
Fiscal Year 2014: William Thompson
During Audit: Suzanne Matuella

Treasurer:
Fiscal Year 2014: Carolyn Santos
During Audit: Carolyn Santos

Afterschool Site Director:
Fiscal Year 2014: Jenny Giambagno
During Audit: Jenny Giambagno

Cash and Investments

Checking	\$ 54,234.59
Investments	
	\$ 54,234.59

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	2,438.47	1,765.84	1,769.57	1,511.03	1,585.96	2,359.81
Classes	693.54	43,782.39	42,761.46	3,913.65	5,247.24	380.88
Clubs	9,270.04	3,044.81	2,116.46	699.02	2,230.78	8,666.63
Departments	5,428.37	5,611.74	4,504.97	0.18	0.00	6,535.32
Trusts	27,683.85	416,359.27	413,876.79	8,747.17	7,267.45	31,646.05
General	6,814.32	6,550.75	10,179.55	2,019.38	559.00	4,645.90
	\$ 52,328.59	\$ 477,114.80	\$ 475,208.80	\$ 16,890.43	\$ 16,890.43	\$ 54,234.59

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and the money collection process found that monies were not always deposited in a timely manner. For example, \$2,950 collected through two MCRs (#403-9 and #406-14) was retained by the sponsors for four to six working days before it was put into the drop-safe for deposit.

Recommendation

DOE Rules (Chapter 8 of the 2013 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools) and District *Bulletin #P-14051-S/CFO* require that monies collected be put into the drop-safe daily, and deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could increase the exposure to staff and result in potential irregularities.

Management's Response

Concur. Conferenced with sponsor to ensure procedures are in place for FY 2015.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser records found that:

- The Second Grade T-shirt Sales (Account #3-3200.01) did not have any fundraising documentation, including *Fundraising Application/Recap Form* and *Sales Item Inventory Report*.
- The *Sales Item Inventory Report* for Safety Patrol Craft Sales (Account #6-4000.03) was not completed with the required information. Missing information included the description of items, beginning and ending inventory, quantities sold, selling prices, and revenue. The Internal Funds records indicated that this fundraiser had \$277.17 in total expenditure, \$203 in total revenue, and \$74.17 in deficit.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- *Sales Item Inventory Report* should be accurately completed with all the required information. Accurate *Sales Item Inventory Report* should assist staff in (1) reconciling sales revenue and (2) tracking items purchased, given-away, or remained in inventory. Significant discrepancy, if any, between the estimated revenue and actual receipt should be investigated and resolved accordingly.

Management's Response

Concur. Conferenced with sponsor to ensure procedures are in place for FY 2015.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card records found that:

- Disbursement #10997 (for \$560) was for payment of water taxi ride to Peanut Island for the Summer Camp Program, without obtaining proof of liability insurance from the vendor.
- Disbursements # 10816 (for \$1,114.89) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*.

Recommendation

Disbursements should be processed in accordance with *DOE Rules (Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools, Chapter 8)* and related District guidelines. Specifically,

- As required by *Bulletin #P-14689-COO/RBM*, watercraft are prohibited activities except for a commercial craft 26 feet or more operated by a qualified vendor with evidence of insurance.
- *Purchase Orders* approved by the Principal are required for purchases in excess of \$1,000. This will help ensure that funds are and will be available for the purchase. All purchases should be pre-approved by the Principal.

Management's Response

Concur. Reviewed necessary documents needed for water activities and threshold amounts.

LEASING OF SCHOOL FACILITIES

Finding

The review of school facility leasing records found that the school waived the \$210 in utility fees for *Lease Agreement* \$1009, although utility fee cannot be waived.

Recommendation

Fee waivers can only be applied to the rental portion. The utility portion cannot be waived, and should be collected from lessees.

Jupiter Farms Elementary School
Management Letter
Year Ended June 30, 2014

Management's Response

Concur. Reviewed utilities requirements with leases.

**K.E. Cunningham/Canal Point Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 37000 Main Street
Canal Point, FL 33438

Principal:
Fiscal Year 2014: Derrick Hibler
During Audit: Derrick Hibler

Treasurer:
Fiscal Year 2014: Michele Griffin
During Audit: Michele Griffin

Cash and Investments

Checking	\$ 38,286.01
Investments	
	\$ 38,286.01

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	373.25	2,000.00	964.47	0.00	0.00	1,408.78
Classes	1,325.82	4,016.06	2,055.17	4,007.66	3,985.06	3,309.31
Clubs	0.00	6,435.40	318.00	12,802.27	13,600.50	5,319.17
Departments	831.59	3,279.48	3,007.42	1,547.06	1,599.73	1,050.98
Trusts	9,024.03	43,925.18	29,267.86	10,006.78	9,312.15	24,375.98
General	1,864.82	7,582.10	6,758.80	3,516.10	3,382.43	2,821.79
	\$ 13,419.51	\$ 67,238.22	\$ 42,371.72	\$ 31,879.87	\$ 31,879.87	\$ 38,286.01

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records found the following:

- The *Ticket Sellers Report* for the Haunted House Ticket Sales (Account #5-0100.01) indicated that ticket was sold at two prices: one ticket for \$3 and two tickets for \$5. However, the *Ticket Sellers Report* did not indicate how many tickets were sold at \$3 each and how many were sold at two-for-\$5. As a result, there was no basis to determine whether all sales revenues were properly accounted for.
- The costs of items purchased for the 5th Grade Concession Sales (Account #3-3500.04) were recorded in the 5th Grade Class Primary Account (#3-3500.00), instead of the fundraiser's decimalized account.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically,

- To assist staff in reconciling the sales revenues, different sets of tickets (example different colors or number ranges) should be used for tickets sold at different prices.
- To assist the school in evaluating and monitoring the performance of individual fundraiser, a separate decimalized account should be established for each fundraising activity. Fundraiser account should include all the needed and accurate financial information.

Management's Response

Concur. Future fundraisers will have different colored tickets for different price points. Also, the proper decimalized accounts will be used properly.

LEASING OF SCHOOL FACILITIES

Finding

The leasing arrangement for Lease #1001 was recorded and approved in the Tririga System on October 15, 2013. However, the school did not have a hard copy of the *Lease Agreement* that was executed with all the required signatures.

Recommendation

To ensure *Lease Agreements* are legally enforceable, they should be executed with all the required signatures, prior to the use of facilities by lessees. The school should also maintain a hard copy of the executed *Lease Agreement* for future reference, in addition to recording leasing activities in the Tririga System.

Management's Response

Concur. In the future, a copy of the signature page will be included in the records kept on campus.

DOCUMENTATION OF DISBURSEMENTS

Finding

The review of sample disbursements and P-Card records found that:

- Disbursement #10164 (for \$680) was for renting a bounce house for the Fall Carnival. The vendor's *Certificate of Insurance* inadvertently included the School District, instead of the School Board, as the certificate holder and the additional insured party for liability insurance coverage.
- All four *Monthly P-Card Bank Statements* for May 2014 were not signed and approved by the Principal; and two of them were not signed by the cardholders.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically,

- As required by the District's *Special Events Guide for Insurance Loss Prevention*, the school should "obtain a *Certificate of Insurance* from the vendors/service provider and an endorsement naming School Board as an Additional Insured on the policy" for conducting carnivals with amusement vendors.
- To prevent and detect potential frauds and irregularities in a timely manner, and as required by *Purchasing Card Procedures (Purchasing Manual Chapter 24)*, cardholder should complete the monthly reconciliation of P-Card activities by the 20th of each month; and the reconciliation records, including P-Card *Monthly Bank Statements* and *End of Cycle Checklist*, should be reviewed and approved by the Principal.

Management's Response

Concur. The insurance for the vendor has already been fixed. The missing P-Card statement signatures were a one-time mistake and have been resolved.

Additional Comment: The mistakes were due to the bookkeeper being new to the position.

**Lake Park Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 410 3rd Street
Lake Park, FL 33403

Principal:
Fiscal Year 2014: Valerie Reddick-Mason
During Audit: Valerie Reddick-Mason

Treasurer:
Fiscal Year 2014: Patty Gomez
During Audit: Patty Gomez

Afterschool Site Director:
Fiscal Year 2014: Martha Christie-Patrick
During Audit: Martha Christie-Patrick

Cash and Investments

Checking	\$ 15,122.71
Investments	
	\$ 15,122.71

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	330.50	2,947.05	2,687.59	1,574.48	1,574.48	589.96
Classes	681.84	3,563.00	3,441.33	454.50	454.50	803.51
Clubs	3,663.99	15,973.49	8,710.31	7,752.41	10,770.21	7,909.37
Departments	1,553.46	4,268.91	4,014.68	291.14	513.49	1,585.34
Trusts	4,384.12	116,726.24	120,464.12	3,017.80	49.76	3,614.28
General	233.87	5,783.19	5,668.92	375.11	103.00	620.25
	\$ 10,847.78	\$ 149,261.88	\$ 144,986.95	\$ 13,465.44	\$ 13,465.44	\$ 15,122.71

Lake Park Elementary School
Management Letter
Year Ended June 30, 2014

This audit revealed no material instances of noncompliance.

**Lantana Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 710 West Ocean Avenue
Lantana, FL 33462

Principal:
Fiscal Year 2014: Elaine Persek
During Audit: Elaine Persek

Treasurer:
Fiscal Year 2014: Danielle McNeely
During Audit: Danielle McNeely

Afterschool Site Director:
Fiscal Year 2014: Denise Sasiain
During Audit: Denise Sasiain

Cash and Investments

Checking	\$ 19,416.28
Investments	
	\$ 19,416.28

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	20.10	0.00	0.00	0.00	0.00	20.10
Classes	1,203.47	5,243.84	6,149.57	1,407.20	907.20	797.74
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	394.91	3,983.24	3,618.97	135.19	135.19	759.18
Trusts	18,421.37	338,779.11	339,646.54	2,147.50	2,661.51	17,039.93
General	675.29	3,578.76	3,468.73	805.35	791.34	799.33
	\$ 20,715.14	\$ 351,584.95	\$ 352,883.81	\$ 4,495.24	\$ 4,495.24	\$ 19,416.28

Lantana Elementary School
Management Letter
Year Ended June 30, 2014

This audit revealed no material instances of noncompliance.

Liberty Park Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014

Address: 6601 Constitution Way
Greenacres, FL 33463

Principal:
Fiscal Year 2014: Joseph Schneider
During Audit: Joseph Schneider

Treasurer:
Fiscal Year 2014: Raysa Navarro
During Audit: Liliana Campos

Afterschool Site Director:
Fiscal Year 2014: Elizabeth Negrón
During Audit: Elizabeth Negrón

Cash and Investments

Checking	\$ 31,408.58
Investments	
	\$ 31,408.58

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	63.21	226.25	257.23	0.00	0.00	32.23
Classes	4,056.17	20,174.62	19,553.98	3,392.09	7,076.83	992.07
Clubs	130.00	2.46	310.00	1,338.52	0.00	1,160.98
Departments	3,041.20	14,184.87	12,770.50	4,324.53	3,927.57	4,852.53
Trusts	9,545.80	223,043.59	224,839.84	8,500.83	8,500.83	7,749.55
General	8,203.56	31,398.72	24,930.32	3,296.47	1,347.21	16,621.22
	\$ 25,039.94	\$ 289,030.51	\$ 282,661.87	\$ 20,852.44	\$ 20,852.44	\$ 31,408.58

Liberty Park Elementary School
Management Letter
Year Ended June 30, 2014

This audit revealed no material instances of noncompliance.

**Lighthouse Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 4750 Dakota Drive
Jupiter, FL 33458

Principal:
Fiscal Year 2014: Julie Hopkins
During Audit: Julie Hopkins

Treasurer:
Fiscal Year 2014: Stephanie Schulz
During Audit: Stephanie Schulz

Afterschool Site Director:
Fiscal Year 2014: Marie Delizia
During Audit: Marie Delizia

Cash and Investments

Checking	\$ 79,735.65
Investments	
	\$ 79,735.65

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	0.00	38,711.72	43,649.17	8,527.89	3,590.44	0.00
Clubs	1,041.82	5,899.00	2,616.98	880.00	880.00	4,323.84
Departments	17,997.64	26,440.40	21,434.69	9,169.18	9,369.18	22,803.35
Trusts	59,915.84	559,214.14	566,502.54	3,000.00	12,705.94	42,921.50
General	9,539.89	16,875.75	21,697.17	8,841.21	3,872.72	9,686.96
	\$ 88,495.19	\$ 647,141.01	\$ 655,900.55	\$ 30,418.28	\$ 30,418.28	\$ 79,735.65

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation revealed that:

- Disbursement #10653 (for \$2,904.48) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*.
- Five P-Card transactions (totaling \$1,072.25) made on July 30, July 31, and August 1, 2014, were for payments of field trip expenses during Summer Camp field trips. However, none of these field trips had the required *Field Trip/Activity Planning Report and Approval Requests* (PBSD 1894).

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically,

- *Purchase Order* approved by the Principal is required for purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase. All purchases should be pre-approved by the Principal.
- As required by *School Board Policy 2.40*, “*the Field Trip/Activity Planning Report and Approval Request must be completed and approved for each field trip.*”

Management’s Response

Concur. All purchases over \$1,000 must be approved by the Principal prior to ordering merchandise and all field trip/activity planning reports and approval requests must be completed and approved for each field trip. The aftercare director understands and will comply.

AFTERSCHOOL PROGRAM

Finding

The *Family Central’s Subsidy Reimbursement Report* for August 2013 was missing. Without such reimbursement report, there was no assurance that all payments from Family Central were accounted for.

Recommendation

To ensure payments from Family Central are accounted for, its *Reimbursement Reports* should be reviewed to ensure all payments are received, and the reports be retained for a time-period consistent with District’s *Record Retention Schedule*.

Management's Response

Concur. The aftercare director will keep all Family Central reimbursement reports in one place and ensure all funds have been received.

Additional comments: *All recommendations were reviewed with the aftercare director to ensure future compliance with district accounting policies and procedures. The school treasurer is already compliant with all these items and will assist with monitoring compliance of aftercare with all accounting, field trips, and reports.*

**Limestone Creek Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 6701 Church Street
Jupiter, FL 33458

Principal:
Fiscal Year 2014: Suzanne Gibbs
During Audit: Suzanne Gibbs

Treasurer:
Fiscal Year 2014: Melinda McDowell
During Audit: Melinda McDowell

Afterschool Site Director:
Fiscal Year 2014: Cindy Williams
During Audit: Cindy Williams

Cash and Investments

Checking	\$ 69,247.12
Investments	
	\$ 69,247.12

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	1.36	585.00	258.34	0.00	0.00	328.02
Classes	8,066.89	86,386.93	103,476.98	25,471.08	9,615.78	6,832.14
Clubs	2,856.36	3,072.14	2,271.59	955.18	1,500.18	3,111.91
Departments	14,146.36	31,371.80	32,092.28	10,218.62	9,656.53	13,987.97
Trusts	31,754.11	465,163.75	441,749.60	17,928.53	34,947.64	38,149.15
General	7,651.06	15,579.17	17,539.02	2,755.80	1,609.08	6,837.93
	\$ 64,476.14	\$ 602,158.79	\$ 597,387.81	\$ 57,329.21	\$ 57,329.21	\$ 69,247.12

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation revealed that Disbursements #11343 (for \$1,087.25) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*.

Recommendation

Purchase Order approved by the Principal is required for purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase. All purchases should be pre-approved by the Principal.

Management's Response

Concur. Two orders were combined and went over the \$1000 threshold. Disbursement was for P.E. equipment from approved vendor. Management will ensure that future disbursements have approvals for over \$1000.

LEASING OF SCHOOL FACILITIES

Finding

The October 2013, January 2014, and April 2014, monthly rentals for Lease #1001 were not collected prior to the use of facilities by the lessee, with delays ranging from three to ten days.

Recommendation

School Board Policy 7.18, requires that "*Fees are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*"

Management's Response

Concur. Lease #1001 covered 33 days over the school year. All days were paid for. 3 of those days had a payment outside the school board guidelines. We are working with the lessee to receive payment per school board guidelines. The school receives \$1,056 from the lease.

**Lincoln Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 1160 Avenue "N"
Riviera Beach, FL 33404

Principal:
Fiscal Year 2014: Tracy Sims
During Audit: Tracy Sims

Treasurer:
Fiscal Year 2014: Toni Davis/Darlene Patterson
During Audit: Joanne Berry

Afterschool Site Director:
Fiscal Year 2014: Kenneth Anders
During Audit: Kenneth Anders

Cash and Investments

Checking	\$ 24,382.96
Investments	
	\$ 24,382.96

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	818.05	0.00	0.00	0.00	818.05
Classes	0.00	0.00	0.00	0.00	0.00	0.00
Clubs	2,669.66	0.00	991.88	0.00	0.00	1,677.78
Departments	883.20	6,881.26	6,143.25	472.25	589.61	1,503.85
Trusts	7,990.00	65,940.98	54,912.05	7.87	407.87	18,618.93
General	5,299.33	1,724.66	5,777.00	1,283.10	765.74	1,764.35
	\$ 16,842.19	\$ 75,364.95	\$ 67,824.18	\$ 1,763.22	\$ 1,763.22	\$ 24,382.96

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and the money collection process at the school found that some sponsors did not turn in the yellow copies of the MCRs, along with the computerized receipts *Official Receipts*, to the school secretary for record keeping at the year-end. Moreover, some sponsors who submitted the yellow copies of the MCRs to the school secretary did not attach the computerized *Official Receipts* to the yellow copies of the MCRs.

Recommendation

As required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7's Record Retention Requirements*, "Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary..."

Management's Response

Concur. Procedures regarding money collections process was reviewed during pre-school and will continue to be reviewed and discussed with staff, new bookkeeper, and current school secretary to prevent future error.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser records found that some of the financials for two fundraisers (Spring Book Fair Sales and Aftercare Valentine's Day Dance) were recorded in their primary accounts, instead of the decimalized accounts for the fundraisers.

Recommendation

To assist the school in evaluating and monitoring the performance of individual fundraiser, a separate decimalized account should be established for each fundraiser. Fundraiser account should include all the needed and accurate financial information.

Management's Response

Concur. Previous bookkeeper was removed from position. New District training and one on one training was provided by District technician on internal accounts. Ongoing support is also being provided through District trainings and contact staff.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card records found that:

Lincoln Elementary School
Management Letter
Year Ended June 30, 2014

- The school ordered 1,000 checks for its bank account in October 2013. Subsequently, the school received two boxes of checks with the same sequential numbers (#7501 through #8500); and the bank charged the school with the printing costs of \$241.70 twice for a total of \$483.40. It appeared that the check order was processed by the bank twice.
- Disbursement #7439 (for \$2,251.55) did not have the Principal's approved *Check Requisition* and *Purchase Order*.
- Four *Check Requisitions* (#7415, #7417, #7444, and #7448, totaling \$3,099) were not signed by the sponsors for confirmation of receipt of related goods or services.
- Two disbursements (#7444 and #7448, totaling \$1,099) were for payments of consultants for providing entertainment services for students. These payments did not have the required *School District Consultant Agreements* (PBSD 1420).
- Disbursement #7415 (for \$1,400) was for payments of consultant for providing entertainment services for students. However, the vendor's *Certificate of Insurance* did not include the School Board as an additional insured party for liability insurance coverage.
- Disbursement #7417 (for \$600) was for payment for rental of sound system equipment and holiday lighting. However, the related equipment rental contract was signed by the sponsor, instead of the Principal.
- Supporting documents for three sample disbursements (#7410 for \$121.10, #7415 for \$1,400, and #7467 for \$2,468.77) were not defaced after payment. Defacing supporting document should help prevent potential duplicate payments.

Recommendation

Disbursement procedures should be administered in accordance with the *Internal Accounts Manual*, *Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

- The school should inform and recoup from the bank the overpayment of \$241.70 due to the bank's duplicated processing of the check printing order.
- All disbursements should be adequately documented with the *Check Requisitions*, approved by the Principal and supported by itemized invoices and receipts. *Check Requisitions* should also be signed by the sponsors to confirm the receipt of related goods and services. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.
- *Purchase Order* approved by the Principal is required for purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase. All purchases should be pre-approved by the Principal.
- To protect the safety and welfare of students, prior to the consultant performing services at the school: (1) the *School District Consultant Agreement (PBSD 1420)* should be properly executed with all the required signatures, and (2) the consultant's background and clearance check must have been conducted as

required by *Section 8 of the Agreement* and *Florida Statutes §1012.465*.

- As required by the District's *Special Events Guide for Insurance Loss Prevention*, the school should "obtain a *Certificate of Insurance* from the vendors/service provider and an endorsement naming *School Board as an Additional Insured on the policy*" for renting entertainment equipment from amusement vendors.
- Contractual agreements should be signed by the Principal as required by *District Administrative Directive D-6.03*, which states "the *Principal of the school is the only person to whom authority has been granted to make any purchase that in any way obligate the school for payment.*"
- To prevent potential duplicate payments, supporting documentation for disbursement should be defaced (stamped "PAID") after payment.

Management's Response

Concur. Previous bookkeeper was removed from the position due to many errors. New bookkeeper has received training and is getting district support. Principal will meet with bookkeeper weekly to monitor progress and provide support as needed.

AFTERSCHOOL PROGRAM

Finding

The review of the school's Afterschool Program records found that:

- The school provided Early Release Day Activity Program to students on the January 30, 2014, and March 6, 2014, Professional Development Days (PDD), but did not collect the related program fees from participating students. Based on the attendance records, the school under-charged the parents a total of \$431.25 in program fees for the two PDD days.
- As of June 30, 2014, the Afterschool Program Snack Account (#6-9550) had a year-end balance of \$1,592.43, and the Afterschool Program Special Activities Account (#6-9600) had a year-end balance of \$1,815.13. Both of them exceeded the respective \$1,500 and \$750 year-end maximum balances as allowed by *Afterschool Programs Operational Manual*.
- The EZ Care database (the Afterschool Program's accounting system) was not accurately maintained. Specifically, the Family Central's subsidy payments for October 2013, through May 2014, (totaling \$51,061.25) were not recorded in the EZ Care database.

Recommendation

Afterschool Program should be administered in accordance with District's guidelines and *Afterschool Programs Operational Manual*. Specifically,

- PDD activities fees should be collected from parents in accordance with District's guidelines. Fee waivers, if any, should be approved by the Principal and properly documented. Significant discrepancies

in revenue collections should be investigated and properly resolved.

- As required by the *Afterschool Programs Operational Manual*, charges to the students should approximate the cost of the activities and no excessive profits should be accrued to Afterschool Program accounts. Specifically, the year-end balance for the Snack Account should not exceed \$1,500, and the Special Activities Account year-end balance should not exceed \$750. The school should monitor the revenues and expenditures of these accounts accordingly.
- To ensure proper fiscal accountability, Afterschool Program financial transactions should be accurately recorded in the EZ Care database and periodically reconciled to the Internal Funds records. Discrepancies, if any, should be investigated and resolved accordingly.

Management's Response

Concur. An audit of the program has been scheduled for December 8, 2014. Will meet with Aftercare Director and Afterschool Program Director to review, discuss and retrain director as needed. I do not agree with bullet #3 and will discuss with program director regarding EZ Care. Will work with Aftercare Director and Program Director to monitor input. Will meet with director monthly to ensure guidelines are met.

LEASING OF SCHOOL FACILITIES

Finding

The review of facility leasing records found that Lease #1001 (with a total contract amount of \$2,250) was cancelled after the leasing arrangement was entered into the Tririga System. However, the cancellation was not properly recorded in the Tririga System. As a result, the leasing records in the Tririga System overstated the school's leasing income by \$2,250.

Recommendation

Leasing information should be accurately recorded in the Tririga System; and the system should be updated with new information, such as amendments and cancellation, of leasing arrangements.

Management's Response

Concur. Previous bookkeeper is no longer in bookkeeper position. Leasing has been assigned to an alternate contact as support to the new bookkeeper. Both support and bookkeeper will receive training on the Tririga System.

**Loxahatchee Groves Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 16020 Okeechobee Boulevard
Loxahatchee, FL 33470

Principal:
Fiscal Year 2014: Richard Myerson
During Audit: Richard Myerson

Treasurer:
Fiscal Year 2014: Iraida Areyzaga
During Audit: Iraida Areyzaga

Afterschool Site Director:
Fiscal Year 2014: Kayla Foster
During Audit: Kayla Foster

Cash and Investments

Checking	\$ 60,789.35
Investments	
	\$ 60,789.35

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	7.25	182.03	182.03	50.00	0.00	57.25
Classes	2,109.86	17,278.15	19,618.47	4,591.62	2,363.08	1,998.08
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	2,768.83	14,468.86	15,314.39	2,859.04	2,209.04	2,573.30
Trusts	37,900.64	277,983.37	265,171.39	30,277.39	29,906.57	51,083.44
General	11,086.85	12,856.84	15,567.05	3,431.42	6,730.78	5,077.28
	\$ 53,873.43	\$ 322,769.25	\$ 315,853.33	\$ 41,209.47	\$ 41,209.47	\$ 60,789.35

Loxahatchee Elementary School
Management Letter
Year Ended June 30, 2014

This audit revealed no material instances of noncompliance.

**Manatee Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 7001 Charleston Shores Boulevard
Lake Worth, FL 33467

Principal:
Fiscal Year 2014: Mary Churchill-Jones
During Audit: Mary Churchill-Jones

Treasurer:
Fiscal Year 2014: Lenita Phillips
During Audit: Lenita Phillips

Afterschool Site Director:
Fiscal Year 2014: Patricia Latona
During Audit: Patricia Latona

Cash and Investments

Checking	\$ 67,224.96
Investments	
	\$ 67,224.96

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	157.02	2,209.00	2,115.11	540.30	180.33	610.88
Classes	4,032.10	57,898.03	59,730.53	18,144.48	20,277.69	66.39
Clubs	209.41	288.03	160.84	0.00	0.00	336.60
Departments	8,981.50	13,734.42	17,106.05	11,643.86	10,622.77	6,630.96
Trusts	43,646.79	822,640.51	816,280.28	10,260.62	10,020.99	50,246.65
General	19,244.62	29,267.26	39,690.92	13,967.13	13,454.61	9,333.48
	\$ 76,271.44	\$ 926,037.25	\$ 935,083.73	\$ 54,556.39	\$ 54,556.39	\$ 67,224.96

DEPOSIT OF MONIES

Finding

The review of the money collection process at the school revealed that some sponsors did not attach the computerized *Official Receipts* to the yellow copies of the MCRs when submitting these documents to the school secretary for record retention at the end of the school year.

Recommendation

As required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7's Record Retention Requirements*, "Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary..."

Management's Response

Concur. Principal will address staff and remind them of the importance of checking the yellow copies against the white receipts making sure the money amounts agree and money was deposited into correct account.

**Marsh Pointe Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 12649 Ibiza Drive
Palm Beach Gardens, FL 33418

Principal:
Fiscal Year 2014: Maureen Werner
During Audit: Maureen Werner

Treasurer:
Fiscal Year 2014: Darleen Dixon
During Audit: Carla Adelsperger

Afterschool Site Director:
Fiscal Year 2014: Erika Latson
During Audit: Erika Latson

Cash and Investments

Checking	\$ 109,713.95
Investments	
	\$ 109,713.95

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	2,011.77	5,504.36	4,629.30	4,782.96	4,677.96	2,991.83
Classes	4,439.23	55,046.22	55,772.51	9,621.21	9,902.31	3,431.84
Clubs	12,364.43	5,990.28	7,789.21	5,394.36	4,077.36	11,882.50
Departments	10,467.06	44,502.62	50,741.67	18,264.78	16,844.87	5,647.92
Trusts	139,727.20	658,301.70	711,047.73	72,172.12	80,255.41	78,897.88
General	4,133.13	11,091.74	13,885.37	7,543.48	2,021.00	6,861.98
	\$ 173,142.82	\$ 780,436.92	\$ 843,865.79	\$ 117,778.91	\$ 117,778.91	\$ 109,713.95

DOCUMENTATION OF DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation found that:

- The *School District Consultant Agreement (PBSD 1420)* for Disbursement #11365 (for \$800) was not signed by the consultant, although the *Agreement* was signed and approved by the Principal.
- Disbursement #11144 (for \$900) was for payment to a consultant; it was supported by a *School District Consultant Agreement (PBSD 1420)* but without an invoice. Moreover, the consultant was to provide Karate instructions to the Afterschool Program students during September 23, 2013, through June 5, 2014, with a maximum compensation of \$450. However, the school paid this consultant a total of \$3,600 through seven disbursements, which exceeded the contract amount by \$3,150.
- Two disbursements (#11217 for \$7,083.82 and #11415 for \$1,500) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Orders*.
- Disbursement #11180 (for \$6,500) was for payment to a hotel for the Daddy/Daughter Dance Event. The related agreement for the event was signed by the sponsor, instead of the Principal.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically,

- To protect the best interests of the school, the *School District Consultant Agreement (PBSD 1420)* should be properly executed prior to the consultant performing service at the school. Moreover, to protect the safety and welfare of students, the school should ensure that the consultant has been cleared for the background and clearance check as required by *Florida Statutes §1012.465*.
- The amount of payments to consultant should be consistent with the agreement. A new agreement or an addendum to the existing agreement should be executed for procuring additional service beyond the contract amount.
- *Purchase Order* approved by the Principal is required for purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase. All purchases should be pre-approved by the Principal.
- Contractual agreements should be signed by the Principal as required by *District Administrative Directive D-6.03*, which states “*the Principal of the school is the only person to whom authority has been granted to make any purchase that in any way obligate the school for payment.*”

Management's Response

Concur. Corrective actions have been taken and a new treasurer has been trained all procedures.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records found that:

- The Yearbook Sales (Account #7-0100.01) did not have the required *Fundraising Application/Recap Form* and *Sales Item Inventory Report*.
- The Band Shirt Sale (Account #2-1000.02) did not have the required *Sales Item Inventory Report*.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- To ensure proper fiscal accountability, *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Such information should assist staff in reconciling the sales revenue with the estimated revenue. Significant discrepancy, if any, between the estimated revenue and actual receipt should be investigated and resolved accordingly.

Management's Response

Concur. We have recovered the Band Shirt Item Inventory will make sure that the Yearbook Sales Item Inventory will be properly filed in the future.

LEASING OF SCHOOL FACILITIES

Finding

Lease Agreement #1001 was for the use of facilities by a lessee during September 6, 2013, through June 2, 2014. However, the *Agreement* was not signed by the lessee and a witness until September 13, 2013; i.e. seven days after the lessee had begun using the facilities.

Recommendation

To protect the best interest of the School District and ensure *Lease Agreements* are legally enforceable, they should be properly executed with all the required signatures prior to the use of facilities by lessees.

Management's Response

Concur.

**Meadow Park Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 956 Florida Mango Road
West Palm Beach, FL 33406

Principal:
Fiscal Year 2014: Pamela Arnette
During Audit: Pamela Arnette

Treasurer:
Fiscal Year 2014: Maria Konietzko
During Audit: Maria Konietzko

Afterschool Site Director:
Fiscal Year 2014: Tammy Ditmars
During Audit: Tammy Ditmars

Cash and Investments

Checking	\$ 44,887.42
Investments	
	\$ 44,887.42

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	137.10	2,431.78	2,401.92	1,252.36	1,299.76	119.56
Classes	2,633.51	24,403.69	24,379.73	4,779.64	4,532.66	2,904.45
Clubs	4,300.14	21,950.40	9,532.56	12,511.66	25,537.24	3,692.40
Departments	7,519.40	11,017.75	10,908.65	2,201.00	2,201.00	7,628.50
Trusts	19,542.05	276,964.35	288,547.34	18,123.70	5,000.20	21,082.56
General	4,514.84	18,483.67	13,241.06	6,903.34	7,200.84	9,459.95
	\$ 38,647.04	\$ 355,251.64	\$ 349,011.26	\$ 45,771.70	\$ 45,771.70	\$ 44,887.42

Meadow Park Elementary School
Management Letter
Year Ended June 30, 2014

This audit revealed no material instances of noncompliance.

**Melaleuca Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 5759 West Gun Club Road
West Palm Beach, FL 33415

Principal:
Fiscal Year 2014: Deborah Maupin
During Audit: Deborah Maupin

Treasurer:
Fiscal Year 2014: Lesia Mullett
During Audit: Lesia Mullett

Afterschool Site Director:
Fiscal Year 2014: Doreen Ulyas
During Audit: Doreen Ulyas

Cash and Investments

Checking	\$ 14,445.97
Investments	
	\$ 14,445.97

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	15.72	354.00	328.00	26.00	26.00	41.72
Classes	2,831.32	10,119.25	10,750.40	5,476.25	5,477.25	2,199.17
Clubs	1,205.01	8,029.02	2,854.61	922.36	4,838.35	2,463.43
Departments	4,648.84	8,963.19	10,255.54	5,049.11	5,049.11	3,356.49
Trusts	12,785.89	167,582.51	178,235.97	4,290.71	432.87	5,990.27
General	1,086.69	2,783.61	3,534.56	2,387.22	2,328.07	394.89
	\$ 22,573.47	\$ 197,831.58	\$ 205,959.08	\$ 18,151.65	\$ 18,151.65	\$ 14,445.97

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser documentation found that the *Sales Item Inventory Reports* for the Safety Patrol Boo Grams Lollipops (Account #4-4300.03) and the Valentine's Pixie (Account #4-4300.04) indicated that "all items donated", but did not include the item descriptions, quantities, selling prices, and sales revenues. Without the sales information, there was no assurance that all sales revenues were properly accounted for.

Recommendation

To ensure proper fiscal accountability, *Sales Item Inventory Report* should be prepared and completed with accurate information. Accurate *Sales Item Inventory Report* should assist staff in (1) reconciling sales revenue and (2) tracking items purchased, given-away, or remained in ending inventory. Significant discrepancy, if any, between the estimated revenue and actual receipt should be investigated and resolved accordingly.

Management's Response

Concur. Procedures for completing and documenting fundraiser forms will be reviewed with all club/activity sponsors and the bookkeeper.

Morikami Park Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014

Address: 6201 Morikami Park Road
Delray Beach, FL 33484

Principal:
Fiscal Year 2014: Stacey Quinones
During Audit: Stacey Quinones

Treasurer:
Fiscal Year 2014: Debbie Balmaceda
During Audit: Debbie Balmaceda

Afterschool Site Director:
Fiscal Year 2014: Teri Pavlus
During Audit: Teri Pavlus

Cash and Investments

Checking	\$ 136,681.17
Investments	
	\$ 136,681.17

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	85.00	85.00	0.00	0.00	0.00
Classes	387.47	54,761.98	53,903.02	1,017.40	1,868.04	395.79
Clubs	972.14	0.00	0.00	0.00	0.00	972.14
Departments	4,153.19	28,189.76	26,808.53	6,400.00	6,400.00	5,534.42
Trusts	67,424.85	735,722.56	710,411.27	17,999.92	19,351.07	91,384.99
General	38,548.23	51,829.40	54,185.59	33,772.38	31,570.59	38,393.83
	\$ 111,485.88	\$ 870,588.70	\$ 845,393.41	\$ 59,189.70	\$ 59,189.70	\$ 136,681.17

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and the money collection process at the school found that monies were not always turned in by the sponsors in a timely manner. For example, \$4,312.85 collected through three MCRs (#369-5, # 369-18, and #380-16)) was retained by the sponsors for one to two working days before it was put into the drop-safe for deposit.

Recommendation

DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools) and the District's *Internal Accounts Manual* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in potential irregularities.

Management's Response

Concur. Review rules with staff so this does not happen again.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card transaction records found that Disbursement #11048 (for \$2,995) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*.

Recommendation

Purchase Order approved by the Principal is required for purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase. All purchases should be pre-approved by the Principal.

Management's Response

Concur. In the future, all P-Card transactions exceeding the \$1,000 threshold will have a purchase order.

**New Horizons Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 13900 Greenbriar Boulevard
Wellington, FL 33414

Principal:
Fiscal Year 2014: Elizabeth Cardozo
During Audit: Elizabeth Cardozo

Treasurer:
Fiscal Year 2014: Tina Bewster
During Audit: Tina Bewster

Afterschool Site Director:
Fiscal Year 2014: Jeremy Kirk
During Audit: Jeremy Kirk

Cash and Investments

Checking	\$ 125,837.99
Investments	
	\$ 125,837.99

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	618.21	337.14	71.21	0.00	0.00	884.14
Classes	10,978.87	8,297.21	10,535.71	462.06	208.56	8,993.87
Clubs	17,225.69	29,605.24	33,388.99	8,534.44	3,830.63	18,145.75
Departments	3,682.33	14,583.88	9,674.58	1,732.16	4,605.03	5,718.76
Trusts	66,341.38	256,102.98	246,350.98	9,172.13	10,774.57	74,490.94
General	15,483.43	8,365.23	5,762.13	3,719.83	4,201.83	17,604.53
	\$ 114,329.91	\$ 317,291.68	\$ 305,783.60	\$ 23,620.62	\$ 23,620.62	\$ 125,837.99

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser records found that:

- The Yearbook Sales (Account #7-0100.25) did not have the required *Fundraising Application/ Recap Form* and *Sales Item Inventory Report*.
- The T-Shirt Sales (Account #7-0100.75) had a total of \$4,129.83 in sales revenues deposited into the Internal Funds. Based on the school’s purchasing records and the *Sales Item Inventory Report*, this fundraiser should have generated a total estimated revenue of \$4,430. As a result, \$300.17 (or 6.8%) in estimated revenue was unaccounted for.

Item	Quantity				Units Sold	Selling Price	Revenues
	Beginning Inventory ⁽¹⁾	Purchases ⁽²⁾	Items Given Away	Inventory On Hand ⁽¹⁾			
Adult T-Shirts	31	120	0	21	130	\$12	\$1,560.00
Youth T-Shirts	0	358	0	71	287	10	2,870.00
Total Estimated Revenues							\$4,430.00
Total \$ Deposited into Internal Funds							\$4,129.83
Estimated Revenues Unaccounted For							<u>\$300.17</u>

(1) Based on *FY14 Sales Item Inventory Report*.
 (2) Based on purchasing records during July 1, 2013, and June 30, 2014.

- The financials for the School Planners and Supplies Sales were recorded in the Technology Primary Account (#4-4110.00), instead of a decimalized account for the fundraiser.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- To ensure proper fiscal accountability, *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser in order for staff to reconcile the sales revenue with the estimated revenue. Significant discrepancy, if any, between the estimated revenue and actual receipt should be investigated and resolved accordingly.
- To assist the school in evaluating and monitoring the performance of individual fundraiser, a separate decimalized account should be established for each fundraiser. Fundraiser account should include all the needed and accurate financial information.

Management’s Response

Concur. Fundraising guidelines will be reviewed with all staff. The Fundraising Application/Recap form and Sales Item Inventory Report will be completed accurately. A separate decimalized account will be established for each fundraiser.

On March 14, 2014, a total of 15 t-shirts were given to students for field Day because the teacher had not ordered any shirts for the student in the class. The shirts were washed and returned and placed in our uniform donation storage. This accounts for \$150 of the revenue unaccounted for.

DOCUMENTATION OF DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation found that Disbursement #10780 (for \$1,104.66) was for payment of a December 3, 2013, invoice. However, the related *Purchase Order* was neither prepared by the sponsor nor approved by the Principal until January 13 and 17, 2014, respectively.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically, *Purchase Order* approved by the Principal is required for purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase. All purchases should be pre-approved by the Principal.

Management's Response

Concur. Training will be provided and procedures will be followed for Purchase Orders.

**North Grade Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 824 North "K" Street
Lake Worth, FL 33460

Principal:
Fiscal Year 2014: Nicole Patterson
During Audit: Nicole Patterson

Treasurer:
Fiscal Year 2014: Stephanie Dunlop
During Audit: Stephanie Dunlop

Afterschool Site Director:
Fiscal Year 2014: Ginger Evans
During Audit: Ginger Evans

Cash and Investments

Checking	\$ 28,949.92
Investments	
	\$ 28,949.92

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	612.22	2,820.00	2,947.19	724.46	761.55	447.94
Classes	1,111.53	74,421.88	71,601.38	32,381.36	33,219.67	3,093.72
Clubs	992.45	0.00	89.81	0.00	0.00	902.64
Departments	1,915.62	9,655.29	9,783.90	1,721.52	1,789.09	1,719.44
Trusts	20,866.75	420,967.28	421,428.10	10,019.56	10,477.55	19,947.94
General	5,610.08	11,622.79	15,795.59	2,309.64	908.68	2,838.24
	\$ 31,108.65	\$ 519,487.24	\$ 521,645.97	\$ 47,156.54	\$ 47,156.54	\$ 28,949.92

North Grade Elementary School
Management Letter
Year Ended June 30, 2014

This audit revealed no material instances of noncompliance.

Northboro Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014

Address: 400 40th Street
West Palm Beach, FL 33407

Principal:
Fiscal Year 2014: Gayle Harper
During Audit: Gayle Harper

Treasurer:
Fiscal Year 2014: Marie DeSantis
During Audit: Marie DeSantis

Afterschool Site Director:
Fiscal Year 2014: Chantelle Broome
During Audit: Chantelle Broome

Cash and Investments

Checking	\$ 53,082.37
Investments	
	\$ 53,082.37

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	1,475.97	700.00	1,064.06	389.86	0.00	1,501.77
Classes	4,480.59	62,833.79	57,366.48	10,506.06	14,734.77	5,719.19
Clubs	82.76	0.00	0.00	0.00	0.00	82.76
Departments	3,768.53	15,137.43	11,786.55	5,064.08	4,477.98	7,705.51
Trusts	35,951.12	358,056.22	359,445.16	17,856.95	20,472.88	31,946.25
General	9,078.71	6,337.51	15,158.01	6,195.48	326.80	6,126.89
	\$ 54,837.68	\$ 443,064.95	\$ 444,820.26	\$ 40,012.43	\$ 40,012.43	\$ 53,082.37

Northboro Elementary School
Management Letter
Year Ended June 30, 2014

This audit revealed no material instances of noncompliance.

**Northmore Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 4111 North Terrace Drive
West Palm Beach, FL 33407

Principal:
Fiscal Year 2014: Nancy Robinson
During Audit: Vonda Daniels

Treasurer:
Fiscal Year 2014: Belinda Colebrook
During Audit: Belinda Colebrook

Afterschool Site Director:
Fiscal Year 2014: Lesley Gillins
During Audit: Lesley Gillins

Cash and Investments

Checking	\$ 12,035.81
Investments	
	\$ 12,035.81

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	45.23	0.00	0.00	0.00	45.23	0.00
Classes	1,291.15	5,811.80	5,959.94	698.76	1,659.68	182.09
Clubs	94.82	0.00	0.00	0.00	0.00	94.82
Departments	388.26	2,115.49	912.88	1,053.84	1,053.84	1,590.87
Trusts	12,698.35	83,274.49	87,578.21	6,486.82	6,306.82	8,574.63
General	3,414.32	11,976.97	14,624.04	8,192.96	7,366.81	1,593.40
	\$ 17,932.13	\$ 103,178.75	\$ 109,075.07	\$ 16,432.38	\$ 16,432.38	\$ 12,035.81

Northmore Elementary School
Management Letter
Year Ended June 30, 2014

This audit revealed no material instances of noncompliance.

**Orchard View Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 4050 Old Germantown Road
Delray Beach, FL 33445

Principal:
Fiscal Year 2014: Kathleen DePuma
During Audit: Kathleen DePuma

Treasurer:
Fiscal Year 2014: Melanie Hanie / Jenny Okoe
During Audit: Jenny Okoe

Afterschool Site Director:
Fiscal Year 2014: Kathy Anderson
During Audit: Kathy Anderson

Cash and Investments

Checking	\$ 39,347.25
Investments	
	\$ 39,347.25

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	79.74	0.00	0.00	0.00	0.00	79.74
Classes	1,238.91	20,265.20	20,019.94	2,522.75	2,522.75	1,484.17
Clubs	4,108.94	35.75	941.55	627.80	0.00	3,830.94
Departments	2,667.04	820.05	370.01	0.00	0.00	3,117.08
Trusts	34,095.53	180,250.43	186,796.46	2,239.15	2,866.95	26,921.70
General	2,659.22	5,696.90	4,442.50	2,365.03	2,365.03	3,913.62
	\$ 44,849.38	\$ 207,068.33	\$ 212,570.46	\$ 7,754.73	\$ 7,754.73	\$ 39,347.25

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and the money collection process at the school found that the bookkeeper did not always process collections in a timely manner. For example, \$4,199.99 collected through two MCRs (#283-5 and #288-1) was not processed by the bookkeeper until seven and eight working days respectively after the monies were put in the drop-safe by the sponsors. The time lapse between the collections and deposit in the bank exceeded the Department of Education's five-working-day rule by two and three days respectively.

Recommendation

DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools) requires that monies collected be deposited in the bank within five working days after collection. Delay in turning in the monies for deposit could increase the exposure to staff and result in potential irregularities.

Management's Response

Concur. School did not have a bookkeeper during this time. Bookkeeper now in place.

DOCUMENTATION FOR FIELD TRIPS

Finding

The review of sample field trip documentation revealed that:

- The school began collecting fees for the End-of-Year 4th Grade Field Trip to Disney Magic Kingdom in December 2013. However, the related *Field Trip/Activity Planning Report and Approval Request Form* was not prepared by the sponsor, and approved by the Principal and Area Superintendent until April 15, 2014.
- In December 2013, the school began collecting fees for the End-of-Year 5th Grade Field Trip to Universal Studios. However, the related *Field Trip/Activity Planning Report and Approval Request Form* was not prepared by the sponsor and approved by the Principal until April 29 and 30, 2014, respectively. Moreover, the *Form* was not approved by the Area Superintendent.

Recommendation

Field trips should be conducted in accordance with *School Board Policy 2.40* and related District guidelines. Specifically,

- *School Board Policy 2.40, (3)(a)*, states that "*The Field Trip/Activity Planning Report and Approval Request must be completed and approved for each field trip. No money is to be raised, plans for trips made, or contracts signed until proper approval has been received.*"
- Out-of-county field trips should be approved by the Principal and Area Superintendent.

Management's Response

Concur. Staff completed District Train U Session

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation found that two P-Card purchases (\$1,396.04 on April 11, 2014, and \$1,071.20 April 18, 2014) exceeded the \$1,000 daily threshold per vendor. However, these two purchases did not have the required prior approval of the Purchasing Department nor the Principal's approved *Purchase Orders*.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

- P-Card purchase in excess of \$1,000 requires prior approval of the Purchasing Department.
- *Purchase Order* approved by the Principal is required for purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase. All purchases should be pre-approved by the Principal.

Management's Response

Concur. Large volume of books needed to be ordered for summer slide program as a result of Pew Grant awarded. Bookkeeper indicated she was given a verbal okay to order books to meet short timeline. Bookkeeper will get waivers in writing for all future purchases.

**Pahokee Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 560 East Main Place
Pahokee, FL 33476

Principal:
Fiscal Year 2014: Karen Pyfrom Abrams
During Audit: Karen Pyfrom Abrams

Treasurer:
Fiscal Year 2014: Leontye Mann
During Audit: Leontye Mann

Cash and Investments

Checking	\$ 16,167.07
Investments	
	\$ 16,167.07

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	863.77	4,342.65	4,313.74	200.00	200.00	892.68
Clubs	3,919.61	12,408.42	13,396.85	1,968.40	1,968.40	2,931.18
Departments	860.50	404.78	597.23	0.00	0.00	668.05
Trusts	4,351.06	36,109.48	31,313.81	191.69	191.69	9,146.73
General	303.44	16,211.87	13,986.88	9,458.25	9,458.25	2,528.43
	\$ 10,298.38	\$ 69,477.20	\$ 63,608.51	\$ 11,818.34	\$ 11,818.34	\$ 16,167.07

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and the money collection process at the school found that:

- Some sponsors did not attach the computerized *Official Receipts* to the yellow copies of the *Money Collection Reports* (MCRs) when submitting these documents to the school secretary for record retention at the end of the school year.
- Some sponsors did not always record the deposit information on the *Drop-safe Log* before dropping monies into the safe. For example, the sponsors did not record the information for three sample MCRs (#344-6, #315-9, and #338-24, totaling \$3,800) on the *Log*.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- As required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7's Record Retention Requirements*, "Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary..."
- To ensure proper fiscal accountability and as required by *Bulletin #P-14051-S/CFO*, deposit information should be properly recorded on the *Drop-safe Log*.

Management's Response

Concur. We check monies collected forms monthly to ensure compliance.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser documentation revealed that:

- The Holiday Shop fundraiser (Account #7-0100.02) did not have the required *Fundraising Application/Recap Form* and *Sales Item Inventory Report*. Moreover, items purchased for this fundraiser were funded by the school's Administrative Supply Budget account, instead of the fundraiser's Internal Fund account.
- The 5th Grade Dance (Account #7-0100.16) and SECME Movie Night (Account #4-4400.01) fundraisers did not have the required *Fundraising Application/Recap Forms*.

- The FCAT T-shirts fundraiser (Account #7-0100.07) did not have the required *Sales Item Inventory Report*.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- To ensure proper fiscal accountability, *Sales Item Inventory Report* should be accurately completed with all the needed information. Accurate *Sales Item Inventory Report* should assist staff in (1) reconciling sales revenues and (2) tracking items purchased, given-away, or remained in inventory. Significant discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.
- All expenditures should be funded by the appropriate funding sources in accordance with District's guidelines. To assist the school in evaluating and monitoring the performance of individual fundraiser, each fundraiser should have its own decimalized account established in the Internal Funds Accounting System. Fundraiser account should include all the needed and accurate financial information.

Management's Response

Concur. Each fundraiser has its own application and must be approved prior to the start of each fundraiser. We also created an inventory sheet to accompany sales.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation found that:

- Nine purchases, totaling \$9,282.27, did not have any supporting documentation for the expenses. These nine purchases included three disbursements (#10429 for \$3,337.75, #10370 for \$249.99, and #10432 for \$3,423.35) and six P-Card transactions (totaling \$2,271.18, occurred in May 2014).
- Disbursement #10324 (for \$1,525) and a \$1,050 P-Card transaction were for payments of the expenses for the September 5, 2013, and May 1, 2014, out-of-county field trips respectively. However, the related *Field Trip/Activity Planning Report and Approval Request Forms* were not approved by the Area Superintendent.
- Two P-Card transactions, totaling \$2,340.03, were for payments of lodging for two employees attending a conference in New Orleans in May 2014. They did not have the required *Temporary Duty Elsewhere (TDE) Forms* and the conference information.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

- To ensure that purchases are appropriate, disbursements and P-Card purchases should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.
- Field trips should be administered in accordance with *School Board Policy 2.40*. Specifically, out-of-county field trips should be approved by the Principal and Area Superintendent.
- TDE forms should be prepared and properly approved for staff, who are working away from the school premises, such as attending conference and going to field trip.

Management's Response

Concur. Field trip packet will be completed in its entirety (TDE, Field Trip Planning Report, Area Superintendent and approved signatures) before any travel arrangements are made.

SIGNATURE CARDS

Finding

The review of banking documentation revealed that the school did not have the signature card for its checking account with the bank.

Recommendation

DOE Rules, Section III (1.3), which states “Each [bank] account shall have at least two authorized check signers, one of whom must be the principal.” According to *Internal Accounts Manual*, when authorized banking signatory is changed, the Treasury Department must be notified and will generate a bank resolution letter authorizing the changes, as soon as those changes have been approved through proper channels. Schools should retain the bank resolution letters, as well as a copy of the actual bank signature cards.

Management's Response

Updated signature card has been signed and returned to accounting.

**Palm Beach Gardens Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 10060 Riverside Drive
Palm Beach Gardens, FL 33410

Principal:
Fiscal Year 2014: Marie Caracuzzo
During Audit: Marie Caracuzzo

Treasurer:
Fiscal Year 2014: Linda Weaver
During Audit: Keenan Hurlburt

Afterschool Site Director:
Fiscal Year 2014: Billy Gira
During Audit: Gina Evans

Cash and Investments

Checking	\$ 43,273.23
Investments	
	\$ 43,273.23

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	2,259.77	1,073.05	1,695.51	500.00	0.00	2,137.31
Classes	0.00	43,385.78	40,278.82	11,467.81	14,464.50	110.27
Clubs	7,663.17	18,183.00	19,499.57	9,305.80	8,357.23	7,295.17
Departments	4,289.98	15,339.41	15,533.71	5,544.13	3,610.02	6,029.79
Trusts	21,114.40	473,099.40	466,576.98	15,408.80	16,606.69	26,438.93
General	2,150.70	9,536.24	11,237.08	1,698.27	886.37	1,261.76
	\$ 37,478.02	\$ 560,616.88	\$ 554,821.67	\$ 43,924.81	\$ 43,924.81	\$ 43,273.23

LEASING OF SCHOOL FACILITIES

Finding

The review of school facility leasing records revealed that the *Certificates of Insurance* for Lease #1020 only listed the School Board as the certificate holder without including the School Board as an additional insured party for liability insurance coverage.

Recommendation

To protect the School District from unwarranted liability, ***School Board Policy 7.18*** requires that lessee must “*provide a copy of liability insurance policy in the amount of \$1,000,000, naming the School Board of Palm Beach County as an additional insured, with the Lease Agreement or purchase liability insurance from the School District.*”

Management’s Response

Concur. Reviewed lease verbiage with current bookkeeper on September 17, 2014.

**Palm Beach Public School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 239 Coconut Road
Palm Beach, FL 33480

Principal:
Fiscal Year 2014: Sharon Stevens
During Audit: Christie Schwab

Treasurer:
Fiscal Year 2014: Angie Brown
During Audit: Angie Brown

Afterschool Site Director:
Fiscal Year 2014: Heather Stonelake
During Audit: Heather Stonelake

Cash and Investments

Checking	\$ 23,052.84
Investments	
	\$ 23,052.84

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	242.07	0.00	233.13	0.00	0.00	8.94
Classes	500.00	16,739.38	15,793.04	1,746.21	3,192.55	0.00
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	258.17	9,714.26	9,526.58	0.00	0.00	445.85
Trusts	31,874.39	205,577.99	217,334.15	10,218.72	11,227.76	19,109.19
General	5,402.20	8,291.87	12,660.59	3,305.29	849.91	3,488.86
	\$ 38,276.83	\$ 240,323.50	\$ 255,547.49	\$ 15,270.22	\$ 15,270.22	\$ 23,052.84

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process at the school found that:

- At the end of the year, some sponsors did not submit the computerized *Official Receipts* to the school secretary for future reference and mandatory record retention.
- The *Drop-safe Log* was not completed properly in accordance with District's **Bulletin #P-14051-S/CFO**. Specifically, (1) *Section 2* of the *Log* was completed by other staff member instead of the bookkeeper, and (2) *Section 3* of the *Log* was completed by the bookkeeper instead of an independent verifier.

Recommendation

Money collections should be administered in accordance with District guidelines and **DOE Rules (Chapter 8 of the 2013 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)**. Specifically,

- As required by **Bulletin #P-14051-S/CFO and Internal Accounts Manual, Chapter 7's Record Retention Requirements**, "*Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary...*"
- To ensure proper fiscal accountability and comply with **Bulletin #P-14051-S/CFO**, responsible staff should properly complete the *Drop-safe Log* with all the required information. Specifically, (1) activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe, (2) the bookkeeper should complete *Section 2* of the *Log* after removing the deposits from the safe for processing, and (3) the verifier should complete *Section 3* of the *Log* after the bookkeeper entered the deposit information into the school's accounting system.

Management's Response

Concur. Teacher/sponsors will submit their both their yellow copies and their computer receipts to the secretary at the end of the school year. Drop-safe Log procedures will be followed correctly. The bookkeeper and verifier had reversed the steps last year.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser documentation revealed that:

- The *Fundraising Application/Recap Form* and *Sales Item Inventory Report* for Safety Patrol's Poinsettia Sales (Account #6-4000.05) were not signed and approved by the Principal. Based on the purchasing records, this fundraiser should have generated a total estimated revenue of \$1,335, but only \$1,215 in sales revenues was deposited into the Internal Funds. As a result, \$120 (or 9%) in estimated revenue was unaccounted for.

- The Student Agenda Sales (Account #7-0100.02) had a total sales revenue of \$2,891 deposited into the Internal Funds. Based on the purchasing records and the FY2014 *Sales Item Inventory Report*, this fundraiser should have generated a total estimated revenue of \$3,115. As a result, \$224 (7%) in estimated revenue was unaccounted for.
- The Safety Patrol Dances (Account #6-4000.06) had a total sales revenue of \$585. This fundraiser did not use prenumbered tickets for admissions as required by the *Internal Accounts Manual*.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- To ensure proper fiscal accountability, *Ticket Sellers Report* and *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser in order for staff to reconcile the sales revenues with the estimated revenues. Significant discrepancy, if any, between the estimated revenue and actual receipt should be investigated and resolved accordingly.
- *Internal Accounts Manual, Chapter 26* requires that, “Prenumbered tickets must be used to account for admissions to campus events if the anticipated revenues at the event are expected to exceed \$500 at the elementary level or \$1,000 at the secondary level.”

Management’s Response

Concur. I will pre-approve all school fundraisers. Correct reports will be completed prior to any fundraisers. School agendas that are given for hardships will be documented. Tickets used for fundraisers will be prenumbered.

DOCUMENTATION FOR DISBURSEMENTS

Finding

Disbursements #10513 and #10568, totaling \$513, were for payments of admission fees during the 3rd Grade Bowling Field Trip on June 4, 2014. However, this field trip did not have the required *Field Trip Activity Planning Report and Approval Requests* (PBSD1894).

Recommendation

Field trips should be conducted in accordance with *School Board Policy 2.40* and related District guidelines. Specifically, a *Field Trip/Activity Planning Report and Approval Request* and TDEs must be completed by the sponsor and approved by the Principal for each field trip.

Management's Response

Concur. All fieldtrips will have the correct report completed as well as TDE's.

Additional comments: *As the new Principal, I will work on correcting all findings for a better audit for FY 15.*

**Palm Springs Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 101 Davis Road
Palm Springs, FL 33461

Principal:
Fiscal Year 2014: Kathy Harris
During Audit: Dawn Lewis

Treasurer:
Fiscal Year 2014: Patre Davis
During Audit: Patre Davis

Afterschool Site Director:
Fiscal Year 2014: Patricia Silva
During Audit: Patricia Silva

Cash and Investments

Checking	\$ 25,674.29
Investments	
	\$ 25,674.29

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	382.41	725.60	404.85	225.60	225.60	703.16
Classes	2,520.84	4,933.25	4,255.50	1,960.13	1,870.13	3,288.59
Clubs	12,352.82	9,547.59	1,990.97	7,360.52	19,445.47	7,824.49
Departments	1,355.55	8,113.79	7,371.20	2,004.94	2,004.94	2,098.14
Trusts	15,003.98	139,631.44	155,783.53	15,390.00	3,415.05	10,826.84
General	1,711.63	13,944.69	14,743.25	2,396.05	2,376.05	933.07
	\$ 33,327.23	\$ 176,896.36	\$ 184,549.30	\$ 29,337.24	\$ 29,337.24	\$ 25,674.29

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process at the school revealed that the bookkeeper did not always timely process the money deposited in the drop-safe. For example, \$1,651.61 collected through six MCRs (#441-1, #441-2, #441-3, #441-4, #441-5, and #441-6) were not processed by the bookkeeper and deposited into the bank until six to eight working days after the collections. The time lapsed for deposit into the bank exceeded the Department of Education's five-working-day rule.

Recommendation

DOE Rules (Chapter 8 of the 2013 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools) requires that monies collected be deposited into the bank within five working days after collection. Delay in turning in the monies for deposit could increase the exposure to staff and result in potential irregularities.

Management's Response

Concur. I will conference with the bookkeeper and request that she complies with correct operating procedures. I will periodically review the process throughout the year.

AFTERSCHOOL PROGRAM

Finding

The review of Afterschool Program records found that:

- As of June 30, 2014, the Afterschool Program had \$6,651.93 in accounts receivable from 18 student accounts. Of the \$6,651.93 in receivables, \$2,718.03 was past due for three to six months, and \$1,677.55 was past due for over six months.
- The school did not collect a total of \$462.50 in additional fees for March 6, 2014, which were required for Professional Development Day (PDD).
- The school incorrectly charged two students who were siblings, and attended the program part-time, as one full-time student, instead of two part-time students. As a result, the parent was undercharged a total of \$147.50 in snack fee.
- The school removed a total of \$2,332.07 in program fees for nine students, who withdrew from the program during year. However, the fee adjustments were incorrectly recorded as payments received from the parents. As a result, the EZ Care Database (the Afterschool Program's accounting system) had overstated the revenues by \$2,332.07.

Recommendation

Afterschool Program should be administered in accordance with District's guidelines and *Afterschool*

Palm Springs Elementary School
Management Letter
Year Ended June 30, 2014

Programs Operational Manual. Afterschool Program is a self-sufficient programs supported by user fees. To ensure fiscal accountability,

- Afterschool fees should be collected in advance as required by the ***Afterschool Programs Operational Manual***. Specifically, “*fees are payable in advance and are collected monthly on the first three school days of the month.*”
- Program fees, including PDD fees, should be collected in accordance with the District’s approved ***Rate Schedule***.
- Afterschool Program financial transactions should be accurately recorded in the EZ Care database and periodically reconciled to the Internal Funds records. Discrepancies, if any, should be investigated and resolved accordingly.

Management’s Response

Concur. Hired a new director. All overdue balances due by January 5, 2015. Payment plan and conference initiated during the month of October with all parents. All fees implemented as required by policy. The new director has thorough understanding of the program and follows appropriate procedures outlined by policy. She has conferenced with me and shared her plans to remediate the problems found as the new director. We implemented a date to assist parents in coming current with back due payments. Any parent that does not fulfill their contract will be exited from the program. Conferences have been held through the month of October.

**Palmetto Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 5801 Parker Avenue
West Palm Beach, FL 33405

Principal:
Fiscal Year 2014: Gladys Harris
During Audit: Gladys Harris

Treasurer:
Fiscal Year 2014: Rhonda Diamond Ninfo
During Audit: Rhonda Diamond Ninfo

Afterschool Site Director:
Fiscal Year 2014: Courtney Caramanna
During Audit: Courtney Caramanna

Cash and Investments

Checking	\$ 18,230.50
Investments	
	\$ 18,230.50

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	162.88	2,567.00	2,478.10	581.35	833.13	0.00
Clubs	6,025.53	63,744.29	63,382.67	20,805.60	21,256.77	5,935.98
Departments	191.97	2,574.06	1,965.23	600.77	600.77	800.80
Trusts	17,717.85	186,020.21	192,707.99	192.00	217.00	11,005.07
General	2,321.99	6,790.09	9,351.38	2,198.98	1,471.03	488.65
	\$ 26,420.22	\$ 261,695.65	\$ 269,885.37	\$ 24,378.70	\$ 24,378.70	\$ 18,230.50

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and the money collection process at the school revealed that, at the end of the school year, some sponsors did not submit the yellow copies of MCRs and computerized *Official Receipts* to the school secretary for record retention and future reference.

Recommendation

As required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7's Record Retention Requirements*, "Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary..."

Management's Response

Concur. Adjusted procedures with Team Leaders assistance – each teacher will receive a manila envelope at the beginning of the school year to place yellow copies of the MCR then they will staple to computerized receipts to turn in to Principal.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records found that:

- The Mother's Day Cakes (Account #7-0100.04) and Christmas Wreath Sales (Account #4-3300.01) did not have the required *Fundraiser Application/Recap Forms* and *Sales Item Inventory Reports*. Without documentation for sales information such as selling prices, quantities sold, and inventory counts, there was no assurance that all revenues were accounted for.
- The school conducted a Book Fair Fundraiser during November 18, through December 2, 2013. However, the related *Fundraising Application/Recap Form* was not prepared by the sponsor and approved by the Principal until January 15 and 16, 2014, respectively.
- The Yankee Candle Sales (Accounts #7-0100.08 and #4-4300.18) had a total sales revenue of \$3,417.73 deposited into the Internal Funds (\$1,240.73 for Account #7-0100.08 and \$2,177 for Account #4-4300.18). However, the vendor's invoice indicated that this fundraiser could have a total sales revenue of \$3,996. Consequently, as much as \$578.27 in sales revenue was not accounted for.
- A total of \$16,728 in sales revenue was deposited into the Patrols Candy Bars Sales Account (#4-4300.06). As indicated by the sponsor on the *Sales Item Inventory Report*, some candy bars were either missing or given-away free-of-charge. The give-away items had a total estimated resale value of \$792 (or 4.7% of the total revenue). Moreover, the *Sales Item Inventory Report* for this fundraiser was not approved by the Principal.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- To ensure proper fiscal accountability, *Sales Item Inventory Report* should be prepared and completed with accurate information. Accurate *Sales Item Inventory Report* should assist staff in (1) reconciling sales revenue and (2) tracking items purchased, given-away, or remained in inventory.
- The *Sales Item Inventory Report* should be approved by the Principal to confirm (1) the legitimacy for items, if any, were given-away free-of-charge, and (2) the missing items, if any. Discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.

Management's Response

Concur. Principal spoke to safety patrol sponsor to rectify this situation for future candy sales or similar fundraisers. Safety patrol sponsor was given copy of this financial draft with details.

DOCUMENTATION OF DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation found that:

- Disbursement #10322 (for \$195) was for payment to a consultant for the October 10, 2013, Magic Show, without the required *School District Consultant Agreement (PBSD 1420)*.
- Disbursement #10423 (for \$1,064.24) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*.
- Three sample P-Card transactions were not supported by itemized invoices or receipts:
 - A \$52.24 (August 27, 2013) purchase did not have any supporting documentation for the purchase.
 - A \$9.48 (August 1, 2013) purchase was supported by a packing list, which did not have the dollar amount of the purchase.
 - A \$744 (August 2, 2013) purchase was supported by a credit card receipt, which did not have the details of the purchase.
- Disbursement #10251 (for \$318) was for payment of expenses during a Summer Camp field trip. However, this field trip did not have the required *Field Trip/Activity Planning Report and Approval Request Form*.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

- To protect the safety and welfare of students, prior to the consultant performing services at the school: (1) the *School District Consultant Agreement (PBSD 1420)* should be properly executed with all the required signatures, and (2) the consultant's background and clearance check must have been conducted as required by *Section 8 of the Agreement* and *Florida Statutes §1012.465*.
- *Purchase Order* approved by the Principal is required for purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase.
- All disbursements and P-Card purchases should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there was no assurance that the expenses were appropriate.
- Field trips should be conducted in accordance with *School Board Policy 2.40* and related District guidelines. Specifically, a *Field Trip/Activity Planning Report and Approval Request* must be completed by the sponsor and approved by the Principal for each field trip.

Management's Response

Concur. Principal discussed and gave copy of this finding to the afterschool director to ensure recommendations are followed for any future aftercare activity.

AFTERSCHOOL PROGRAM

Finding

As of June 30, 2014, the Afterschool Program Snack Account (#6-9550) had a year-end balance of \$3,507.54, and the Special Activities Account (#6-9600) had a year-end balance of \$2,014.38. These two accounts exceeded the \$1,500 and \$750 year-end maximum balances respectively as allowed by the *Afterschool Programs Operational Manual*.

Recommendation

As required by the *Afterschool Programs Operational Manual*, charges to the students should approximate the cost of the activities and no excessive profits should be accrued to Afterschool Program accounts. Specifically, the year-end balance for the Snack Account should not exceed \$1,500, and the Special Activities Account year-end balance should not exceed \$750. The school should monitor the revenues and expenditures of these accounts accordingly.

Management's Response

Concur. Discussed with Aftercare Director and recommendation will be followed.

**Panther Run Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 10775 Lake Worth Road
Lake Worth, FL 33467

Principal:
Fiscal Year 2014: Pamela Strachan
During Audit: Pamela Strachan

Treasurer:
Fiscal Year 2014: Kimberly Kahant
During Audit: Kimberly Kahant

Afterschool Site Director:
Fiscal Year 2014: Matthew Childs
During Audit: Matthew Childs

Cash and Investments

Checking	\$ 32,567.73
Investments	
	\$ 32,567.73

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	208.70	2,202.00	1,431.45	141.95	141.95	979.25
Classes	1,697.29	33,364.51	32,694.36	4,554.35	6,534.00	387.79
Clubs	0.00	1,162.00	1,162.00	296.00	296.00	0.00
Departments	4,318.44	18,714.43	14,404.15	7,184.03	13,474.85	2,337.90
Trusts	12,957.58	480,255.52	474,848.39	7,229.34	7,750.92	17,843.13
General	14,268.36	31,036.52	43,077.27	18,687.39	9,895.34	11,019.66
	\$ 33,450.37	\$ 566,734.98	\$ 567,617.62	\$ 38,093.06	\$ 38,093.06	\$ 32,567.73

DOCUMENTATION FOR FIELD TRIPS

Finding

The review of sample records for disbursements and P-Card purchases found that three P-Card transactions, totaling \$1,635.48, were for payments of the June 12 and 20, 2014 Summer Camp field trips. However, the related *Field Trip/Activity Planning Report and Approval Request Forms* approved by the Principal indicated that the field trips were for different locations. According to the Afterschool Site Director, field trip destinations were changed at the last minute due to unexpected change in weather conditions. However, there was no documentation indicating that the Principal was aware of the changes.

Recommendation

Field trip related activities should be administered in accordance with ***School Board Policy 2.40*** and related District guidelines. Specifically, a *Field Trip/Activity Planning Report and Approval Request* and TDEs must be completed and pre-approved by the Principal for each field trip. Any changes in the approved field trips should be approved by the Principal and documented accordingly.

Management's Response

Concur. I made the Aftercare Director aware that if there are any last minute changes in field trips that forms must be sent to me for approval before the trip departs. Staff verbally contacted me with the changes due to poor weather for the trips mentioned above.

LEASING OF SCHOOL FACILITIES

Finding

The review of sample records for school facility leasing found that leasing charges were not always allocated and recorded in the appropriate accounts in accordance with District guidelines. As a result, the school under-allocated and under-transmitted to the Central Office a total of \$594 in utility fee and \$14.40 in sales tax for 14 leases.

Recommendation

To facilitate timely and accurate transmission of utility and other leasing fees to the Central Office, leasing revenues should be allocated in accordance with the ***Approved Rate Schedule***. Revenues should be recorded in the respective leasing accounts, including Rental Income (#6-3800), Facilities Rental Utilities (#6-5500), Extra Services-Custodial (#6-1500), Extra Services-Other (#6-1600), Rental Facilities Event Insurance (#6-1850), and Florida Sales Tax Payable (#6-1800).

Management's Response

Concur. My secretary did attend the Leasing training and there was some confusion of the breakdown of the fees. We have sent the required fees to the district for FY14 and will be transmitting all future fees in accordance with the district guidelines.

**Pierce Hammock Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 14255 Hamlin Boulevard
Loxahatchee, FL 33470

Principal:
Fiscal Year 2014: John Carvelli
During Audit: John Carvelli

Treasurer:
Fiscal Year 2014: Beth Ann Lee Koenig
During Audit: Beth Ann Lee Koenig

Afterschool Site Director:
Fiscal Year 2014: Patricia Vico
During Audit: Patricia Vico

Cash and Investments

Checking	\$ 51,365.38
Investments	
	\$ 51,365.38

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	159.48	2,189.00	929.71	240.00	0.00	1,658.77
Classes	4,608.41	58,441.75	57,908.91	14,485.74	15,151.61	4,475.38
Clubs	740.47	1,306.12	235.66	0.00	0.00	1,810.93
Departments	6,110.96	15,828.76	18,171.99	7,002.48	7,002.48	3,767.73
Trusts	43,662.24	378,824.68	387,900.65	6,222.56	6,645.51	34,163.32
General	3,576.98	14,445.34	13,381.89	5,632.82	4,784.00	5,489.25
	\$ 58,858.54	\$ 471,035.65	\$ 478,528.81	\$ 33,583.60	\$ 33,583.60	\$ 51,365.38

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and the money collection process at the school found that monies collected were not always deposited in a timely manner. For example, \$358 in collections recorded on two MCRs (#491-8 and #531-14) was retained by the sponsors for three working days before the monies were put into the drop-safe.

Recommendations

DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools) and the District's *Internal Accounts Manual* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in exposure to staff and increased potential irregularities.

Management's Response

Concur. School staff was apprised of the findings. All teachers were required to take "Handling of Money" and "School Field Trips" online training on 1/29/15. Support staff were also apprised of the findings and corrections.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser records found that the *Sales Item Inventory Reports* for three fundraisers were not approved by the Principal: (1) Yearbook Sales (Account #7-0100.02), (2) Agendas Sales (Account #7-0100.01), and (3) Mother's Day Cake Sales (Account #7-0100.03).

Recommendation

To ensure proper fiscal accountability, *Sales Item Inventory Report* should be approved by the Principal to confirm the legitimacy for any items that were given-away free-of-charge, or missing. Significant discrepancy between the estimated revenue and actual collection should be investigated and resolved accordingly.

Management's Response

Concur. An incorrect form was used by one staff member. Staff will be advised to use the correct form and complete all signatures.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card records found that two disbursements (#10700 for

\$3,061.80, and #11116 for \$1,545.73) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Orders*.

Recommendation

Purchase Order pre-approved by the Principal should be issued for purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase.

Management's Response

Concur. The \$3,061.80 was for a district approved Reading LLI purchase and the \$1,545.73 was for an Aftercare purchase from an approved vendor. Our Treasurer is aware of the requirement.

DOCUMENTATION FOR FIELD TRIPS

Finding

The *Field Trip/Activity Planning Report and Approval Requests* (PBSD 1894) for three field trips were neither prepared by the sponsors nor approved by the Principal and Area Superintendent until two months after the school started collecting monies or paying for the field trip related expenses. These field trips included: (1) November 15, 2013, St. Augustine Trip, (2) May 12 to 15, 2014, Safety Patrol DC Trip, and (3) May 19, 2014, Orlando Trip.

Recommendation

As required by **School Board Policy 2.40**, “*the Field Trip/Activity Planning Report and Approval Request must be completed and approved for each field trip. No money is to be raised, plans for trips made, or contracts signed until proper approval has been received.*”

Management's Response

On field trips all flyers are pre-approved. Future actions will ensure that the flyer and field trip forms are approved at the same time.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for school facility leasing found that:

- *Lease Agreements* #1003 (total rental of \$1,568.80) and #1004 (total rental of \$1,441.60) were for the use of facilities by the lessees once a week during September 2013 through May 2014. As of June 30, 2014, the school collected only \$1,408.80 from Lease #1003 and \$1,081.90 from Lease #1004; and the remaining \$519.70 had not been collected from the lessees (\$160 for Lease #1003# and \$359.70 for Lease #1004).

- Tririga System records indicated that Leases #1008 and #1009 had a total leasing charges of \$47,106.40. According to staff, these two leasing records were cancelled due to the Tririga System incorrectly calculated the number leasing hours and rentals. However, the cancellation was not updated in the Tririga System. Moreover, the lessees for another three Leases (#1002, #1004, and #1007) did not use the school facilities for all the dates and times as indicated on the *Lease Agreements*, and the changes were manually recorded on the hard copies of the *Lease Agreements* by staff without updating the information in the Tririga System. As a result, the system overstated the school's leasing income by \$49,883.60 for these five leases (#1002, #1004, #1007, #1008, and #1009).

Recommendation

Leasing of school facilities should be administered in accordance with ***School Board Policy 7.18*** and the related District guidelines. Specifically,

- “*Fees are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*” The school should recoup the \$519.70 in unpaid rentals from the lessees.
- Leasing information should be accurately recorded in the Tririga System. The system should be updated with the new information when there are amendments and cancellations of leasing arrangements.

Management's Response

Concur. Our Treasurer began at the end of September 2013. She did not receive lease training and the second one in 2013-14 was cancelled. She regularly contacts the Leasing Dept. and is now aware of specific requirements. Collections of lease funds will be done in accordance with lease procedures. Lease 160 [#1003] calculated holidays and our belief is the funds do not need to be collected as school was closed.

**Pine Grove Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 400 SW 10th Street
Delray Beach, FL 33444

Principal:
Fiscal Year 2014: Joseph Peccia
During Audit: Joseph Peccia

Treasurer:
Fiscal Year 2014: Suhair Gali
During Audit: Suhair Gali

Cash and Investments

Checking	\$ 26,103.48
Investments	
	\$ 26,103.48

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	1,362.40	0.00	740.43	499.48	0.00	1,121.45
Classes	1,016.80	11,603.13	11,712.77	2,654.90	2,863.08	698.98
Clubs	588.23	496.09	607.80	2.08	2.08	476.52
Departments	3,868.86	3,544.00	4,122.70	1,343.72	818.72	3,815.16
Trusts	6,585.77	61,943.30	49,834.79	10,076.72	11,064.16	17,706.84
General	1,507.54	4,524.27	3,918.42	2,056.55	1,885.41	2,284.53
	\$ 14,929.60	\$ 82,110.79	\$ 70,936.91	\$ 16,633.45	\$ 16,633.45	\$ 26,103.48

DOCUMENTATION FOR FUNDRAISERS

Finding

The PE Field Day Shirt Sales (Account #5-1900.03) did not have the required *Fundraising Application/Recap Form* and *Sales Item Inventory Report*.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser in order for staff to reconcile the sales revenue with the estimated revenue. Moreover, the *Sales Item Inventory Report* should be approved by the Principal to confirm (1) the legitimacy for items that were given-away free-of-charge, and (2) the missing items, if any. Discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.

Management's Response

Concur. In the future all fundraising applications will include a checklist pertaining to the requirements of conducting/closing out a fundraiser.

DEPOSIT OF MONIES

Finding

The review of the money collection process at the school revealed that at the year-end, some sponsors did not turn in the yellow copies of the MCRs, along with the computerized receipts, to the school secretary for filing and future referencing.

Recommendation

As required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7's Record Retention Requirements*, "Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary..."

Management's Response

Concur. In the future all staff will have to provide the yellow copy of the MCR along with computerized copies prior to final deposit as proof of compliance.

**Pine Jog Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 6315 Summit Boulevard
West Palm Beach, FL 33415

Principal:
Fiscal Year 2014: Fred Barch
During Audit: Craig Sommer

Treasurer:
Fiscal Year 2014: Diana Hernandez
During Audit: Diana Hernandez

Cash and Investments

Checking	\$ 34,664.82
Investments	
	\$ 34,664.82

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	2,011.97	2,938.00	2,836.46	1,068.00	1,276.50	1,905.01
Classes	7,133.60	39,414.82	38,534.73	8,500.98	8,613.29	7,901.38
Clubs	12,509.11	13,156.97	12,706.18	4,577.96	7,983.06	9,554.80
Departments	5,951.87	11,745.44	15,000.97	2,666.61	2,746.61	2,616.34
Trusts	3,746.68	104,967.25	102,468.60	41,195.51	37,512.35	9,928.49
General	3,399.71	13,539.38	14,303.04	3,103.19	2,980.44	2,758.80
	\$ 34,752.94	\$ 185,761.86	\$ 185,849.98	\$ 61,112.25	\$ 61,112.25	\$ 34,664.82

Pine Jog Elementary School
Management Letter
Year Ended June 30, 2014

This audit revealed no material instances of noncompliance.

**Pioneer Park Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 39500 Pioneer Park Road
Belle Glade, FL 33430

Principal:
Fiscal Year 2014: Mary Ford
During Audit: Pamela Buckman

Treasurer:
Fiscal Year 2014: Diane Beavers
During Audit: Donna Bradshaw

Cash and Investments

Checking	\$ 32,739.45
Investments	
	\$ 32,739.45

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	0.00	1,092.00	1,027.00	0.00	65.00	0.00
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	1,260.12	8.10	0.00	0.00	0.00	1,268.22
Trusts	18,025.63	46,235.76	38,096.74	3,394.56	3,394.56	26,164.65
General	3,380.10	15,647.63	13,786.15	3,041.17	2,976.17	5,306.58
	\$ 22,665.85	\$ 62,983.49	\$ 52,909.89	\$ 6,435.73	\$ 6,435.73	\$ 32,739.45

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process at the school found that, activity sponsors turned in the yellow copies of the MCRs and the computerized receipts to the school secretary at year-end. However, staff was unable to locate these MCRs for our review.

Recommendation

As required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7's Record Retention Requirements*, "Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary..."

Management's Response

Concur. Will be address at our 2/2 faculty meeting and through written documentation from bookkeeper.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of the school's fundraiser records found that the *Sales Item Inventory Reports* were not approved by the Principal for the following three fundraisers: (1) Patrol Chocolate Sales (Account #6-4000.03), (2) Mother's Day Cakes (7-0100.11), and (3) Yearbook (7-0100.05).

Recommendation

Sales Item Inventory Report should be approved by the Principal in order to keep proper accountability for items given-away free-of-charge or missing. Significant discrepancy, if any, between the estimated revenue and actual collection should be investigated and resolved accordingly.

Management's Response

Concur. Procedures have been reviewed and established with individuals involved in the fundraising process.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card records found that:

- A total of \$2,336.18 in payments through five disbursements (#4462, #4476, #4487, #4494, and #4512) were for staff luncheons and other staff-related expenditures that were incorrectly funded by the Beacon Center Funds (Account #6-4401.00). Funding source should be coming from the Administrative Courtesy (Account #6-0200.00).

Pioneer Park Elementary School
Management Letter
Year Ended June 30, 2014

- The Yearbook printing contract (Disbursement #4557 for \$2,255) was not approved by the Principal; instead, it was signed by the Yearbook sponsor.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual* and the related District guidelines. Specifically,

- All expenditures should be funded by the appropriate funding sources in accordance with District's guidelines.
- Contractual agreements should be executed by the Principal as required by *District Administrative Directive D-6.03*, which states "*the Principal of the school is the only person to whom authority has been granted to make any purchase that in any way obligate the school for payment.*"

Management's Response

The MOU stated funds could be used at the discretion of the Principal.

Additional comments: *As a new principal with a new bookkeeper, I appreciate the feedback and the opportunity to put some procedures in place.*

**Pleasant City Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 2222 Spruce Avenue
West Palm Beach, FL 33407

Principal:
Fiscal Year 2014: Moneek Scott-McTier
During Audit: Moneek Scott-McTier

Treasurer:
Fiscal Year 2014: Sylvia Buchhalter
During Audit: Sylvia Buchhalter

Cash and Investments

Checking	\$ 9,554.28
Investments	
	\$ 9,554.28

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	306.71	0.00	0.00	0.00	0.00	306.71
Classes	126.55	20,918.40	21,408.06	6,202.01	5,740.66	98.24
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	0.00	0.00	0.00	0.00	0.00	0.00
Trusts	10,837.07	44,138.73	45,965.03	5,677.01	6,519.01	8,168.77
General	1,117.52	2,033.82	2,551.43	480.65	100.00	980.56
	\$ 12,387.85	\$ 67,090.95	\$ 69,924.52	\$ 12,359.67	\$ 12,359.67	\$ 9,554.28

DOCUMENTATION FOR DISBURSEMENTS

Finding

The Photography Contract for the October 11, 2013 (Disbursement #2203 for \$1,344.38) and March 7, 2014 (Disbursement #2247 for \$1,264.86) school picture events was signed by the Assistant Principal, instead of the Principal. Moreover, these school picture events did not have the required *School District Consultant Agreement* (PBSD 1420).

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically,

- Contractual agreements should be signed by the Principal as required by *District Administrative Directive D-6.03*, which states “*the Principal of the school is the only person to whom authority has been granted to make any purchase that in any way obligate the school for payment.*”
- To protect the safety and welfare of students, prior to the consultant performing services at the school: (1) the *School District Consultant Agreement (PBSD 1420)* should be properly executed with all the required signatures, and (2) the school should ensure that the consultant has passed the required background and clearance check as required by *Florida Statutes §1012.465*.

Management’s Response

Concur. I will make sure that both of these directives are met in the future.

**Plumosa School of the Arts
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 2501 Seacrest Boulevard
Delray Beach, FL 33444

Principal:
Fiscal Year 2014: Catherine Reynolds
During Audit: Catherine Reynolds

Treasurer:
Fiscal Year 2014: Margarita Molina
During Audit: Margarita Molina

Afterschool Site Director:
Fiscal Year 2014: Aubrey Bennett
During Audit: Aubrey Bennett

Cash and Investments

Checking	\$ 38,223.19
Investments	
	\$ 38,223.19

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	1,592.45	3,172.00	1,335.06	42.50	42.50	3,429.39
Classes	7,224.45	1,105.00	983.65	700.00	400.00	7,645.80
Clubs	9.23	934.73	105.73	0.00	838.23	0.00
Departments	1,473.62	3,414.65	3,140.78	730.25	730.25	1,747.49
Trusts	35,114.34	210,990.85	222,757.70	9,084.81	8,215.86	24,216.44
General	1,084.46	7,540.09	7,109.76	567.45	898.17	1,184.07
	\$ 46,498.55	\$ 227,157.32	\$ 235,432.68	\$ 11,125.01	\$ 11,125.01	\$ 38,223.19

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation found that:

- Fourteen (totaling \$31,875.12) out of 15 sample *Check Requisitions* were not signed and approved by the Principal.
- Disbursement #10322 (for \$1,039.30) was not supported by an itemized invoice. Instead, it was supported by a vendor's statement that did not have the details of the purchase.
- Disbursement #10314 (for \$2,049) was for payment to a consultant for the NED Show. However, this disbursement did not have the required *School District Consultant Agreement (PBSD 1420)*.
- Two Disbursements (#10301 for \$1,212.30, and #10335 for \$1,012) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Orders*.
- The *Purchase Order* for Disbursement #10372 (for \$1,198) was not approved by the Principal until three days after the items were purchased.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

- All disbursements should be adequately documented with the *Check Requisitions*, approved by the Principal and supported by itemized invoices and receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.
- To protect the safety and welfare of students, prior to the consultant performing services at the school, (1) the *School District Consultant Agreement (PBSD 1420)* should be properly executed with all the required signatures, and (2) the consultant's background and clearance check must have been conducted as required by *Section 8 of the Agreement* and *Florida Statutes §1012.465*.
- *Purchase Order* approved by the Principal is required for purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase. All purchases should be pre-approved by the Principal.

Management's Response

Concur. All disbursements will be documented in the future. All purchase orders will be approved.

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and the money collection process at the school found that:

- At the year-end, some staff members did not turn in the computerized *Official Receipts* and yellow copies of the MCRs to the school secretary for filing and future referencing.
- After the collection was entered into the Internal Funds Accounting System, the bookkeeper did not sign and record the *Official Receipt's* number and date on the related MCR.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- As required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7's Record Retention Requirements*, "Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary..."
- After the collection has been recorded in the Internal Funds Accounting System, the bookkeeper should sign and record the *Official Receipt's* number and date on the MCRs to confirm that the collection has been successfully processed and deposited into the bank.

Management's Response

Concur. Bookkeeper will require all sponsors sign receipts and document receipts.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser documentation revealed that:

- The Safety Patrol Candy Gram Sales (Account #6-4000.02) did not have the required *Sales Item Inventory Report*.
- The financials for the Ned Show Merchandise Sales were recorded in the General Activities Account (#7-1000.00), instead of a decimalized account for the sales.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure proper fiscal accountability, *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser in order for staff to reconcile the sales revenue with the estimated revenue. Significant discrepancy, if any, between the estimated revenue and actual receipt should be investigated and resolved accordingly.
- To assist the school in evaluating and monitoring the performance of individual fundraiser, a separate decimalized account should be established for each fundraiser. Fundraiser account should include all the needed and accurate financial information.

Management's Response

Concur. Fundraiser collections will be monitored closely.

LEASING OF SCHOOL FACILITIES

Finding

Lease Agreement #1002 was not signed by the lessee, a witness, and the Principal until eight days after the leasehold period began.

Recommendation

To protect the best interest of the School District, all *Lease Agreements* should be properly executed with all the required signatures prior to the use of facilities by lessees.

Management's Response

Concur. In the future, a backup lease designee will complete lease contracts.

**Poinciana Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 1203 North Seacrest Boulevard
Boynton Beach, FL 33435

Principal:
Fiscal Year 2014: Lisa Lee
During Audit: Lisa Lee

Treasurer:
Fiscal Year 2014: Jennifer Dietrick
During Audit: Jennifer Dietrick

Afterschool Site Director:
Fiscal Year 2014: Gloria Gibson
During Audit: Gloria Gibson

Cash and Investments

Checking	\$ 50,326.40
Investments	
	\$ 50,326.40

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	1,895.80	2,577.73	2,086.82	366.00	491.00	2,261.71
Classes	17,746.73	45,962.02	51,821.36	9,812.24	8,529.47	13,170.16
Clubs	2,841.04	7,305.77	6,735.41	3,428.80	3,480.42	3,359.78
Departments	5,785.58	9,170.93	9,608.50	1,228.51	1,222.38	5,354.14
Trusts	26,403.62	385,405.23	386,508.07	14,013.84	20,686.96	18,627.66
General	3,615.14	13,155.36	14,778.39	7,043.61	1,482.77	7,552.95
	\$ 58,287.91	\$ 463,577.04	\$ 471,538.55	\$ 35,893.00	\$ 35,893.00	\$ 50,326.40

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and the money collection process found that monies were not always turned in by the sponsors in a timely manner. For example, \$975 collected through MCR #415-9 was retained by the sponsor for three working days before it was put into the drop-safe for deposit.

Recommendation

DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools) and the District's *Internal Accounts Manual* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in potential irregularities.

Management's Response

Concur. I concur that more clarification and training for teachers will occur in faculty meeting so that money will be turned in on time.

AFTERSCHOOL PROGRAM

Finding

The review of the Afterschool and Summer Camp Programs revealed that:

- As of June 30, 2014, the Afterschool Program had \$5,977.32 in accounts receivable from 54 student accounts. Of the \$5,977.32 in receivables, \$833.45 was past due for over six months.
- The school's Summer Camp Program ended on August 1, 2014. However, as of October 22, 2014, the program had a total accounts receivable of \$4,621.32 from 29 student accounts.

Recommendation

Afterschool and Summer Camp Programs are self-sufficient programs supported by user fees. To ensure fiscal accountability, program fees should be collected in advance as required by *Afterschool Programs Operational Manual*. The *Manual* states "*fees are payable in advance and are collected monthly on the first three school days of the month.*"

Management's Response

Concur. I concur that clarification and training of the afterschool staff will include collecting fees in a timely matter. A large portion of the outstanding balance is due from the 2013 summer camp run by another afterschool program director. I am currently working with them to recover all fees.

**Rolling Green Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 550 Miner Road
Boynton Beach, FL 33435

Principal:
Fiscal Year 2014: Sandra Sanchez
During Audit: Sandra Sanchez

Treasurer:
Fiscal Year 2014: Terri Boilard
During Audit: Terri Boilard

Afterschool Site Director:
Fiscal Year 2014: Sara Damar
During Audit: Sara Damar

Cash and Investments

Checking	\$ 38,406.79
Investments	
	\$ 38,406.79

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	550.90	399.00	547.55	306.00	306.00	402.35
Classes	4,725.84	23,832.12	26,982.86	11,597.27	10,185.78	2,986.59
Clubs	1,777.13	1,033.41	1,198.55	450.00	760.00	1,301.99
Departments	1,619.79	690.00	1,854.17	690.00	690.00	455.62
Trusts	19,760.82	254,782.45	259,766.22	10,313.32	10,459.99	14,630.38
General	14,647.97	40,442.98	35,506.27	15,139.22	16,094.04	18,629.86
	\$ 43,082.45	\$ 321,179.96	\$ 325,855.62	\$ 38,495.81	\$ 38,495.81	\$ 38,406.79

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser documentation noted that the *Sales Item Inventory Reports* for the Mother's Day Cakes Sales (Account #7-0100.11) and Field Day Shirts Sales (Account 7-0100.03) did not contain any of the sales information: beginning and ending inventories, quantities purchased and sold, selling prices, and revenues.

Recommendation

To ensure proper fiscal accountability, *Sales Item Inventory Report* should be prepared and completed with all the needed information for each fundraiser. This will assist staff in reconciling the sales revenue with the estimated revenue. Moreover, the *Report* should be approved by the Principal to confirm the legitimacy for items, if any, that were given-away free-of-charge, or missing. Significant discrepancy between the estimated revenue and actual collection should be investigated and resolved accordingly.

Management's Response

Concur. We did not know that a Sales Item Inventory Report was needed for these two fundraisers because they were pre-sale activities. I will communicate this to all staff so that this form is completed for ALL fundraisers.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation revealed that Disbursement #3853 (for \$4,776.25) had the following exceptions:

- The purchase (\$4,776.25) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*.
- It included a \$148.50 gift-card, but did not have documentation as to who received the gift-card.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically,

- *Purchase Order* approved by the Principal is required for purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase. All purchases should be pre-approved by the Principal.
- Pursuant to *Bulletin #P-12690-CAO/COO/P*, "gift cards may be purchased for students only" and

“schools must maintain documentation of all recipients of gift cards”.

Management’s Response

Concur. A business partner donated funds to purchase Nooks for each primary class. We did not think that a Purchase Order was needed when money spent came from an account that was donated for a specific purpose (Nooks). The gift card went to the school to use to purchase apps for the Nooks.

DOCUMENTATION FOR FIELD TRIPS

Finding

The school started collecting fees for the field trip and paying the related expenses in October and November 2013 respectively for the May 14, 2014, St. Augustine Tour Field Trip. However, the *Field Trip/Activity Planning and Approval Request Form* was not approved by the Principal and Area Superintendent respectively until March 31, 2014.

Recommendation

As required by **School Board Policy 2.40**, *“the Field Trip/Activity Planning Report and Approval Request must be completed and approved for each field trip. No money is to be raised, plans for trips made, or contracts signed until proper approval has been received.”*

Management’s Response

Concur. Field trips were approved before starting to collect funds, but not through PeopleSoft. We will make sure to approve all field trips through PeopleSoft before starting to raise money. We will communicate this with all teachers, so that field trip requests are completed and approved through PeopleSoft before starting to raise money.

AFTERSCHOOL PROGRAM

Finding

As of June 30, 2014, the Afterschool Program had an accounts receivable balance of \$3,859.77 from 18 student accounts. Of the \$3,859.77 in receivables, \$2,683.39 was past due for over six months.

Recommendation

Afterschool Program is a self-sufficient program supported by user fees. To ensure fiscal accountability, program fees should be collected in advance as required by the ***Afterschool Programs Operational Manual***. Specifically, *“fees are payable in advance and are collected monthly on the first three school days of the month.”* The school should enforce the collection procedures to ensure that fees are collected in advance as required.

Rolling Green Elementary School
Management Letter
Year Ended June 30, 2014

Management's Response

Concur. This receivable balance is from 18 inactive students that have been dismissed from the Afterschool Program due to non-payment. The Director will make sure to zero out the account after 6 weeks from now on. The Director sent certified letters home requesting payment. She will have the Data Processor flag this debt to the student in TERMS.

**Roosevelt Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 1220 15th Street
West Palm Beach, FL 33401

Principal:
Fiscal Year 2014: Sharonda Alleyne
During Audit: Sharonda Alleyne

Treasurer:
Fiscal Year 2014: Sheereeneeca Evans
During Audit: Sheereeneeca Evans

Cash and Investments

Checking	\$ 19,434.85
Investments	
	\$ 19,434.85

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	23.22	0.00	23.22	0.00	0.00	0.00
Classes	1,337.99	8,324.05	7,632.69	1,006.06	976.06	2,059.35
Clubs	307.36	2,170.60	1,274.01	430.00	1,276.95	357.00
Departments	1,357.04	1,862.27	2,715.49	0.00	84.00	419.82
Trusts	15,989.83	61,207.45	62,456.04	10,509.75	9,807.12	15,443.87
General	77.25	1,013.14	133.90	198.32	0.00	1,154.81
	\$ 19,092.69	\$ 74,577.51	\$ 74,235.35	\$ 12,144.13	\$ 12,144.13	\$ 19,434.85

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and the money collection process at the school found that the bookkeeper did not always process collections in a timely manner. For example, \$205 in collections recorded on three MCRs (#394-9, #399-7, and #393-9) was not processed and deposited into the bank until eight to 14 working days after collection. The time lapse between the collections and deposit in the bank exceeded the Department of Education's five-working-day rule by three to nine working days.

Recommendation

DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools) requires that monies collected be deposited in the bank within five working days after collection. Delay in turning in the monies for deposit could increase the exposure to staff and result in potential irregularities.

Management's Response

Concur. Principal will monitor that Bookkeeper adheres to the five working day policy for depositing money.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser documentation revealed that:

- The Vending Machine Sales (Account 6-1700.01) and FCAT Shirt Sales did not have any fundraiser documentation. Missing documentation included the *Fundraising Application/Recap Forms* and *Sales Item Inventory Reports*.
- Some of the financials for five fundraisers were recorded in their primary accounts, instead of the decimalized accounts for the fundraisers. These fundraisers included: (1) Lollipop Sales, (2) School Shirts Sales, (3) After school Store Sales, (4) Fall Dance, and (5) Safety Patrol Car wash Sales. Moreover, the sales revenues for FCAT Shirt Sales were recorded in the Rental Income Account (#6-3800), instead of a decimalized account for the fundraiser.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- To ensure proper fiscal accountability, *Sales Item Inventory Report* should be prepared and completed

with accurate information for all fundraisers in order for staff to reconcile the sales revenue with the estimated revenue. Significant discrepancy, if any, between the estimated revenue and actual collection should be investigated and resolved accordingly.

- To assist the school in evaluating and monitoring the performance of individual fundraiser, a separate decimalized account should be established for each fundraiser. Fundraiser account should include all the needed and accurate financial information.

Management's Response

Concur. Principal will ensure that Team Leaders view and/or review the fundraising vodcast prior to beginning a fundraiser.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation found that:

- Four disbursements (#10242, #10243, #10253, and #10283, totaling \$1,837.62) did not have any supporting documentation for the expenditures. Missing documentation included *Check Requisitions*, invoices, and receipts. Another two disbursements (#10237 for \$2,430.08 and #10350 for \$115) did not have the required *Check Requisitions*.
- Disbursement #10195 (for \$2,584.58) was supported by a vendor's statement that included only the dollar amount but did not have the details of the purchase.
- Three disbursements (#10195 for \$2,584.58, #10301 for \$1,387, and #10305 for \$1,342) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Orders*.
- Disbursement #10313 (for \$1,817.94) was for payment to a consultant for the October 17, 2013 and March 6, 2014 school picture events. This disbursement was supported by a vendor's Photography Agreement, but did not have the required *School District Consultant Agreement* (PBSD 1420).
- Supporting documentation such as invoices/receipts were not defaced (stamped "PAID") after payment.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically,

- All disbursements should be adequately documented with the *Check Requisitions*, approved by the Principal, and supported by itemized invoices and receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.

- To protect the safety and welfare of students, prior to the consultant performing services at the school: (1) the *School District Consultant Agreement (PBSD 1420)* should be properly executed with all the required signatures, and (2) the consultant's background and clearance check must have been conducted and cleared as required by *Section 8 of the Agreement* and ***Florida Statutes §1012.465***.
- *Purchase Order* approved by the Principal is required for purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase.
- To avoid potential duplicate payments, supporting documentation should be defaced (stamped "PAID") after payment was made.

Management's Response

Concur. Principal will monitor during weekly Bookkeeper meeting.

LEASING OF SCHOOL FACILITIES

Finding

The review of school facility leasing records found that the school did not allocate and record the utility portion of the rentals for four leases (#1009, #1010, #1011, and #1012) in the Facilities Rental Utilities (#6-5500). Instead, the utility fees were recorded in the Rental Income Account (#6-3800). As a result, the school under-transmitted \$399 in utility fees to the Central Office.

Recommendation

The portion of utility fees should be recorded in the Facilities Rental Utilities (#6-5500) and transmitted to the Central Office in accordance with the District's approved *Rate Schedule*.

Management's Response

Concur. Principal will monitor leasing agreements with Leasing Coordinator.

PRENUMBERED DOCUMENTS

Finding

The review of controls in prenumbered documents found that the school did not have the following records:

- *Document Custodian Assignment Register (PBSD 1663)*.
- *Prenumbered Document Inventory Register (PBSD 0160)* for *Drop-safe Logs* and *School Checks*.

Recommendation

To ensure proper fiscal accountabilities and as required by *Chapter 27 of the Internal Accounts Manual*,

- Designated staff should be assigned as document custodians for each prenumbered form, and the assignments should be recorded on the *Document Custodian Assignment Register (PBSD 1663)*.
- All prenumbered documents should be periodically inventoried in accordance with the inventory schedule, and be documented on the *Prenumbered Document Inventory Register (PBSD 0160)*.

Management's Response

Concur. Principal will designate a Document Custodian and monitor prenumbered documents.

**Rosenwald Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 1321 Martin L King Jr Boulevard
South Bay, FL 33493

Principal:
Fiscal Year 2014: Dionne Napier
During Audit: Dionne Napier

Treasurer:
Fiscal Year 2014: Valerie Walker
During Audit: Valerie Walker

Cash and Investments

Checking	\$ 15,711.83
Investments	
	\$ 15,711.83

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	24.00	24.00	0.00	0.00	0.00
Classes	414.00	3,095.00	2,811.07	493.07	1,191.00	0.00
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	442.43	1,688.69	2,114.24	0.00	0.00	16.88
Trusts	6,638.34	38,995.57	31,361.27	3,551.82	3,601.41	14,223.05
General	235.27	1,778.11	1,289.00	1,260.72	513.20	1,471.90
	\$ 7,730.04	\$ 45,581.37	\$ 37,599.58	\$ 5,305.61	\$ 5,305.61	\$ 15,711.83

Rosenwald Elementary School
Management Letter
Year Ended June 30, 2014

This audit revealed no material instances of noncompliance.

**Royal Palm Beach Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 11911 Okeechobee Boulevard
Royal Palm Beach, FL 33411

Principal:
Fiscal Year 2014: Suzanne Watson
During Audit: Tracy Gaugler

Treasurer:
Fiscal Year 2014: Angela Gadaleta
During Audit: Angela Gadaleta

Afterschool Site Director:
Fiscal Year 2014: Deborah Pagliaro
During Audit: Deborah Pagliaro

Cash and Investments

Checking	\$ 46,811.82
Investments	
	\$ 46,811.82

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	1,864.43	42.80	1,673.10	0.00	0.00	234.13
Classes	0.00	56,712.57	55,725.30	2,641.17	3,628.44	0.00
Clubs	2,097.92	16,596.36	17,404.99	3,961.92	3,148.54	2,102.67
Departments	9,036.64	15,560.73	17,599.23	4,895.58	4,805.73	7,087.99
Trusts	39,241.23	610,308.90	614,113.37	5,214.29	6,617.36	34,033.69
General	5,099.95	12,023.63	15,257.35	4,411.13	2,924.02	3,353.34
	\$ 57,340.17	\$ 711,244.99	\$ 721,773.34	\$ 21,124.09	\$ 21,124.09	\$ 46,811.82

Royal Palm Beach Elementary School
Management Letter
Year Ended June 30, 2014

This audit revealed no material instances of noncompliance.

**S.D. Spady Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 901 NW 3rd Street
Delray Beach, FL 33444

Principal:
Fiscal Year 2014: Martha O’Hare / Rona Tata
During Audit: Rona Tata

Treasurer:
Fiscal Year 2014: Angelica Rios
During Audit: Angelica Rios

Afterschool Site Director:
Fiscal Year 2014: Maxxwel Benn
During Audit: Maxxwel Benn

Cash and Investments

Checking	\$ 42,729.66
Investments	
	\$ 42,729.66

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	252.00	187.00	80.00	80.00	65.00
Classes	2,787.12	24,304.09	23,811.81	296.85	1,733.24	1,843.01
Clubs	976.80	67.93	428.54	4.07	4.07	616.19
Departments	5,526.39	12,331.37	10,010.78	2,173.11	2,173.11	7,846.98
Trusts	21,894.15	447,086.39	440,063.52	34,188.52	34,146.22	28,959.32
General	1,819.08	8,774.38	8,588.39	3,933.24	2,539.15	3,399.16
	\$ 33,003.54	\$ 492,816.16	\$ 483,090.04	\$ 40,675.79	\$ 40,675.79	\$ 42,729.66

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and the money collection process at the school found that the *Drop-safe Log* was not always completed properly. Specifically,

- Some sponsors did not always record the deposit information on the *Drop-safe Log* before dropping off the monies into the safe. For example, the deposit information for a total of \$3,309.10 for nine collections was not recorded on the *Log* (pages #12-49330 and #12-49291) by the sponsors. Instead, the information was recorded on the *Log* by another staff member when the collections were removed from the safe for processing by the bookkeeper.
- *Section 3* of the *Log* (page #12-49273) was not completed by the independent verifier after the collections were recorded into the Internal Funds Accounting System.

Recommendation

To ensure proper fiscal accountability and comply with *Bulletin #P-14051-S/CFO*, responsible staff should properly complete the *Drop-safe Log* with all the required information. Specifically,

- (1) The activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe.
- (2) The verifier should complete *Section 3* of the *Log* after the bookkeeper entered the deposit information into the school's accounting system.

Management's Response

Concur. Bookkeeper and Admin will make sure that all teachers remember to log deposit in. We will make sure that the independent verifier will do collection correcting in recording.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation found that:

- Three sample *School District Consultant Agreements* (PBSD 1420) for the Afterschool Program were signed by the Afterschool Site Director, instead of the Principal.
- The school contracted with a consultant for providing dancing instructions for the Afterschool Program, and paid the consultant a total of \$8,240 through 10 disbursements during the year. The *School District Consultant Agreement* (PBSD 1420) exceeded the \$5,000 threshold, which required the approval of the Principal, the Chief Academic Office and the Superintendent. However, it was approved only by the

school's Afterschool Site Director.

- A January 6, 2014, P-Card transaction (for \$720) was for payment to a consultant for the Afterschool Program activities. However, the *School District Consultant Agreement* (1) was not signed by the consultant, and (2) was approved by the Afterschool Site Director instead of the Principal.
- Two disbursements (#10488 for \$1,846.99 and #10591 for \$2,168.76) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Orders*.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically,

- To protect the safety and welfare of students, prior to the consultant performing services at the school: (1) the *School District Consultant Agreement (PBSD 1420)* should be properly executed with all the required signatures and approved by the Principal, and (2) the consultant's background and clearance check must have been conducted as required by *Section 8 of the Agreement* and *Florida Statutes §1012.465*.
- Pursuant to *School Board Policy 6.14* and the instructions on the *School District Consultant Agreement (PBSD 1420)*, consultant contracts for "\$5,001 to \$10,000 per vendor/fiscal year/location requires signature of consultant, principal/director, area/assistant superintendent, chief academic/operating officer and superintendent."
- *Purchase Orders* approved by the Principal should be issued for purchases in excess of \$1,000. This will help ensure that funds are and will be available for the purchase. Moreover, all purchases should be preapproved by the Principal.

Management's Response

Concur. Bookkeeper will be sure to write purchase orders for items that we pay for that are over \$1,000.

AFTERSCHOOL PROGRAM

Finding

As of June 30, 2014, the Afterschool Program had \$20,479.73 in accounts receivable from 73 student accounts. Of the \$20,479.73 in receivables, \$12,482.10 was past due for over six months.

Recommendation

Afterschool Program is a self-sufficient program supported by user fees. To ensure fiscal accountability, program fees should be collected in advance as required by the *Afterschool Programs Operational Manual*. Specifically, "*fees are payable in advance and are collected monthly on the first three school days of the month.*" The school should enforce the collection procedures to ensure that fees are collected in advance as required.

S.D. Spady Elementary School
Management Letter
Year Ended June 30, 2014

Management's Response

Concur. We have implemented a tougher fee collection policy for 2014-15. Any accounts with overdue balances have resulted in the removal of the ASP program and balances placed on TERMS screens. Certified letters have been sent in attempt to collect balances.

Sandpiper Shores Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014

Address: 11201 Glades Road
 Boca Raton, FL 33498

Principal:
 Fiscal Year 2014: Rachel Capitano
 During Audit: Rachel Capitano

Treasurer:
 Fiscal Year 2014: Patricia Soletti
 During Audit: Patricia Soletti

Afterschool Site Director:
 Fiscal Year 2014: Carolina Desnoyers
 During Audit: Carolina Desnoyers

Cash and Investments

Checking	\$ 46,932.25
Investments	
	\$ 46,932.25

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	2,616.13	5,211.98	1,807.15	3,366.60	3,366.60	6,020.96
Classes	7,109.45	13,283.43	11,821.56	1,649.22	1,649.22	8,571.32
Clubs	965.92	2,704.75	2,220.83	86.40	86.40	1,449.84
Departments	4,980.03	20,866.02	20,316.16	648.57	648.57	5,529.89
Trusts	24,474.73	400,694.22	403,048.70	3,816.98	3,836.98	22,100.25
General	6,923.82	20,064.51	23,748.34	2,561.52	2,541.52	3,259.99
	\$ 47,070.08	\$ 462,824.91	\$ 462,962.74	\$ 12,129.29	\$ 12,129.29	\$ 46,932.25

Sandpiper Shores Elementary School
Management Letter
Year Ended June 30, 2014

This audit revealed no material instances of noncompliance.

**Seminole Trails Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 4075 Willows Pond Road
West Palm Beach, FL 33417

Principal:
Fiscal Year 2014: Judith Garrard
During Audit: Judith Garrard

Treasurer:
Fiscal Year 2014: Yenny Hurtado
During Audit: Yenny Hurtado

Afterschool Site Director:
Fiscal Year 2014: Bridgette Marshall
During Audit: Mariela Bort

Cash and Investments

Checking	\$ 53,291.72
Investments	
	\$ 53,291.72

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	5,749.28	14,869.39	14,110.26	5,508.67	4,908.67	7,108.41
Clubs	1,382.67	4,857.85	5,315.27	3,904.11	4,264.18	565.18
Departments	8,371.09	12,727.99	14,471.38	2,230.31	2,130.31	6,727.70
Trusts	36,599.50	312,052.34	313,015.93	8,654.86	9,038.83	35,251.94
General	3,969.60	4,230.99	4,606.14	671.12	627.08	3,638.49
	\$ 56,072.14	\$ 348,738.56	\$ 351,518.98	\$ 20,969.07	\$ 20,969.07	\$ 53,291.72

Seminole Trails Elementary School
Management Letter
Year Ended June 30, 2014

This audit revealed no material instances of noncompliance.

**South Grade Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 716 South "K" Road
Lake Worth, FL 33460

Principal:
Fiscal Year 2014: Michael Riley
During Audit: Michael Riley

Treasurer:
Fiscal Year 2014: Adeline Suarez
During Audit: Adeline Suarez

Afterschool Site Director:
Fiscal Year 2014: Francheska Delgado
During Audit: Francheska Delgado

Cash and Investments

Checking	\$ 15,175.48
Investments	
	\$ 15,175.48

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$ 550.00	\$ 550.00	\$0.00	\$0.00	\$0.00
Music	156.52	2,560.80	2,153.35	1,477.10	450.00	1,591.07
Classes	1,705.29	12,426.47	8,456.69	1,058.53	5,423.75	1,309.85
Clubs	1,507.43	933.75	1,468.05	808.00	30.00	1,751.13
Departments	130.32	1,517.74	1,416.81	0.00	0.00	231.25
Trusts	15,236.31	157,588.12	165,147.96	9,435.10	7,750.68	9,360.89
General	1,110.41	2,064.18	3,119.00	914.28	38.58	931.29
	\$ 19,846.28	\$ 177,641.06	\$ 182,311.86	\$ 13,693.01	\$ 13,693.01	\$ 15,175.48

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and the money collection process at the school found that:

- At the end of the year, some sponsors did not submit the computerized *Official Receipts* to the school secretary for record retention and future reference.
- The activity sponsor for MCR #383-25 (for \$1,308.29) did not record the information on the *Drop-safe Log* before depositing the collections into the drop-safe.

Recommendation

Money collections should be administered in accordance with *Internal Accounts Manual*, and the related District guidelines. Specifically,

- As required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7's Record Retention Requirements*, "Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary..."
- To ensure proper fiscal accountability and as required by *Bulletin #P-14051-S/CFO*, deposit information should be properly recorded on the *Drop-safe Log*.

Management's Response

Concur. South Grade teachers are directed to turn in yellow copies of monies collected forms and official receipts to the principal's secretary who will keep them in a separate file in the principal's office. The drop safe log will be reviewed regularly for completion.

AFTERSCHOOL PROGRAM

Finding

The review of Afterschool Program records revealed that two of the five sample *Registration Forms* did not have the dates for the parents' signatures.

Recommendation

Afterschool Programs Registration Forms should be completed with the required information. The *Forms* should be signed and dated by the parents/guardians of all students.

Management's Response

Concur. The after school director will be directed by the Principal to monitor registration forms monthly for parent signatures and report to the principal's secretary.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for leasing of school facilities found that leasing charges were not always collected in timely manner, with delays ranging from five to 42 days. Specifically,

- The leasing charges for Lease #1001 were not collected until 42 days after the lessee began using the facilities.
- The January and February 2014 leasing charges for Lease #1003 were not collected until five and 23 days respectively, after the lessee had begun using the facilities.

Recommendation

School Board Policy 7.18, requires that “Fees are to be paid by check or credit card (no cash) at least forty-eight (48) hours **prior to** the use of a facility.”

Management's Response

Concur. I agree that leasing charges should be collected in advance. However, the Guatemalan-Mayan Center who leases for both VPK and after school programs are funded through Family Central who will not send funds until after service is provided.

Additional Comments: *Thank you for the opportunity to implement corrective action and interventions.*

**South Olive Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 7101 South Olive Avenue
West Palm Beach, FL 33405

Principal:
Fiscal Year 2014: Sharon Hench
During Audit: Sharon Hench

Treasurer:
Fiscal Year 2014: Amy Campbell
During Audit: Amy Campbell

Afterschool Site Director:
Fiscal Year 2014: Jim Anstead
During Audit: Jim Anstead

Cash and Investments

Checking	\$ 76,314.40
Investments	
	\$ 76,314.40

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	4.74	1,317.00	1,316.32	3.94	3.94	5.42
Classes	3,466.06	19,162.76	16,649.35	895.50	2,155.91	4,719.06
Clubs	4.47	0.00	0.00	0.00	4.47	0.00
Departments	7,011.78	16,103.19	16,012.27	35.89	1,737.41	5,401.18
Trusts	53,231.15	336,315.00	330,406.44	1,247.40	374.82	60,012.29
General	682.25	7,059.44	3,659.06	3,279.22	1,185.40	6,176.45
	\$ 64,400.45	\$ 379,957.39	\$ 368,043.44	\$ 5,461.95	\$ 5,461.95	\$ 76,314.40

DOCUMENTATION OF DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation found that:

- Disbursement #10834 (for \$336) was for payment to a consultant for an in-school presentation to the Kindergarten students. The related *School District Consultant Agreement* (PBSD 1420) was not signed and approved by the Principal.
- Two Disbursements (#10575 for \$1,013.06 and #10852 for \$1,759.60) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Orders*.
- Supporting documentation such as invoices/receipts were not always defaced (stamped “PAID”) after payment.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically,

- *School District Consultant Agreement (PBSD 1420)* should be properly executed with all the required signature, and approve by the Principal, prior to the consultant performing services at the school.
- *Purchase Order* approved by the Principal should be issued for purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase. All purchases should be pre-approved by the Principal.
- To avoid potential duplicate payments, supporting documentation should be defaced (stamped “PAID”) after payment.

Management’s Response

Concur. Procedures will be followed.

AFTERSCHOOL PROGRAM

Finding

The review of records for Afterschool and Summer Camp Programs found that:

- As of June 30, 2014, the Afterschool Program Snack Account (#6-9550) had a year-end balance of \$6,495.11, and the Special Activities Account (#6-9600) had a year-end balance of \$1,199.19. These two accounts exceeded the \$1,500 and \$750 year-end maximum balances respectively as allowed by the

Afterschool Programs Operational Manual.

- As of September 30, 2014, the Summer Camp program had an accounts receivable balance of \$2,832 from five student accounts.

Recommendation

Afterschool and Summer Camp Programs should be administered in accordance with District's guidelines and *Afterschool Programs Operational Manual*. Specifically,

- As required by the *Manual*, charges to the students should approximate the cost of the activities and no excessive profits should be accrued to Afterschool Program accounts. Specifically, the year-end balance for the Snack Account should not exceed \$1,500, and the Special Activities Account year-end balance should not exceed \$750. The school should monitor the revenues and expenditures of these accounts accordingly.
- Summer Camp Program is a self-sufficient program supported by user fees. To ensure fiscal accountability, program fees should be collected in advance as required by the *Manual*.

Management's Response

Concur. Procedures will be followed.

LEASING OF SCHOOL FACILITIES

Finding

The school did not allocate and transmit a total of \$143.50 in utility fees for Leases #1004 and #1006 to the Central Office.

Recommendation

The portion of utility fees should be recorded in the Facilities Rental Utilities (#6-5500), and periodically transmitted to the Central Office in accordance with the District's approved *Rate Schedule*.

Management's Response

Concur. Procedures will be followed.

**Starlight Cove Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 6300 Seminole Drive
Lantana, FL 33462

Principal:
Fiscal Year 2014: Susan Saint John
During Audit: Susan Saint John

Treasurer:
Fiscal Year 2014: Tracy Tartaglia
During Audit: Tracy Tartaglia

Afterschool Site Director:
Fiscal Year 2014: Christian Carrera
During Audit: Christian Carrera

Cash and Investments

Checking	\$ 31,923.33
Investments	
	\$ 31,923.33

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	44.81	24.00	32.00	0.00	0.00	36.81
Classes	2,746.03	21,067.15	20,035.02	3,074.61	4,844.34	2,008.43
Clubs	862.73	4,249.50	4,460.59	14.35	1.35	664.64
Departments	3,349.50	10,551.20	10,327.95	2,045.64	2,058.64	3,559.75
Trusts	19,320.21	383,758.90	381,401.43	19,140.45	17,370.72	23,447.41
General	4,849.26	2,815.54	5,458.51	156.05	156.05	2,206.29
	\$ 31,172.54	\$ 422,466.29	\$ 421,715.50	\$ 24,431.10	\$ 24,431.10	\$ 31,923.33

Starlight Elementary School
Management Letter
Year Ended June 30, 2014

This audit revealed no material instances of noncompliance.

**Sunrise Park Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 19400 Coral Ridge Road
Boca Raton, FL 33498

Principal:
Fiscal Year 2014: Alicia Steiger
During Audit: Alicia Steiger

Treasurer:
Fiscal Year 2014: Mary Beth Johnson
During Audit: Mary Beth Johnson

Afterschool Site Director:
Fiscal Year 2014: Rosanne Lasorsa
During Audit: Rosanne Lasorsa

Cash and Investments

Checking	\$ 128,008.18
Investments	
	\$ 128,008.18

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	388.39	384.60	2.00	2.00	3.79
Classes	10,644.35	26,031.75	23,952.44	5,442.54	5,442.54	12,723.66
Clubs	270.83	0.00	0.00	0.00	0.00	270.83
Departments	35,886.96	36,174.87	32,861.09	14,882.70	14,882.70	39,200.74
Trusts	58,560.22	478,480.61	481,265.80	20,436.19	21,592.86	54,618.36
General	15,549.70	36,170.77	31,686.34	12,474.60	11,317.93	21,190.80
	\$ 120,912.06	\$ 577,246.39	\$ 570,150.27	\$ 53,238.03	\$ 53,238.03	\$ 128,008.18

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser records found that the Uniform Shirt Sales (Account #7-0100.043) did not have the required *Fundraising Application/Recap Form* and *Sales Item Inventory Report*.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser in order for staff to reconcile the sales revenue with the estimated revenue. Significant discrepancy, if any, between the estimated revenue and actual receipt should be investigated and resolved accordingly.

Management's Response

Concur. Fundraiser policies and procedures were reviewed extensively with my bookkeeper immediately after the exit discussion with the auditor. This will not occur again.

**Sunset Palms Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 8650 Boynton Beach Boulevard
Boynton Beach, FL 33437

Principal:
Fiscal Year 2014: Karen Riddle
During Audit: Karen Riddle

Treasurer:
Fiscal Year 2014: Jenny Weinerman
During Audit: Jenny Weinerman

Afterschool Site Director:
Fiscal Year 2014: Sheri Baumgardener
During Audit: Sheri Baumgardener

Cash and Investments

Checking	\$ 95,549.69
Investments	
	\$ 95,549.69

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	566.47	1,672.00	1,448.40	268.65	268.65	790.07
Classes	15,230.08	65,351.45	60,945.06	10,127.60	10,491.62	19,272.45
Clubs	339.35	440.00	259.12	0.00	0.00	520.23
Departments	11,847.58	26,494.78	30,251.16	8,578.31	8,552.77	8,116.74
Trusts	34,067.82	998,276.86	980,098.72	39.00	3,348.04	48,936.92
General	17,553.22	16,479.68	19,767.14	9,352.52	5,705.00	17,913.28
	\$ 79,604.52	\$1,108,714.77	\$1,092,769.60	\$ 28,366.08	\$ 28,366.08	\$ 95,549.69

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process at the school revealed that collections were not always deposited in a timely manner. For example, \$11,365 collected for the Washington D.C. field trip, through MCR #521-40, was retained by the sponsor for two working days before it was put into the drop-safe for deposit.

Recommendation

DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools) and District *Bulletin #P-14051-S/CFO* require that monies collected be put into the drop-safe daily, and deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could increase the exposure to staff and result in potential irregularities.

Management's Response

This was teacher's clerical error. Teachers will be reminded of procedures regarding the drop-safe. The sponsor dropped the money collected for the Washington D.C. Drip into the safe on the same day it was collected, but forgot to complete the log as TBD. The sponsor requested the money remain in the safe for an additional 2 days until she had enough time to accurately complete the monies collected form based on her teaching schedule.

**The Conservatory School @ North Palm Beach
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 401 Anchorage Drive
North Palm Beach, FL 33408

Principal:
Fiscal Year 2014: Teresa Stoupas
During Audit: Teresa Stoupas

Treasurer:
Fiscal Year 2014: Sheryl Bartis
During Audit: Sheryl Bartis

Afterschool Site Director:
Fiscal Year 2014: Heather Graham
During Audit: Heather Graham

Cash and Investments

Checking	\$ 29,894.57
Investments	
	\$ 29,894.57

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	2,648.72	16,108.41	16,217.02	3,428.26	3,463.17	2,505.20
Classes	250.00	0.00	228.16	0.00	21.84	0.00
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	2,296.42	4,635.35	3,268.34	2,447.31	2,412.40	3,698.34
Trusts	21,248.52	160,414.50	160,763.18	1,521.26	1,963.86	20,457.24
General	2,823.58	21,136.25	21,190.48	12,003.90	11,539.46	3,233.79
	\$ 29,267.24	\$ 202,294.51	\$ 201,667.18	\$ 19,400.73	\$ 19,400.73	\$ 29,894.57

The Conservatory School @ North Palm Beach
Management Letter
Year Ended June 30, 2014

This audit revealed no material instances of noncompliance.

**Timber Trace Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 5200 117th Court North
Palm Beach Gardens, FL 33418

Principal:
Fiscal Year 2014: Kathy Pasquariello
During Audit: Kathy Pasquariello

Treasurer:
Fiscal Year 2014: Marjorie Swisher
During Audit: Marjorie Swisher

Afterschool Site Director:
Fiscal Year 2014: Rhonda Heide
During Audit: Rhonda Heide

Cash and Investments

Checking	\$ 78,613.51
Investments	
	\$ 78,613.51

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	2,029.15	1,962.15	1,483.87	411.78	1,139.09
Classes	0.00	31,079.09	31,658.28	3,502.71	2,923.52	0.00
Clubs	7,413.14	18,646.03	15,319.53	7,062.91	8,718.20	9,084.35
Departments	16,533.69	30,084.30	36,695.19	12,645.57	12,347.68	10,220.69
Trusts	44,425.85	744,920.57	735,673.65	13,421.12	13,557.73	53,536.16
General	2,562.01	9,404.07	7,175.59	4,002.83	4,160.10	4,633.22
	\$ 70,934.69	\$ 836,163.21	\$ 828,484.39	\$ 42,119.01	\$ 42,119.01	\$ 78,613.51

Timber Trace Elementary School
Management Letter
Year Ended June 30, 2014

This audit revealed no material instances of noncompliance.

U.B. Kinsey/Palmview Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014

Address: 800 11th Street
West Palm Beach, FL 33401

Principal:
Fiscal Year 2014: Adrienne Howard
During Audit: Adrienne Howard

Treasurer:
Fiscal Year 2014: Angelica Alvarez
During Audit: Angelica Alvarez

Afterschool Site Director:
Fiscal Year 2014: Cynthia Stubbs
During Audit: Cynthia Stubbs

Cash and Investments

Checking	\$ 36,742.40
Investments	
	\$ 36,742.40

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	11,145.11	75,093.26	74,119.91	19,101.54	17,781.54	13,438.46
Classes	3,093.76	22,235.05	22,742.65	3,626.26	3,530.00	2,682.42
Clubs	4,347.68	19,152.22	16,719.47	12,553.74	12,669.60	6,664.57
Departments	372.22	1,694.39	1,596.32	0.04	0.04	470.29
Trusts	10,081.80	259,822.26	257,206.86	15,817.85	17,152.67	11,362.38
General	857.93	2,911.96	1,680.03	164.20	129.78	2,124.28
	\$ 29,898.50	\$ 380,909.14	\$ 374,065.24	\$ 51,263.63	\$ 51,263.63	\$ 36,742.40

U.B. Kinsey / Palmview Elementary School
Management Letter
Year Ended June 30, 2014

This audit revealed no material instances of noncompliance.

**Verde Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 6590 Verde Trail
Boca Raton, FL 33433

Principal:
Fiscal Year 2014: Seth Moldovan
During Audit: Seth Moldovan

Treasurer:
Fiscal Year 2014: Marie Steffes
During Audit: Marie Steffes

Afterschool Site Director:
Fiscal Year 2014: Jacob Lucarelli
During Audit: Jacob Lucarelli

Cash and Investments

Checking	\$ 30,358.20
Investments	
	\$ 30,358.20

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	0.00	9,567.55	8,213.75	386.55	1,740.35	0.00
Clubs	487.73	8,702.92	8,478.60	1,231.11	1,231.11	712.05
Departments	5,722.95	17,886.56	17,332.90	5,661.50	5,661.50	6,276.61
Trusts	18,352.35	550,379.70	549,663.06	2,300.00	2,262.90	19,106.09
General	5,827.36	12,894.29	15,774.90	4,311.15	2,994.45	4,263.45
	\$ 30,390.39	\$ 599,431.02	\$ 599,463.21	\$ 13,890.31	\$ 13,890.31	\$ 30,358.20

DOCUMENTATION FOR DISBURSEMENTS

Finding

The *Purchase Orders* for four disbursements (#12980 for \$1,083.33; #12990 for \$1,500; #13353 for \$1,551.67; and #13357 for \$2,455.23) were not prepared by the sponsors and approved by the Principal until one to 16 working days after the invoice dates.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically, *Purchase Orders* approved by the Principal are required for purchases in excess of \$1,000. This will help ensure that funds are and will be available for the purchase. All purchases should be pre-approved by the Principal.

Management's Response

Concur. All future purchase orders will be completed prior to actual purchasing.

AFTERSCHOOL PROGRAM

Finding

The *Family Central's Subsidy Reimbursement Reports* for January and April 2014 were missing. Without these reimbursement reports, there was no assurance that all payments from Family Central were received.

Recommendation

To ensure payments from Family Central are accounted for, its *Reimbursement Reports* should be reviewed to ensure all payments are received, and the reports be retained for a time-period consistent with District's *Record Retention Schedule*.

Management's Response

Concur. All reimbursement reports will be kept on file monthly.

**Washington Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 1709 West 30th Street
Riviera Beach, FL 33404

Principal:
Fiscal Year 2014: Sandra Edwards
During Audit: Sandra Edwards

Treasurer:
Fiscal Year 2014: Cynthia Kunjbehari
During Audit: Cynthia Kunjbehari

Afterschool Site Director:
Fiscal Year 2014: Demetria White
During Audit: Demetria White

Cash and Investments

Checking	\$ 15,666.44
Investments	
	\$ 15,666.44

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	229.88	450.00	153.16	816.60	816.60	526.72
Classes	270.51	3,590.10	2,820.94	1,679.10	1,948.00	770.77
Clubs	47.82	32,317.90	30,299.77	11,062.96	11,406.72	1,722.19
Departments	1,956.57	714.31	1,051.90	398.68	745.95	1,271.71
Trusts	10,751.61	108,204.05	108,789.38	169.87	169.87	10,166.28
General	1,881.47	9,685.00	11,317.63	1,341.17	381.24	1,208.77
	\$ 15,137.86	\$ 154,961.36	\$ 154,432.78	\$ 15,468.38	\$ 15,468.38	\$ 15,666.44

Washington Elementary School
Management Letter
Year Ended June 30, 2014

This audit revealed no material instances of noncompliance.

**Waters Edge Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 21601 Shorewind Drive
Boca Raton, FL 33428

Principal:
Fiscal Year 2014: Diane Rivelli-Schreiber
During Audit: Diane Rivelli-Schreiber

Treasurer:
Fiscal Year 2014: Eileen Cuffari
During Audit: Eileen Cuffari

Afterschool Site Director:
Fiscal Year 2014: Marie Schonger
During Audit: Marie Schonger

Cash and Investments

Checking	\$ 42,832.84
Investments	
	\$ 42,832.84

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	480.00	474.88	0.00	5.12	0.00
Classes	0.00	79,746.00	77,409.82	1,509.54	3,845.72	0.00
Clubs	0.00	310.00	310.00	0.00	0.00	0.00
Departments	13,570.71	18,712.93	20,770.80	12,681.98	23,044.82	1,150.00
Trusts	20,844.49	605,334.69	605,558.15	12,046.54	14,320.25	18,347.32
General	16,136.66	34,550.10	42,329.09	21,244.34	6,266.49	23,335.52
	\$ 50,551.86	\$ 739,133.72	\$ 746,852.74	\$ 47,482.40	\$ 47,482.40	\$ 42,832.84

Waters Edge Elementary School
Management Letter
Year Ended June 30, 2014

This audit revealed no material instances of noncompliance.

**Wellington Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 13000 Paddock Drive
Wellington, FL 33414

Principal:
Fiscal Year 2014: Eugina Smith Feaman
During Audit: Maria Vaughan

Treasurer:
Fiscal Year 2014: Laurie Maglocco
During Audit: Laurie Maglocco

Afterschool Site Director:
Fiscal Year 2014: Lindsay Oerter
During Audit: Lindsay Oerter

Cash and Investments

Checking	\$ 56,298.59
Investments	
	\$ 56,298.59

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	596.45	2,911.28	2,716.87	557.25	681.25	666.96
Classes	1,463.32	15,866.94	17,146.05	4,914.04	5,098.25	0.00
Clubs	2,612.01	500.00	0.00	0.00	186.51	2,925.50
Departments	7,890.74	24,795.57	21,340.08	6,441.32	6,565.32	11,222.23
Trusts	34,400.23	373,633.79	370,602.83	7,710.88	7,756.84	37,385.23
General	5,846.20	17,122.75	19,534.96	2,824.59	2,159.91	4,098.67
	\$ 52,808.95	\$ 434,830.43	\$ 431,340.79	\$ 22,448.08	\$ 22,448.08	\$ 56,298.59

LEASING OF SCHOOL FACILITIES

Finding

The review of school facility leasing records found that:

- *Lease Agreement* #1009 was not signed by the lessee and a witness.
- A total of \$1,350.20 in leasing charges for two leases, had not been collected as of August 27, 2014:
 - Lease #1004 was for the use of facilities during September 2013 through May 2014, with a total contracted leasing fee of \$2,056.40, but the school received only a total of \$1,300 from the lessee. Consequently, the lessee owed the District \$756.60 in unpaid rental.
 - Lease #1009 was for the use of facilities during October 2013 through May 2014, but the \$593.60 in rental had not been collected from the lessee as of August 27, 2014.
- *Lease Agreement* #1015 was for the use of facilities during January 13, through June 2, 2014, and with total contracted leasing fee of \$678.40, which was to be collected in two installments. However, the second installment of \$452.26 for the period of March 3, through June 2, 2014, was not collected until August 22, 2014, i.e. 172 days after the lessee began using the facilities.
- The school did not allocate and record the utility fee in the Utilities Account (#6-5500). Instead, the utility fee was also recorded in the Rental Income Account (#6-3800). Consequently, \$1,127.35 in utility fees was not transmitted to the Central Office.

Recommendation

Leasing of school facilities should be administered in accordance with ***School Board Policy 7.18*** and related District guidelines. Specifically,

- To protect the best interest of the School District and ensure *Lease Agreements* are legally enforceable, they should be properly executed with all the required signatures prior to the use of facilities by lessees.
- ***School Board Policy 7.18***, requires that “*Fees are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*” The school should recoup the \$1,350.20 in unpaid rentals from the lessees for Leases #1004 (\$756.60) and #1009 (\$593.60).

Management’s Response

Concur. The School District was paid by check #16496 in the amount of \$1,127.35 on 9/2/2014.

DOCUMENTATION FOR FUNDRAISERS

Finding

The Chorus T-Shirt Sales (Account #2-3500.02) did not have the required *Fundraising Application/Recap Form* and *Sales Item Inventory Report*. The school purchased 64 T-shirts for resale at \$8 each, which should have generated a total estimated revenue of \$512. However, only \$423.36 in T-shirt sales revenue was deposited into Internal Funds. Consequently, \$88.64 (17%) in estimated revenue was unaccounted for.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser in order for staff to reconcile the sales revenue with the estimated revenue. Significant discrepancy, if any, between the estimated revenue and actual receipt should be investigated and resolved accordingly.

Management's Response

Concur. The teacher was directed to fill out the appropriate fundraising paperwork for future fundraising events.

PRENUMBERED DOCUMENTS

Finding

The *Document Custodian Assignment Register* (PBSD1663) indicated that the Afterschool Site Director was the assigned custodians for *SACC Receipts* (PBSD1438); however, the director also issued *SACC Receipts* for fee collections.

Recommendation

To ensure proper fiscal accountabilities and as required by *Chapter 27 of the Internal Accounts Manual*, custodian for prenumbered form should be someone who is not involved in the day-to-day use of the form.

Management's Response

Concur. The SAACC director was directed not to issue receipts in the future.

**West Gate Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 1545 Loxahatchee Drive
West Palm Beach, FL 33409

Principal:
Fiscal Year 2014: Patricia Ordonez-Feliciano
During Audit: Patricia Ordonez-Feliciano

Treasurer:
Fiscal Year 2014: Lissette Miranda
During Audit: Lissette Miranda

Afterschool Site Director:
Fiscal Year 2014: Lisdey Padron
During Audit: Lisdey Padron

Cash and Investments

Checking	\$ 15,310.03
Investments	
	\$ 15,310.03

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	310.99	0.00	0.00	0.00	0.00	310.99
Classes	1,004.68	409.00	406.48	348.05	1,119.47	235.78
Clubs	2,310.43	15,812.03	12,391.38	6,318.14	9,882.29	2,166.93
Departments	3,028.00	6,239.49	6,150.08	107.91	107.91	3,117.41
Trusts	10,350.73	154,088.83	160,897.58	4,431.25	1,461.31	6,511.92
General	4,581.95	11,269.41	14,249.99	5,741.95	4,376.32	2,967.00
	\$ 21,586.78	\$ 187,818.76	\$ 194,095.51	\$ 16,947.30	\$ 16,947.30	\$ 15,310.03

DOCUMENTATION FOR DISBURSEMENTS

Finding

Disbursement #10371 (for \$595) was for payment of rentals for obstacle course and bounce house (with attendants) for the Fall Carnival. However, the related *School District Consultant Agreement* (PBSD 1420) did not have the dates of the signatures for the Principal and consultant. Moreover, the vendor's *Certificate of Insurance* listed the School District, instead of the School Board, as the certificate holder and additional insured party for liability insurance coverage.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically,

- To ensure the *School District Consultant Agreement* (PBSD 1420) is legally enforcement, it should be properly executed with all the required information, signatures, and dates prior to the consultant's performing services at the school.
- To protect the School District from unwarranted liability, the School Board should be listed as the additional insured party for liability insurance coverage.

Management's Response

Concur. Principal met with bookkeeper and reviewed procedures.

AFTERSCHOOL PROGRAM

Finding

The school's Summer Camp Program ended on August 1, 2014. However, as of October 20, 2014, the Summer Camp Program had a total accounts receivable of \$1,065.38 from 10 student accounts.

Recommendation

Summer Camp Program is a self-sufficient programs supported by user fees. To ensure fiscal accountability, program fees should be collected in advance as required by the *Afterschool Programs Operational Manual*.

Management's Response

Concur. Principal met with Aftercare Director and a plan has been developed to collect fees to avoid this situation.

**West Riviera Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 1057 West 6th Street
Riviera Beach, FL 33404

Principal:
Fiscal Year 2014: Tonja Lindsey-Latson
During Audit: Tonja Lindsey-Latson

Treasurer:
Fiscal Year 2014: Anita Porter
During Audit: Kerri Rogers

Afterschool Site Director:
Fiscal Year 2014: Jasmin Reed
During Audit: Jasmin Reed

Cash and Investments

Checking	\$ 4,664.61
Investments	
	\$ 4,664.61

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	450.50	1,307.00	1,265.00	42.00	534.50	0.00
Clubs	0.00	8,217.25	8,079.71	0.00	137.54	0.00
Departments	44.77	1,753.08	1,557.16	238.00	238.00	240.69
Trusts	7,876.53	68,808.95	73,174.65	826.89	801.73	3,535.99
General	718.20	5,490.94	5,926.09	1,551.88	947.00	887.93
	\$ 9,090.00	\$ 85,577.22	\$ 90,002.61	\$ 2,658.77	\$ 2,658.77	\$ 4,664.61

ACCOUNTS PAYABLES AND DEFICIT ACCOUNTS

Finding

As of October 9, 2014, the school's accounting records indicated that its Internal Funds checking account had an available balance of \$6,192.85. However, the school had a total unpaid debt of \$34,977.95 payable to the Central Office. Moreover, the Summer Camp program had a deficit balance of 24,076.53.

Recommendation

To ensure proper fiscal accountability, the school should (1) ensure that all unpaid bills are accurately reported on the financial reports submitted to the Central Office, (2) develop a payment plan to resolve the unpaid bill issue, and (3) timely process payments for all invoices to ensure compliance with **Florida Prompt Payment Act**. Furthermore, the school should monitor its activity accounts and fee-based programs closely so that total expenditures would not exceed total revenues.

Management's Response

Concur. On 10/17/2014 @ 5:00 pm I met with a Title 1 specialist to correct all forced post p-card purchases that should have been taken from Title 1 budget lines.

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process at the school revealed that collections were not always deposited in a timely manner. For example,

- \$413.50 collected through MCRs #368-6 and #335-4 was retained by the sponsors for two working days before it was put into the drop-safe for deposit.
- \$120 collected through MCR#352-4 was not timely processed by the bookkeeper and deposited into the bank until seven working days after collection, which exceeded the Department of Education's five-working-day rule.

Recommendation

DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools) and District **Bulletin #P-14051-S/CFO** require that monies collected be put into the drop-safe daily, and deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could increase the exposure to staff and result in potential irregularities.

Management's Response

Concur. Review monies collected forms at the next faculty meeting.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser documentation found that the Pre-K Cap and Gown Sales (Account # 6-9150.01) and Yearbook Sales (Account #4-4500.01) did not have the required *Fundraising Application/Recap Forms* and *Sales Item Inventory Reports*.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser in order for staff to reconcile the sales revenue with the estimated revenue. The *Report* should be approved by the Principal to confirm (1) the legitimacy for items that were giving-away free-of-charge, and (2) the missing items, if any. Discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.

Management's Response

Concur. Review fundraising at the next faculty meeting.

LEASING OF SCHOOL FACILITIES

Finding

Lease Agreement #1003 was for the use of facilities by the lessee during July 1, through August 15, 2014. The leasing information was recorded in the Tririga System; however, the school did not maintain a hard copy of the fully executed *Lease Agreement*.

Recommendation

To protect ensure *Lease Agreements* are legally enforceable, they should be properly executed with all the required signatures, prior to the use of facilities by lessees. Besides recording leasing activities in the Tririga System, the school should also maintain a copy of the executed *Lease Agreement* for future reference.

Management's Response

Concur. Scheduled weekly monitoring meetings with the new treasurer to ensure compliance of leasing agreements.

AFTERSCHOOL PROGRAM

Finding

As of June 30, 2014, the school's Afterschool Program had and Summer Camp programs had an accounts receivable balance of \$1,280 and \$7,779 respectively.

Recommendation

Afterschool and Summer Camp Programs are self-sufficient programs supported by user fees. To ensure fiscal accountability, program fees should be collected in advance as required by *Afterschool Programs Operational Manual*. The *Manual* states "*fees are payable in advance and are collected monthly on the first three school days of the month.*"

Management's Response

Concur. Scheduled weekly meetings with Aftercare Director to ensure compliance with After-school Operations Manual.

DOCUMENTATION FOR FIELD TRIPS

Finding

An April 4, 2014, P-Card transaction (for \$100) was for payment of a field trip admission fees. However, this field trip did not have the *Field Trip/Activity Planning Report and Approval Request Form*.

Recommendation

Field trips should be conducted in accordance with *School Board Policy 2.40* and related District guidelines. Specifically, a *Field Trip/Activity Planning Report and Approval Request* and TDEs must be completed by the sponsor and approved by the Principal for each field trip.

Management's Response

Concur. Review field trip compliance information at the next faculty meeting.

Additional comments: Please note that a new treasurer is now in place as of 10/5/2014.

**Westward Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 1101 Golf Avenue
West Palm Beach, FL 33401

Principal:
Fiscal Year 2014: Bobbie Brooks
During Audit: Bobbie Brooks

Treasurer:
Fiscal Year 2014: Gwen Hutley
During Audit: Gwen Hutley

Afterschool Site Director:
Fiscal Year 2014: Tamara Pierre
During Audit: Zipporah Morris

Cash and Investments

Checking	\$ 17,571.24
Investments	
	\$ 17,571.24

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	740.29	10,861.00	8,610.64	3,450.50	3,427.50	3,013.65
Clubs	0.00	8,729.45	7,437.17	1,292.28	1,292.28	1,292.28
Departments	251.43	1,090.00	52.91	0.00	0.00	1,288.52
Trusts	11,885.92	161,601.96	162,470.59	6,994.47	6,994.47	11,017.29
General	5,087.32	3,817.80	7,922.62	62.18	85.18	959.50
	\$ 17,964.96	\$ 186,100.21	\$ 186,493.93	\$ 11,799.43	\$ 11,799.43	\$ 17,571.24

DOCUMENTATION FOR FIELD TRIPS

Finding

The *Field Trip /Activity Planning Report and Approval Request Forms* for the October 9 and December 13, 2013, fieldtrips were not approved by the Principal.

Recommendation

As required by *School Board Policy 2.40*, a *Field Trip/Activity Planning Report and Approval Request* must be completed by the sponsor and pre-approved by the Principal for each field trip.

Management's Response

Concur. Oral approval was given but not signed off appropriately. We have developed a checklist system to ensure all parties are notified and each component is completed.

AFTERSCHOOL PROGRAM

Finding

The EZ Care database at the school (the Afterschool Program's accounting system) was not accurately maintained. The October 2013, through May 2014, Family Central's subsidy payments, totaling \$78,129.01, were not recorded in the EZ Care database.

Recommendation

Afterschool Program financial transactions should be accurately recorded in the EZ Care database and periodically reconciled with the school's accounting records.

Management's Response

Concur. Former Director acknowledged that she did not know she needed to input this information in EZ Care. The current director has been notified that this is required.

**Whispering Pines Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 9090 Spanish River Boulevard
Boca Raton, FL 33496

Principal:
Fiscal Year 2014: Barbara Riemer
During Audit: Barbara Riemer

Treasurer:
Fiscal Year 2014: Danyalle Torres
During Audit: Danyalle Torres

Afterschool Site Director:
Fiscal Year 2014: Christine Sims
During Audit: Christine Sims

Cash and Investments

Checking	\$ 40,522.00
Investments	
	\$ 40,522.00

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	6.00	94.80	56.00	0.00	12.00	32.80
Classes	1,657.62	20,594.32	21,246.25	421.22	1,080.30	346.61
Clubs	1,526.44	2,446.00	2,873.32	1,179.56	1,474.90	803.78
Departments	3,363.02	13,947.75	13,827.33	2,434.01	2,422.01	3,495.44
Trusts	22,955.65	523,505.59	512,069.19	11,276.69	13,084.90	32,583.84
General	539.86	16,762.26	16,805.22	4,985.49	2,222.86	3,259.53
	\$ 30,048.59	\$ 577,350.72	\$ 566,877.31	\$ 20,296.97	\$ 20,296.97	\$ 40,522.00

DEPOSIT OF MONIES

Finding

The review of money collection records noted that 11 pages of the *Drop Safe Log* (#11-59040 through #11-59050) were missing.

Recommendation

To ensure proper fiscal accountability and as required by *Bulletin #P-14051-S/CFO*, “*Completed Drop Safes Logs must be filed sequentially in numerical order in a binder and retained for five years.*”

Management’s Response

Concur. When opening package, bookkeeper will check all pages to ensure they are all present and in sequential order.

DOCUMENTATION FOR FUNDRAISERS

Finding

The Sunshine-Movie Night Fundraiser (Account 6-1700.01) was for selling of tickets for pizza, drinks, and popcorn to students in order to raise funds for the teachers’ holiday party. This fundraiser is inappropriate and contrary to *School Board Policy 2.16* that it involved students but was intended for benefiting adults.

Recommendation

School Board Policy 2.16, Section (1), states “*All fund-raising projects and activities by school or groups within the school shall contribute to the educational and extracurricular experiences of the students and shall not be in conflict with the overall instructional program.*”

Management’s Response

Concur. The sunshine Committee will not fundraise.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation revealed that:

- Four disbursements (#7629 for \$1,597.06; #7826 for \$1,284; #7878 for \$1,476.20; and #7963 for \$1,249.84) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Orders*.

Whispering Pines Elementary School
Management Letter
Year Ended June 30, 2014

- The *Purchase Order* for Disbursement #7861 (\$1,073.59) was not approved by the Principal until two days after the invoice date.

Recommendation

To ensure proper fiscal accountability, *Purchase Orders* approved by the Principal are required for purchases in excess of \$1,000. This will help ensure that funds are and will be available for the purchase. All purchases should be pre-approved by the Principal.

Management's Response

Concur. To educate staff about when a purchase order is required and that the PO must be approved prior to ordering material.

**Wynnebrook Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 1167 Drexel Road
West Palm Beach, FL 33417

Principal:
Fiscal Year 2014: Jeffrey Pegg
During Audit: Jeffrey Pegg

Treasurer:
Fiscal Year 2014: Edna Legister-Minor
During Audit: Edna Legister-Minor

Afterschool Site Director:
Fiscal Year 2014: Maurice Berry
During Audit: Maurice Berry

Cash and Investments

Checking	\$ 16,800.35
Investments	
	\$ 16,800.35

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	994.75	954.75	32.00	32.00	40.00
Classes	0.00	1,735.00	1,230.00	78.00	583.00	0.00
Clubs	1,202.23	3,443.25	3,115.00	919.17	919.17	1,530.48
Departments	1,639.28	3,664.91	3,400.79	352.83	352.83	1,903.40
Trusts	14,873.75	182,623.43	188,533.87	7,855.62	7,857.00	8,961.93
General	3,504.20	6,742.40	6,388.44	506.38	0.00	4,364.54
	\$ 21,219.46	\$ 199,203.74	\$ 203,622.85	\$ 9,744.00	\$ 9,744.00	\$ 16,800.35

Wynnebrook Elementary School
Management Letter
Year Ended June 30, 2014

This audit revealed no material instances of noncompliance.

Middle Schools

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Middle Schools
All Schools
 Summary of Audit Findings
 FY 2014 Internal Funds Audits

Middle Schools	Community School / Summer Camp / Safe School Programs									Disbursements				Receipts					Leases					Other										Number of Findings				
	Fees Not Timely Transmitted to Central Office	Student Registration and Attendance Records Missing	Missing Timecard	Timecard Not Signed By Employee	Timecard Not Signed-off By Supervisor	Payroll Did Not Match With Employee Timecard	Staff Incurred Excessive Hours	Program Deficit and/or High Staffing Level	Wages/Stipends Paid From Internal Funds	Inadequate Support for Disbursement	P-Card Related Findings	Disbursement Not Properly Approved	Disbursement Funded By Incorrect Account	Access to Drop Safe	Drop Safe Log Not Used Completely	Monies Not Deposited Timely	Receipts Recorded In Wrong Account	Copy of MCR Not Maintained by Sponsor	Monies Collected Not Properly Documented	Lease Prequalification Not Available	Lease Agreement Not Adequately Maintained	Inadequate Proof of Insurance	Fees Collected After Use	Undercharged Rental	Leasing Fee Collections Incorrectly Distributed	Monies and School Checks Not Adequately Safeguarded	Staff Performing Incompatible Duties	Bank Reconciliation Not Completed Timely	Adjustments To Records Not Properly Approved/Documented	Fundraisers Not Adequately Documented	Field Trips Not/Late Approved By Principal	Out of County Trips Not Approved By Area Superintendent	No Document Custodian Assigned for Pre-numbered Documents		Periodic Inventory Not Performed for Pre-numbered Documents			
AREA 1 MIDDLE (7 schools)																																						
Boca Raton Middle																			√																√	2		
Carver Middle										√					√																				√	3		
Don Estridge High Tech Middle																	√																			√	1	
Eagles Landing Middle																																		√	√	2		
Loggers Run Middle																																			√	1		
Odyssey Middle											√						√				√		√											√		5		
Omni Middle																					√		√											√		3		
Area 1 Total	0	0	0	0	0	0	0	0	0	1	1	0	0	0	1	0	0	2	1	0	2	0	2	0	0	0	0	0	0	0	0	0	6	1	0	0	0	17
AREA 2 MIDDLE (9 schools)																																						
Christa McAuliffe Middle																					√		√											√		3		
Congress Middle																																					0	
L.C.Swain Middle										√	√		√				√																		√		5	
Lake Worth Middle																																					0	
Lantana Middle																																					0	
Okechee Middle																																			√	1		
Tradewinds Middle										√																									√		2	
Woodlands Middle										√	√					√																			√		4	
Area 2 Total	0	0	0	0	0	0	0	0	0	3	2	0	1	0	0	1	0	1	0	0	1	0	1	0	0	0	0	0	0	0	0	0	5	0	0	0	0	15
AREA 3 MIDDLE (6 schools)																																						
Emerald Cove Middle																																			√		2	
Lake Shore Middle										√						√																		√	√		4	
Osceola Creek Middle																																			√		1	
Polo Park Middle																																			√		1	
Wellington Landings Middle													√																					√		2		
Western Pines Middle																																				√	1	
Area 3 Total	0	0	0	0	0	0	0	0	0	1	0	0	1	0	0	2	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5	1	0	0	0	11

Middle Schools
All Schools
 Summary of Audit Findings
 FY 2014 Internal Funds Audits

Middle Schools	Community School / Summer Camp / Safe School Programs									Disbursements				Receipts				Leases				Other										Number of Findings				
	Fees Not Timely Transmitted to Central Office	Student Registration and Attendance Records Missing	Missing Timecard	Timecard Not Signed By Employee	Timecard Not Signed-off By Supervisor	Payroll Did Not Match With Employee Timecard	Staff Incurred Excessive Hours	Program Deficit and/or High Staffing Level	Wages/Stipends Paid From Internal Funds	Inadequate Support for Disbursement	P-Card Related Findings	Disbursement Not Properly Approved	Disbursement Funded By Incorrect Account	Access to Drop Safe	Drop Safe Log Not Used Completely	Monies Not Deposited Timely	Receipts Recorded In Wrong Account	Copy of MCR Not Maintained by Sponsor	Monies Collected Not Properly Documented	Lease Prequalification Not Available	Lease Agreement Not Adequately Maintained	Inadequate Proof of Insurance	Fees Collected After Use	Undercharged Rental	Leasing Fee Collections Incorrectly Distributed	Monies and School Checks Not Adequately Safeguarded	Staff Performing Incompatible Duties	Bank Reconciliation Not Completed Timely	Adjustments To Records Not Properly Approved/Documented	Fundraisers Not Adequately Documented	Field Trips Not/Late Approved By Principal		Out of County Trips Not Approved By Area Superintendent	No Document Custodian Assigned for Prenumbered Documents	Periodic Inventory Not Performed for Prenumbered Documents	
AREA 4 MIDDLE (7 schools)																																				
Bak Middle School of the Arts											√	√																								6
Bear Lakes Middle																					√														2	
Howell L. Watkins Middle																																			0	
Independence Middle																																			0	
John F. Kennedy Middle									√	√				√	√		√			√	√	√								√	√		√	11		
Jupiter Middle		√							√											√															5	
Watson B. Duncan Middle									√		√									√		√									√				7	
North Area Total	0	1	0	0	0	0	0	0	0	3	2	2	0	0	2	2	1	1	0	0	4	1	3	0	1	0	0	0	0	0	4	2	1	1	0	31
AREA 5 MIDDLE (5 schools)																																				
Conniston Middle																																			0	
Crestwood Middle										√											√												√		6	
Jeaga Middle		√							√		√	√			√		√			√										√	√	√	√	√	12	
Palm Springs Middle									√																								√		3	
Roosevelt Middle	√	√															√																√		3	
Central Area Total	1	2	0	0	0	0	0	0	0	3	0	1	1	0	0	2	0	2	1	0	2	0	1	0	1	0	0	0	0	0	4	1	1	1	1	24
ALL AREAS (33 schools)																																				
Total	1	3	0	0	0	0	0	0	0	11	5	3	3	0	3	7	2	6	2	0	9	1	7	0	2	0	0	0	0	0	24	5	2	2	1	99

**Bak Middle School of the Arts
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 1725 Echo Lake Drive
West Palm Beach, FL 33407

Principal:
Fiscal Year 2014: Sally Rozanski
During Audit: Sally Rozanski

Treasurer:
Fiscal Year 2014: Cathleen Spring
During Audit: Cathleen Spring

Cash and Investments

Checking	\$ 348,350.64
Investments	
	\$ 348,350.64

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 8,055.53	\$ 40,014.94	\$ 42,000.43	\$ 14,695.44	\$ 15,195.44	\$ 5,570.04
Music	120,521.30	408,047.65	433,096.83	187,176.11	178,042.85	104,605.38
Classes	4,530.18	13,389.93	12,034.02	2,080.10	2,830.10	5,136.09
Clubs	11,736.41	51,722.05	55,937.72	15,392.80	15,822.38	7,091.16
Departments	129,097.46	344,837.31	318,905.48	91,620.60	93,317.77	153,332.12
Trusts	49,624.15	285,828.56	267,839.34	10,005.91	23,488.28	54,131.00
General	17,240.23	80,955.16	87,436.40	23,591.09	15,865.23	18,484.85
	\$ 340,805.26	\$1,224,795.60	\$1,217,250.22	\$ 344,562.05	\$ 344,562.05	\$ 348,350.64

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process at the school found that monies were not always deposited into the bank in a timely manner. For example,

- \$800 in change fund was returned to the bookkeeper and recorded in the General Ledger on June 30, 2014. However, the money was not deposited into the school's bank account until November 7, 2014.
- \$7,132 collected through five MCRs (#486-1, #481-6, #481-9, #511-4 and #495-20) was not processed by the bookkeeper and deposited into the bank until six to 87 working days after the monies were put into the drop-safe by the sponsors.
- \$90 collected through MCR #469-32 was retained by the sponsor for two to three working days before the monies were put into the drop-safe for deposit.

Recommendation

DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools) and the District's *Internal Accounts Manual* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in exposure to staff and increased potential irregularities.

Management's Response

Concur. Remind sponsors of the importance of placing monies in the drop-safe each day. Provide assistance to the bookkeeper so she can make timely deposits.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of documentation for sample fundraisers found that:

- The P.E. Uniforms Sales (Account # 5-1900.02) and the Theatre Concessions Sales (Account # 5-0750.12) did not have the *Fundraising Application/Recap Form*.
- Three fundraisers did not have the required *Sales Item Inventory Reports*: (1) Principal's Courtesy Vending Fundraiser (Account #6-0200.02), (2) P.E. Uniforms Sales (Account # 5-1900.02), and (3) Theatre Concessions Sales (Account # 5-0750.12)

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District

guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- To ensure proper fiscal accountability, *Sales Item Inventory Report* should be prepared for all fundraisers. The information on the *Report* should assist staff in reconciling the sales revenue with the estimated revenue. Significant discrepancy, if any, between the estimated revenue and actual collection should be investigated and resolved accordingly.

Management's Response

Concur. Inform/remind all staff members that a Sales Item Inventory Report should be completed for all fundraisers.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of documentation for sample disbursements and P-Card purchases found that:

- Seven purchases, totaling \$1,358.58, were charged to the bookkeeper's P-Card during December 2013, but did not have any supporting documentation for the expenses.
- Disbursement #12125 (for \$6,247.50) was for payment of a Dinner Event for the band's April 2, 2014, trip to Boston. However, the related restaurant *Agreement* was signed by the sponsor instead of the Principal.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and the related District guidelines. Specifically,

- To ensure that purchases are appropriate, all expenditures should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there was no assurance that the expenses were appropriate.
- Contractual agreements should be signed by the Principal as required by *District Administrative Directive D-6.03*, which states "*the Principal of the school is the only person to whom authority has been granted to make any purchase that in any way obligate the school for payment.*"

Management's Response

Concur. Ensure that all receipts are kept by the bookkeeper, and that the bookkeeper does not accept any contracts that are not signed by the principal. Tell sponsors that they may not enter into a contract without

principal signature.

SAFE SCHOOL PROGRAM

Finding

The review of records for the Safe School Program found that a total of \$28,302 in Safe School revenue was collected and deposited into the Internal Funds. However, the summary of *Records of Payment Forms* indicated that a total of \$26,650 in program fees was collected during the year. Apparently, either some of the *Records of Payment Forms* were missing or some fee collections were not recorded on the *Records of Payment Forms*.

Recommendation

Safe School Program should be administered in accordance with *Middle School Afterschool Program Handbook* and other District's guidelines. Specifically, to ensure proper fiscal accountability, payment history should be recorded on the individual *Records of Payment Form* (PBSD 1652) for each student; and *Classroom Receipts* should be issued for fee collections.

Management's Response

Concur. Remind directors that Records of Payment Forms must be recorded and filed for safe keeping.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for school facility leasing found that:

- *Lease Agreement* #1008 was not signed by the lessee, witness, and the Principal until three days after leasehold period began.
- *Lease Agreement* #1003 had a total contract amount of \$7,070. The school collected \$7,070 and \$550 from the lessee on December 3 and 13, 2013, respectively. The \$550 collected on December 13, 2013, was for payment of additional labor charges. However, the additional labor cost was not recorded in the Tririga System. As a result, the school's leasing revenue was understated by \$550 in the Tririga System.
- Lease #1008 was for use of facility by the lessee during March 7 and 8, 2014. However, the leasing charge (\$1,670) was not collected from the lessee until March 31, 2014.

Recommendation

Leasing of school facilities should be administered in accordance with *School Board Policy 7.18* and related District guidelines. Specifically,

Bak Middle School of the Arts
Management Letter
Year Ended June 30, 2014

- *Lease Agreement* should be properly executed with all the required signatures prior to the use of facilities by lessee.
- Leasing information should be accurately recorded in the Tririga System; and the system should be updated with new information such as amendments and cancellation of leasing arrangements.
- ***School Board Policy 7.18***, requires that “*Fees are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*”

Management’s Response

Concur. Ensure that monies are collected by the guidelines set forth by the district. It is difficult for leases to anticipate the amount of time needed but we will try to provide better estimates so time does not have to be added to the lease.

**Boca Raton Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 1251 N.W. 8th Street
Boca Raton, FL 33486

Principal:
Fiscal Year 2014: Peter Slack
During Audit: Peter Slack

Treasurer:
Fiscal Year 2014: Jeannine Balbier
During Audit: Jeannine Balbier

Community School Director:
Fiscal Year 2014: Lydia Sanchez
During Audit: Lydia Sanchez

Cash and Investments

Checking	\$ 169,158.70
Investments	
	\$ 169,158.70

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 13,520.07	\$ 8,030.46	\$ 10,769.24	\$ 3,973.81	\$ 4,065.81	\$ 10,689.29
Music	9,069.06	47,163.15	40,158.12	15,766.76	15,766.76	16,074.09
Classes	313.00	13,361.00	13,043.00	498.00	498.00	631.00
Clubs	3,784.00	35,900.36	36,775.10	14,918.72	16,108.55	1,719.43
Departments	51,987.47	97,034.54	88,358.91	40,333.97	47,153.83	53,843.24
Trusts	68,612.70	233,335.19	232,340.04	20,633.97	12,027.97	78,213.85
General	31,886.95	58,029.77	81,424.61	43,244.35	43,748.66	7,987.80
	\$ 179,173.25	\$ 492,854.47	\$ 502,869.02	\$ 139,369.58	\$ 139,369.58	\$ 169,158.70

DEPOSIT OF MONIES

Finding

The review of the money collection process at the school revealed that some collections were not deposited into the Internal Funds. Specifically, an activity sponsor's handwritten note attached to MCR #854-1 indicated that \$240 collected from a fundraiser was "*used for gift card purchases & bus trip*", instead of depositing into the Internal Funds. Moreover, the \$240 in expenditures was not supported by invoices or documentation as to who received those gift-cards.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools), Internal Accounts Manual*, and District guidelines. Specifically,

- *DOE Rules, Section III – 1.4(c)*, states "*all money collected must be deposited intact to a depository*".
- Disbursement should be adequately documented and made by school's check or P-Card.
- Pursuant to *Bulletin #P-12690-CAO/COO/P*, "*gift cards may be purchased for students only*" and "*schools must maintain documentation of all recipients of gift cards*".

Management's Response

Concur. This person no longer works for the district but we will make sure all future money collections are administered in accordance with DOE and District guidelines.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser documentation revealed that:

- The *Fundraising Application/Recap Form* for the Yearbook Sales (Account 5-0450.01) was not approved by the Principal.
- *Sales Item Inventory Reports* for the following four sample fundraisers were not approved by the Principal: (1) Athletic Car Decal Sales, (2) Band Shirts Sales, (3) Band Chocolate Sales, and (4) Yearbook Sales.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- The *Sales Item Inventory Report* should be approved by the Principal in order to confirm the legitimacy for items, if any, that were given-away free-of-charge, or missing.

Management's Response

Concur. All fundraising activities were preapproved by the Principal though there were signatures missed. The Sales Item Inventory Report was approved by the Principal. Future fundraisers will have signatures.

SAFE SCHOOL PROGRAM

Finding

The review of records for the Safe School Program found that the school was to maintain a *Record of Payment Form* for each student. However, the payment records for October 2013 through June 2014 were not recorded on the *Forms*.

Recommendation

To ensure proper fiscal accountability, payment history should be recorded on the individual *Records of Payment Form* (PBSD 1652) for each student; and *Classroom Receipts* should be issued for fee collections.

Management's Response

Concur. In our Safe Schools Program, we will ensure payment history is recorded on the individual Records of Payment Form 1652 for each student; and Classroom Receipts will be issued for fee collections.

**Carver Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 101 Barwick Road
Delray Beach, FL 33445

Principal:
Fiscal Year 2014: Kiwana Alexander-Prophete
During Audit: Kiwana Alexander-Prophete

Treasurer:
Fiscal Year 2014: JoAnne Hopkins
During Audit: Kaesha Adams

Cash and Investments

Checking	\$ 39,702.35
Investments	
	\$ 39,702.35

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 4,569.37	\$ 6,492.70	\$ 7,818.42	\$ 3,186.06	\$ 2,686.06	\$ 3,743.65
Music	4,778.51	38,805.50	40,079.15	3,854.99	6,268.44	1,091.41
Classes	0.00	0.00	0.00	0.00	0.00	0.00
Clubs	7,499.16	42,378.64	42,623.12	6,872.90	6,772.90	7,354.68
Departments	6,866.57	4,639.44	4,367.42	682.80	1,682.80	6,138.59
Trusts	14,803.53	43,981.08	40,326.88	0.00	731.30	17,726.43
General	2,007.59	6,033.15	7,937.90	4,062.65	517.90	3,647.59
	\$ 40,524.73	\$ 142,330.51	\$ 143,152.89	\$ 18,659.40	\$ 18,659.40	\$ 39,702.35

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and the money collection process at the school found that:

- The total dollar amounts for deposit listed on three sample MCRs (#401-15, #405-9, and #426-3) were changed by the bookkeeper after the bookkeeper counted the monies accompanied by the MCRs. However, the changes in dollar amount on the MCRs were not signed or initialed by the sponsors to acknowledge the corrections.
- Some sponsors did not always record the deposit information on the *Drop-safe Log* before dropping off the monies into the safe. For example, the sponsors did not record the deposit information on the *Log* for three sample collections, totaling \$391.30. Instead, the information was subsequently entered into the log by another staff member after the monies were removed from the safe for processing on October 18, 2013.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- To ensure proper fiscal accountability, changes on MCRs made by the bookkeeper should be acknowledged by the sponsors.
- To ensure proper fiscal accountability and comply with *Bulletin #P-14051-S/CFO*, responsible staff should properly complete the *Drop-safe Log* with all the required information. Specifically, activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe,

Management's Response

Concur. Renew Safe Log procedures during a Faculty and Staff meeting. Meet with School Treasurer to discuss procedures when making corrections.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation revealed that:

- Disbursement #10724 (\$1,980) was for payment of lodging expenses for four staff attending an out-of-county conference, but did not have the required *Leaves/Temporary Duty Elsewhere (TDE) Forms*.

- A May 27, 2014, P-Card purchase (for \$2,217) exceeded the \$1,000 per vendor daily limit, but did not have the required *Purchase Order* and prior approval of the Purchasing Department.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and the related District guidelines. Specifically,

- *Purchase Order* approved by the Principal is required for purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase. All purchases should be pre-approved by the Principal.
- P-Card purchase in excess of \$1,000 requires prior approval of the Purchasing Department.
- TDE forms should be prepared and properly approved for staff who will be working away from the school premises, such as attending conferences.

Management's Response

Concur. Review District Policy Procedures with School Treasurer to avoid future issues with P-Card purchases and provide P.O. documentation when needed.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser documentation revealed that the Cotton Candy Sales Fundraiser (Account #4-4810.42) did not have the required *Sales Item Inventory Form*.

Recommendation

To ensure proper fiscal accountability, *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser in order for staff to reconcile the sales revenue with the estimated revenue.

Management's Response

Concur. Complete Sales Item Inventory Report as required. Review Fundraiser procedures with Faculty and Staff.

**Christa McAuliffe Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 6500 Le Chalet Boulevard
Boynton Beach, FL 33437

Principal:
Fiscal Year 2014: Jeff Silverman
During Audit: Jeff Silverman

Treasurer:
Fiscal Year 2014: Diane Davant
During Audit: Diane Davant

Cash and Investments

Checking	\$ 90,260.90
Investments	
	\$ 90,260.90

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 2,294.99	\$ 21,658.47	\$ 16,170.15	\$ 10,046.50	\$ 10,175.71	\$ 7,654.10
Music	5,771.15	32,571.20	31,018.20	9,130.46	9,130.46	7,324.15
Classes	1,139.92	24,957.50	24,177.62	890.09	777.38	2,032.51
Clubs	3,307.58	16,268.93	15,521.17	6,078.71	6,386.21	3,747.84
Departments	44,810.49	77,794.10	65,904.95	26,938.71	28,464.68	55,173.67
Trusts	20,805.73	68,206.50	77,441.63	14,288.97	13,166.40	12,693.17
General	5,357.76	17,974.43	22,424.13	9,780.28	9,052.88	1,635.46
	\$ 83,487.62	\$ 259,431.13	\$ 252,657.85	\$ 77,153.72	\$ 77,153.72	\$ 90,260.90

DOCUMENTATION FOR FUNDRAISERS

Finding

The Athletics Boy’s Soccer Uniforms Fundraiser (Account #1-5000.01) had a total sales revenue of \$780 deposited into the Internal Funds. Based on the school’s purchasing records and the *Sales Item Inventory Report*, this fundraiser should have generated a total estimated revenue of \$960. As a result, \$180 (or 19%) in estimated revenue was unaccounted for. Moreover, this fundraiser had a total expenditure of \$1,056.50, which resulted in a net deficit of \$276.50 (\$1,056.50 - \$780).

Item	Quantity					Selling Price	Revenues
	Beginning Inventory ⁽¹⁾	Purchases ⁽²⁾	Items Given Away ⁽¹⁾	Inventory On Hand ⁽¹⁾	Units Sold		
Student Jersey	0	17	1	0	16	\$60	\$960
Manager Jersey	0	3	3	0	0	\$0	0
Coach Jersey	0	2	2	0	0	\$0	0
Total Estimated Revenues							\$960
Total \$ Deposited into Internal Funds							\$780
<i>Estimated Revenues Unaccounted For</i>							<u>\$180</u>

(1) Based on *FY14 Sales Item Inventory Report*.
 (2) Based on purchasing records during July 1, 2013, and June 30, 2014.

Recommendation

Fundraisers should be administered in accordance with ***School Board Policy 2.16*** and the related District guidelines. To ensure fiscal accountability and self-sufficiency,

- *Sales Item Inventory Report* should be completed with accurate information for each fundraiser in order for staff to reconcile the sales revenue with the estimated revenue. Significant discrepancy, if any, between the estimated revenue and actual receipt should be investigated and resolved accordingly.
- The school should monitor each fundraising activity account closely to ensure that the fundraiser will not have deficit.

Management’s Response

Concur. Policy will be reviewed with appropriate staff. While we agree that it would be preferable to never have a deficit, with items like uniforms, not every student can afford these items, necessitating the free distribution of items. This should and will be documented better in the future.

LEASING OF SCHOOL FACILITIES

Finding

The review of school facility leasing records found that:

Christa McAuliffe Middle School
Management Letter
Year Ended June 30, 2014

- *Lease Agreement* #1002 was not signed by the lessee and a witness.
- Leasing charges for Leases #1021 and #1004 were not collected until one and six days, respectively, after the use of facilities by the lessees.

Recommendation

Leasing of school facilities should be administered in accordance with ***School Board Policy 7.18*** and related District guidelines. Specifically,

- To protect the best interest of the School District that *Lease Agreements* are legally enforceable, they should be properly executed with all the required signatures prior to the use of facilities by lessees.
- ***School Board Policy 7.18***, requires that “*Fees are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*”

Management’s Response

Concur. I have already met with our administrator in charge of leasing and we will work together to make sure that we adhere to this policy 100% of the time.

**Congress Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 101 South Congress Avenue
Boynton Beach, FL 33426

Principal:
Fiscal Year 2014: Denise O'Connor
During Audit: Denise O'Connor

Treasurer:
Fiscal Year 2014: Yvonne Small
During Audit: Yvonne Small

Cash and Investments

Checking	\$ 39,309.99
Investments	
	\$ 39,309.99

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 2,711.06	\$ 4,718.42	\$ 4,926.66	\$ 965.38	\$ 990.34	\$ 2,477.86
Music	140.99	2,630.65	2,345.86	385.00	385.00	425.78
Classes	6,592.04	49,730.91	48,887.12	25,994.21	25,954.21	7,475.83
Clubs	2,048.85	9,768.54	8,589.75	3,994.90	3,994.90	3,227.64
Departments	3,218.25	7,832.57	7,610.76	1,724.71	1,724.71	3,440.06
Trusts	15,438.91	41,793.41	39,475.79	294.69	309.73	17,741.49
General	4,729.79	15,079.17	15,287.63	5,194.59	5,194.59	4,521.33
	\$ 34,879.89	\$ 131,553.67	\$ 127,123.57	\$ 38,553.48	\$ 38,553.48	\$ 39,309.99

Congress Middle School
Management Letter
Year Ended June 30, 2014

This audit revealed no material instances of noncompliance.

**Conniston Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 3630 Parker Avenue
West Palm Beach, FL 33405

Principal:
Fiscal Year 2014: Oscar Otero
During Audit: Oscar Otero

Treasurer:
Fiscal Year 2014: Adriana Valladares
During Audit: Adriana Valladares

Cash and Investments

Checking	\$ 51,445.16
Investments	
	\$ 51,445.16

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 7,761.92	\$ 24,611.45	\$ 21,078.20	\$ 13,816.74	\$ 13,004.49	\$ 12,107.42
Music	2,114.43	2,314.27	1,942.92	523.67	423.67	2,585.78
Classes	0.00	10,679.40	10,728.86	543.27	493.81	0.00
Clubs	4,168.45	6,833.79	5,856.96	921.47	1,834.47	4,232.28
Departments	10,673.39	14,911.46	19,945.52	7,494.17	8,356.24	4,777.26
Trusts	8,910.42	39,370.36	25,339.52	1,253.24	5,031.02	19,163.48
General	11,316.07	41,061.99	48,390.26	15,813.50	11,222.36	8,578.94
	\$ 44,944.68	\$ 139,782.72	\$ 133,282.24	\$ 40,366.06	\$ 40,366.06	\$ 51,445.16

YEARBOOK ACCOUNT DEFICIT

Finding

The 2014 Yearbook Sales (Account #7-0100.01) had a total expenditure of \$8,565.40 and total revenue of \$5,958.50, resulting in a \$2,606.90 deficit. As indicated by the sponsor on the *Sales Item Inventory Report*, there were 136 unsold copies, with an estimated resale value of \$4,080, in ending inventory.

Recommendation

The school should monitor closely the revenues and expenditures for the Yearbook Account, specifically the number of yearbooks that should be printed so that this activity will not incur a deficit.

Management's Response

Concur.

**Crestwood Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 64 Sparrow Drive
Royal Palm Beach, FL 33411

Principal:
Fiscal Year 2014: Stephanie Nance
During Audit: Stephanie Nance

Treasurer:
Fiscal Year 2014: Carrie Richardson
During Audit: Carrie Richardson

Cash and Investments

Checking	\$ 58,471.82
Investments	
	\$ 58,471.82

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 6,223.67	\$ 15,634.05	\$ 13,729.22	\$ 4,868.30	\$ 5,048.30	\$ 7,948.50
Music	2,404.67	12,614.95	11,603.92	2,915.00	2,542.00	3,788.70
Classes	1,666.38	9,176.01	9,870.23	3,111.86	3,029.25	1,054.77
Clubs	1,455.47	3,206.95	3,097.13	1,758.45	1,748.45	1,575.29
Departments	32,169.33	72,584.22	74,408.47	31,061.17	29,075.78	32,330.47
Trusts	2,221.23	79,943.32	71,893.26	3,872.73	4,013.84	10,130.18
General	(889.12)	18,329.05	13,666.13	6,008.02	8,137.91	1,643.91
	\$ 45,251.63	\$ 211,488.55	\$ 198,268.36	\$ 53,595.53	\$ 53,595.53	\$ 58,471.82

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and the money collection process at the school found that \$1,086 in collections recorded on four MCRs (#407-32, #377-10, #421-3 and #384-4) were retained by the sponsors for one to six working days before the monies were put into the drop-safe for deposit.

Recommendation

DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools) and the District's *Internal Accounts Manual* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in exposure to staff and increased potential irregularities.

Management's Response

Concur. The Principal & Treasurer have reviewed money collection procedures & the use of MCR's with all staff. The Principal & Treasurer will continue to monitor money collections to ensure that guidelines are being adhered to by respective staff.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser documentation found that the Safe School Snack Cart Sales (Account #6-9902) did not have the required *Fundraising Application/Recap Form* and *Sales Item Inventory Report*.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- To ensure proper fiscal accountability, *Sales Item Inventory Report* should be completed with accurate information. Accurate *Sales Item Inventory Report* should assist staff in (1) reconciling sales revenue and (2) tracking items purchased, given-away, or remained in inventory. Significant discrepancy, if any, between the estimated revenue and actual receipt should be investigated and resolved accordingly.

Management's Response

Concur. The Principal & Treasurer have met with all sponsors to review S.B. Policy 2.16, including all required fundraising documents. The Principal & Treasurer will continue to monitor all fundraising to ensure

guidelines are being adhered to per S.B. policy.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation found that:

- Disbursement #11196 (for \$200) was for payment to a consultant for providing accompaniment for rehearsals and concert during December 2013. However, the consultant was engaged without the required *School District Consultant Agreement (PBSD 1420)*.
- The *Purchase Order* for Disbursement #10621 (for \$1,125) was not approved by the Principal until five working days after the vendor delivered the merchandise to the school.
- Disbursement #10885 (for \$2,500) was supported by a vendor's statement that included only the invoice numbers, dates, and dollar amounts without the details for the commodities purchased. Moreover, the statement indicated that the total unpaid balance was \$5,030.79, which included \$4,757.38 past due between 90 and 120 days, and \$273.41 past due over 120 days.
- Disbursement #10777 was for a \$500 Change Fund issued to the sponsor for the Halloween Concessions Sales (Account 5-1600.03), without the required confirmations signed by the sponsors in accordance with *Internal Accounts Manual*.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically,

- To protect the safety and welfare of students, prior to the consultant performing services at the school: (1) the *School District Consultant Agreement (PBSD 1420)* should be properly executed with all the required signatures, and (2) the consultant's background and clearance check must have been conducted and cleared as required by *Section 8 of the Agreement* and *Florida Statutes §1012.465*.
- *Purchase Order* pre-approved by the Principal is required for purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase.
- All disbursements should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there was no assurance that the expenses were appropriate.
- All invoices should be paid in a timely manner as required by the *Florida Prompt Payment Act*.
- *Internal Accounts Manual, Chapter 10, Change Funds*, procedures state "have the sponsor and the bookkeeper verify the change in the cashbox contents and sign the print screen to confirm the amount of the cashbox at the time it was issued."

Management's Response

Concur. The Principal has met with the school Treasurer and appropriate staff to review disbursements and purchase order procedures.

LEASING OF SCHOOL FACILITIES

Finding

The review of school facility leasing records found that:

- *Lease Agreement #1012* was for the use of facilities on Mondays and Wednesdays beginning on April 6, 2014. However, the *Lease Arrangement* was not approved by the Principal and signed by the lessee and a witness until April 11, 2014; i.e. five days after leasehold period began. Moreover, the monthly leasing charges were not collected in a timely manner, with delays ranging from five to 12 days.
- *Lease Agreement #1006* was for the use of facilities by the lessee every Tuesday and Thursday during December 2013, through April 2014, with a contracted amount of \$6,201. However, as of June 30, 2014, the school collected only \$4,960.80, and the remaining \$1,240.20 in leasing charges had not been collected from the lessee. Moreover, the school under-allocated and under-transmitted to the Central Office a total of \$210.60 in sales tax that had been collected from this lessee.

Recommendation

Leasing of school facilities should be administered in accordance with ***School Board Policy 7.18*** and related District guidelines. Specifically,

- To protect the best interest of the School District, *Lease Agreements* should be properly executed with all the required signatures prior to the use of facilities by lessees.
- ***School Board Policy 7.18***, requires that “*Fees are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*” The school should recoup the \$1,240.20 in unpaid rentals from the lessee of Lease #1006.
- The portion of sales tax should be recorded in the Florida Sales Tax Payable (#6-1800) and transmitted to the Central Office accordingly.

Management's Response

Concur. The Principal has met with the school Treasurer & Leasing Coordinator to review S.B. Policy 7.18. The Leasing Coordinator and Treasurer have also attended District training on leasing procedures.

SAFE SCHOOL DOCUMENTATION

Finding

The review of fees collection process for the Safe School Program revealed that a total of \$7,719 in Safe School revenues was deposited into the Internal Funds. However, the school's *Record of Payment Forms (PBSD 1652)* fee collection records indicated that a total of \$7,905 in program fees was collected during the year. Consequently \$186 in fees collected was unaccounted for.

Recommendation

To ensure proper fiscal accountability, Safe School fee collection records should be accurately recorded on the *Record of Payment Forms (PBSD 1652)* and periodically reconciled to the Internal Funds records.

Management's Response

Concur. The Principal, Treasurer and After-School Director met to review the Safe Schools program guidelines. Fees are currently being recorded on the appropriate record of payment form & returned student registration forms are being reviewed for needed information & parent signature.

**Don Estridge High Tech Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 1798 N.W. Spanish River Boulevard
Boca Raton, FL 33431

Principal:
Fiscal Year 2014: Laura Riopelle
During Audit: Laura Riopelle

Treasurer:
Fiscal Year 2014: Pam Utrecht
During Audit: Pam Utrecht

Cash and Investments

Checking	\$ 133,491.81
Investments	
	\$ 133,491.81

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 17,213.44	\$ 28,279.51	\$ 26,052.71	\$ 12,344.66	\$ 12,021.75	\$ 19,763.15
Music	5,966.58	53,092.11	55,171.35	17,219.74	16,652.74	4,454.34
Classes	0.00	0.00	0.00	0.00	0.00	0.00
Clubs	6,390.37	5,288.00	6,527.58	1,446.88	1,446.88	5,150.79
Departments	33,359.44	48,129.49	47,556.31	17,028.90	17,267.31	33,694.21
Trusts	66,635.41	174,640.50	177,641.83	9,959.18	21,211.91	52,381.35
General	9,426.30	30,834.17	32,813.73	17,586.99	6,985.76	18,047.97
	\$ 138,991.54	\$ 340,263.78	\$ 345,763.51	\$ 75,586.35	\$ 75,586.35	\$ 133,491.81

DEPOSIT OF MONIES

Finding

During the audit, the school was not able to locate the yellow copy of *Monies Collected Reports* (MCRs) for our review.

Recommendation

As required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7's Record Retention Requirements*, at year-end "*Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary...*"

Management's Response

Concur. A new system has been implemented. The principal's secretary is going to collect all yellow copies and file them in the records room by June 30 of that fiscal year. Additional, as the yellow forms are collected, they will be placed in a labeled spot.

**Eagles Landing Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 19500 Coral Ridge Drive
Boca Raton, FL 33498

Principal:
Fiscal Year 2014: Cynthia Chiapetta
During Audit: Cynthia Chiapetta

Treasurer:
Fiscal Year 2014: Jennifer Seidenstucker
During Audit: Jennifer Seidenstucker

Cash and Investments

Checking	\$ 36,747.70
Investments	
	\$ 36,747.70

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 4,008.72	\$ 6,617.56	\$ 6,936.29	\$ 2,540.25	\$ 2,540.25	\$ 3,689.99
Music	3,970.76	45,469.65	39,862.98	10,562.68	11,132.65	9,007.46
Classes	7.39	55,011.47	54,170.17	3,966.19	4,814.88	0.00
Clubs	2,254.07	1,137.00	1,380.16	152.41	873.41	1,289.91
Departments	4,356.52	54,371.02	46,208.49	13,159.68	21,415.05	4,263.68
Trusts	6,061.31	53,204.30	53,931.50	383.93	335.91	5,382.13
General	12,432.41	20,778.65	30,443.54	12,826.88	2,479.87	13,114.53
	\$ 33,091.18	\$ 236,589.65	\$ 232,933.13	\$ 43,592.02	\$ 43,592.02	\$ 36,747.70

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser records found that the *Sales Item Inventory Report* for the PE Uniform Sales (Account #5-1900.02) was not approved by the Principal.

Recommendation

The *Sales Item Inventory Report* should be approved by the Principal to confirm the legitimacy for items, if any, that were given-away free-of-charge, or missing.

Management's Response

Concur. We agree that the Sales Item Inventory Report should always be approved by the Principal to confirm the legitimacy of items, if any, that were given away free or missing. We work very hard to complete all of our paperwork correctly and in a timely manner. The missing Principal's signature on the Sales Item Inventory was an oversight.

DOCUMENTATION FOR FIELD TRIPS

Finding

Disbursements #13219 (for \$700) and #13240 (for \$700) were for payments of reservation fees to a charter bus company for the 8th Grade out-of-county field trip and the 6th Grade in-county field trip. However, the related *Field Trip/Activity Planning Report and Approval Request Forms* (PBSD 1894) were neither prepared by the activity sponsors nor approved by the Principal until 72 and 108 working days respectively, after the payments were made.

Recommendation

School Board Policy 2.40, (3)(a), states that “*The Field Trip/Activity Planning Report and Approval Request must be completed and approved for each field trip. No money is to be raised, plans for trips made, or contracts signed until proper approval has been received.*”

Management's Response

We understand that the Field Trip/Activity Report and Approval Request must be approved before each field trip. In regards to our end of year trips in SY14, I requested that the buses be ordered at the beginning of the school year in order to get competitive quotes and bids. The sponsors of the trips were getting ready for school to begin and not ready to plan the end of year field trips. By booking at the beginning of school, were able to get the lowest bids. In SY15, we held off on booking the buses until the paperwork was completed. Unfortunately, since we waited to book the buses this year, the students will be paying more. With the limited choice of approved charter bus companies, ELMS only had one bus company that was available on the date of our trip.

**Emerald Cove Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 9950 Stribling Way
Wellington, FL 33414

Principal:
Fiscal Year 2014: Nancy Lucas
During Audit: Eugina Smith Feaman

Treasurer:
Fiscal Year 2014: Virginia Garceau
During Audit: Virginia Garceau

Cash and Investments

Checking	\$ 54,606.64
Investments	
	\$ 54,606.64

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 4,062.24	\$ 16,996.71	\$ 14,542.83	\$ 7,924.25	\$ 7,924.25	\$ 6,516.12
Music	9,575.48	7,329.80	12,337.12	565.00	565.00	4,568.16
Classes	609.10	70,235.00	65,462.99	8,024.11	10,024.11	3,381.11
Clubs	3,120.09	8,490.05	7,960.09	296.30	637.82	3,308.53
Departments	16,760.24	53,717.32	45,054.82	23,878.07	25,536.55	23,764.26
Trusts	9,650.41	99,129.99	101,917.71	5,290.00	4,000.00	8,152.69
General	5,723.08	44,393.64	47,910.95	10,254.96	7,544.96	4,915.77
	\$ 49,500.64	\$ 300,292.51	\$ 295,186.51	\$ 56,232.69	\$ 56,232.69	\$ 54,606.64

DOCUMENTATION FOR FUNDRAISERS

Finding

The school's accounting records indicated that the P.E. Uniform Sales (Account #5-1900.01) had a total sales revenue of \$15,700. As indicated by the sponsors on the *Sales Item Inventory Report* that 34 T-shirts and 38 Shorts were either missing or given-away free-of-charge. These give-away items had a total estimated resale value of \$864 (or 5.5% of the total revenue). Moreover, the *Sales Item Inventory Report* for this fundraiser was not approved by the Principal.

Recommendation

To ensure proper fiscal accountability, *Sales Item Inventory Report* should be prepared and completed with accurate information. Accurate *Sales Item Inventory Report* should assist staff in (1) reconciling sales revenue and (2) tracking items purchased, given-away, or remained in inventory. Significant discrepancy, if any, between the estimated revenue and actual receipt should be investigated and resolved accordingly.

Moreover, the *Sales Item Inventory Report* should be approved by the Principal to confirm (1) the legitimacy for items that were giving-away free-of-charge, and (2) the missing items and significant discrepancy, if any, between the estimated revenue and actual receipt be investigated and resolved accordingly.

Management's Response

Concur. PE Department Chair and all other personnel with fundraisers received training/reminders regarding sales inventory reports.

DEPOSIT OF MONIES

Finding

\$599.80 recorded on MCR #369-0221 was a donation from the school's PTSA for the purchase of dictionaries for students. However, the fund was incorrectly recorded in the Administrative Courtesy Account (#6-0200.00), instead of the General Activities Account (#7-0100.00).

Recommendation

Donation received by the school should be deposited into the appropriate accounts and expended in accordance with the designated purposes.

Management's Response

Concur. School Treasurer receives monthly training with reminders regarding deposits given.

**Howell L. Watkins Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 9480 MacArthur Boulevard
Palm Beach Gardens, FL 33403

Principal:
Fiscal Year 2014: Don Hoffman
During Audit: Don Hoffman

Treasurer:
Fiscal Year 2014: Luz-Mery Morrissey
During Audit: Luz-Mery Morrissey

Cash and Investments

Checking	\$ 34,607.87
Investments	
	\$ 34,607.87

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 3,493.33	\$ 8,903.47	\$ 9,995.75	\$ 14,501.98	\$ 14,379.18	\$ 2,523.85
Music	997.47	25,080.69	24,777.90	13,326.69	13,271.69	1,355.26
Classes	1,500.00	22,820.06	21,922.20	3,130.05	3,354.95	2,172.96
Clubs	2,661.04	11,250.99	12,137.14	5,704.64	5,086.99	2,392.54
Departments	13,343.73	87,905.67	82,353.58	23,405.16	23,404.06	18,896.92
Trusts	5,740.76	21,345.83	22,752.58	413.42	398.62	4,348.81
General	4,234.36	21,736.30	22,466.68	10,391.61	10,978.06	2,917.53
	\$ 31,970.69	\$ 199,043.01	\$ 196,405.83	\$ 70,873.55	\$ 70,873.55	\$ 34,607.87

Howell L. Watkins Middle School
Management Letter
Year Ended June 30, 2014

This audit revealed no material instances of noncompliance.

**Independence Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 4001 Greenway Drive
Jupiter, FL 33458

Principal:
Fiscal Year 2014: Kathryn Koerner
During Audit: Kathryn Koerner

Treasurer:
Fiscal Year 2014: Marlene Taylor
During Audit: Marlene Taylor

Cash and Investments

Checking	\$ 146,706.78
Investments	
	\$ 146,706.78

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 10,007.85	\$ 8,512.00	\$ 7,991.36	\$0.00	\$0.00	\$ 10,528.49
Music	36,030.83	159,517.45	160,240.13	77,161.85	77,161.85	35,308.15
Classes	4,421.04	38,669.15	37,913.74	1,823.41	1,933.22	5,066.64
Clubs	2,242.56	15,927.87	13,430.93	2,340.62	2,340.63	4,739.49
Departments	66,909.06	151,893.57	159,137.45	30,002.26	30,142.47	59,524.97
Trusts	28,881.45	79,393.58	80,895.65	2,378.42	2,128.40	27,629.40
General	2,615.47	27,124.29	25,830.13	12,329.89	12,329.88	3,909.64
	\$ 151,108.26	\$ 481,037.91	\$ 485,439.39	\$ 126,036.45	\$ 126,036.45	\$ 146,706.78

Independence Middle School
Management Letter
Year Ended June 30, 2014

This audit revealed no material instances of noncompliance.

**Jeaga Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 3777 North Jog Road
West Palm Beach, FL 33411

Principal:
Fiscal Year 2014: Kevin Gatlin
During Audit: Kevin Gatlin

Treasurer:
Fiscal Year 2014: Joan Davis /Shelita Andrews
During Audit: Shelita Andrews

Cash and Investments

Checking	\$ 26,838.90
Investments	
	\$ 26,838.90

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 505.04	\$ 22,574.99	\$ 21,347.19	\$ 14,712.18	\$ 14,937.18	\$ 1,507.84
Music	547.99	4,829.00	3,812.69	1,663.27	1,438.27	1,789.30
Classes	1,587.44	30,613.35	28,941.21	2,105.02	2,620.44	2,744.16
Clubs	153.59	6,110.00	3,968.14	1,520.00	1,935.00	1,880.45
Departments	3,603.43	16,593.72	15,118.47	10,157.84	8,027.42	7,209.10
Trusts	12,754.87	33,660.84	35,248.17	9,699.19	10,899.19	9,967.54
General	1,846.00	2,085.65	2,191.14	1,310.00	1,310.00	1,740.51
	\$ 20,998.36	\$ 116,467.55	\$ 110,627.01	\$ 41,167.50	\$ 41,167.50	\$ 26,838.90

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and the money collection process at the school found that:

- The bookkeeper did not always process and deposit the collections in a timely manner. For example, \$1,005 recorded on three MCRs (#385-0085, #383-0033 and #395-281) was not deposited into the bank until six to nine working days after the collection. The time lapse between the collections and deposit in the bank exceeded the Department of Education's five-working-day rule.
- At the year-end, some sponsors did not attach the computerized *Official Receipts* to the yellow copies of the MCRs, when submitting these documents to the school secretary for record retention and future referencing.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- *DOE Rules* and *Internal Accounts Manual* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in exposure to staff and increased potential for irregularities.
- As required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7's Record Retention Requirements*, "Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary..."

Management's Response

Concur. Previous bookkeeper retired. New bookkeeper has been trained and updated on protocols.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser records found that:

- The required *Fundraising Application/Recap Forms* and *Sales Item Inventory Reports* were not maintained for two fundraisers: (1) Lock Rental (Account #7-0100.01) and (2) P.E Shirts Sales (Account 5-1900.01).

- The *Sales Item Inventory Reports* for the Yearbook Sales (Account #5-0450.00) and Back Pack Sales (Account #6-3300.01) were not completed with any of the required information. Missing information included (1) beginning and ending inventories, (2) quantities of items purchased, sold, and given-away, and (3) selling prices and revenues. Without accurate sales information, there was no assurance that all sales revenues were accounted for.
- The General Athletics Candy Sales (Account #1-0010.03) had the following exceptions:
 - The *Sales Item Inventory Report* was not approved by the Principal. Moreover, as indicated by the sponsor on the *Sales Item Inventory Report*, 292 candy bars were either missing or given-away free-of-charge. These give-away items had a total estimated resale value of \$584 (or 8.1% of the total estimated revenue). However, no documentation was maintained for the purposes and the recipients of these give-away items.
 - 3,600 candy bars were purchased for resale at \$2 each, which should have generated a total estimated revenue of \$7,200. However, only \$6,375.90 in sales revenue was deposited into the Internal Funds. As a result, \$240.10 (or 3.3%) in estimated revenue was unaccounted for.
- Admission tickets for athletic events were sold throughout the year, and a total of \$1,673 in ticket sales revenue was deposited into the General Athletics Events (Account #1-0010.06). However, *Ticket Sellers Reports* were not maintained to account for the ticket sales revenue.

Recommendation

Fundraisers should be administered in accordance with ***School Board Policy 2.16*** and the related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. Moreover, the *Sales Item Inventory Report* should be approved by the Principal to confirm the legitimacy for items, if any, that were given-away free-of-charge, or missing. Significant discrepancy between the estimated revenue and actual collection should be investigated and resolved accordingly.
- As required by ***Internal Accounts Manual, Chapter 26***, “*Prenumbered tickets must be used to account for admissions to campus events if the anticipated revenues at the event are expected to exceed \$500 at the elementary level or \$1,000 at the secondary level.*” Moreover, *Ticket Sellers Report* should be prepared in order for staff to reconcile revenues with tickets sold. Significant discrepancies, if any, between the estimated revenue and actual receipt should be investigated and disposed of accordingly in a timely manner.

Management's Response

Concur. The data processor has been assigned to implement recommended actions of ticketing and inventory.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card records found that:

- The *Check Requisition Form* for Disbursement #5691 (for \$517.29) was missing.
- The *School District Consultant Agreement* (PBSD 1420) for Disbursement #5870 (for \$750) was not approved by the Principal.
- Disbursement #5843 (for \$6,653) was for payment of the May 13, 2014, out-of-county field trip expenses, without the required *Field Trip/Activity Planning Report and Approval Requests* (PBSD 1894).
- The Brochure Contract for the 8th Grade Catalog and Cookie Dough Fundraiser (Account #3-3800.01) was signed by the activity sponsor, instead of the Principal.
- Supporting documentation was not always defaced (stamped "PAID") after payment. For example, the supporting documents for ten sample disbursements, totaling \$25,138.33, were not defaced after payments.

Recommendation

Disbursement procedures should be administered in accordance with ***Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)***, and related District guidelines. Specifically,

- All disbursements should be adequately documented with the *Check Requisitions*, approved by the Principal and supported by itemized invoices and receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.
- To protect the best interests of the school, the *School District Consultant Agreement (PBSD 1420)* should be properly executed with all the required signatures prior to the consultants performing services at the school.
- Field trips should be administered in accordance with ***School Board Policy 2.40***. Specifically, out-of-county field trips should be pre-approved by the Principal and Area Superintendent.
- Contractual agreements should be signed by the Principal as required by ***District Administrative Directive D-6.03***, which states "*the Principal of the school is the only person to whom authority has been granted to make any purchase that in any way obligate the school for payment.*"
- To avoid potential duplicate payments, supporting documentation should be defaced (stamped "PAID")

after payment.

Management's Response

Concur. New bookkeeper has been trained on recommended procedures.

LEASING OF SCHOOL FACILITIES

Finding

Lease Agreement #1001 was not signed by the lessee and a witness. Moreover, this lease was for the use of facilities on February 15, 2014; but the leasing arrangement was not approved by the Principal until February 19, 2014; i.e. four days after the lessee had used the facilities.

Recommendation

To protect the best interest of the School District, all *Lease Agreements* should be properly executed with all the required signatures prior to the use of facilities by lessees.

Management's Response

Concur. New administrator assigned to leasing. New bookkeeper and administrator have taken the leasing training.

PRENUMBERED DOCUMENTS

Finding

The review of controls in prenumbered documents found that the following records were missing:

- *Document Custodian Assignment Register (PBSD 1663).*
- *Prenumbered Document Inventory Registers (PBSD 0160) for Drop-safe Logs and School Checks.*

Recommendation

To ensure proper fiscal accountabilities and as required by *Chapter 27 of the Internal Accounts Manual*,

- Designated staff should be assigned as document custodian for each prenumbered form, and the assignment should be recorded on the *Document Custodian Assignment Register (PBSD 1663)*.
- To ensure all prenumbered documents are properly accounted for, **the document custodian** for each prenumbered document, including *Drop-safe Logs* and *School Checks*, should use the *Prenumbered Document Inventory Register (PBSD 0160)* to confirm the periodic inventory check of the prenumbered

forms.

Management's Response

Concur. The confidential secretary has been assigned as custodian of Prenumbered Document Inventory Register and will follow recommended protocol.

SAFE SCHOOL PROGRAM

Finding

The school operated a Safe School Program during the year. However, all the *Student Registration Forms* and *Attendance Rosters* for this program were missing.

Recommendation

Safe School Program should be administered in accordance with *Middle School Afterschool Program Handbook* and other District's guidelines. Specifically, all records, including student attendance, parent sign-out, and fee collection should be retained for a time period consistent with District's *Record Retention Schedule*.

Management's Response

Concur. Principal met with Safe Schools Director and informed her of where to store the aforementioned documents.

**John F. Kennedy Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 1901 Avenue "S"
Riviera Beach, FL 33404

Principal:
Fiscal Year 2014: Corey Brooks
During Audit: Corey Brooks

Treasurer:
Fiscal Year 2014: Cynthia Williams
During Audit: Cynthia Williams

Cash and Investments

Checking	\$ 17,104.49
Investments	
	\$ 17,104.49

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 178.54	\$ 20,749.67	\$ 17,186.02	\$ 3,259.48	\$ 5,919.37	\$ 1,082.30
Music	2,072.54	2,798.95	2,009.09	2,587.45	2,587.45	2,862.40
Classes	140.00	34,978.83	29,345.15	6,126.22	11,899.90	0.00
Clubs	1,266.76	10,447.95	9,280.86	9,154.60	8,164.60	3,423.85
Departments	631.72	10,266.50	6,839.79	26.50	2,756.50	1,328.43
Trusts	7,889.84	35,434.35	39,505.16	3,194.56	2,694.56	4,319.03
General	9,476.46	10,975.87	26,037.42	16,995.73	7,322.16	4,088.48
	\$ 21,655.86	\$ 125,652.12	\$ 130,203.49	\$ 41,344.54	\$ 41,344.54	\$ 17,104.49

ACCOUNTS PAYABLE

Finding

As of June 30, 2014, the school had a balance of \$17,104.49 in its checking account. However, the school had a total unpaid debt of \$18,596.83: \$17,873.70 owed the Central Office and \$723.13 owed one vendor. Moreover, \$9,490.87 of the \$17,873.70 owed the Central Office was incurred prior to December 2013; i.e. over six months ago.

Recommendation

To ensure proper fiscal accountability, the school should (1) develop a payment plan to address the unpaid bill issue, and (2) timely process payments for all invoices to ensure compliance with *Florida Prompt Payment Act*.

Management's Response

Concur. JFK has already setup payment arrangements to cover all unpaid debts.

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process at the school found that:

- Three pages of the *Drop-safe Log* (#12-25921, #12-25953, and #12-25955) were missing. These three pages of the *Log* should contain the information for collections during August 24 through 28, 2013; January 27 through 30, 2014; and February 2 through 4, 2014; respectively.
- Section 3 of the *Drop-safe Log* was not completed during the school year. This section should include the receipt number generated for the deposit entry in SchoolCash, the initials of the third party verifying the amount entered in SchoolCash for deposit, and notations for any variance between the sponsors record on the *Drop-safe Log* and the amount of monies counted.
- Monies collected were not always deposited in a timely manner. For example, monies collected through three sample MCRs (#387-8, #405-3, and #425-4, totaling \$820) was retained by the sponsors for over school holidays before it was put into the drop-safe for deposit on the next working day after the holidays.
- At the year-end, some sponsors did not turn in the yellow copies of the MCRs to the school secretary for filing.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools), Internal*

Accounts Manual, and District guidelines. Specifically,

- To ensure proper fiscal accountability, the *Drop-safe Log* should be properly completed with all the needed information. Moreover, as required by **Bulletin #P-14051-S/CFO**, “*Completed Drop Safes Logs must be filed sequentially in numerical order in a binder and retained for five years.*”
- **DOE Rules** and District **Bulletin #P-14051-S/CFO** require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in potential irregularities.
- As required by **Bulletin #P-14051-S/CFO** and **Internal Accounts Manual, Chapter 7’s Record Retention Requirements**, at year-end “*Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary...*”

Management’s Response

Concur. JFK will monitor all money collections & drop safe logs, notify all sponsors of the procedures, deposit all monies collected within 5 days of receipt and make sure that all copies/documents are submitted by the deadline.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of documentation for sample fundraisers revealed that:

- Athletic Concessions (Account #1-0010.04) and 6th Grade World’s Finest Chocolate Sales (Account #3-3600.06) did not have the required *Fundraising Application/Recap Forms*.
- Six fundraisers did not have the required *Sales Item Inventory Reports*. These fundraisers included (1) Cheerleading Uniforms Sales (Account #4-0850.03), (2) Cheerleading Lollipops (Account #4-0850.02), (3) School Spirit Wristbands (Account #1-0010.01), (4) Athletic Concessions (Account #1-0010.04), (5) 6th Grade World’s Finest Chocolate Sales (Account #3-3600.06), and (6) Basketball Uniforms Sales (Account #1-0750.00)
- Although a *Sales Item Inventory Report* for Yearbook Sales (Account #4-2000.00) was prepared and signed by the sponsor, none of the fundraiser information was recorded on the report. Missing information included (1) the beginning and ending inventories, (2) the quantities of items purchased, sold, and given-away, and (3) the selling prices and revenues.
- Some of the financial records for certain fundraisers were recorded in other unrelated accounts, instead of their respective decimalized accounts; and some unrelated transactions were recorded in the decimalized accounts for some fundraisers.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. Moreover, the *Sales Item Inventory Report* should be approved by the Principal to confirm the legitimacy for any items that were given-away free-of-charge, or missing. Significant discrepancy between the estimated revenue and actual collection should be investigated and resolved accordingly.
- Although certain sales activities (such as Yearbook Sales) might not be intended to raise money for the school, *Sales Item Inventory Reports* should be prepared in order to account for the sales and safeguard school assets. Information on the *Report* will assist staff in reconciling the sales revenue with the estimated revenue.
- To assist the school in evaluating the performance of individual fundraiser, a separate decimalized account should be established for each fundraiser. Fundraiser account should contain only financial information that is related to the fundraiser.

Management's Response

Concur. JFK will make sure that all sponsors complete all necessary fundraising documents, accounts are setup properly with the principal's signature approval, and all accounts are closed out in a timely manner.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of records for sample disbursements and P-Card purchases found that:

- 16 disbursements (#s 18531, 18621, 14860, 14861, 18464, 18527, 18580, 18585, 18586, 18606, 18620, 18622, 18627, 18628, 18629, and 18630, totaling \$12,291.62) did not have any supporting documentation for the expenses. Missing documentation included *Check Requisitions* and itemized invoices and receipts.
- Disbursement #18546 (for \$390) had the required *Check Requisition* but did not have a vendor's invoice or receipt.
- Four disbursements (#s 18505, 18575, 18579, and 18520, totaling \$897.94) did not have the required *Check Requisitions*.

John F. Kennedy Middle School
Management Letter
Year Ended June 30, 2014

- Disbursement #18458 (for \$2,270) was supported by a vendor's statement that indicated the invoice number and dollar amount, without the information for the items purchased.
- Two P-card purchases at restaurants, totaling \$69.77, did not have any supporting documentation for the expenses: \$50 purchase on March 29, 2014; and \$19.77 on April 15, 2014.
- Five disbursements (#18454, #18457, #18564, #18566, and #18571, totaling \$10,415.78) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*.
- Disbursement #18563 (for \$1,440) was payment to a consultant for the May 23, 2014 6th Grade Field Day event. The related *School District Consultant Agreement (PBSD 1420)* had a maximum compensation of \$1,340; i.e. the payment exceeded the contract amount by \$100.
- Disbursement #18521 (for \$5,599) was for payment of admission to a theme park during the May 9, 2014, field trip to Orlando. However, the related *Field Trip/Activity Planning Report and Approval Requests (PBSD 1894)* was neither prepared by the activity sponsor nor approved by the Principal until three months after the invoice date.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and the related District guidelines. Specifically,

- All expenses should be adequately documented and supported by itemized invoices and receipts. Moreover, Disbursement should be documented on a *Check Requisition*, approved by the Principal. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.
- *Purchase Order* approved by the Principal should be issued for purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase.
- The amount of payments to consultant should be consistent with the agreement's terms and conditions. A new agreement or an addendum to the existing agreement should be executed for procuring additional service beyond the contract amount.
- As required by *School Board Policy 2.40*, "*the Field Trip/Activity Planning Report and Approval Request must be completed and approved for each field trip. No money is to be raised, plans for trips made, or contracts signed until proper approval has been received.*"

Management's Response

Concur. JFK will make sure that disbursement forms are fully completed with all supporting documentation attached with the principal's signature approval. All purchases exceeding \$1000 will be processed with the approved principal's signature with funding source.

LEASING OF SCHOOL FACILITIES

Finding

The school had 26 leasing arrangements, with a total contract amount of \$20,717.35. This information was entered into the Tririga System during the year. The review of documentation for these leases found that:

- 14 leases (Tririga indicated that seven of them were in “draft” status and the other seven were in “issued” status) did not have any documentation. Missing documentation included a hard copy of the *Lease Agreements* and proof of liability insurance.
- Non-profit Lease #1010 did not have proof of insurance and proof of tax-exempt/nor-profit status. In addition, the related *Lease Agreement* did not have the signature of the lessee; and the lease was not approved by the Principal until 183 days after the leasehold period began.
- *Lease Agreement* #1030 was neither signed by the lessee nor approved by the Principal until 44 days after the leasehold period began.
- Leasing charges for three leases (#1019, #1030, and #1003) were not collected from the lessees until 20, 44, and 54 days, respectively, after the leasehold periods began.

Recommendation

Leasing of school facilities should be administered in accordance with ***School Board Policy 7.18*** and related District guidelines. Specifically,

- *Lease Agreement* should be executed with all the required signatures, prior to the lessee’s use of facilities. The school should also maintain a hard copy of the executed *Lease Agreement* for future reference, in addition to recording leasing activities in the Tririga System.
- To protect the School District from unwarranted liability and as required by ***School Board Policy 7.18***, lessee must “*provide a copy of liability insurance policy in the amount of \$1,000,000, naming the School Board of Palm Beach County as an additional insured, with the Lease Agreement or purchase liability insurance from the School District.*” This will ensure the School Board is well protected.
- Proof of non-profit or tax-exempt status should be provided by lessee and documented in file in order to qualify for the non-profit rates.
- ***School Board Policy 7.18***, requires that “*Fees are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*”

Management’s Response

Concur. JFK will make sure that all leasing documents are fully completed and all necessary supporting documentation (including insurance) is attached prior to the principal’s signature approval; and we will adhere to the 48 hours approval payment policy.

**Jupiter Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 15245 North Military Trail
Jupiter, FL 33458

Principal:
Fiscal Year 2014: Colleen Iannitti
During Audit: Colleen Iannitti

Treasurer:
Fiscal Year 2014: Marianela Bennett
During Audit: Marianela Bennett

Cash and Investments

Checking	\$ 140,625.84
Investments	
	\$ 140,625.84

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 6,177.30	\$ 17,291.95	\$ 15,356.66	\$ 6,695.41	\$ 6,695.41	\$ 8,112.59
Music	23,768.69	211,868.10	208,257.80	42,536.98	40,084.60	29,831.37
Classes	11,985.26	33,293.13	38,717.31	4,736.99	4,673.39	6,624.68
Clubs	10,659.87	10,938.01	10,433.94	5,107.95	5,278.19	10,993.70
Departments	39,896.17	57,469.09	62,530.44	21,972.24	14,822.72	41,984.34
Trusts	57,114.43	55,926.90	75,824.58	2,174.02	14,360.49	25,030.28
General	4,557.40	26,094.83	15,294.56	17,443.78	14,752.57	18,048.88
	\$ 154,159.12	\$ 412,882.01	\$ 426,415.29	\$ 100,667.37	\$ 100,667.37	\$ 140,625.84

DEPOSIT OF MONIES

Finding

The review of sample money collection records found that \$4,000 collected through MCR #678-8 was a donation received by the school. However, the fund was deposited into the Administrative Courtesy Account (#6-0200.00), in the absence of a letter from the donor indicating the purpose for the donation.

Recommendation

Pursuant to **Chapter 4** of the *Internal Account Manual*, “Donations specifically earmarked by the donor as such may be deposited in Administrative Courtesy. Donations not specifically designated for Administrative Courtesy or another purpose must be deposited in student activity accounts.”

Management’s Response

Concur. We will correct.

DOCUMENTATION FOR DISBURSEMENTS

Finding

Disbursement #10860 (for \$5,780) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*.

Recommendation

Purchase Order pre-approved by the Principal should be issued for purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase.

Management’s Response

Concur. We will correct this issue.

DOCUMENTATION FOR FIELD TRIPS

Finding

The review of sample field trip documentation found that:

- On March 12, 2014, the school started collecting the field trip fees for the June 2014 Orlando Trip. However, the related *Field Trip/Activity Planning Report and Approval Request* (PBSD 1894) was neither prepared by the sponsor, nor approved by the Principal and Area Superintendent until April 29, 2014.
- The school began collecting field trip fees for the Blizzard Beach Field Trip nine days before *Field*

Trip/Activity Planning Report and Approval Requests (PBSD 1894) was prepared by the sponsor and approved by the Principal.

Recommendation

As required by **School Board Policy 2.40**, “*the Field Trip/Activity Planning Report and Approval Request must be completed and approved for each field trip. No money is to be raised, plans for trips made, or contracts signed until proper approval has been received.*”

Management’s Response

Concur. The original field trip request was submitted and approved in January. The field trip paperwork was resubmitted when we had a final student count and final amounts.

SAFE SCHOOL PROGRAM

Finding

According to staff, the former sponsor for the school’s Safe School Program left the school and some of the program records could not be located for our review. The review of available records found that:

- The *Attendance Records* for the entire 2014 Fiscal Year were missing.
- A total of \$6,438 in Safe School revenue was collected and deposited into the Internal Funds. However, the available *Record of Payment Forms* indicated that a total of \$1,772 in program fees was collected during the year. Apparently, either some of the *Records of Payment Forms* were missing or some fee collection records were not recorded on the *Records of Payment Forms*.

Recommendation

Safe School Program should be administered in accordance with ***Middle School Afterschool Program Handbook*** and other District’s guidelines. Specifically,

- All records, including student attendance and parent sign-out, should be retained for a time period consistent with District’s ***Record Retention Schedule***.
- To ensure proper fiscal accountability, payment history should be recorded on the individual *Records of Payment Form* (PBSD 1652) for each student; and *Classroom Receipts* should be issued for fee collections.

Management’s Response

Concur. This has been corrected with the new After School Director.

**Lake Shore Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 425 West Canal Street North
Belle Glade, FL 33430

Principal:
Fiscal Year 2014: Shundra Dowers
During Audit: Shundra Dowers

Treasurer:
Fiscal Year 2014: Mary Rolle
During Audit: Itcelina Smith

Cash and Investments

Checking	\$ 23,059.18
Investments	
	\$ 23,059.18
	\$ 23,059.18

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 3,817.85	\$ 5,013.77	\$ 5,933.13	\$ 675.54	\$ 675.54	\$ 2,898.49
Music	2,321.27	6,922.00	6,465.36	2,457.51	2,087.51	3,147.91
Classes	3,536.80	31,410.01	32,713.03	389.92	389.92	2,233.78
Clubs	300.70	2,860.51	2,445.10	1,124.51	1,124.51	716.11
Departments	5,088.98	8,527.50	8,040.05	1,559.95	1,929.95	5,206.43
Trusts	8,626.42	25,252.48	28,831.63	0.00	0.00	5,047.27
General	2,708.40	11,452.15	10,351.36	4,505.94	4,505.94	3,809.19
	\$ 26,400.42	\$ 91,438.42	\$ 94,779.66	\$ 10,713.37	\$ 10,713.37	\$ 23,059.18

ACCOUNTS PAYABLE

Finding

As of June 30, 2014, the school owed the Central Office a total of \$2,060.29 in unpaid bills, which included \$1,345.80 in expenses incurred during School Year 2008.

Recommendation

To ensure proper fiscal accountability, the school should develop a payment plan to pay the unpaid debts.

Management's Response

Concur. Ask for donations.

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and the money collection process at the school found that:

- Monies collected were not always deposited in a timely manner. For example, \$859 in collections recorded on three MCRs (#341-3, #350-2, and #366-12) was retained by the sponsors for three to 32 working days before the monies were put into the drop-safe.
- According to staff, some activity sponsors submitted both the yellow copies of the MCRs and the computerized receipts to the bookkeeper at year-end for filing and future referencing.

Recommendations

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- *DOE Rules* and District *Bulletin #P-14051-S/CFO* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could increase the exposure to sponsors and result in potential irregularities.
- As required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7's Record Retention Requirements*, "Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary..."

Management’s Response

Concur. Review procedures with staff and bookkeeper also send out email reminders and protocol.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser records found that:

- The Reading Counts Catalog Sale (Account #5-1700.01) did not have the required *Fundraising Application/Recap Form*.
- The *Sales item Inventory Reports* for the Band T-Shirt Sales (Account #2-1000.01) and Band Krispy Kreme Sales (Account #2-1000.02) were not approved by the Principal.
- The Yearbook Sales (Account #7-0100.06) did not have the required *Sales Item Inventory Report*. Without documentation for sales information such as selling prices, quantities sold, and inventory counts, there was no assurance that all the revenues were accounted for.
- The Band Class T-Shirt Sales (Account #2-1000.01) had a total sales revenue of \$370, which was deposited into the Internal Funds during the year. Based on the school’s purchasing records and the *Sales Item Inventory Report*, this fundraiser should have generated a total estimated revenue of \$930. As a result, \$560 (60%) in estimated revenue was unaccounted for.

Item	Quantity				Units Sold	Selling Price	Revenues
	Beginning Inventory ⁽¹⁾	Purchases ⁽²⁾	Items Given Away ⁽¹⁾	Inventory On Hand ⁽¹⁾			
T-shirts	0	130	0	37	93	\$10	\$930

Total Estimated Revenues	\$930
Total \$ Deposited into Internal Funds	\$370
Estimated Revenues Unaccounted For	<u>\$560</u>

(1) Based on *FY14 Sales Item Inventory Report*.

(2) Based on purchasing records during July 1, 2013, through June 30, 2014.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- To ensure proper fiscal accountability, *Sales Item Inventory Report* should be completed with accurate information. Accurate *Sales Item Inventory Report* should assist staff in (1) reconciling sales revenues and (2) tracking items purchased, given-away, or remained in inventory. Moreover, the *Sales Item Inventory Report* should be approved by the Principal to confirm the legitimacy for items, if any, that were given-away free-of-charge, or missing. Significant discrepancy, if any, between the estimated revenue and actual receipt should be investigated and resolved accordingly.

Management's Response

Concur. Review procedures and conference with new bookkeeper regarding the procedures.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of records for sample disbursements and P-Card purchases found that:

- Two disbursements (#10248 for \$2,825, and #10421 for \$1,717.01) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Orders*.
- Disbursement #10409 (for \$800) was to pay the Band field trip to the Miami Heat game. However, the related out-of-county *Field Trip/Activity Planning Report and Approval Request* (PBSD 1894) form was neither approved by the Principal nor Area Superintendent.
- The school did not always process payments for purchases in a timely manner. For example, an invoice for \$1,672.50 dated May 18, 2013, was not processed for payment until March 13, 2014, through Disbursement #10407; i.e. 10 months after the invoice date.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

- *Purchase Order* pre-approved by the Principal should be issued for purchase in excess of \$1,000.

This will help ensure that funds are and will be available for the purchase.

- Field trips should be administered in accordance with ***School Board Policy 2.40***. Specifically, out-of-county field trips should be approved by the Principal and Area Superintendent.
- To ensure compliance with ***Florida Prompt Payment Act***, the school should timely process payments for all invoices.

Management's Response

Concur. Review procedures with all staff and new bookkeeper.

Additional comments: *Please note I spoke with the band director who is no longer at the school.*

**Lake Worth Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 1300 Barnett Drive
Lake Worth, FL 33461

Principal:
Fiscal Year 2014: Tanya Daniel
During Audit: Tanya Daniel

Treasurer:
Fiscal Year 2014: Silvia Torres
During Audit: Silvia Torres

Cash and Investments

Checking	\$ 33,616.34
Investments	
	\$ 33,616.34

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 3,249.78	\$ 20,171.50	\$ 19,486.74	\$ 11,987.11	\$ 11,987.11	\$ 3,934.54
Music	262.05	1,918.00	1,984.91	180.40	236.80	138.74
Classes	2,308.23	10,287.05	10,269.30	2,835.84	1,730.18	3,431.64
Clubs	2,374.17	5,733.45	5,072.36	2,036.36	2,228.01	2,843.61
Departments	7,747.18	17,823.97	21,492.46	3,123.25	3,243.25	3,958.69
Trusts	3,114.86	20,049.20	20,484.76	691.18	0.00	3,370.48
General	14,209.17	21,147.55	17,989.29	8,950.21	10,379.00	15,938.64
	\$ 33,265.44	\$ 97,130.72	\$ 96,779.82	\$ 29,804.35	\$ 29,804.35	\$ 33,616.34

Lake Worth Middle School
Management Letter
Year Ended June 30, 2014

This audit revealed no material instances of noncompliance.

**Lantana Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 1225 West Drew Street
Lantana, FL 33462

Principal:
Fiscal Year 2014: Edward Burke
During Audit: Edward Burke

Treasurer:
Fiscal Year 2014: Leona Burgess-Dotson
During Audit: Leona Burgess-Dotson

Community School Director:
Fiscal Year 2014: Christine Osin
During Audit: Christine Osin

Cash and Investments

Checking	\$ 44,424.61
Investments	
	\$ 44,424.61

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 1,634.25	\$ 11,787.93	\$ 10,799.02	\$ 7,848.47	\$ 7,766.06	\$ 2,705.57
Music	417.25	7,382.71	8,387.04	3,228.84	2,641.76	0.00
Classes	228.64	27,993.73	24,017.50	14,123.79	14,123.79	4,204.87
Clubs	2,289.38	8,695.99	7,062.27	5,439.32	5,690.22	3,672.20
Departments	16,090.62	45,296.50	42,850.34	16,798.36	16,997.68	18,337.46
Trusts	16,878.87	74,275.79	78,988.84	4,967.91	4,925.90	12,207.83
General	7,625.19	23,887.04	27,954.27	7,356.92	7,618.20	3,296.68
	\$ 45,164.20	\$ 199,319.69	\$ 200,059.28	\$ 59,763.61	\$ 59,763.61	\$ 44,424.61

Lantana Middle School
Management Letter
Year Ended June 30, 2014

This audit revealed no material instances of noncompliance.

**L.C. Swain Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 5332 Lake Worth Road
Greenacres, FL 33463

Principal:
Fiscal Year 2014: James Thomas
During Audit: James Thomas

Treasurer:
Fiscal Year 2014: Carmen Keeling
During Audit: Carmen Keeling

Cash and Investments

Checking	\$ 84,767.80
Investments	
	\$ 84,767.80

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 7,071.06	\$ 14,369.13	\$ 12,761.16	\$ 6,540.34	\$ 6,540.34	\$ 8,679.03
Music	2,775.83	1,271.00	1,727.00	331.75	331.75	2,319.83
Classes	10.84	18,535.00	15,753.46	3,615.78	3,615.78	2,792.38
Clubs	3,496.70	14,088.73	12,884.34	2,991.50	2,386.82	5,305.77
Departments	15,993.00	10,392.85	11,492.83	9,507.50	9,415.75	14,984.77
Trusts	48,633.61	68,983.85	73,647.91	10,561.27	15,591.27	38,939.55
General	5,054.16	37,108.30	34,749.56	21,123.80	16,790.23	11,746.47
	\$ 83,035.20	\$ 164,748.86	\$ 163,016.26	\$ 54,671.94	\$ 54,671.94	\$ 84,767.80

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process at the school found that some sponsors did not turn in the yellow copies of the MCRs to the school secretary at the year-end for filing.

Recommendation

As required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7's Record Retention Requirements*, at year-end "*Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary...*"

Management's Response

Concur. Will monitor money collection process more closely.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser documentation revealed that:

- Five fundraisers did not have the required *Fundraising Application/Recap Forms*: (1) General Activities Shirt Sales (Account #7-0100.02), (2) General Activities Shirt Long Sleeves (Accounts #7-0100.07), (3) General Activities Polo Shirt Sales (Account #7-0100.08), (4) General Activities Dunk Tank (Account #7-0100.00), and (5) Yearbook Sales (Account #4-6300.04).
- The *Fundraising Application/Recap Forms* for the Stallion Beat Candy Sales (Account #4-3780.01) and Locker Rental (Account # 7-0100.05) were not approved by the Principal until 83 and 181 working days respectively after the fundraising activities had begun.
- The Yearbook Sales (Account #4-6300.04) did not have the required *Sales Item Inventory Report*. Without documentation for sales information such as selling prices, quantities sold, and inventory counts, there was no assurance that all the monies collected were properly accounted for. Moreover, this fundraiser had a year-end deficit of \$549.68 which was covered with General Activities funds.
- The General Activities Shirt Sales (Accounts #7-0100.02, #7-0100.04, #7-0100.08 and #7-0100.10) did not have the required *Sales Item Inventory Report*. This fundraiser had a total of \$35,117 in revenues deposited into the Internal Funds during April 23, 2013, through June 30, 2014. However, based on the school's purchasing records, this fundraiser should have a total estimated revenue of \$49,670. As a result, \$14,553 (29%) in estimated revenue was unaccounted for.

Item	Quantity				Units Sold	Selling Price	Revenues
	Beginning Inventory ⁽¹⁾	Purchases ⁽²⁾	Items Given Away	Inventory on Hand ⁽³⁾			
short sleeve	2,077	3,156	0	284	4,949	\$7	\$34,643
long sleeve	119	888	0	128	879	\$10	\$8,790
polo	1,087	216	0	736	567	\$11	\$6,237
Total Estimated Revenue							\$49,670
Total \$ Deposited into Internal Funds							\$35,117
Estimated Revenues Unaccounted For							\$14,553

- (1) Based on our examination of physical inventory on April 23, 2013.
- (2) Based on purchasing records during July 1, 2013, through June 5, 2014.
- (3) Based on our examination of physical inventory on June 5, 2014.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- To ensure proper fiscal accountability, *Sales Item Inventory Report* should be prepared for all fundraisers. The information on the *Report* should assist staff in reconciling the sales revenue with the estimated revenue. Moreover, the *Report* should be approved by the Principal in order to confirm the legitimacy for any items that were given-away free-of-charge, or missing. Significant discrepancy, if any, between the estimated revenue and actual collection should be investigated and resolved accordingly.

Management’s Response

Concur. Shirt fundraising process has been revamped by the current principal.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card records found that:

- Disbursement #10869 (for \$215) was for payment of rentals of a dunk tank for the May 20, 2014, students incentives activities. However, this disbursement did not have the *School District Consultant Agreement (PBSD 1420)* and proof of the liability insurance coverage from the vendor.
- Disbursements #10488 (for \$2,359.02) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*.
- The December 2013, bank statements for P-Card accounts were approved by the bookkeeper, instead of the Principal.

- The invoices for three sample disbursements (#10488, #10843, and #10926, totaling \$7,333.57) were not defaced (stamped “PAID”) after payments. Defacing the supporting document should help prevent potential duplicate payments.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and the related District guidelines. Specifically,

- To protect the safety and welfare of students, prior to the consultant performing services at the school: (1) the *School District Consultant Agreement (PBSD 1420)* should be properly executed with all the required signatures, and (2) the consultant’s background and clearance check must have been conducted and cleared as required by *Section 8 of the Agreement* and *Florida Statutes §1012.465*.
- As required by the District’s *Special Events Guide for Insurance Loss Prevention*, the school should “obtain a *Certificate of Insurance from the vendors/service provider and an endorsement naming School Board as an Additional Insured on the policy*” for renting dunk tank and conducting carnivals with amusement vendors.
- *Purchase Order* pre-approved by the Principal should be issued for purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase.
- To prevent and detect potential frauds and irregularities timely, and as required by *Purchasing Card Procedures*, the monthly reconciliation records, including P-Card *Monthly Bank Statements* should be reviewed and approved by the Principal
- To avoid potential duplicate payments, supporting documentation should be defaced (stamped “PAID”) after payment was made.

Management’s Response

Concur. These discrepancies have been addressed.

**Loggers' Run Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 11584 West Palmetto Park Road
Boca Raton, FL 33428

Principal:
Fiscal Year 2014: Francis Giblin
During Audit: Francis Giblin

Treasurer:
Fiscal Year 2014: Mary Terese Ott
During Audit: Mary Terese Ott

Cash and Investments

Checking	\$ 410,600.64
Investments	
	\$ 410,600.64

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 8,624.25	\$ 4,437.30	\$ 7,736.34	\$ 2,729.00	\$ 2,729.00	\$ 5,325.21
Music	7,864.44	54,008.64	55,700.51	16,782.20	16,782.20	6,172.57
Classes	0.00	0.00	0.00	0.00	0.00	0.00
Clubs	9,745.63	11,734.81	11,085.06	2,714.46	2,094.46	11,015.38
Departments	44,624.68	36,711.19	37,561.81	14,019.45	14,019.45	43,774.06
Trusts	269,469.94	101,885.86	112,895.25	100.00	420.00	258,140.55
General	90,000.89	13,525.66	17,053.68	4,494.61	4,794.61	86,172.87
	\$ 430,329.83	\$ 222,303.46	\$ 242,032.65	\$ 40,839.72	\$ 40,839.72	\$ 410,600.64

DOCUMENTATION FOR FUNDRAISERS

Finding

The sponsor for the Science-Matthews Scrubs Sales (Account #5-2110.01) did not prepare the required *Sales Item Inventory Report*. Moreover, this fundraiser had a deficit of \$132.20. Without detailed information for the sales such as selling prices, quantities sold, and inventory counts which are required on the *Report*, there was assurance that all sales revenues were properly accounted for.

Recommendation

Sales Item Inventory Report should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. Moreover, the *Sales Item Inventory Report* should be approved by the Principal to confirm the legitimacy for items, if any, that were given-away free-of-charge, or missing. Significant discrepancy between the estimated revenue and actual collection should be investigated and resolved accordingly.

Management's Response

Concur. Review procedures with staff at next faculty meeting. This was not a fundraiser. It was solely a purchase per unit, prepaid. However, we will, in the future monitor the distribution of materials using the appropriate forms.

**Odyssey Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 6161 Woolbright Road
Boynton Beach, FL 33437

Principal:
Fiscal Year 2014: Bonnie Fox
During Audit: Bonnie Fox

Treasurer:
Fiscal Year 2014: Tara Bryant-Lowe / Joan Mullaney
During Audit: Joan Mullaney

Cash and Investments

Checking	\$ 22,756.14
Investments	
	\$ 22,756.14

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 3,126.97	\$ 11,504.98	\$ 12,117.81	\$ 7,401.04	\$ 7,401.04	\$ 2,514.14
Music	612.10	4,975.15	4,959.12	0.00	0.00	628.13
Classes	1,484.49	16,475.75	14,367.97	3,388.00	3,826.50	3,153.77
Clubs	2,656.64	3,039.83	3,530.60	1,163.05	1,395.79	1,933.13
Departments	4,895.05	14,856.49	11,776.38	9,402.00	15,376.08	2,001.08
Trusts	6,599.16	48,663.47	52,385.52	0.00	57.09	2,820.02
General	11,729.39	8,722.65	17,448.58	10,115.32	3,412.91	9,705.87
	\$ 31,103.80	\$ 108,238.32	\$ 116,585.98	\$ 31,469.41	\$ 31,469.41	\$ 22,756.14

ACCESS TO DROP SAFE

Finding

Although the school has a new bookkeeper since October 2013, the combination to the school's drop-safe had not been changed as of December 2, 2014.

Recommendation

To ensure proper fiscal accountability and safeguard school assets, the combination to the drop-safe should be updated when there are changes in personnel who have access to the drop-safe.

Management's Response

Concur. Safe numbers have been updated as of December 2014.

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process at the school found that most activity sponsors did not turn in the yellow copies of the MCRs and the computerized *Official Receipts* to the school secretary at year end for filing and future referencing.

Recommendation

As required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7's Record Retention Requirements*, at year-end "*Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary...*"

Management's Response

Concur. Action has been taken to ensure that copies of the MCR and receipts are turned in to the school secretary.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records revealed that the General Activities-SWPBS Snack Sale (Account #7-0100.07) did not have the required *Fundraising Application/Recap Form* and *Sales Item Inventory Report*.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- To ensure proper fiscal accountability, *Sales Item Inventory Report* should be prepared for all fundraisers. Information on the *Report* should assist staff in reconciling sales revenue with estimated revenue. Significant discrepancy, if any, between the estimated revenue and actual collection should be investigated and resolved accordingly.

Management's Response

Concur. Steps have been taken to ensure snack sales have the proper Fundraising/Recap forms.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card transaction records found that four P-Card purchases that occurred on March 26, 2014, (with the same vendor, totaling \$570.29) did not have any supporting documentation for the expenses.

Recommendation

All disbursements and P-Card purchases should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there was no assurance that the expenses were appropriate.

Management's Response

Concur. Supporting documentations will be attached to support expenses.

LEASING OF SCHOOL FACILITIES

Finding

The review of school facility leasing records found that:

- The leasehold period for Lease #1013 began on January 16, 2014. However, the related *Lease Agreement* was not approved by the Principal and signed by the lessee until January 28, and February 6, 2014, respectively; i.e. 12 and 21 days after the leasehold period began.
- The school erroneously over-allocated and over-transmitted \$348 in sales tax, and under-allocated and under-transmitted \$348 in utility fees to the Central Office for Lease #1008.

Recommendation

Leasing of school facilities should be administered in accordance with *School Board Policy 7.18* and related District guidelines. Specifically,

- All *Lease Agreements* should be properly executed with all the required signatures prior to the use of facilities by lessees.
- To facilitate timely and accurate transmission of utility and other leasing related fees to the Central Office, leasing revenues should be allocated and recorded in the respective accounts in accordance with the District's *Approved Rate Schedule*.

Management's Response

Concur. Will ensure that lease agreements are properly executed with the required signatures prior to use. Revenues will be recorded accurately.

**Okecheelee Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 2200 Pinehurst Drive
Greenacres, FL 33463

Principal:
Fiscal Year 2014: David Samore
During Audit: David Samore

Treasurer:
Fiscal Year 2014: Marilyn Dulin
During Audit: Sandra Hernandez

Cash and Investments

Checking	\$ 117,271.08
Investments	
	\$ 117,271.08

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 5,265.22	\$ 16,524.18	\$ 14,938.44	\$ 8,100.19	\$ 9,137.68	\$ 5,813.47
Music	4,047.00	24,880.58	21,434.23	15,986.28	15,968.28	7,511.35
Classes	14,560.99	63,996.65	64,574.49	8,342.15	7,976.15	14,349.15
Clubs	13,727.71	15,246.41	17,439.50	6,824.43	6,579.18	11,779.87
Departments	60,090.39	55,205.85	48,639.64	21,903.16	20,836.20	67,723.56
Trusts	22,315.99	59,425.81	64,938.21	2,177.78	8,902.69	10,078.68
General	19.10	16,919.40	22,989.69	8,206.76	2,140.57	15.00
	\$ 120,026.40	\$ 252,198.88	\$ 254,954.20	\$ 71,540.75	\$ 71,540.75	\$ 117,271.08

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records found that:

- The *Sales Item Inventory Report* for the Athletic Candy Sale (Account #1-0010.02) was not completed with accurate information. Specifically, the selling price was missing, and the sponsor entered the total sales revenues collected as the quantities of items purchased and sold for the fundraiser. Moreover, the second page of the vendor's invoice was missing. The missing page should contain the descriptions and quantities of the items purchased for resale. Due to the missing information, there was no basis to determine whether all sales revenues were accounted for.
- The invoice for the T-Shirts purchased for the Chorus T-shirts Sales (Account #2-1500.02) did not have the quantities of T-Shirts purchased. Due to the lack of accurate information, there was no basis to determine whether all sales revenues were properly accounted for.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically,

- *Sales Item Inventory Report* should be completed with all the needed information for each fundraiser in order for staff to reconcile the sales revenue with the estimated revenue. Significant discrepancy, if any, between the estimated revenue and actual receipt should be investigated and resolved accordingly.
- To ensure that purchases are appropriate, disbursements and P-Card purchases should be adequately documented and supported by itemized invoices and receipts.

Management's Response

Concur. The teacher(s) involved in this have been trained and will follow the procedure correctly.

**Omni Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 5775 Jog Road
Boca Raton, FL 33496

Principal:
Fiscal Year 2014: Gerald Riopelle
During Audit: Gerald Riopelle

Treasurer:
Fiscal Year 2014: Mirtha Valencia Mohammadzadeh
During Audit: Mirtha Valencia Mohammadzadeh

Cash and Investments

Checking	\$ 94,557.06
Investments	
	\$ 94,557.06

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 6,437.93	\$ 17,914.89	\$ 9,595.06	\$0.00	\$0.00	\$ 14,757.76
Music	3,287.09	58,783.31	56,514.65	14,644.68	14,786.42	5,414.01
Classes	713.11	41,066.00	40,466.13	675.87	1,175.87	812.98
Clubs	14,354.76	49,871.19	55,514.05	10,396.19	10,396.19	8,711.90
Departments	32,150.02	143,547.54	138,955.73	20,990.36	22,440.36	35,291.83
Trusts	10,756.84	56,601.21	46,954.32	141.74	70.50	20,474.97
General	9,360.76	16,335.05	18,622.70	8,321.68	6,301.18	9,093.61
	\$ 77,060.51	\$ 384,119.19	\$ 366,622.64	\$ 55,170.52	\$ 55,170.52	\$ 94,557.06

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser records found that:

- The Algebra I Workbooks Sales (Account #5-1600.01) did not have the required *Sales Item Inventory Report*. A total of \$2,427 in revenues was collected and deposited into the Internal Funds. According to the school's records, 202 workbooks were purchased for resale at \$14 each, which should have generated a total estimated revenue of \$2,828. As a result, \$401 (14%) in estimated revenue was unaccounted for.
- The P.E. Locks Sales (Account #5-1900.02) collected a total of \$5,045 in revenues which was deposited into the Internal Funds. As indicated by the sponsor on the *Sales Item Inventory Report*, 182 locks (with an estimated resale value of \$910) were given-away to students free of charge without documentation as to the purposes and who received the free items.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. To ensure proper fiscal accountability,

- *Sales Item Inventory Report* should be prepared with accurate information for all fundraisers. Information on the *Report* should assist staff in reconciling the sales revenue with the estimated revenue. Significant discrepancy, if any, between the estimated revenue and actual collection should be investigated and resolved accordingly.
- Fundraising items provided free-of-charge to students, staff members or the community should be adequately documented. Records for give-away items should include the purposes and the names of recipients.

Management's Response

Concur. A review of findings was discussed with those involved with discussion on strategies, proper forms with instructions and forms will be checked for accuracy.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for school facility leasing found that:

- The leasing information for three leases (#1001, #1002 and #1007) was recorded in the Tririga System. However, the school did not have a hard copy of the executed *Lease Agreements* that contained all the required signatures.

Omni Middle School
Management Letter
Year Ended June 30, 2014

- \$51.75 in insurance premium and \$18 in sales tax collected from Lease #1007 was inadvertently recorded in the Utility Fees Account (#6-5500.00). As a result, the school over-transmitted \$69.75 in utility fees, and under-transmitted \$51.75 in insurance premium and \$18 in sales tax to the Central Office.

Recommendation

Leasing of school facilities should be administered in accordance with *School Board Policy 7.18* and related District guidelines. Specifically,

- To ensure *Lease Agreements* are legally enforceable, prior to the use of facilities by lessees, they should be properly executed with all the required signatures. The school should also maintain a hard copy of the executed *Lease Agreement* for future reference, in addition to recording leasing activities in the Tririga System.
- Rental charges should be properly allocated among the general ledger accounts and identified on the *Remittance Transmittal Form* when funds are transmitted to the Central Office.

Management's Response

Concur. Discussion with lease coordinator on procedures, principal will print lease forms once approved along with financial breakdown for accurate distribution of funds during transmittals.

**Osceola Creek Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 6775 180th Avenue North
Loxahatchee, FL 33470

Principal:
Fiscal Year 2014: Nicole Daly (Interim)
During Audit: Nicole Daly

Treasurer:
Fiscal Year 2014: Dawn Hollandsworth
During Audit: Dawn Hollandsworth

Cash and Investments

Checking	\$ 37,945.16
Investments	
	\$ 37,945.16

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 5,501.89	\$ 9,591.15	\$ 9,640.19	\$ 3,990.60	\$ 3,990.60	\$ 5,452.85
Music	10,146.15	16,950.50	20,350.18	4,882.61	4,882.61	6,746.47
Classes	2,002.51	28,841.38	30,442.46	4,411.66	785.78	4,027.31
Clubs	3,130.07	8,274.30	8,573.40	3,100.18	3,064.43	2,866.72
Departments	14,035.27	49,269.21	52,725.66	13,729.10	13,663.30	10,644.62
Trusts	1,396.86	16,123.46	16,885.03	360.13	121.02	874.40
General	10,144.74	38,767.14	37,612.55	18,965.83	22,932.37	7,332.79
	\$ 46,357.49	\$ 167,817.14	\$ 176,229.47	\$ 49,440.11	\$ 49,440.11	\$ 37,945.16

DOCUMENTATION FOR FUNDRAISERS

Finding

The OC Magnet Fundraiser (Account #7-0100.06) had a total expenditure of \$527.35 and a total revenue of \$15, which resulted in a net deficit of \$512.35. As indicated by the sponsor on the *Sales Item Inventory Report*, the school purchased 500 pieces of OC Magnet for resale at \$5 each, but only three pieces were sold.

Recommendation

To ensure fiscal accountability and self-sufficiency, the school should monitor each fundraising activity account closely to ensure that total expenditures will not exceed total revenues.

Management's Response

We have decided to complete the magnet fundraiser this school year and/or use the magnets for incentives regarding student achievement. We still have all the magnets purchased.

**Palm Springs Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 1560 Kirk Road
Palm Springs, FL 33461

Principal:
Fiscal Year 2014: Sandra Jinks
During Audit: Sandra Jinks

Treasurer:
Fiscal Year 2014: Lori Cayea
During Audit: Lori Cayea

Community School Director:
Fiscal Year 2014: Sean Ashworth
During Audit: Sean Ashworth

Cash and Investments

Checking	\$ 179,891.08
Investments	
	\$ 179,891.08

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 9,235.72	\$ 17,276.55	\$ 14,384.57	\$ 4,760.97	\$ 4,760.97	\$ 12,127.70
Music	14,497.49	22,318.85	25,788.87	10,460.11	9,513.75	11,973.83
Classes	4,003.12	29,768.46	29,680.64	2,667.15	4,205.26	2,552.83
Clubs	34,657.81	47,497.26	45,213.31	11,902.11	13,881.86	34,962.01
Departments	31,885.86	57,562.91	66,992.56	22,944.04	19,843.54	25,556.71
Trusts	59,748.53	129,840.98	130,948.09	660.45	676.50	58,625.37
General	26,978.15	109,332.15	101,704.72	29,312.56	29,825.51	34,092.63
	\$ 181,006.68	\$ 413,597.16	\$ 414,712.76	\$ 82,707.39	\$ 82,707.39	\$ 179,891.08

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and the money collection process at the school found that:

- The dates on four *Classroom Receipts'* yellow copies attached to MCR #562-2 did not agree with the file (pink) copies of the *Classroom Receipts*. Apparently, the dates on these four yellow copies were altered (to one to three working dates later) to match the MCR's date in order to make these collections appear to have been turned-in timely for deposit.
- MCRs #511-3 and #531-1 were for total collections of \$12,048 from students for fundraiser items and school uniforms. However, the MCRs indicated the dollar amounts and payers' names from 17 checks, totaling \$926, but did not have the details for the remaining \$11,122 in cash collections.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and the related District guidelines. Specifically,

- Falsifying records is a violation of *School Board Policy 3.02, Code of Ethics*, and jeopardizes the integrity of fiscal control system. Specifically, *Policy 3.02, Section 5.c. Misrepresentation or Falsification* states that, "We are committed to candor in our work relationships, providing other Board employees including supervisors, senior staff and Board members with accurate, reliable and timely information. Employees should exemplify honesty and integrity in the performance of their official duties for the School District."
- *DOE Rules* and *Internal Accounts Manual* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in exposure to staff and increased potential irregularities.
- Monies collected should be supported by MCRs, with all the required information, including payer's name and the dollar amount.

Management's Response

Concur. 1) Sponsor has been made aware not to change dates on receipts. 2) New sales logs for the school store are being used to show adequate sales information.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraising records found that:

- The *Fundraising Application/Recap Form* for the Shirt Shack (Account #7-0100.01) was neither signed by the sponsor nor approved by the Principal.
- Tickets for the Chorus High School Musical (Account #2-1500.02) were sold at two different prices: \$5 for students and \$8 for general admissions. Based on the *Ticket Sellers Reports*, it appeared that one particular set of tickets was used for both students and general admissions. Consequently, there was insufficient information to determine (1) the number of tickets sold at each of the two prices and (2) the total sales revenues from the specific ticket sales.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- To ensure fiscal accountability of ticket sales, tickets sold at different prices should be printed differently and have different set of serial numbers.

Management's Response

Concur. 1) We will ensure future fundraising applications are signed and dated by both sponsor and principal. 2) Ticket sales will be handled using different color tickets, if needed, to track different ticket prices to ensure proper record keeping.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation found that:

- Disbursement #11246 (for \$1,000) was for payment to a consultant for video and graphic services for the 2014 Yearbook. However, the consultant was engaged without the required *School District Consultant Agreement* (PBSD 1420).
- Disbursement #10741 (for \$1,160) was for payment to a July 29, 2013, invoice. However, the related *Purchase Order* was not approved by the Principal until August 5, 2013.
- A March 12, 2014, P-Card transaction for purchase of three countertop microwave ovens included \$26.55

in sales tax.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically,

- To protect the safety and welfare of students, prior to the consultant performing services at the school: (1) the *School District Consultant Agreement (PBSD 1420)* should be properly executed with all the required signatures, and (2) the consultant's background and clearance check must have been conducted and cleared as required by *Section 8 of the Agreement* and *Florida Statutes §1012.465*.
- *Purchase Order* pre-approved by the Principal is required for purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase.
- The School District is a tax-exempt governmental entity, and should not pay sales tax for eligible purchases

Management's Response

Concur. 1) Sponsors need to be aware of consultant rules. 2) We will ensure POs are signed and dated prior to making purchases. 3) Contacted vendor to receive tax refund for microwaves with no response.

**Polo Park Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 11901 Lake Worth Road
Lake Worth, FL 33467

Principal:
Fiscal Year 2014: Ann Clark
During Audit: Ann Clark

Treasurer:
Fiscal Year 2014: Elisa Delvecchio
During Audit: Elisa Delvecchio

Cash and Investments

Checking	\$ 73,576.81
Investments	
	\$ 73,576.81

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 9,827.89	\$ 25,035.93	\$ 27,428.09	\$ 13,344.73	\$ 14,238.99	\$ 6,541.47
Music	2,494.48	2,623.00	3,449.82	0.00	0.00	1,667.66
Classes	2,189.38	6,104.66	6,793.06	694.40	694.40	1,500.98
Clubs	3,341.56	12,037.11	10,859.80	4,351.27	3,851.27	5,018.87
Departments	18,156.20	60,443.87	58,236.35	16,785.62	16,111.86	21,037.48
Trusts	20,401.96	112,377.24	98,318.82	9,272.55	9,552.05	34,180.88
General	6,408.81	8,744.82	11,524.16	4,437.42	4,437.42	3,629.47
	\$ 62,820.28	\$ 227,366.63	\$ 216,610.10	\$ 48,885.99	\$ 48,885.99	\$ 73,576.81

ACCOUNTS PAYABLE

Finding

As of June 30, 2014, the school had a total debt of \$24,149.13 payable to the Central Office. Of the \$24,149.13 in debts, \$23,166.25 was cumulative expenses incurred during School Years 2008 (\$21,993.29) and 2009 (\$1,172.96).

Recommendation

The school should develop a payment plan to address the unpaid debts.

Management's Response

Concur. A payment plan is being developed with the Area Superintendent.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records found that the *Sales Item Inventory Report* for the Athletics T-shirts Sales (Account #1.0010.03) was neither signed by the sponsor nor approved by the Principal. Moreover, as indicated by the sponsor on the *Report*, 85 T-shirts with a total estimated resale value of \$1,700 were given-away free-of-charge. However, there was no documentation maintained as to who received the free items.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. To ensure proper fiscal accountability,

- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser in order for staff to reconcile the sales revenue with the estimated revenue. Moreover, the *Report* should be approved by the Principal to confirm the legitimacy for items, if any, that were given-away free-of-charge, or missing. Significant discrepancy between the estimated revenue and actual collection should be investigated and resolved accordingly.
- Items purchased with school funds and provided free-of-charge to students, staff members or the community should follow similar requirements as specified in *Bulletin #P-12690-CAO/COO/P* for gift cards, that “schools must maintain documentation of all recipients of gift cards.” Records for give-away items should include the purposes and the names of recipients.

Management's Response

Concur. Items given away will be documented. Staff members will be trained.

**Roosevelt Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 1900 North Australian Avenue
West Palm Beach, FL 33407

Principal:
Fiscal Year 2014: Jo Anne Rogers/William Pollard
During Audit: William Pollard

Treasurer:
Fiscal Year 2014: Dawnette Smith
During Audit: Dawnette Smith

Community School Director:
Fiscal Year 2014: Mary Lisa Stemler
During Audit: Mary Lisa Stemler

Cash and Investments

Checking	\$ 99,828.35
Investments	
	\$ 99,828.35

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 11,072.49	\$ 30,272.01	\$ 33,822.89	\$ 8,313.67	\$ 8,193.67	\$ 7,641.61
Music	4,066.38	18,752.50	19,881.56	1,725.00	1,725.00	2,937.32
Classes	1,632.58	40,596.25	38,691.90	1,465.02	1,266.73	3,735.22
Clubs	11,067.62	37,103.55	35,068.71	14,120.78	17,658.97	9,564.27
Departments	31,951.93	38,380.82	39,465.02	16,554.39	16,344.39	31,077.73
Trusts	34,324.64	107,289.68	104,182.88	9,228.35	9,676.17	36,983.62
General	14,030.71	13,415.35	23,015.20	8,563.83	5,106.11	7,888.58
	\$ 108,146.35	\$ 285,810.16	\$ 294,128.16	\$ 59,971.04	\$ 59,971.04	\$ 99,828.35

DOCUMENTATION FOR FUNDRAISERS

Finding

A total of \$2,862.96 in sales revenue was deposited into the PTA T-shirt Sales (Account #6-3300.01) during the year. Based on the purchasing records and the *Sales Item Inventory Report*, this fundraiser should have generated a total estimated revenue of \$3,325. As a result, \$462.04 (or 14%) in estimated revenue was unaccounted for.

Item	Quantity					Selling Price	Revenues
	Beginning Inventory ⁽¹⁾	Purchases ⁽²⁾	Items Given Away ⁽¹⁾	Inventory On Hand	Units Sold		
T-shirts	168	276	18	236	190	\$15	\$2,850.00
Sweatshirts	33	19	-	33	19	25	475.00
Total Estimated Revenues							\$3,325.00
Total \$ Deposited into Internal Funds							\$2,862.96
<i>Estimated Revenues Unaccounted For</i>							<u>\$462.04</u>

- (1) Based on *FY14 Sales Item Inventory Report*.
- (2) Based on purchasing records during July 1, 2013, and June 30, 2014.

Moreover, the school purchased 276 T-shirts and 19 sweatshirts for this fundraiser; but the sponsor incorrectly indicated on the *Sales Item Inventory Report* that no sweatshirt was purchased during the year. The 19 omitted sweatshirts had a total estimated resale value of \$475, which was approximately equal to the \$462.04 in estimated revenue that was unaccounted for.

Recommendation

To ensure proper fiscal accountability, *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. Significant discrepancy between the estimated revenue and actual collection should be investigated and resolved accordingly.

Management's Response

Concur. The previous PTSA President resigned mid-year and audit of this account was not conducted. A beginning inventory of the T-shirt and sweatshirts has been completed and will be used to accurately complete the end-of-year Sales Item Inventory Report.

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and the money collection process at the school revealed that at year-end, some sponsors did not attach the computerized *Official Receipts* to the yellow copies of the MCRs, when submitting these documents to the secretary for record retention.

Recommendation

As required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7's Record Retention Requirements*, "Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary..."

Management's Response

Concur. All fundraisers have been reminded of the procedures for closing out their end-of-year activities.

ADULT AND COMMUNITY SCHOOL PROGRAMS

Finding

The review of records for the Adult and Community School Programs found that:

- The *Registration Forms* for three students for the Fall 2013 Spanish Computers were missing.
- The *Class Rosters* for the Winter 2014 Beginning Computers-Spanish and Spring 2014 Couponing for Beginners classes were missing.
- The Fall 2013 Community School fees were not transmitted to the Central Office until 92 days after the classes had started; i.e. 50 days beyond the District's deadline.

Recommendation

Community School should be administered in accordance with *Community School Procedures Manual* and the related District guidelines. Specifically,

- *Student Registration Forms* and *Class Rosters* for the Adult and Community School Programs should be retained for a time-period consistent with the District's *Records Retention Schedule*.
- Community School fees should be transmitted to Central Office within 42 days after classes begin.

Management's Response

Concur. The AP will ensure that all records are maintained according to the Community School Procedures Manual. The current community school secretary has received training in the proper transmittal procedures.

**Tradewinds Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 5090 South Haverhill Road
Greenacres, FL 33463

Principal:
Fiscal Year 2014: Rebecca Subin
During Audit: Rebecca Subin

Treasurer:
Fiscal Year 2014: Lorraine Baker
During Audit: Lorraine Baker

Cash and Investments

Checking	\$ 62,429.24
Investments	
	\$ 62,429.24

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 2,983.20	\$ 14,365.93	\$ 9,926.50	\$ 5,383.19	\$ 5,733.89	\$ 7,071.93
Music	7,963.77	13,283.50	11,040.33	3,244.84	3,838.08	9,613.70
Classes	7,844.65	24,595.97	27,880.31	7,972.59	6,084.06	6,448.84
Clubs	1,483.94	6,788.28	7,081.95	3,138.28	2,397.47	1,931.08
Departments	17,449.48	33,183.16	25,385.49	10,648.88	13,627.22	22,268.81
Trusts	9,033.98	60,704.91	59,251.61	3,351.22	4,269.83	9,568.67
General	8,016.05	51,005.22	55,706.61	20,959.55	18,748.00	5,526.21
	\$ 54,775.07	\$ 203,926.97	\$ 196,272.80	\$ 54,698.55	\$ 54,698.55	\$ 62,429.24

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation revealed that the school paid a total of \$6,605 through five disbursements (#5950, #5962, #6051, #6106, and #6214) to a consultant for providing science class presentation during the year. However, the consultant related to these disbursements was engaged without the required *School District Consultant Agreement (PBSD 1420)*.

Recommendation

To protect the safety and welfare of students, prior to the consultant performing services at the school: (1) the *School District Consultant Agreement (PBSD 1420)* should be properly executed with all the required signatures, and (2) the consultant's background and clearance check must have been conducted and cleared as required by *Section 8 of the Agreement* and *Florida Statutes §1012.465*.

Management's Response

We had evidence of four of the five consulting contracts. The only one missing was the last one (#6214) and though we had completed it, it was somehow misplaced.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser documentation revealed that:

- On January 22, 2014, the school paid \$750 in reservation fee (through Disbursement #5976) to a vendor for the 8th Grade Ball Fundraiser (Account #3-3800.03). However, the related *Fundraising Application/Recap Form* was not approved by the Principal until April 4, 2014.
- The school's purchasing records indicated that 441 T-Shirts were purchased for the 8th Grade T-Shirt Sales (Account #3-3800-06). However, the related *Sales Item Inventory* indicated that only 400 T-Shirts were purchased for resale. Consequently, 41 T-Shirts, with an estimated resale value of \$820, were unaccounted for.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.

Tradewinds Middle School
Management Letter
Year Ended June 30, 2014

- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. Significant discrepancy between the estimated revenue and actual collection should be investigated and resolved accordingly.

Management's Response

Concur. Concur with reservation fee...though paperwork was completed in April and monies collected after that date; we had to give the hotel a deposit fee in January. Regarding the T-shirt scenario, our paper work presented listed 400 T0shirts total with 185 sold and 100 given away to students due to financial reasons as well as 115 ending inventory that were donated to grade level office clothes closets.

[Auditor's response: The Sales Item Inventory Report indicated that 400 T-Shirts were purchased for resale. However, the school's payment record indicated that the number of T-Shirts purchased for this fundraiser was 441, instead of 400.]

**Watson B. Duncan Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 5150 117th Court North
Palm Beach Gardens, FL 33418

Principal:
Fiscal Year 2014: Adrian Ocampo
During Audit: Phillip D'Amico

Treasurer:
Fiscal Year 2014: Wendy Walker
During Audit: Wendy Walker

Cash and Investments

Checking	\$ 153,938.69
Investments	
	\$ 153,938.69

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 5,638.30	\$ 13,089.31	\$ 13,674.86	\$ 679.00	\$ 679.00	\$ 5,052.75
Music	7,415.36	59,932.91	59,219.22	18,913.03	18,913.03	8,129.05
Classes	40.02	13,215.00	9,255.09	8,016.41	3,959.91	8,056.43
Clubs	10,664.62	67,523.80	60,965.09	12,768.96	14,041.81	15,950.48
Departments	88,517.93	103,006.47	108,472.31	35,803.51	38,587.16	80,268.44
Trusts	31,537.88	150,945.27	148,836.44	2,445.91	2,564.91	33,527.71
General	2,861.24	6,186.50	6,212.91	3,614.78	3,495.78	2,953.83
	\$ 146,675.35	\$ 413,899.26	\$ 406,635.92	\$ 82,241.60	\$ 82,241.60	\$ 153,938.69

DOCUMENTATION FOR FUNDRAISERS

Finding

As indicated by the sponsor on the *Sales Item Inventory Report* for Yearbook Sales (Account #5-0450.00), 33 yearbooks were given-away free-of-charge. The yearbooks were sold at a price between \$35 and \$50 each. These give-away items had a total estimated resale value between \$1,155 and 1,650. However, the *Sales Item Inventory Report* was not signed and approved by the Principal, and there was no documentation for the purposes and the recipients of these give-away items.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. To ensure proper fiscal accountability,

- The *Sales Item Inventory Report* should be approved by the Principal to confirm (1) the legitimacy for items that were giving-away free-of-charge, and (2) the missing items, if any. Discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.
- Items purchased with school funds and provided free-of-charge to students, staff members or the community should be adequately documented. Records for give-away items should include the purposes and the names of recipients.

Management's Response

Concur. Policy and procedures reviewed with teachers and staff. Staff is required to complete the e-learning management for the fundraiser portion.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation found that:

- Two disbursements (#10971 for \$10,762 and #11399 for \$6,635) were not supported by itemized invoices. Instead, they were supported by vendors' account statements which did not contain the details of the purchases. Moreover, the Yearbook printing contract for Disbursement #11399 was not approved by the Principal.
- Disbursement #11128 (for \$500) was for payment to a consultant for providing yoga instruction classes during January and February 2014. However, the *School District Consultant Agreement (PBSD 1420)* was not signed and approved by the Principal, and the compensation section of the *Agreement* did not include the hourly rate and maximum contract amount for the service.
- Six P-Card purchases (totaling \$513.09) made during April 2014, for payments of restaurant and food

items expenses did not have documentation indicating the business or educational purposes for the expense.

- Four P-Card purchases during April 2014, included the payments of \$20.16 in sales tax.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

- To ensure that purchases are appropriate, disbursements and P-Card purchases should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.
- To protect the best interests of the school, *School District Consultant Agreement (PBSD 1420)* should be completed properly with all the needed information, including the maximum dollar amount for the contract. In addition, consultant payment should not exceed the dollar amount stipulated in the agreement.
- To ensure proper fiscal accountability, purposes and justifications should be documented for all expenditures.
- The School District is a tax-exempt governmental entity and should not pay sales tax for eligible purchases.

Management's Response

Concur. P-Card holders have reviewed policies and procedures and completed P-Card training.

DEPOSIT OF MONIES

Finding

The *Drop-safe Log* was not always completed with all the required information for deposits. Specifically, *Section 3* of the *Log* was not always completed by the staff member (other than the bookkeeper) who verified that the bookkeeper had entered the deposit information into the Internal Funds accounting System.

Recommendations

To ensure proper fiscal accountability and comply with *Bulletin #P-14051-S/CFO*, responsible staff should properly complete the *Drop-safe Log* with all the required information. Specifically, (1) activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe, (2) the bookkeeper should complete *Section 2* of the *Log* after removing the deposits from the safe for processing, and (3) the verifier should complete *Section 3* of the *Log* after the bookkeeper entered the deposit information into the school's accounting system.

Management's Response

Concur. Drop-safe Log Book was assigned an effective staff member and the employee has been properly trained.

LEASING OF SCHOOL FACILITIES

Finding

The review of school facility leasing records found that:

- Lease #1007 was for the use of school facilities during June 9, 2014 to August 8, 2014. However, this *Agreement* was not signed by the lessee and witness until 10 days after the leasehold period began.
- Hard copy of two signed *Lease Agreements* (#1005 and #1006) were generated by Tririga system before it was approved by the Central Office, and had the word "DRAFT" printed across the entire document.
- Leasing charges for three leases (#1006, #1007, and #1015) were not collected until after the lessees had begun using the facilities. Delays in collecting the fees ranged from two to 24 days.
- A total of \$594 in sales tax collected from Lease #1007 was inadvertently recorded in the Rental Income Account instead of the Florida Sales Tax Account. As a result, the school under-transmitted \$594 in sales tax to the Central Office.

Recommendation

Leasing of school facilities should be administered in accordance with ***School Board Policy 7.18*** and related District guidelines. Specifically,

- To ensure *Lease Agreements* are legally enforceable, *Lease Agreement*, without the word "Draft", should be properly executed with all the required signatures prior to the lessees' use of school facilities.
- ***School Board Policy 7.18*** requires that "*Fees are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*"
- Sales tax collected from commercial leases should be recorded in the Florida Sales Tax Payable Account (#6-1800) and transmitted to the Central Office accordingly.

Management's Response

Concur. The bookkeeper has attended lease training was attended for 2015 and guidelines will be followed.

**Wellington Landings Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 1100 Aero Club Drive
Wellington, FL 33414

Principal:
Fiscal Year 2014: Blake Bennett
During Audit: Blake Bennett

Treasurer:
Fiscal Year 2014: Capella Flaherty
During Audit: Capella Flaherty

Cash and Investments

Checking	\$ 137,621.28
Investments	
	\$ 137,621.28

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 10,229.92	\$ 12,057.95	\$ 14,884.36	\$ 3,142.20	\$ 3,007.20	\$ 7,538.51
Music	10,328.33	40,542.95	34,747.14	11,630.14	9,585.14	18,169.14
Classes	6,130.93	68,974.32	65,123.26	4,491.38	4,491.38	9,981.99
Clubs	4,765.51	19,779.00	21,206.21	2,374.50	3,772.57	1,940.23
Departments	48,214.57	55,545.44	56,570.82	19,341.86	17,688.79	48,842.26
Trusts	32,593.05	146,236.76	127,810.76	23,855.82	28,622.82	46,252.05
General	14,158.88	14,224.60	25,818.38	7,425.57	5,093.57	4,897.10
	\$ 126,421.19	\$ 357,361.02	\$ 346,160.93	\$ 72,261.47	\$ 72,261.47	\$ 137,621.28

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records found that:

- The school purchased 64 T-Shirts for the Band T-shirt Fundraiser (Account #2-1000.03). Based on the selling price of \$22 each, this fundraiser should have generated a total estimated revenue of \$1,408 (\$22 x 64). However, the accounting records indicated that a total of \$1,233.75 in sales revenue was deposited into the Internal Funds. As a result, \$174.25 (or 12%) in estimated revenue was unaccounted for. Moreover, the *Sales Item Inventory Report* was not completed with all the required information. Missing information included the quantities of items purchased, sold, ending inventory, selling price, and revenue.
- The Recap Section (actual sales) of the *Fundraising Application/Recap Form* for the Chorus & Handbell Polo Shirts (Account #2-1500.02) was not completed by the sponsor after the fundraiser event. In addition, the *Sales Item Inventory Report* was not completed with accurate information. The *Report* indicated that the total sales revenue was \$700, which did not agree with the total revenue of \$1,410 deposited into the Internal Funds.
- The *Sales Item Inventory Report* for the School Store T-shirts (Account 7-0100.02) was not completed with the accurate information. The *Report* indicated that total sales revenue was \$2,190, which did not agree with the total revenue of \$3,281 deposited into the Internal Funds.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. To ensure proper fiscal accountability,

- Fundraiser sponsor should complete the Recap (actual sales) portion of the *Fundraiser Application/Recap Form* at the end of the fundraiser. The sales revenues should be reconciled to the Internal Funds accounting records.
- *Sales Item Inventory Report* should be prepared and completed with accurate information for all fundraisers in order for staff to reconcile the sales revenue with the estimated revenue. Moreover, the *Sales Item Inventory Report* should be approved by the Principal to confirm the legitimacy for items, if any, that were given-away free-of-charge, or missing. Significant discrepancy between the estimated revenue and actual collection should be investigated and resolved accordingly.

Management's Response

Concur. Communicate this information to staff and monitor.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card purchases found that a November 26, 2013, P-Card transaction (for \$74.99) for purchase of food for the Chorus program was incorrectly funded with Operating Funds designated for school supplies, instead of funds from the Internal Accounts.

Recommendation

Expenditures should be funded by the appropriate funding sources in accordance with District's guidelines.

Management's Response

Concur. Monitor all P-card purchases.

**Western Pines Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 5949 140 Avenue North
Royal Palm Beach, FL 33411

Principal:
Fiscal Year 2014: Robert Hatcher
During Audit: Robert Hatcher

Treasurer:
Fiscal Year 2014: Tammi LeBlanc
During Audit: Tammi LeBlanc

Cash and Investments

Checking	\$ 134,132.45
Investments	
	\$ 134,132.45

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 8,459.71	\$ 14,142.50	\$ 15,893.67	\$ 10,904.13	\$ 10,904.13	\$ 6,708.54
Music	1,206.76	29,518.36	31,425.94	2,010.70	2,010.70	4,342.41
Classes	6,249.99	8,846.88	7,394.09	2,013.42	1,983.42	5,924.54
Clubs	4,441.75	81,461.25	74,597.12	34,146.68	32,202.41	65,597.68
Departments	56,789.28	18,402.23	17,737.98	8,541.92	10,479.07	5,637.10
Trusts	43,372.06	5,459.00	3,966.33	3,368.00	3,368.00	2,699.39
General	6,910.00	65,249.54	65,361.69	8,968.18	9,005.30	43,222.79
	\$ 127,429.51	\$ 223,079.76	\$ 216,376.82	\$ 69,953.03	\$ 69,953.03	\$ 134,132.45

DEPOSIT OF MONIES

Finding

Monies collected were not always deposited in a timely manner. For example, \$818 in collections recorded on two MCRs (#428-4 and #440-7) was retained by the sponsors for one to two working days before the monies were put into the drop-safe for deposit.

Recommendation

DOE Rules (Chapter 8 of the 2013 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools) and District *Bulletin #P-14051-S/CFO* require that monies collected be put into the drop-safe daily, and deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could increase the exposure to staff and result in potential irregularities.

Management's Response

Concur. Implemented as recommended.

DOCUMENTATION OF DISBURSEMENTS

Finding

An October 23, 2013, P-Card transaction was for the purchase of a refrigerator (for \$580.93) with three-year service agreement (\$229.99), totaling \$810.92, without prior approval of Purchasing Department.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Purchase of service agreements requires prior approval of the Purchasing Department.

Management's Response

Concur. Implemented as recommended.

**Woodlands Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 5200 Lyons Road
Lake Worth, FL 33467

Principal:
Fiscal Year 2014: Jeffrey Eassa
During Audit: Jeffrey Eassa

Treasurer:
Fiscal Year 2014: Vilma Fedor
During Audit: Vilma Fedor

Cash and Investments

Checking	\$ 125,364.87
Investments	
	\$ 125,364.87

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 6,647.44	\$ 9,094.05	\$ 7,417.50	\$ 9,757.35	\$ 6,650.69	\$ 11,430.65
Music	11,060.82	43,298.15	45,333.31	9,407.75	9,407.75	9,025.66
Classes	2,924.25	20,286.00	22,484.45	2,874.45	3,058.63	541.62
Clubs	4,418.53	3,130.88	3,070.85	0.00	0.00	4,478.56
Departments	77,798.28	68,978.22	78,264.54	24,746.98	27,853.64	65,405.30
Trusts	33,027.55	66,418.85	65,447.09	2,645.95	2,988.09	33,657.17
General	2,476.02	3,257.27	5,433.70	993.17	466.85	825.91
	\$ 138,352.89	\$ 214,463.42	\$ 227,451.44	\$ 50,425.65	\$ 50,425.65	\$ 125,364.87

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser documentation revealed that:

- The Chorus Spring Showcase (Account #2-1500.03) and Chorus Polo Shirt Sales (Account #2-1500.01) did not have any fundraising documentation. Missing documentation included *Fundraising Application/Recap Forms, Ticket Sellers Report, and Sales Item Inventory Reports.*
- The *Sales Item Inventory Reports* for the “Enjoy the City” Coupon Book fundraiser (Account #2-1000.02) and the PE Uniform Sales (Account #5-1900.01) were not accurately completed with all the required information. Missing information included the signatures of the Principal and activity sponsors, beginning inventory, quantities of the items purchases, quantities sold, quantities of given away items and selling prices.
- Based on the school’s purchasing records and the FY2013 and FY2014 *Sales Item Inventory Reports* for the PE Uniform Sales, this fundraiser should have generated a total estimated revenue of \$7,520. However, only \$5,810 in sales revenue was deposited into the Internal Funds. As a result, \$1,710 (or 23%) in estimated sales revenue was unaccounted for

Item	Quantity				Selling Price	Revenues
	Beginning Inventory ⁽¹⁾	Purchases ⁽²⁾	Items Given Away ⁽³⁾	Inventory On Hand ⁽³⁾		
PE Shirts	720	100	0	388	432	\$10 \$4,320
PE Shorts	498	175	0	353	320	10 3,200
Total Estimated Revenues						\$7,520
Total \$ Deposited into Internal Funds During July 2013 through June 2014						5,810
<i>Estimated Revenues Unaccounted For</i>						<u>\$1,710</u>

(1) Based on *FY2013 Sales Item Inventory Report*

(2) Based on purchasing records during July 1, 2013, and June 30, 2014.

(3) Based on *FY2013 Sales Item Inventory Report*

- The Chorus Polo Shirt Sales collected a total of \$680 in sales revenue which was deposited into the Internal Funds. However, based on the school’s purchasing records, this fundraiser should have generated a total of \$1,220 in estimated revenue. As a result, \$540 (or 44%) in estimated revenue was unaccounted for.
- The Yearbook Sales did not have the *Sales Item Inventory Reports* to account for the Yearbook sales and advertisement sales. Based on the school’s purchasing records and the vendor’s summary sales report, 440 yearbooks were purchased for resale. However, a total of 393 yearbooks were sold at the school and via the vendor’s website. There were no records indicating some yearbooks were provided to students’ free-of-charge. As a result, 47 yearbooks (440 – 393), with a resale value of \$1,880, was unaccounted for.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- To ensure proper fiscal accountability and reconcile the sales revenues with the estimated revenues, *Ticket Sellers Report* and *Sales Item Inventory Report* should be prepared and completed with accurate information. Significant discrepancy, if any, between the estimated revenue and actual collection should be investigated and resolved accordingly. Moreover, *Sales Item Inventory Report* should be approved by the Principal in order to confirm the legitimacy for items, if any, that were given-away free-of-charge or missing.
- Although Yearbook Sales might not be intended for raising money for the school, *Sales Item Inventory Reports* should be maintained for items purchased for resale so that staff can account for revenues, and items purchased, given-away, or remained in the inventory.
- To ensure proper fiscal accountability, items purchased with school funds and provided free-of-charge to students, staff members, or the community should be adequately documented. Records for give-away items should include the purposes and the names of recipients.

Management's Response

Concur. Corrective action will begin immediately.

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and the money collection process at the school found that collections were not always turned in by the sponsors and processed by the bookkeeper in a timely manner. Specifically,

- \$1,450 collected through two MCRs (#463-5 and 499-14) was retained by the sponsors for four to 14 working days before it was put into the drop-safe for deposit.
- \$1,507 collected through two MCRs (#449-4 and #498-1) was not processed by the bookkeeper until seven to 10 working days after the monies were put into the drop-safe by the sponsors.

Recommendation

DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools) and the District's *Internal Accounts Manual* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections.

Delay in turning in the monies for deposit could result in exposure to staff and increased potential irregularities.

Management's Response

Concur. Corrective action will begin immediately.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card purchases found that:

- Disbursement #15065 (dated August 20, 2013, for \$3,388.50) was for payment to a July 31, 2013, invoice. However, the related *Purchase Order* was neither prepared by the sponsor nor approved by the Principal until the December 3, 2014; i.e. four months after the purchase was made.
- Purchases on the P-Card accounts were not always reconciled timely. For example, the April 27, 2014, *P-Card Bank Statements* were not reconciled and signed by the cardholders until June 2014.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and the related District guidelines. Specifically,

- *Purchase Order* pre-approved by the Principal should be issued for purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase.
- To prevent and detect potential frauds and irregularities in a timely manner, and as required by *P-Card Procedures Manual*, cardholder should complete the monthly reconciliation of P-Card activities by the 20th of the following month.

Management's Response

Concur. Corrective action will be immediately.

LEASING OF SCHOOL FACILITIES

Finding

Lease #1007 had a total leasing charges of \$1,517.40. According to staff, this lease was cancelled after the leasing arrangement information was entered into the Tririga System. However, the cancellation was not updated in the Tririga System. As a result, the Tririga System overstated the school's leasing income by \$1,517.40.

Woodlands Middle School
Management Letter
Year Ended June 30, 2014

Recommendation

Leasing information should be accurately recorded and updated in the Tririga System accordingly, with new information such as amendments and cancellation of leasing arrangements.

Management's Response

Concur. Corrective action will begin immediately.

High Schools

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Alexander W. Dreyfoos School of Arts School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014

Address: 501 South Sapodilla Avenue
West Palm Beach, FL 33401

Principal:
Fiscal Year 2014: Susan Atherley
During Audit: Susan Atherley

Treasurer:
Fiscal Year 2014: Sandra Bullock
During Audit: Sandra Bullock

Cash and Investments

Checking	\$ 564,495.37
Investments	
	\$ 564,495.37

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 5,660.31	\$ 19,789.23	\$ 16,421.30	\$ 3,518.21	\$ 3,180.67	\$ 9,365.78
Music	71,756.05	395,741.14	394,872.84	95,519.10	96,330.69	71,812.76
Classes	32,895.14	120,886.26	122,405.12	37,118.65	42,742.53	25,752.40
Clubs	43,916.72	40,843.08	38,597.77	6,242.41	7,668.69	44,735.75
Departments	139,343.50	431,494.08	406,327.39	163,397.59	165,116.60	162,791.18
Trusts	96,628.98	316,640.89	258,670.18	5,292.36	2,498.51	157,393.54
General	92,817.96	45,153.54	51,776.91	35,074.89	28,625.52	92,643.96
	\$ 483,018.66	\$1,370,548.22	\$1,289,071.51	\$ 346,163.21	\$ 346,163.21	\$ 564,495.37

Alexander W. Dreyfoos School of the Arts
Management Letter
Year Ended June 30, 2014

This audit revealed no material instances of noncompliance.

**Boca Raton High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 1501 N.W. 15th Court
Boca Raton, FL 33486

Principal:
Fiscal Year 2014: Geoffrey McKee
During Audit: Geoffrey McKee

Treasurer:
Fiscal Year 2014: Lisa Rivera
During Audit: Lisa Rivera

Community School Director:
Fiscal Year 2014: Deborah Nash-Utterback
During Audit: Deborah Nash-Utterback

Cash and Investments

Checking	\$ 576,958.75
Investments	
	\$ 576,958.75

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 52,052.02	\$ 371,780.36	\$ 379,174.17	\$ 65,752.69	\$ 42,472.05	\$ 67,938.85
Music	16,589.58	166,797.24	160,601.63	25,855.68	25,305.68	23,335.19
Classes	21,215.97	131,360.45	131,153.73	41,564.51	50,658.64	12,328.56
Clubs	76,827.69	304,374.16	302,461.53	107,334.05	105,516.75	80,557.62
Departments	144,225.08	204,869.57	228,359.24	57,151.23	58,222.44	119,664.20
Trusts	222,983.09	554,284.48	506,723.65	34,813.44	44,416.13	260,941.23
General	10,641.51	111,027.72	103,596.22	100,328.96	106,208.87	12,193.10
	\$ 544,534.94	\$1,844,493.98	\$1,812,070.17	\$ 432,800.56	\$ 432,800.56	\$ 576,958.75

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports (MCRs)* and money collection process at the school found that:

- Monies collected were not always deposited in a timely manner. For example,
 - \$10,425 in collections that were recorded on MCRs #1618-37 and #1623-3 were retained by the sponsors for two to six working days before the monies were put into the drop-safe for deposit.
 - \$14,565 in collections that were recorded on three MCRs (#1678-5, #1700-7, and #1711-1) were not processed by the bookkeeper and deposited into the bank until six to nine working days after the monies were collected. The time lapsed for deposit into the bank exceeded the Department of Education's five-working-day requirement.
- The MCRs and the related supporting documentation for two collections (#1639-2 and #1662-26, totaling \$5,155.01) were missing. Moreover, the information for these two deposits was not recorded on the *Drop-safe Log*.

Recommendations

Money collections should be administered in accordance with District guidelines and *DOE Rules (Chapter 8 of the 2013 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*. Specifically,

- *DOE Rules (Chapter 8 of the 2013 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)* requires that monies collected be turned in by sponsor daily and deposited into the bank within five working days after collection. Delay in turning in the monies for deposit could increase the exposure to staff and result in potential irregularities.
- To ensure proper fiscal accountability and as required by *Bulletin #P-14051-S/CFO*, deposit information should be properly recorded on the *Drop-safe Log*.

Management's Response

Concur. Deposit procedures have been reviewed with the people responsible for the listed deposits, as well as with the other team and club sponsors.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser records found that:

Boca Raton High School
Management Letter
Year Ended June 30, 2014

- The 2014 Prom Tickets Sales (Account #3-2015.02) fundraiser did not have the required *Fundraiser Application/Recap Form* and *Ticket Sellers Report*.
- The Yearbook Sales (Account #5-0450) and Athletic Girls Soccer Go Pink Tee (Account #1-5030.01) did not have the required *Sales Item Inventory Reports*.
- As recorded in the General Ledger, the Bobcat Sport Towel Sales (Account #1-2020.01) had a total revenue of \$770 and a total expenditure of \$1,592.18, which resulted in a deficit of \$822.18 for this fundraiser. As indicated by the sponsor on the *Sales Item Inventory Report*, 220 towels, with a resale value of \$2,200 (73% of total estimated revenue), were given away free-of-charge without maintaining records as to who received the free towels. Moreover, the *Sales Item Inventory Report* was neither signed by the sponsor nor approved by the Principal.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- *Ticket Sellers Report* and *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser in order for staff to reconcile the sales revenues with the estimated revenues.
- *Sales Item Inventory Report* should be approved by the Principal in order to account for items given-away free-of-charge or missing. Significant discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.

Management's Response

Concur. Recommendations have been implemented. The towel fundraiser was conducted by an off-campus coach who is no longer on staff. All current coaches and sponsors have been made aware of the policies.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card purchase records found that:

- Disbursement #55571 (for \$2,000) was for payment of professional services provided by a piano accompanist during February 18 through March 2, 2014. However, the *School District Consultant Agreement (PBSD 1420)* was not signed by the consultant and approved by the Principal until March 4, 2014.

- Two P-Card transactions, totaling \$272.07, were for purchases of disinfecting spray and wipes. Purchase of chemicals and cleaning supplies with a P-Card is disallowed by the ***Purchasing Manual, Section 25-7(c)***.
- Three *Check Requisitions* (#55900 for \$2,450; #56049 for \$684; and #54448 for \$16,688.71) were prepared by the bookkeeper, instead of the activity sponsors.
- Supporting documentation such as invoices/receipts were not always defaced (stamped “PAID”) after payment was made.

Recommendation

Disbursement procedures should be administered in accordance with ***Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)***, and related District guidelines. Specifically,

- To protect the safety and welfare of students, prior to the consultant performing services at the school: (1) the *School District Consultant Agreement (PBSD 1420)* should be properly executed with all the required signatures, and (2) the consultant’s background check must have been cleared as required by *Section 8 of the Agreement* and ***Florida Statutes §1012.465***.
- P-Card should not be used for purchase of chemical items such as custodial supplies as disallowed by the ***Purchasing Manual***. To protect the safety and health of students and staff, those items should be ordered from the District’s warehouse or procured through the Purchasing Department.
- To (1) ensure fiscal accountability and (2) prevent and detect potential irregularities, segregation of duties should be enforced at the school. Specifically, *Check Requisitions* should be completed and signed by the activity sponsor to confirm the receipts of related goods and services.
- To avoid potential duplicate payments, supporting documentation should be defaced (stamped “PAID”) after the payment was made.

Management’s Response

Concur. As detailed in the recommendations, the procedures relating to these findings have been reviewed with our staff members responsible for purchasing, disbursing funds, or executing contracts.

Though the contract for disbursement #55571 was not executed until after services were rendered, the pianist posed no threat. She has worked with our drama teacher for the last five years, and had been cleared through a background check with other schools last year prior to accompanying our students. Still, I know, and have reviewed with the drama teacher the need to have all contract workers and volunteers cleared prior to permitting them to have contact with students.

ACCOUNTS PAYABLE

Finding

As of June 30, 2014, the school owed the Central Office a total of \$47,682.51 in unpaid bills, of which \$26,076.97 (50 %) was past due for 31 to 60 days.

Moreover, the school did not always process invoices for payments in a timely manner. For example, Disbursements #54448 (for four invoices totaling \$16,688.71) and #56353 (for a total of \$26,932.79) were not processed for payments until 31 to 60 days after the invoice dates. Another two invoices dated January 30 and February 5, 2014, were not paid by the school with its P-Card until April 10, 2014; i.e. 64 and 70 days respectively after the invoice dates.

Recommendation

To ensure accurate financial reporting, the school should timely process payments for all invoices to ensure compliance with *Florida Prompt Payment Act*.

Management's Response

Concur. The payments pertained to lingering invoices due to issues with the invoices that required a delay in payment. If there are payment-delaying issues in the future, our bookkeeper will write out explanations and attach them to the invoices to explain the delays.

**Boynton Beach High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 4975 Park Ridge Boulevard
Boynton Beach, FL 33426

Principal:
Fiscal Year 2014: Karen Whetsell
During Audit: Fred Barch

Treasurer:
Fiscal Year 2014: Beth Bauer
During Audit: Beth Bauer

Community School Director:
Fiscal Year 2014: Gary Groover
During Audit: Gary Groover

Cash and Investments

Checking	\$ 123,574.32
Investments	
	\$ 123,574.32

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 19,216.84	\$ 146,801.17	\$ 142,168.88	\$ 58,722.06	\$ 52,865.28	\$ 29,705.91
Music	(8,487.78)	52,445.53	46,591.49	20,443.05	16,153.53	1,655.78
Classes	4,299.80	31,879.00	36,740.33	5,256.29	4,586.29	108.47
Clubs	15,821.96	32,674.08	35,016.66	19,033.05	20,165.53	12,346.90
Departments	35,542.79	98,249.76	100,283.67	53,429.27	50,807.19	36,130.96
Trusts	89,697.95	280,547.39	314,884.39	13,518.54	26,612.59	42,266.90
General	102.48	3,207.93	2,739.16	6,466.12	5,677.97	1,359.40
	\$ 156,194.04	\$ 645,804.86	\$ 678,424.58	\$ 176,868.38	\$ 176,868.38	\$ 123,574.32

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process at the school found that:

- Monies collected were not always deposited in a timely manner. For example, \$4,430 collected through five MCRs (#866-17, #904-4, #916-2, #896-23, and #886-6) was retained by the sponsors for one to seven working days before it was put into the drop safe for deposit.
- Staff did not turn in the yellow copies of the MCRs, along with the computerized *Official Receipts*, to the school secretary for filing and future referencing at the end of the school year.

Recommendation

Money collections should be administered in accordance with District guidelines and *DOE Rules (Chapter 8 of the 2013 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*. Specifically,

- *DOE Rules* and District *Bulletin #P-14051-S/CFO* require that monies collected should be put into the drop-safe daily, and deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could increase the exposure to staff and result in potential irregularities.
- As required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7's Record Retention Requirements*, "Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary..."

Management's Response

Concur.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records found that:

- The school did not always maintain the required fundraising documentation. *Fundraiser Application/Recap Form*, *Sales Item Inventory Report*, and *Ticket Sellers Report* were not always maintained for some fundraisers. For example,
 - The Dance Concert Show (Account #5-1901) had \$2,960 in ticket sales revenue, and the Drama Spring Show (Account #4-1600.04) had a combined revenue of \$1,522 in ticket sales,

advertising, and concessions. However, *Ticket Sellers Reports* and *Sale Item Inventory Reports* were not prepared for these fundraisers.

- The P.E. Locks, Rental and Uniform Sales did not have the *Fundraiser Application/ Recap Form* and *Sales Item Inventory Report*.
- The Yearbook Sales (Account #5-0450.00) did not have the required *Fundraiser Application/ Recap Form* and *Sales Item Inventory Report*. Without documentation for sales information such as selling prices, quantities sold, and inventory counts, there was no assurance that all the monies collected were properly accounted for. Moreover, this fundraiser had a year-end deficit of \$2,121.09 which was covered with General Activities funds.
- A total of \$6,413.95 in sales revenue was deposited into the Dance Candy Sales Account (#5-1901.01). Based on the school's purchasing records, this fundraiser should have generated a total estimated sales revenue of \$8,528. As a result, \$2,114.05 (25%) in estimated revenue was unaccounted for. Moreover, the *Sales Item Inventory Report* indicated that 124 cases (31 boxes, with four cases in each box) of candies were purchased for resale, but the purchasing records indicated that a total of 164 cases (41 boxes) of candies were purchased.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- ***Internal Accounts Manual, Chapter 26***, requires that “*Prenumbered tickets must be used to account for admissions to campus events if the anticipated revenues at the event are expected to exceed \$500 at the elementary level or \$1,000 at the secondary level.*”
- To ensure proper fiscal accountability, *Ticket Sellers Report* and *Sales Item Inventory Report* should be prepared and completed with accurate information in order for staff to reconcile the sales revenues with the estimated revenues. Significant discrepancy, if any, between the estimated revenue and actual receipt should be investigated and resolved accordingly.

Management's Response

Concur.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card purchases found that:

- All nine sample P-Card *Monthly Billing Statements* for the three-month period during April through June 2014, were not approved by the Principal; instead, they were approved by the bookkeeper.
- Five disbursements (#10247 for \$8,665; #10277 for \$1,972; #10551 for \$3,155; #10691 for \$2,110; and #11117 for \$4,126.58) significantly exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Orders*. Moreover, the *Purchase Order* for Disbursements #10082 (for \$2,565) was not approved by the Principal until 21 days after the purchase.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual*, *Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

- P-Cardholder should complete the monthly reconciliation of P-Card activities by the 20th of each month. As part of the reconciliation, cardholders are required to complete the P-Card *End of Cycle Checklist*; and all monthly P-Card reconciliation records including the *End of Cycle Checklist* and *Monthly Bank Statement*, should be reviewed and approved by the Principal. These control procedures are important and required by *P-Card Procedures Manual* to prevent and detect potential frauds and irregularities.
- *Purchase Orders* approved by the Principal are required for purchases in excess of \$1,000. This will help ensure that funds are and will be available for the purchase. All purchases should be pre-approved by the Principal.

Management's Response

Concur.

LEASING OF SCHOOL FACILITIES

Finding

The review of school facility leasing records found that:

- Five *Lease Agreements* (#1005, #1008, #1011, #1014, #1015 and #1026) were not signed by the lessees.
- The monthly rentals for seven leases (#1005, #1008, #1011, #1014, #1015, #1020, and #1026) were not always collected prior to the use of facilities, with delays ranging from five to 338 days.
- Six Leases (#1005, #1008, #1011, #1014, #1015, and #1026) did not have the proof of liability insurance coverage.

Recommendation

Leasing of school facilities should be administered in accordance with ***School Board Policy 7.18*** and related District guidelines. Specifically,

- To protect the best interest of the School District and ensure *Lease Agreements* are legally enforceable, they should be properly executed with all the required signatures, prior to the use of facilities by lessees.
- To protect the School District from unwarranted liability and as required by ***School Board Policy 7.18***, lessee must “*provide a copy of liability insurance policy in the amount of \$1,000,000, naming the School Board of Palm Beach County as an additional insured, with the Lease Agreement or purchase liability insurance from the School District.*” This will ensure the School Board is well protected.
- ***School Board Policy 7.18***, requires that “*Fees are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*”

Management’s Response

Concur.

**Forest Hill High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 6901 Parker Avenue
West Palm Beach, FL 33405

Principal:
Fiscal Year 2014: Mary Stratos
During Audit: Mary Stratos

Treasurer:
Fiscal Year 2014: Connie Rider
During Audit: Connie Rider

Community School Director:
Fiscal Year 2014: Jay Darr
During Audit: Jay Darr

Cash and Investments

Checking	\$ 180,615.76
Investments	
	\$ 180,615.76

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 10,359.75	\$ 58,640.48	\$ 52,168.84	\$ 22,181.06	\$ 25,631.40	\$ 13,381.05
Music	4,842.38	34,480.38	30,331.69	8,986.54	8,799.74	9,177.87
Classes	3,392.68	82,583.02	75,287.89	8,849.41	11,240.36	8,296.86
Clubs	20,768.52	58,311.73	63,734.43	13,903.29	10,948.10	18,301.01
Departments	29,720.52	70,243.83	61,330.13	8,830.59	9,630.55	37,834.26
Trusts	70,032.53	396,432.71	376,767.91	47,923.69	51,742.06	85,878.96
General	2,015.99	3,037.98	4,625.85	7,441.68	124.05	7,745.75
	\$ 141,132.37	\$ 703,730.13	\$ 664,246.74	\$ 118,116.26	\$ 118,116.26	\$ 180,615.76

CHANGE FUND

Finding

The school maintained \$900 in Change Fund, which included \$500 for Athletics Change Fund (Account #-0600.00) and \$400 for Office Working Fund (Account #-0700.00). Our examination of the change funds on November 20, 2014, found that there was a \$50 cash shortage for the Athletics Change Fund.

Recommendation

To ensure proper accountability for change fund, the school should follow the procedures set forth in the *Internal Accounts Manual*. Specifically, as required by **Chapter 10 Page 1 of the Internal Accounts Manual**, “Cashboxes must be verified by the bookkeeper and the event sponsor whenever they are signed in or out and both parties must sign a hard copy of the Cash In and Cash Out transactions to document the date, time, and amounts that were confirmed by both parties when the cashbox transferred custody.”

Management’s Response

Concur. Procedures as per district policy and directives have been reviewed with those concerned and will be adhered to and followed effective immediately.

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process at the school found that:

- Monies collected were not always deposited in a timely manner. For example, \$11,719.95 collected through six MCRs (#s 725-10, 678-22,680-12, 667-14, 695-26, and 684-1) was retained by the sponsors for one to seven working days before it was put into the drop-safe for deposit.
- At the year-end, some sponsors did not attach the computerized *Official Receipts* to the yellow copies of the MCRs, when submitting these documents to the school secretary for filing.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education’s Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- *DOE Rules* and *Internal Accounts Manual* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in exposure to staff and increased potential irregularities.

- As required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7's Record Retention Requirements*, "Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary..."

Management's Response

Concur. Procedures as per district policy and directives have been reviewed with those concerned and will be adhered to and followed effective immediately.

SEGREGATION OF DUTIES

Finding

During the audit, we noted that the bookkeeper was performing incompatible duties. In addition to maintaining the Internal Funds records, the bookkeeper also,

- Prepared and signed as sponsors for two *Check Requisitions* (#43891 for \$1,695 and #43748 for \$750).
- Prepared the *Purchase Orders* for two disbursements (#43299 for \$2,400 and #43336 for \$1,225.40), and signed the activity sponsors' names on the *Purchase Orders*.
- Completed Section 1 of the *Drop-safe Log* and signed the remitters' names on the *Log*.

Recommendation

To ensure fiscal accountability and prevent potential irregularities, segregation of duties should be enforced at the school. Specifically, preparation of *Check Requisitions*, *Purchase Orders*, and *Drop-safe Log* should be completed and signed by the activity sponsors.

Management's Response

Concur. Procedures as per district policy and directives have been reviewed with those concerned and will be adhered to and followed effective immediately.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of documentation for sample disbursements and P-Card purchases found that:

- Disbursement #42648 (for \$1,050) was for payment of a deposit for the June 2013 Cheerleading Camp. This activity did not have the required *Field Trip/Activity Planning Report and Approval Requests* (PBSD 1894).

- Two P-Card transactions (\$175.48 and \$19.75) occurred on March 21, 2014, were supported by a vendor's statement and a transaction receipt respectively. However, the supporting documentation listed only the dollar amounts without the details for the purchases.
- The March 13, 2014, P-Card transaction for \$55.38 in gasoline did not indicate the purpose for the purchase.
- The purchase agreements for two disbursements (#43306 for \$4,050 and #43752 for \$300) were signed by the activity sponsors, instead of the Principal.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

- As required by *School Board Policy 2.40*, "*the Field Trip/Activity Planning Report and Approval Request must be completed and approved for each field trip. No money is to be raised, plans for trips made, or contracts signed until proper approval has been received.*"
- To ensure that purchases are appropriate, disbursements and P-Card purchases should be adequately documented and supported by itemized invoices and receipts. Moreover, the purposes and justifications should be documented for all expenditures. Without adequate supporting documentation, there was no assurance that the expenses were appropriate.
- Contractual agreements should be signed by the Principal as required by *District Administrative Directive D-6.03*, which states "*the Principal of the school is the only person to whom authority has been granted to make any purchase that in any way obligate the school for payment.*"

Management's Response

Concur. Procedures as per district policy and directives have been reviewed with those concerned and will be adhered to and followed effective immediately.

DOCUMENTATION FOR FUNDRAISERS

Finding

The JROTC Military Ball Fundraiser (Account #4-4250.01) collected a total of \$8,924 in revenue, which was deposited into the Internal Funds. *Ticket Sellers Report* was not maintained for this fundraiser; however, a *Sales Item Inventory Report* was prepared to account for the sales revenue. As indicated by the sponsor on the *Sales Item Inventory Report*, \$9,500 in revenue was generated from this fundraiser. As a result, \$576 (6%) in estimated revenue was unaccounted for.

Recommendation

Documentation for fundraisers should be administered in accordance with **School Board Policy 2.16** and the related District guidelines. To ensure proper fiscal accountability, and as required by **Internal Accounts Manual, Chapter 26**, “*Prenumbered tickets must be used to account for admissions to campus events if the anticipated revenues at the event are expected to exceed \$500 at the elementary level or \$1,000 at the secondary level.*” Moreover, *Ticket Sellers Report* should be prepared in order for staff to reconcile revenues with tickets sold. Significant discrepancy between the estimated revenue and actual receipt should be investigated and disposed of accordingly in a timely manner.

Management’s Response

Concur. Procedures as per district policy and directives have been reviewed with those concerned and will be adhered to and followed effective immediately.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for school facility leasing found that:

- Two *Lease Agreements* (#1040 and #1071) were not signed by the lessees, witness, and the Principal until after the leasehold periods had begun, with delays ranging from three to 26 days.
- \$2,814.85 in leasing charges for Lease #1071 was not collected until 26 days after the leasehold period began.

Recommendation

Leasing of school facilities should be administered in accordance with **School Board Policy 7.18** and related District guidelines. Specifically,

- *Lease Agreements* should be properly executed with all the required signatures prior to the use of facilities by lessees.
- **School Board Policy 7.18**, requires that “*Fees are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*”

Management’s Response

Concur. Procedures as per district policy and directives have been reviewed with those concerned and will be adhered to and followed effective immediately.

**Glades Central High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 1001 SW Avenue "M"
Belle Glade, FL 33430

Principal:
Fiscal Year 2014: Anthony Anderson
During Audit: Angela Avery-Moore

Treasurer:
Fiscal Year 2014: Karen Orsenigo
During Audit: Karen Orsenigo

Community School Director:
Fiscal Year 2014: Cindy McDade
During Audit: Cindy McDade

Cash and Investments

Checking	\$ 75,563.27
Investments	
	\$ 75,563.27

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 19,554.78	\$ 70,632.17	\$ 149,207.35	\$ 107,317.28	\$ 47,929.21	\$ 367.67
Music	4,537.60	49,727.23	49,052.56	57,990.81	12,377.77	50,825.31
Classes	706.24	68,516.26	69,307.46	17,567.20	12,863.03	4,619.21
Clubs	300.52	21,682.78	42,181.76	36,168.11	14,656.48	1,313.17
Departments	5,860.70	12,928.86	18,941.15	9,248.79	4,211.61	4,885.59
Trusts	71,428.49	227,290.57	93,413.18	20,082.29	212,085.59	13,302.58
General	47.31	2,312.50	57,859.28	99,581.02	43,831.81	249.74
	\$ 102,435.64	\$ 453,090.37	\$ 479,962.74	\$ 347,955.50	\$ 347,955.50	\$ 75,563.27

ACCOUNTS PAYABLE

Finding

As of June 30, 2014, the school owed the Central Office a total of \$35,740 in unpaid debts. Moreover, \$32,929 of the unpaid debts were incurred during School Year 2009, which included school police and other labor charges, P-Card purchases, school bus fees for field trips, and other expenses.

Recommendation

To ensure proper fiscal accountability, the school should develop a payment plan to address the unpaid debt issue.

Management's Response

Concur. The principal will work with the Director of Accounting to develop a payment plan.

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process at the school found that monies collected were not always deposited in a timely manner. For example, a total of \$1,530 collected through four MCRs (#s 393-4, 412-2, 484-11, and 500-1) were retained by the sponsors for one to 161 working days before the monies were put into the school's drop-safe for deposit.

Recommendation

DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools) requires that monies collected be deposited in the bank within five working days after collection. Delay in turning in the monies for deposit could increase the exposure to staff and result in potential irregularities.

Management's Response

Concur. The principal will work with the bookkeeper to ensure deposits are being made in a timely manner.

DOCUMENTATION FOR FUNDRAISERS

Finding

The Track-Fan Cloth Fundraiser (Account #1-6000.02) did not have the required *Sales Item Inventory Report*. Without documentation for sales information such as selling prices, quantities sold, and inventory counts, there was no assurance that all sales revenues were properly accounted for.

Recommendation

To ensure proper fiscal accountability, *Sales Item Inventory Report* should be prepared for all fundraisers. The information on the *Report* should assist staff in reconciling the sales revenue with the estimated revenue. Significant discrepancy, if any, between the estimated revenue and actual collection should be investigated and resolved accordingly.

Management's Response

Concur. A review of district policy regarding fundraisers will be reviewed with all faculty and staff. In the event there is a discrepancy it will be investigated and resolved in a timely manner.

DOCUMENTATION OF DISBURSEMENTS

Finding

The review of sample disbursements and P-Card records found that:

- Disbursement #11094 (for \$3,661) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*.
- Disbursements #11544 (for \$50) was for paying an employee who sold tickets at a sporting event. The payment to employee should have been processed through the District's payroll system.
- A December 20, 2013, P-Card transaction (for \$270) was for payment of hotel expenses. This expenditure was supported by a credit receipt, which did not have the details of the purchases.
- Disbursement #11257 (\$330) was for payment of travel expenses. However, the related *Field Trip/Activity Planning Report and Approval Request* was not approved by the Principal until 18 working days after the payment was made.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual*, *Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

- *Purchase Order* should be pre-approved by the Principal, and issued for purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase.
- To ensure proper compliance with IRS Rules and the related tax withholdings, employee compensation should be processed through the District's payroll system.

- To ensure that school purchases are appropriate, disbursements and P-Card purchases should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.
- Field trips should be administered in accordance with **School Board Policy 2.40**. Specifically, field trips should be approved by the Principal prior to disbursements of related expenses and collection of revenues.

Management's Response

Concur. The principal will work closely with the confidential secretary and bookkeeper to ensure district policies are being followed.

ADULT EDUCATION PROGRAM

Finding

The review of the Adult Education and Community School Programs found that \$150 collected from two Adult Education students (registration forms dated September 10, 2013, and January 23, 2014) could not be traced to any Internal Funds deposits. Consequently, this \$150 in Adult Education fees was missing.

Recommendation

To ensure all collections were accounted for, the school should periodically reconcile the collection records with the Internal Funds deposit records. Moreover, as required by **DOE Rules** and District **Bulletin #P-14051-S/CFO**, monies collected should be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could increase the exposure to staff and result in potential irregularities.

Management's Response

Concur. The principal will work closely with the bookkeeper and confidential secretary to ensure district policies are being followed.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for school facility leasing found that:

- The Tririga System indicated that the school had 34 leasing arrangements during the year. However, the school did not have a hard copy of the *Lease Agreements* for these leasing activities.
- Leasing charges for three sample leases (1025, #1026, and #1027) were not always collected prior to the use of facilities, with delays ranging from one to 26 days.
- According to staff and the Tririga System, two testing companies used the school's classrooms during

Glades Central High School
Management Letter
Year Ended June 30, 2014

Fiscal Year 2014 for the ACT and SAT tests. Total leasing charges for these leases was \$10,994.90 (\$6,794.90 for ACT, and \$4,200 for SAT). However, the school collected only \$5,457.90 from one of the lessee (ACT) during July and December 2014. As of December 12, 2014, the other \$5,537 (\$1,337 for ACT, and \$4,200 for SAT) in leasing charges had not been collected.

Recommendation

Leasing of school facilities should be administered in accordance with *School Board Policy 7.18* and related District guidelines. Specifically,

- To ensure *Lease Agreements* are legally enforceable, they should be properly executed with all the required signatures, prior to the use of facilities by lessees. Moreover, all leasing of school facilities should be recorded and processed through the Tririga System.
- *School Board Policy 7.18*, requires that “*Fees are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*” The school should recoup the \$5,337 in unpaid rentals from the two lessees.

Management’s Response

Concur. The school contacted ACAT in an effort to recoup the \$5,537 in unpaid rental fees.

**John I. Leonard High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 4701 10th Avenue North
Greenacres, FL 33463

Principal:
Fiscal Year 2014: Edward Tierney
During Audit: Edward Tierney

Treasurer:
Fiscal Year 2014: Maria Luna
During Audit: Maria Luna

Cash and Investments

Checking	\$ 144,547.24
Investments	
	\$ 144,547.24

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 15,427.00	\$ 131,429.54	\$ 131,865.42	\$ 47,309.51	\$ 56,711.25	\$ 5,589.38
Music	3,739.58	116,042.79	116,222.45	36,597.85	36,232.85	3,924.92
Classes	17,589.92	48,371.53	45,483.35	15,655.87	21,552.21	14,581.76
Clubs	12,038.08	54,523.02	59,180.01	28,977.22	21,921.88	14,436.43
Departments	57,733.07	102,848.72	92,715.30	51,827.45	47,722.87	71,971.07
Trusts	46,531.82	173,695.64	195,675.22	12,313.67	2,822.23	34,043.68
General	0.00	22,580.06	16,861.78	9,712.43	15,430.71	0.00
	\$ 153,059.47	\$ 649,491.30	\$ 658,003.53	\$ 202,394.00	\$ 202,394.00	\$ 144,547.24

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and the money collection process at the school found that:

- Some sponsors did not always turn in the collections on a daily basis. For example, \$1,392.50 of the \$1,504.50 recorded on two MCRs (#570-30 and #609-2) was retained by sponsors for one and three working days respectively before the money was put into the drop-safe for deposit.
- MCR#673-17 was for collections of \$1,005 in varsity football dues and fees from students. However, the MCR did not have the payers' names and the amounts of payment for \$740 of the collections.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and the related District guidelines. Specifically,

- *DOE Rules* and *Internal Accounts Manual* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in exposure to staff and increased potential irregularities.
- Monies collected should be supported by MCRs, with all the required information, including payer's name and the amount of payment.

Management's Response

Concur. We have notified the sponsor that they have to drop money daily. We will let the sponsor know that they have to write each student's name down on the MCR deposit or have the yellow classroom receipt attached with the MCR deposit form.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraisers documentation found that:

- The Athletics General Concessions Sales (Account #1-0010.01) had a total expenditure of \$8,895.42, with a total revenue of \$6,846.50, resulting in a \$2,048.92 deficit. Although the a *Sales Item Inventory Report* was prepared and signed by the sponsor and approved by the Principal, none of the needed information for the fundraiser was recorded on the form. Missing information included (1) beginning and ending inventories, (2) quantities of items purchased, sold, and given-away, and (3)

selling prices and revenues. Without accurate sales information, there was no assurance that all sales revenues were accounted for.

- The *Sales Item Inventory Report* for the Band Concessions Account (Account #2-1000.06) did not include all the items purchased and sold for this fundraiser. Specifically, a total of \$219.50 in candy and beverage were purchased with funds from this fundraiser account. However, those items were not listed on the *Sales Item Inventory Report*. Without complete and accurate sales and inventory information, there was no assurance that all sales revenues were accounted for.
- The Campus Yearbook Sales (Account #5-0450.00) did not have the required *Sales Item Inventory Report*.

Recommendation

Fundraisers should be administered in accordance with ***School Board Policy 2.16*** and the related District guidelines. To ensure proper fiscal accountability, *Sales Item Inventory Report* should be prepared and accurately completed with the needed information for all fundraisers.

The information should assist staff in (1) reconciling sales revenue and (2) tracking items purchased, given-away, or remained in ending inventory. Significant discrepancy, if any, between the estimated revenue and actual collection should be investigated and resolved accordingly.

Management's Response

Concur. We have notified the sponsor over Athletics and Band concession that they have to do the Sales Item Inventory Report on everything.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card transaction records found that:

- The *Check Requisition* #269347 (for \$910.75) was neither signed nor approved by the Principal.
- Reimbursement #270733 (for \$1,051.51) was for reimbursing a staff for a field trip expenses. However, the payment was not supported by an itemized invoice or receipt. Instead, it supported by a copy of the employee's bank statement, which indicated only the vendor's name and the dollar amount, without any details of the purchases.
- During March 2014, four P-Card purchases, totaling \$1,553.12, were supported only by credit card receipts that indicated the total dollar amounts, without the details of the items purchased.
- Disbursement #270564 (for \$1,800) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*.

- Disbursement #270509 (for \$1,068.75) was for payment of entertainment equipment rental for the 2014 Senior Prom. However, the related equipment rental contract was signed by the sponsor, instead of the Principal.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and the related District guidelines. Specifically,

- Disbursements should be documented with the *Check Requisitions*, approved by the Principal.
- All expenditures should be supported by itemized invoices and receipts. Without supporting documentation, there was no assurance that the expenses were appropriate.
- *Purchase Orders* approved by the Principal should be issued for purchases in excess of \$1,000. This will help ensure that funds are and will be available for the purchase. Moreover, all purchases should be preapproved by the Principal.
- Contractual agreements should be approved by the Principal as required by *District Administrative Directive D-6.03*, which states “*the Principal of the school is the only person to whom authority has been granted to make any purchase that in any way obligate the school for payment.*”

Management’s Response

On the disbursement the of \$1,800 #270564 this item was covered under a fundraiser (Prom). All PO# exceeding over a \$1,000 dollars would be covered. (sic)

LEASING OF SCHOOL FACILITIES

Finding

The review of records for leasing of school facilities found that:

- *Lease Agreement* #1004 was for the use of facilities by the lessee every Sunday during July 2013 through June 2014. This lease would have generated a total contracted rental amount of \$18,460. However, as of June 30, 2014, the school collected only \$16,905, and the remaining \$1,555 in leasing charges had not been collected from the lessee.
- \$48 in sales tax collected from Lease #1013 was incorrectly recorded in the Rental Income Account. As a result, the school under-transmitted \$48 in sales tax to the Central Office.

Recommendation

Leasing of school facilities should be administered in accordance with *School Board Policy 7.18* and the

John I. Leonard High School
Management Letter
Year End June 30, 2014

related District guidelines. Specifically,

- “Fees are to be paid by check or credit card (no cash) at least forty-eight (48) hours **prior to** the use of a facility.” The school should recoup the \$1,555 in unpaid rentals from the lessee.
- Sales tax collected from leasees should be recorded in the Florida Sales Tax Payable Account (#6-1800) and be transmitted to the Central Office accordingly.

Management’s Response

Concur. We are letting the leaser known that they were short one payment last year. (sic)

**Jupiter High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 500 North Military Trail
Jupiter, FL 33458

Principal:
Fiscal Year 2014: Daniel Frank
During Audit: Daniel Frank

Treasurer:
Fiscal Year 2014: Peggy Groh
During Audit: Peggy Groh

Community School Director:
Fiscal Year 2014: Mark Mellone
During Audit: Mark Mellone

Cash and Investments

Checking	\$ 495,950.02
Investments	
	\$ 495,950.02

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 80,289.31	\$ 247,597.68	\$ 303,542.30	\$ 134,967.76	\$ 88,624.72	\$ 70,687.73
Music	7,177.25	39,620.20	38,801.02	14,154.80	13,884.80	8,266.43
Classes	68,120.31	136,556.00	120,073.15	45,259.69	76,324.89	53,537.96
Clubs	50,533.67	215,210.78	222,753.71	85,637.71	73,295.40	55,333.05
Departments	117,593.55	372,728.19	355,148.51	56,161.80	70,662.52	120,672.51
Trusts	190,269.16	991,559.20	1,022,999.65	249,090.48	259,192.68	148,726.51
General	42,745.30	67,376.88	68,109.12	111,252.38	114,539.61	38,725.83
	\$ 556,728.55	\$2,070,648.93	\$2,131,427.46	\$ 696,524.62	\$ 696,524.62	\$ 495,950.02

DEPOSIT OF MONIES

Finding

The review of money collection process at the school revealed that some sponsors did not attach the computerized *Official Receipts* to the yellow copies of the MCRs when submitted these documents to the school secretary for filing and future referencing at the end of the school year.

Recommendation

As required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7's Record Retention Requirements*, at year-end "Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary..."

Management's Response

Concur. Staff will be retrained.

DOCUMENTATION FOR FUNDRAISERS

Finding

The Parking Permit Sales (Account #7-0100.01) and Baseball Golf Tournament (6-0400.01) did not have the required *Fundraising Application/Recap Forms* and *Sales Item Inventory Reports*.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- To ensure proper fiscal accountability, *Sales Item Inventory Report* should be prepared for all fundraisers. Information on the *Report* should assist staff in reconciling the sales revenue with the estimated revenue. Significant discrepancy, if any, between the estimated revenue and actual collection should be investigated and resolved accordingly.

Management's Response

Concur. Staff will be retrained.

ADULT EDUCATION AND COMMUNITY SCHOOL PROGRAMS

Finding

The review of the school's Adult Education and Community School Programs found that:

- The school did not use District pre-numbered *Adult and Community Education Fee Receipts* for collecting ESOL class fees. Instead, the school used a self-made form for receipting program fees from students.
- District procedures require that Adult Education tuition and GED special testing fees be transmitted monthly to the Central Office within five working days after the close of accounting period. The review of community school's accounting records found that the school did not timely transmit the fees for four months to the Central Office, with delays ranging from ten to 29 days.

Recommendation

Adult Education and Community School Programs should be administered in accordance with the District's guidelines. Specifically,

- Only the District's standardized and approved receipts, such as *Classroom Receipts* and *Adult and Community Education Fee Receipts* are to be used for receipting money collections.
- GED Special Testing and Adult General Education Fees should be transmitted to the Central Office within five working days after the end of each month.

Management's Response

Concur. Staff will be retrained.

LEASING OF SCHOOL FACILITIES

Finding

The review of school facility leasing records found that *Lease Agreement* #1001 was not signed by the lessee, and the rental was not collected until ten and nine days, respectively, after the leasehold period began.

Recommendation

Leasing of school facilities should be administered in accordance with *School Board Policy 7.18* and related District guidelines. Specifically,

- To protect the best interest of the School District, all *Lease Agreements* should be properly executed with all the required signatures prior to the use of facilities by lessees.

Jupiter High School
Management Letter
Year Ended June 30, 2014

- **School Board Policy 7.18**, requires that “*Fees are to be paid by check or credit card (no cash) at least forty-eight (48) hours **prior to** the use of a facility.*”

Management’s Response

Concur. Staff will be retrained.

**Lake Worth High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 1701 Lake Worth Avenue
Lake Worth, FL 33460

Principal:
Fiscal Year 2014: George Lockhart
During Audit: George Lockhart

Treasurer:
Fiscal Year 2014: Tawanda Hopkins
During Audit: Mona Francois

Community School Director:
Fiscal Year 2014: Peter Didonato
During Audit: Peter Didonato

Cash and Investments

Checking	\$ 334,678.23
Investments	
	\$ 334,678.23

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 14,090.06	\$ 101,213.18	\$ 92,103.79	\$ 37,362.56	\$ 34,782.85	\$ 25,779.16
Music	6,968.70	24,581.83	24,513.69	8,343.57	6,866.67	8,513.74
Classes	16,399.10	49,622.98	46,737.97	28,702.19	25,712.39	22,273.91
Clubs	10,464.12	39,842.68	40,634.74	18,920.60	18,442.13	10,150.53
Departments	99,786.29	92,618.56	98,274.28	41,787.23	39,242.99	96,674.81
Trusts	200,841.77	564,171.15	589,328.46	277,709.86	286,622.97	166,771.35
General	3,187.88	7,439.53	4,956.67	7,078.98	8,234.99	4,514.73
	\$ 351,737.92	\$ 879,489.91	\$ 896,549.60	\$ 419,904.99	\$ 419,904.99	\$ 334,678.23

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process at the school found that:

- Some activity sponsors did not always turn in collections daily. For example, \$2,956 collected through three MCRs (#1032-1, #1049-6, and #1062-3) was retained by the sponsors for one to nine working days before the money was put in the drop-safe for deposit.
- At the year-end, some sponsors did not attach the computerized *Official Receipts* to the yellow copies of the MCRs, when submitting these documents to the school secretary for filing.
- MCR #1085-14 was prepared to account for \$3,873 collected from students for a catalog sales fundraiser. However, the MCR indicated the dollar amounts and payers' names from seven checks (totaling \$165), but did not have the information for the remaining \$3,708 in cash collections.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- *DOE Rules* and *Internal Accounts Manual* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in exposure to staff and increased potential irregularities.
- As required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7's Record Retention Requirements*, "Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary..."
- Monies collected should be supported by MCRs, with all the required information, including the payer's name and the dollar amount.

Management's Response

Concur. Sponsors and coaches have been trained on turning in MCR report in a timely manner.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of documentation for sample fundraisers found that:

- The *Sales Item Inventory Reports* for the Early Childhood Academy Uniform T- Shirts Sales (Account # 5-1202.01), Papa John's Pizza Card (Account #1-2020.06), and Yearbook Sales (Account #5-0450.02) were not completed with all the required information. Missing information included (1) beginning and ending inventories, (2) quantities of items purchased, sold, and given-away, and (3) selling prices and revenues. Without accurate sales information, there was no assurance that all sales revenues were accounted for.
- The *Sales Item Inventory Report* for the Football Cards Sales (Account #1.2020.02) indicated that 54 cards, with a total estimated resale value of \$1,080, were given-away free-of-charge. However, there was no documentation as to who received the free cards.

Recommendation

Fundraisers should be administered in accordance with ***School Board Policy 2.16*** and related District guidelines. Specifically, to ensure proper fiscal accountability,

- *Sales Item Inventory Reports* should be completed with accurate information. Accurate sales records should assist staff in (1) reconciling sales revenues and (2) tracking items purchased, given-away, or remained in inventory. Significant discrepancy between the estimated revenue and actual collection should be investigated and resolved accordingly.
- Items purchased with school funds and provided free-of-charge to students, staff members or the community should follow similar requirements as specified in ***Bulletin #P-12690-CAO/COO/P*** for gift cards, that "*schools must maintain documentation of all recipients of gift cards.*" Records for give-away items should include the purposes and the names of recipients.

Management's Response

Concur. Athletic director has been directed to create a list of card recipients in the future. The AD will follow the recommendation.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of documentation for sample disbursements and P-Card purchases found that:

- Disbursement #13175 (for \$6,107.64) did not have any supporting documentation for the expenses. Missing documentation included *Check Requisition* and invoice.
- Two disbursements (#13008 for \$1,730.25, and #13103 for \$2,212.50) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Orders*.
- Disbursement #11661 (for \$11,706.75) was for the purchase of laundry equipment (dryer and washer). The related *Sale Agreement* was signed by the assistant principal, instead of the Principal.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically,

- Disbursement should be adequately documented with the *Check Requisition*, approved by the Principal, and supported by itemized invoices and receipts. Without adequate supporting documentation, there was no assurance that the expenses were appropriate.
- *Purchase Order* approved by the Principal should be issued for purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase.
- Contractual agreements should be approved by the Principal as required by *District Administrative Directive D-6.03*, which states “*the Principal of the school is the only person to whom authority has been granted to make any purchase that in any way obligate the school for payment.*”

Management’s Response

Concur. AP will follow the recommendation.

ADULT EDUCATION AND COMMUNITY SCHOOL PROGRAMS

Finding

District procedures require that GED Special Testing and Adult General Education fees be transmitted to the Central Office within five working days after the month-end and at the close of the school year. The review of the school’s accounting records found that the fees collected during August and December 2013 were not timely transmitted to the Central Office, with delays of 15 and 16 days respectively.

Recommendation

GED Special Testing and Adult General Education Fees should be transmitted to the Central Office within five working days after the end of each month, as required by District’s guidelines.

Management’s Response

Concur. AP will follow the recommendation.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for school facility leasing found that:

Lake Worth High School
Management Letter
Year Ended June 30, 2014

- Two *Lease Agreements* (#1012 and #1022) did not have the signatures for the lessees and witness.
- Lease #1021 had a total contract amount of \$4,070. According to staff, this lease was cancelled after the leasing arrangement information was entered into the Tririga System. However, the cancellation was not recorded in the Tririga System. As a result, the Tririga System overstated the school's leasing income by \$4,070.
- Leasing charges for two leases (#1012 and #1022) were not collected until after the lessees had begun using the facilities for four and 10 days respectively.

Recommendation

Leasing of school facilities should be administered in accordance with ***School Board Policy 7.18*** and related District guidelines. Specifically,

- *Lease Agreement* should be properly executed with all the required signatures prior to lessee's use of facilities.
- Leasing information should be accurately recorded in the Tririga System; and the system should be updated with new information such as amendments and cancellation of leasing arrangements.
- ***School Board Policy 7.18***, requires that "*Fees are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*"

Management's Response

Concur. School Lease Manager will follow the recommendation.

**Olympic Heights High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 20101 Lyons Road
Boca Raton, FL 33434

Principal:
Fiscal Year 2014: Dave Clark
During Audit: Dave Clark

Treasurer:
Fiscal Year 2014: Bertha Beltran
During Audit: Bertha Beltran

Community School Director:
Fiscal Year 2014: Stacey Belton
During Audit: Stacey Belton

Cash and Investments

Checking	\$ 331,000.23
Investments	
	\$ 331,000.23

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 18,728.29	\$ 165,274.62	\$ 151,299.03	\$ 69,317.71	\$ 62,951.49	\$ 39,070.10
Music	8,521.87	42,582.27	39,723.24	13,547.87	15,466.88	9,461.89
Classes	29,491.81	56,003.00	71,393.44	6,023.21	5,659.46	14,465.12
Clubs	32,345.01	100,058.06	98,927.55	22,988.67	23,051.80	33,412.39
Departments	117,614.57	96,265.23	112,249.14	42,574.50	25,732.76	118,472.40
Trusts	152,859.08	632,746.41	661,975.85	108,433.27	124,575.44	107,487.47
General	5,386.85	22,628.35	13,936.94	19,143.68	24,591.08	8,630.86
	\$ 364,947.48	\$1,115,557.94	\$1,149,505.19	\$ 282,028.91	\$ 282,028.91	\$ 331,000.23

DEPOSIT OF MONIES

Finding

The review of *Monies Collected Reports* (MCRs) and money collection process at the school found that:

- \$6,714 collected through seven MCRs (#819-14, #831-13, #849-3, #851-7, #852-1, #853-5, and #853-7) was retained by sponsors for one to 16 working days before the monies were turned in to the bookkeeper for deposit.
- Collections were not always processed by the bookkeeper in a timely manner. Specifically, \$28,050.19 in collections (Deposits #831, and #835) were not processed by the bookkeeper and deposited into the bank until six to nine working days after the sponsors put the monies into the drop-safe.

Recommendation

DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools) and the District's *Internal Accounts Manual* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in exposure to staff and increased potential irregularities.

Management's Response

Concur. Training will be held for all sponsors in regard to proper MCR procedures.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of documentation for sample fundraisers found that the Yearbook sales did not have the required *Sales Item Inventory Reports*. Based on the school's purchasing records, the vendor's summary sales report, and our examination of the ending inventory, we found that (a) 400 yearbooks were purchased for resale; (b) 303 yearbooks were sold: 123 copies sold at the and 180 copies sold online via the vendor's website; and (c) 79 yearbooks remained in ending inventory. As a result, 18 copies of the yearbook (400-303-79), with a total value of \$1,620, were unaccounted for. According to the sponsor, some yearbooks were given-away free-of-charge. However, no documentation was maintained for the recipients of the give-away items.

Recommendation

To ensure proper fiscal accountability,

- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser in order for staff to reconcile the sales revenue with the estimated revenue. Moreover, the *Report* should be approved by the Principal to confirm the legitimacy for any items that were given-away free-of-charge, or missing. Significant discrepancy between the estimated revenue and actual collection should be investigated and resolved accordingly.
- Items purchased with school funds and provided free-of-charge to students, staff members or the community should follow similar requirements as specified in **Bulletin #P-12690-CAO/COO/P** for gift cards, that “schools must maintain documentation of all recipients of gift cards.” Records for give-away items should include the purposes and the names of recipients.

Management’s Response

Concur. Documentation will be kept on all items that are given to staff or students.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of documentation for sample disbursements and P-Card purchases found that:

- Disbursement #32959 (for \$400) was for payment to a student for providing stage crew services. However, there was no record indicating that the student completed the District’s Stage & Safety Training as required per **Bulletins #P-13500-COO/RBM and #MPH 637-CLO/COO**. Allowing students to provide stage crew services could subject the school to unwarranted liabilities due to concern of safety.
- Disbursements #33558 and #33714, totaling \$1,300, were for payments to a consultant who provided entertainment services during the Project Graduation event. However, the consultant was engaged without the required *School District Consultant Agreements (PBSD 1420)*.
- Two P-Card transactions, totaling \$893, were for payments of conference registration and travel expenses. However, the related staff’s *Temporary Duty Elsewhere (TDE) Forms* were not approved by the Principal until 14 and 23 days respectively after the payments were made.

- Two P-Card transactions, totaling \$105, occurred on May 9, 2014, were for payments of conference registrations for staff, but did not have the required *Temporary Duty Elsewhere (TDE) Forms*.
- Disbursements #32910 and #33715, totaling \$7,135.47, were for payments of expenses for two field trips. However, these two field trips did not have the required *Field Trip/Activity Planning Report and Approval Request Forms*.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and the related District guidelines. Specifically,

- To ensure the (1) safety of students, employees, and users of the school's stage and theatre and (2) compliance with *Bulletins #P-13500-COO/RBM and #MPH 637-CLO/COO*, effective July 1, 2010, only employees who have completed the District's mandatory *Theatre and Stage Rigging Safety Training* are allowed to operate within the stage or theatre area.
- To protect the safety and welfare of students, prior to the consultant performing services at the school: (1) the *School District Consultant Agreement (PBSD 1420)* should be properly executed with all the required signatures, and (2) the consultant's background and clearance check should have been conducted and cleared as required by *Section 8 of the Agreement* and *Florida Statutes §1012.465*.
- TDE forms should be prepared and properly approved for staff, who are working away from the school premises, such as attending conferences and going to field trips.
- Field trips should be conducted in accordance with *School Board Policy 2.40* and related District guidelines. Specifically, a *Field Trip/Activity Planning Report and Approval Request* and TDEs must be completed by the sponsor and pre-approved by the Principal for each field trip.

Management's Response

Concur. Moving forward all stage hands will complete training. TDE's will be completed prior to payments being made.

PRE-KINDERGARTEN PROGRAM

Finding

The review of the Pre-Kindergarten (Pre-K) Program records revealed that:

- Eight students were granted a total of \$4,400 in fee waivers during the school year. However, these fee waivers were not approved by the Principal; instead, the fee waivers were recorded on the students' *Records of Payment Forms* by the Pre-K director.
- Based on the *Records of Payment Forms*, the school collected a total of \$68,563 in Pre-K tuition fees. However, \$67,158 in fee revenue was deposited into the Internal Funds. Consequently, \$1,405 in fee revenue was unaccounted for.

Recommendation

To protect the best interests of students and the school:

- Fee waivers should be adequately documented and approved by the Principal. Moreover, fee waivers should be provided to students based on their families' financial needs, and children of District employees should not receive fee waivers because their parents are employed by the School District.
- Payment history should be accurately recorded on the individual *Record of Payment Form* (PBSD 1652) for each student. The collection records should be periodically reconciled to the Internal Funds records. Significant discrepancy should be investigated and resolved accordingly.

Management's Response

Concur. Pre-K coordinator has been directed to have all fee waivers approved in advance by the principal. Discrepancy is in the process of being investigated.

ADULT EDUCATION AND COMMUNITY SCHOOL PROGRAMS

Finding

The review of Adult Education and Community School Programs records found that:

- The fees for the Fall 2013 and Spring 2014, terms were not timely transmitted to the Central Office, with a delay of 10 and seven days respectively. District procedures require that

community school fees be transmitted to the Central Office within 42 days after the classes begin.

- District procedures require that Adult Education tuition and GED special testing fees be transmitted monthly to the Central Office within five working days after the close of accounting period. However, the fees collected during October, December 2013, January, and April 2014, were not timely transmitted to the Central Office, with delays of two to 21 days.

Recommendation

Community School and Adult Education Programs should be administered in accordance with the District's guidelines. Specifically, Adult Education and Community School fees should be timely transmitted to the Central Office in accordance with District's guidelines.

Management's Response

Concur. All fees will be transmitted within the required time frame.

LEASING OF SCHOOL FACILITIES

Finding

Lease Agreements #1057, #1132, and #1157 (with the same lessee) had a total contract amount of \$35,509.50. Our review of the collection records found that the lessee paid a total of \$35,759.50 in leasing charges to the school during the year. As a result, the actual was \$250 more than the contract amount.

Recommendation

The school should investigate the cause of the \$250 discrepancy and resolve the issue accordingly.

Management's Response

Concur. The lessee will receive \$250.

Pahokee Middle/Senior High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014

Address: 900 Larrimore Road
Pahokee, FL 33476

Principal:
Fiscal Year 2014: Adrian Ocampo (High School) / Michael Aronson (Middle School)
During Audit: Adrian Ocampo (High School) / Michael Aronson (Middle School)

Treasurer:
Fiscal Year 2014: Kimberly Walkes
During Audit: Kimberly Walkes

Cash and Investments

Checking	\$ 33,295.54
Investments	
	\$ 33,295.54

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 9,124.52	\$ 58,546.09	\$ 74,829.11	\$ 26,385.97	\$ 19,220.65	\$ 6.82
Music	260.30	6,780.00	6,931.07	20.18	20.18	109.23
Classes	12,248.77	36,962.08	38,692.54	13,895.53	20,074.97	4,338.87
Clubs	4,738.99	31,294.96	34,418.99	9,234.37	6,014.49	4,834.84
Departments	7,239.24	8,456.09	17,439.18	3,402.00	2,658.60	(1,000.45)
Trusts	46,308.28	84,405.29	111,651.16	10,006.78	8,497.09	20,572.10
General	7,142.97	7,364.18	3,614.17	7,500.29	13,959.14	4,434.13
	\$ 87,063.07	\$ 233,808.69	\$ 287,576.22	\$ 70,445.12	\$ 70,445.12	\$ 33,295.54

ACCOUNTS PAYABLE

Finding

As of June 30, 2014, the school’s checking account had a balance of \$37,536.98. However, the school had a total unpaid debts of \$45,309.54 payable to the Central Office, which included \$16,687.20 in old debts that was incurred during Fiscal Years 2010 through 2013.

Unpaid Debts Payable to the Central Office
As of June 30, 2014

<u>Fiscal Year</u>	<u>Bus-Related</u>	<u>P-Card</u>	<u>Purchasing</u>	<u>Labor</u>	<u>Total</u>
2010	-	-	-	\$1,247.00	\$1,247.00
2011	-	\$351.02	-	-	351.02
2012	-	5,701.09	-	2,400.00	8,101.09
2013	-	889.10	\$246.46	5,852.53	6,988.09
2014	<u>447.25</u>	<u>6,281.03</u>	<u>140.42</u>	<u>21,753.64</u>	<u>28,622.34</u>
Total	<u>\$447.25</u>	<u>\$13,222.24</u>	<u>\$386.88</u>	<u>\$31,253.17</u>	<u>\$45,309.54</u>

Moreover, the review of the school’s Internal Funds general ledger and trial balance found that six accounts had a year-end deficit, totaling \$13,246.36, as of June 30, 2014.

<u>Account</u>	<u>Debit Balance</u>
MS Rental Facilities (Account #6-3800.00)	(\$3,397.53)
General Athletics (Account #1-0010.00)	(3,055.33)
Extra Services – Other (Account #6-1600.00)	(2,614.50)
PE Dept (MS) (Account #5-1900.00)	(2,056.00)
Summer Program FY14 (Account #6-9800.00)	(1,260.00)
International Baccalaureate (Account #5-1350.00)	(863.00)
Total:	<u>(\$13,246.36)</u>

Recommendation

To ensure proper fiscal accountability and self-sufficiency, the school should:

- Develop a payment plan to resolve the unpaid bill issue.
- Monitor each activity account closely so that total expenditures would not exceed total revenues. *DOE Rules, Section III, 2.4.c*, states “At no time shall a trust account have a deficit.” Moreover, *Internal Accounts Manual, Chapter I*, states “Principals are expected to monitor account balances closely throughout the year and work with account sponsors to alleviate any deficits prior to the end of the year.”
- Timely process and pay all invoices as required by the *Florida Prompt Payment Act*.

Management's Response

Concur. All accounts will be monitored and brought current.

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and the money collection process at the school found that:

- Monies collected were not always deposited in a timely manner. For example, \$597 collected through three MCRs (#379-2, #400-1, and #477-7) was retained by the sponsor for two to 10 working days before it was put into the drop-safe for deposit; and another MCR (#500-7 for \$1,336) was not timely processed and deposited into the bank by the bookkeeper until six working days after the monies were collected. ***DOE Rules*** require monies be deposited into the bank within five working days after collection.
- At the year-end, some sponsors did not turn in the yellow copies of the MCRs, along with the computerized receipts *Official Receipts*, to the school secretary for record keeping. Moreover, some sponsors who submitted the yellow copies of the MCRs to the school secretary, did not attach the computerized *Official Receipts* to the yellow copies of the MCRs.
- MCRs were not always completed with all the required information. For example, four sample MCRs (#394-14, #460-1, #377-5, and #392-14, totaling \$9,557.37) did not indicate the sources of \$7,794.40 in cash collected, such as student names, purposes and account numbers.

Recommendation

Money collections should be administered in accordance with ***DOE Rules, Internal Accounts Manual***, and District guidelines. Specifically,

- ***DOE Rules*** and ***Internal Accounts Manual*** require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in potential irregularities.
- As required by ***Bulletin #P-14051-S/CFO*** and ***Internal Accounts Manual, Chapter 7's Record Retention Requirements***, "*Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary...*"
- Monies collected should be supported by MCRs, with all the required information, including payer's name and the amount of payment.

Management's Response

Concur. The new bookkeeper will remind the staff of the correct policies and procedures.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser documentation revealed that:

- The Yearbook Sales (Account #5-0450.00) did not have the required *Sales Item Inventory Report*.
- MCR #500-7 (for \$1,336) was for collection of admission fees during the Spring Varsity Football game, without the required *Ticket Sellers Report*.
- The school's accounting records indicated that the T-Shirt Sales (Account #3-2109.04) had a total sales revenue of \$1,442. As indicated by the sponsor on the *Sales Item Inventory Report*, 16 shirts were either missing or given-away free-of-charge. These missing/give-away items had a total estimated resale value of \$160 (or 9.9% of total estimated revenue). Moreover, the *Sales Item Inventory Report* for this fundraiser was not approved by the Principal.
- \$4,175 in sales revenue was deposited into the NHS Candy Sales Account (#4-3700.01). Based on the school's purchasing records, this fundraiser should have generated a total estimated revenue of \$4,335. As a result, \$160 (or 4%) in estimated revenue was unaccounted for.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically,

- To ensure proper fiscal accountability, *Ticket Sellers Report* and *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser in order for staff to reconcile the sales revenues with the estimated revenues.
- *Sales Item Inventory Report* should be approved by the Principal to confirm, if any, (1) the legitimacy for items were given-away free-of-charge, and (2) the missing items.
- Discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.

Management's Response

Concur. Ticket sellers reports will be done for all events. Sales item reports will be closely scrutinized.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation revealed that:

- Three disbursements (#10565 for \$6,520.22, #11110 for \$5,522, and #10939 for \$1,064.88) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Orders*.
- Disbursement #11083 (for \$4,560) was for payment of charter bus services; however, the contract was signed by the sponsor instead of the Principal.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically,

- *Purchase Orders* approved by the Principal should be issued for purchases in excess of \$1,000. This will help ensure that funds are and will be available for the purchase. All purchases should be pre-approved by the Principal.
- Contractual agreements should be signed by the Principal as required by *District Administrative Directive D-6.03*, which states “*the Principal of the school is the only person to whom authority has been granted to make any purchase that in any way obligate the school for payment.*”

Management’s Response

Concur. Purchase orders will be created for all purchases over \$1000 and only the principal will sign contracts.

LEASING OF SCHOOL FACILITIES

Finding

The review of leasing of school facilities found that:

- The leasing information for five Leases (#1001, #1002, #1003, #1004, and #1007) was recorded in the Tririga System. However, the school did not have a hard copy for each of the *Lease Agreements* that was executed with all the required signatures.
- *Lease Agreement* #1009 did not have the signature of a witness.
- Leasing charges for four leases (#1001, #1004, #1007, and #1009) were not collected from the lessees until three to 105 days after the leasehold periods began.

Recommendation

Leasing of school facilities should be administered in accordance with *School Board Policy 7.18* and related District guidelines. Specifically,

- To ensure *Lease Agreements* are legally enforceable, they should be properly executed with all the required signatures, prior to the use of facilities by lessees. The school should also maintain a hard

Pahokee Middle/Senior High School
Management Letter
Year Ended June 30, 2014

copy of the executed *Lease Agreement* for future reference, in addition to recording leasing activities in the Tririga System.

- **School Board Policy 7.18**, requires that “*Fees are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*”

Management’s Response

Concur. All leases will be properly executed.

**Palm Beach Central High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 8499 West Forest Hill Boulevard
Wellington, FL 33411

Principal:
Fiscal Year 2014: Burley Mondy
During Audit: Darren Edgecomb

Treasurer:
Fiscal Year 2014: Norma Flores
During Audit: Norma Flores

Community School Director:
Fiscal Year 2014: Jerry Fogarty
During Audit: Jerry Fogarty

Cash and Investments

Checking	\$ 374,110.53
Investments	
	\$ 374,110.53

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 67,829.79	\$ 236,117.55	\$ 243,939.87	\$ 124,233.74	\$ 118,731.83	\$ 65,509.38
Music	12,389.73	47,613.40	55,992.44	26,899.54	22,042.88	8,867.35
Classes	8,260.51	85,834.78	81,733.27	16,353.88	20,908.87	7,807.03
Clubs	32,553.88	218,849.55	200,498.82	77,770.15	81,253.01	47,421.75
Departments	37,291.04	114,826.33	105,724.44	42,350.87	42,161.43	46,582.37
Trusts	134,612.37	498,682.56	464,170.62	45,158.87	45,748.26	168,534.92
General	16,427.48	63,748.65	48,867.63	52,807.66	54,728.43	29,387.73
	\$ 309,364.80	\$1,265,672.82	\$1,200,927.09	\$ 385,574.71	\$ 385,574.71	\$ 374,110.53

LEASING OF SCHOOL FACILITIES

Finding

The review of school facility leasing records found that:

- The school had three leasing arrangements with the same lessee for the use of facilities during August 4, 11, and 18, 2013. However, these leasing arrangements had the following non-compliance with District's procedures:
 - August 4, 2013, leasing arrangement (Lease #1004): (1) it was not recorded into the Tririga System until September 23, 2013, and (2) it did not have a hard copy of the *Lease Agreement* that was signed by the lessee and a witness.
 - August 11, 2013, leasing arrangement (Lease #1005): This *Agreement* was not signed by the lessee and a witness until September 20, 2013, i.e. 40 days after the use of facilities by the lessee.
 - August 18, 2013, leasing arrangement: It did not have a *Lease Agreement* and was not entered into the Tririga System.
- Leasing charges for three leases (#1004, #10005, and #1034) were not collected until after the lessees had begun using the facilities, with delays ranging from five to 50 days.

Recommendation

Leasing of school facilities should be administered in accordance with *School Board Policy 7.18* and related District guidelines. Specifically,

- To protect the best interest of the School District and ensure *Lease Agreements* are legally enforceable, a hard copy of them should be properly executed with all the required signatures, prior to the use of facilities by lessees. Moreover, all leasing of school facilities should be recorded and processed through the Tririga System.
- *School Board Policy 7.18*, requires that "*Fees are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*"

Management's Response

Concur. We will adhere to School Board Policy 7.18.

ADULT AND COMMUNITY SCHOOL TRANSMITTALS

Finding

District procedures require that Adult Education tuition and GED special testing fees be transmitted monthly to the Central Office within five working days after the close of accounting period. However,

Palm Beach Central High School
Management Letter
Year Ended June 30, 2014

the fees collected during eight of the 12 months were not timely transmitted to the Central Office, with delays ranging from eight days for September 2013, to 71 days for October 2013.

Recommendation

In order to provide funding immediate available for Adult Education and Community School Programs, fees collected from these programs should be timely transmitted to the Central Office in accordance with District's guidelines.

Management's Response

Concur. Fees collected for Adult Education and Community School programs will be transmitted to the Central Office in a timely manner.

**Palm Beach Gardens High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 4245 Holly Drive
Palm Beach Gardens, FL 33410

Principal:
Fiscal Year 2014: Larry Clawson
During Audit: Larry Clawson

Treasurer:
Fiscal Year 2014: Terri Matthews
During Audit: Terri Matthews

Community School Director:
Fiscal Year 2014: Arty Falk
During Audit: Arty Falk

Cash and Investments

Checking	\$ 342,068.78
Investments	
	\$ 342,068.78

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 76,170.15	\$ 283,615.88	\$ 258,937.70	\$ 128,341.14	\$ 128,902.84	\$ 100,286.63
Music	28,169.95	74,398.82	79,428.90	24,095.90	20,120.90	27,114.87
Classes	33,878.63	73,761.45	69,924.23	18,388.75	23,292.65	32,811.95
Clubs	33,625.62	227,037.91	220,817.90	48,503.69	53,924.94	34,424.38
Departments	49,160.61	179,642.42	185,719.42	26,888.42	24,388.39	45,583.64
Trusts	114,182.59	397,017.63	417,259.08	18,780.67	12,523.67	100,198.14
General	2,036.50	4,386.69	2,928.84	125.95	1,971.13	1,649.17
	\$ 337,224.05	\$1,239,860.80	\$1,235,016.07	\$ 265,124.52	\$ 265,124.52	\$ 342,068.78

DEPOSIT OF MONIES

Finding

The review of sample money collection records revealed that monies collected from the Adult Education and Community School Programs were not always deposited in a timely manner. For example, \$5,701 in collections recorded on seven MCRs (#s 600-25, 624-10, 665-13, 672-15, 677-8,706-7, and 714-11) were retained by the sponsors for one to ten working days before they were put into the drop-safe for deposit.

Recommendation

DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools) and the District's *Internal Accounts Manual* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in exposure to staff and increased potential irregularities.

Management's Response

Concur. The Adult and Community School staff have been made aware of the DOE rules as they pertain to this issue. They will no longer hold monies in their office for more than 24 hours.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser documentation revealed that:

- The Baseball Season Ticket Sales (Account #1-0510) did not have any fundraising documentation, including *Fundraising Application/Recap Form* and *Ticket Seller's Report*. In addition, the financials were recorded in the Baseball's primary account, instead of a decimalized account for the ticket sales.
- A *Sales Item Inventory Report* was not maintained for the Yearbook Sales (Account #5-0450).

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, they should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- To ensure proper fiscal accountability, *Ticket Sellers Report* should be prepared for ticket sales, which should assist staff in reconciling the actual collection with estimated revenue.
- Although Yearbook Sales might not be intended to raise money for the school, *Sales Item Inventory*

Reports should be prepared to account for the sales. Information on the *Report* should assist staff in reconciling the sales revenue with the estimated revenue.

- Significant discrepancy, if any, between the estimated revenue and actual collection should be investigated and resolved accordingly.

Management's Response

Concur. The Assistant AD will handle the prenumbered season tickets for baseball just as it is already handled for football and basketball. The yearbook is only available through the vendor online. We no longer sell yearbooks on campus.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation found that:

- Disbursement #51983 (for \$2,850) was for payment to a consultant for providing Lacrosse coaching during January 7, through April 17, 2014. However, the related *School District Consultant Agreement (PBSD 1420)* was not signed by the consultant and the Principal until February 18, 2014.
- The *Purchase Order* for Disbursement #50056 (\$6,926.36) was not approved by the Principal until nine days after the invoice date.
- Disbursements #50616 (for \$7,200) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically,

- To protect the safety and welfare of students, prior to the consultant performing services at the school: (1) the *School District Consultant Agreement (PBSD 1420)* should be properly executed with all the required signatures, and (2) the consultant's background and clearance check must have been conducted and cleared as required by *Section 8 of the Agreement* and ***Florida Statutes §1012.465***.
- *Purchase Orders* pre-approved by the Principal should be issued for purchases in excess of \$1,000. This will help ensure that funds are and will be available for the purchase.

Management's Response

Concur. Our AD and Asst. AD will work diligently to make sure that all the necessary paperwork is completed before any coach steps on the field. The bookkeeper will make every effort to obtain the quote

before the invoice from the vendor.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for school facility leasing found that *Lease Agreement* #1001 was not signed by the lessee and a witness until 17 days after the leasehold period began. Moreover, the rental was not collected until 17 days after the lessee had begun using the facilities.

Recommendation

Leasing of school facilities should be administered in accordance with *School Board Policy 7.18* and related District guidelines. Specifically,

- *Lease Agreement* should be properly executed with all the required signatures prior to the use of facilities by lessee.
- *School Board Policy 7.18*, requires that “*Fees are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*”

Management’s Response

Concur. The Principal has put new procedures in place to ensure all leases are completed per School Board policy.

ADULT EDUCATION AND COMMUNITY SCHOOL PROGRAMS

Finding

The review of Adult Education and Community School Programs revealed that:

- District procedures require that community school fees be transmitted to the Central Office within 42 days after the classes begin. However, the Spring 2014 and Summer 2014 Community Program fees were not timely to the Central Office, with delay of four and 42 days, respectively.
- District procedures require that Adult Education tuition and GED special testing fees be transmitted monthly to the Central Office within five working days after the close of accounting period. However, the related fees collected during August 2013, and December 2013 were not timely transmitted to the Central Office, with a delay of 14 days.

Recommendation

The school should transmit the program fees to the Central Office in accordance with the District’s

Palm Beach Gardens High School
Management Letter
Year Ended June 30, 2014

guidelines.

Management's Response

Concur. The bookkeeper will continue to strive to meet the 30 day transmittal date. The training has been completed with the new online Community Course registration and the account distribution knowledge should facilitate more timely transmittals.

Additional comments: *PBGHS will continue to strive to achieve a "Perfect" audit. Each year we make improvements and we will work diligently to follow School Board Policies and Procedures.*

**Palm Beach Lakes High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 3505 Shiloh Drive
West Palm Beach, FL 33407

Principal:
Fiscal Year 2014: Anthony Hamlet
During Audit: Cheryl McKeever

Treasurer:
Fiscal Year 2014: Melissa Terkovich
During Audit: Melissa Terkovich

Community School Director:
Fiscal Year 2014: Robin Johnson
During Audit: Robin Johnson

Cash and Investments

Checking	\$ 1,285.63
Investments	
	\$ 1,285.63

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 9,962.63	\$ 170,344.28	\$ 209,006.39	\$ 134,792.72	\$ 106,093.24	\$0.00
Music	1,256.65	5,250.16	7,554.30	5,776.47	4,728.97	0.01
Classes	1,353.00	67,285.64	56,140.88	24,691.22	37,188.98	0.00
Clubs	3,157.71	39,859.51	38,722.37	16,655.11	20,949.96	0.00
Departments	8,919.31	48,908.03	66,511.99	50,643.24	41,933.59	25.00
Trusts	30,836.44	275,709.59	261,873.91	51,495.39	94,906.89	1,260.62
General	0.00	1,345.05	23,092.53	47,419.90	25,672.42	0.00
	\$ 55,485.74	\$ 608,702.26	\$ 662,902.37	\$ 331,474.05	\$ 331,474.05	\$ 1,285.63

ACCOUNTS PAYABLE

Finding

As of June 30, 2014, the school had a balance of \$1,286 in its checking account. However, the school had a total unpaid debt of \$157,646: \$143,153 owed to the Central Office and \$14,493 owed to four vendors. Moreover, \$27,527 of the \$143,153 owed to the Central Office was incurred during Fiscal Years 2012 and 2013.

Unpaid Debts Payable to the Central Office
As of June 30, 2014

	<u>Bus-Related</u>	<u>P-Card</u>	<u>Purchasing</u>	<u>Labor</u>	<u>Total</u>
FY 2012	\$5,512.54	-	-	-	\$5,512.54
FY 2013	\$4,462.04	\$17,551.80	-	-	\$22,013.84
FY 2014	<u>\$24,246.73</u>	<u>\$52,965.47</u>	<u>\$2,058.45</u>	<u>\$36,355.85</u>	<u>\$115,626.50</u>
Total	<u>\$34,221.31</u>	<u>\$70,517.27</u>	<u>\$2,058.45</u>	<u>\$36,355.85</u>	<u>\$143,152.88</u>

Recommendation

To ensure proper fiscal accountability, the school should (1) ensure that all unpaid bills are accurately reported on the financial reports submitted to the Central Office, (2) develop a payment plan to address the unpaid bill issue, and (3) timely process payments for all invoices to ensure compliance with *Florida Prompt Payment Act*.

Management's Response

[Former Principal] Concur

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process at the school found that:

- Monies collected were not always deposited in a timely manner. For example, \$1,468 in collections recorded on three MCRs (#463-383, #492-953, and #508-1453) was retained by the sponsors for two to 22 working days before the monies were put into the drop-safe for deposit. Moreover, collection #508-1453 was not processed by the bookkeeper until six days after it was put into the drop-safe by the sponsor.
- At the end of the year, some sponsors did not attach the computerized *Official Receipts* to the yellow copies of the MCRs when submitting these documents to the school secretary for record retention.

Recommendation

Money collections should be administered in accordance with District guidelines and *DOE Rules (Chapter 8 of the 2013 Department of Education’s Financial and Program Cost Accounting and Reporting for Florida Schools)*. Specifically,

- *DOE Rules* and District *Bulletin #P-14051-S/CFO* require that monies collected should put into the drop-safe daily, and deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could increase the exposure to staff and result in potential irregularities.
- As required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7’s Record Retention Requirements*, “Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary...”

Management’s Response

[Former Principal] Concur.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser records found that:

- The sponsors did not prepare the *Sales Item Inventory Report* for the Aquarian Yearbook Sales (Account #5-0450.00) at year-end. Instead, the sponsors prepared them during the audit. This fundraiser had a total of \$100 in sales revenues deposited into the Internal Funds during the year. Based on the school’s purchasing records and the *Sales Item Inventory Report* for School Year 2014, this fundraiser should have generated a total estimated revenue of \$2,230. As a result, \$2,130 (96%) in estimated revenue was unaccounted for.

Item	Quantity					Selling Price	Revenues
	Beginning Inventory	Purchases ⁽¹⁾	Items Given Away ⁽²⁾	Inventory On Hand ⁽²⁾	Units Sold		
Yearbooks	0	121	4	88	29	\$70	\$2,030
Yearbooks/Class Dues	0	4			4	50	200
Total Estimated Revenues							\$2,230
Total \$ Deposited into Internal Funds							\$100
Estimated Revenues Unaccounted For							\$2,130

(1) Based on the school’s purchasing records.
 (2) Based on FY14 *Sales Item Inventory Report*.

- The Administrative Courtesy-Coke Fundraiser (Account #6-0200.01) did not have the required *Fundraising Application/Recap Form* and *Sales Item Inventory Report*. A total of \$2,135 in sales

Palm Beach Lakes High School
 Management Letter
Year Ended June 30, 2014

revenue was deposited into the Internal Funds during the year. Based on the school's purchasing records, this fundraiser should have generated a total estimated revenue of \$3,150. As a result, \$1,015 (or 32%) in estimated revenue was unaccounted for.

Item	Quantity					Selling Price	Revenues
	Beginning Inventory	Purchases (*)	Items Given Away	Inventory On Hand	Units Sold		
Soda	-	2,160	-	-	2,160	\$1.25	\$2,700
PowerAde	-	216	-	-	216	1.25	270
Water	-	144	-	-	144	1.25	180
Total Estimate Revenues							\$3,150
Total Deposits into Internal Funds							\$2,135
Estimated Revenues Unaccounted For							<u>\$1,015</u>

* Based on purchasing records during July 1, 2013, through June 30, 2014.

- The P.E. Uniforms (Account #5-1900.01) did not have the required *Sales Item Inventory Report*.
- The Drama/Chorus (Account #5-0750.04) had a total revenue of \$6,687.12 generated from ticket sales and other fundraising activities, while incurred a total expenditure of \$11,776.51. As a result, this event had a net deficit of \$5,089.39.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- To ensure proper fiscal accountability, *Ticket Sellers Report* and *Sales Item Inventory Report* should be prepared and completed with accurate information in order for staff to reconcile the sales revenues with the estimated revenues. Significant discrepancy, if any, between the estimated revenue and actual receipt should be investigated and resolved accordingly.
- To ensure fiscal accountability and self-sufficiency, the school should monitor closely each fundraising activity account to ensure that total expenditures will not exceed total revenues.

Management's Response

[Former Principal] Concur.

DOCUMENTATION OF DISBURSEMENTS

Finding

The review of sample disbursements and P-Card records found that:

- The school did not always process payments in a timely manner. Six disbursements (#95978, #95979, #96255, #96819, #97011, and #97283, totaling \$36,674.92) were for payments of 11-month-old invoices.
- Disbursement #97088 (for \$750) did not have any supporting documentation for the expenditure.
- Disbursement #97463 (for \$1,419) exceeded the \$1,000 *Purchase Order* threshold, but was not supported by a *Purchase Order*.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically:

- Invoices should be paid on a timely basis in accordance with the *Florida Prompt Payment Act*.
- All disbursements should be supported by invoices or itemized receipts. Without adequate supporting documentation, there was no assurance that the expenses were appropriate.
- *Purchase Orders* approved by Principal are required for purchases in excess of \$1,000. This is to ensure that funds are or will be available for the purchases, and all purchases are approved by the Principal.

Management's Response

[Former Principal] Concur.

PRE-KINDERGARTEN RECORDS

Finding

The review of school records indicated that the school operated a Pre-Kindergarten Academy program during the year. However, no student records were maintained for this program. Missing documentation included registration forms, attendance roster, and payment records.

Recommendation

To protect the best interest and welfare of students, Pre-Kindergarten records including *Registration Forms*, *Record of Payment Forms* should be properly maintained for a time period consistent with *Pre-Kindergarten Operations Manual* and District's *Records Retention Schedule*.

Palm Beach Lakes High School
Management Letter
Year Ended June 30, 2014

Management's Response

[Former Principal] Concur.

Additional comments: *[Current Principal] Procedures will be implemented in FY 2015 to avoid a repeat of previous years findings.*

**Park Vista High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 7900 Jog Road
Lake Worth, FL 33467

Principal:
Fiscal Year 2014: Reginald Myers
During Audit: Reginald Myers

Treasurer:
Fiscal Year 2014: Leigh Katusak
During Audit: Leigh Katusak

Community School Director:
Fiscal Year 2014: Hal Videtto
During Audit: Ronn Peteck

Cash and Investments

Checking	\$ 494,640.98
Investments	
	\$ 494,640.98

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 74,452.01	\$ 448,045.56	\$ 442,420.63	\$ 173,812.48	\$ 174,780.59	\$ 79,108.83
Music	26,288.05	507,056.06	488,767.42	131,867.17	137,720.59	38,723.27
Classes	18,286.28	99,485.93	92,721.26	21,855.33	31,641.96	15,264.32
Clubs	34,873.94	146,787.80	140,071.67	37,388.09	31,810.04	47,168.12
Departments	105,051.54	186,889.53	164,966.85	67,378.28	71,878.89	122,473.61
Trusts	123,495.41	320,711.46	319,620.03	23,956.45	8,303.25	140,240.04
General	58,366.23	45,248.22	51,829.18	41,044.25	41,166.73	51,662.79
	\$ 440,813.46	\$1,754,224.56	\$1,700,397.04	\$ 497,302.05	\$ 497,302.05	\$ 494,640.98

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and the money collection process at the school found that:

- Some activity sponsors did not always turn in collections daily. For example, \$5,745 collected through five MCRs (#1055-18, #1068-28, #1068-29, #1068-30, and #1107-7) was retained by the sponsors for one to three working days before the money was put in the drop-safe for deposit.
- The information for four collections, totaling \$305, was recorded on the *Drop-safe Log* by three activity sponsors indicating that the collections were dropped off into the drop-safe on April 17, 2014. However, the *Log* did not have the information indicating that the monies were processed and deposited into the bank by the bookkeeper. According to staff, the collection records were inaccurate and the monies were returned to the sponsors for clarification, but the staff forgot to record the needed information on the *Log*.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- *DOE Rules* and District *Bulletin #P-14051-S/CFO* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in potential irregularities.
- To ensure proper fiscal accountability, deposit information should be properly recorded on the *Drop-safe Log*. Monies returned to the sponsor for record clarification should be noted on the *Log*; and the bookkeeper should ensure that the monies were returned to bookkeeper for deposit after the clarification was made by the sponsor.

Management's Response

Concur. Principal and School Treasurer will ensure that deposits are properly recorded on the Drop Safe Log.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation found that two P-Card purchases, totaling \$699.74, from the same vendor (on January 17 and 24, 20-14) did not have any supporting documentation for the expenses.

Recommendation

To ensure that purchases are appropriate, all expenditures should be adequately supported by itemized invoices and receipts. Without adequate supporting documentation, there was no assurance that the expenses were appropriate.

Management's Response

Concur. Principal will ensure that all required documentation is maintained for purchases made with the P-Card.

ADULT EDUCATION AND COMMUNITY SCHOOL PROGRAM

Finding

The review of the records for the Adult Education and Community School Programs found that:

- Deposit records for \$244 collected through two *Community School Receipts* (#1579 and #1812) and two *Adult Education Receipts* (#260115 and #260196) could not be located. Consequently, this \$244 in program fees could not be accounted for.
- The Adult Education tuition and GED Special Testing fees were not always transmitted to the Central Office in a timely manner. For example, the fees collected during November 2013, January 2014, and April 2014, were not transmitted to the Central Office until 51, 17, and 13 days, respectively, after the deadline.

Recommendation

Adult Education and Community School Programs should be administered in accordance with the District's guidelines. Specifically,

- To ensure all collections were accounted for, the school should periodically reconcile the collection records with the Internal Funds deposit records.
- GED Special Testing and Adult General Education Fees should be transmitted to the Central Office within five working days after the end of each month.

Management's Response

Concur. Principal and Assistant Principal for Community School Program will make sure all transmittals are submitted according to the District guidelines.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for leasing of school facilities found that:

- *Lease Agreement* #1004 was not signed by the lessee, witness, and the Principal until seven days after the leasehold period began.
- Leasing charges were not always collected in a timely manner. For example, the rentals for three leases (#1004, #1010, and #1033) were not collected prior to the use of facilities, with delays ranging from two to 12 days.

Recommendation

Leasing of school facilities should be administered in accordance with *School Board Policy 7.18* and related District guidelines. Specifically,

- To protect the best interest of the School District, all *Lease Agreements* should be properly executed with all the required signatures prior to the use of facilities by lessees.
- *School Board Policy 7.18*, requires that “*Fees are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*”

Management’s Response

Concur. Principal and Assistant Principal for Community School Program will make sure that all Lease Agreements are executed with proper signatures and documentation prior to the use of the facilities.

**Royal Palm Beach High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 10600 Okeechobee Boulevard
Royal Palm Beach, FL 33411

Principal:
Fiscal Year 2014: Jesus Armas
During Audit: Jesus Armas

Treasurer:
Fiscal Year 2014: Suzanne Ford
During Audit: JoAnne Hopkins

Community School Director:
Fiscal Year 2014: Alexandra Deveroux
During Audit: Alexandra Deveroux

Cash and Investments

Checking	\$ 136,175.25
Investments	
	\$ 136,175.25

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	(\$ 70.35)	\$ 133,624.17	\$ 142,355.70	\$ 58,469.33	\$ 41,700.92	\$ 7,966.53
Music	3,101.87	28,862.25	26,785.20	4,563.12	4,523.12	5,218.92
Classes	14,087.13	119,636.15	115,984.07	30,247.92	37,564.88	10,422.25
Clubs	38,843.82	253,373.67	246,193.12	73,856.81	71,158.13	48,723.05
Departments	25,194.60	88,778.73	102,248.94	29,817.80	20,929.30	20,612.89
Trusts	18,947.43	260,252.34	221,070.17	7,717.00	22,614.99	43,231.61
General	56.30	12,126.19	6,001.85	9,224.80	15,405.44	0.00
	\$ 100,160.80	\$ 896,653.50	\$ 860,639.05	\$ 213,896.78	\$ 213,896.78	\$ 136,175.25

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser records found that:

- The Soccer Boys Shirt & Socks Sales (Account #1-5010.04) collected \$402 in total revenue which was deposited into the Internal Funds. Based on the school’s purchasing records and the *Sales Item Inventory Report* for School Year 2014, this fundraiser should have generated a total estimated revenue of \$781. As a result, \$379 (49%) in estimated revenue was unaccounted for.

Item	Quantity					Selling Price	Revenues
	Beginning Inventory ⁽¹⁾	Purchases ⁽²⁾	Items Given Away ⁽¹⁾	Inventory On Hand ⁽¹⁾	Units Sold		
Shirts	16	0	10	0	6	\$10	\$60
Shirts	25	0	0	0	25	5	125
2-Shirt Combo	0	52	5	21	26	16	416
Socks	0	39	3	0	36	5	180
Total Estimated Revenues							\$781
Total \$ Deposited into Internal Funds							\$402
Estimated Revenues Unaccounted For							\$379

(1) Based on *FY14 Sales Item Inventory Report*.

(2) Based on purchasing records during July 1, 2013, through June 30, 2014.

- The Girls Volleyball T-Shirts Sales (Account #1-6510.03) had a total sales revenue of \$325 which was deposited into the Internal Funds. Based on the school’s purchasing records and the *Sales Item Inventory Report* for School Year 2014, this fundraiser should have generated a total estimated revenue of \$670. As a result, \$345 (51%) in estimated revenue was unaccounted for.

Item	Quantity					Selling Price	Revenues
	Beginning Inventory ⁽¹⁾	Purchases ⁽²⁾	Items Given Away ⁽¹⁾	Inventory On Hand ⁽¹⁾	Units Sold		
T-shirts	0	73	21	9	43	\$15.00	\$645
T-shirts	0	2	0	0	2	12.50	25
Total Estimated Revenues							\$670
Total \$ Deposited into Internal Funds							\$325
Estimated Revenues Unaccounted For							\$345

(1) Based on *FY14 Sales Item Inventory Report*.

(2) Based on purchasing records during July 1, 2013, through June 30, 2014.

Recommendation

To ensure proper fiscal accountability, *Sales Item Inventory Report* should be prepared and completed with accurate information. Accurate *Sales Item Inventory Report* should assist staff in (1) reconciling sales revenue and (2) tracking items purchased, given-away, or remained in ending inventory. Significant discrepancy, if any, between the estimated revenue and actual collection should be investigated and resolved accordingly.

Management's Response

Concur. Staff training for Sales Item Inventories is a continuing endeavor. A staff email will be sent reminding the sponsors of the importance of an accurate inventory as well as a faculty meeting reminder.

ADULT EDUCATION AND COMMUNITY SCHOOL PROGRAMS

Finding

District procedures require that Adult Education tuition and GED special testing fees be transmitted monthly to the Central Office within five working days after the close of accounting period. The review of school's accounting records found that the school did not timely transmit the fees to the Central Office for seven of the twelve months during Fiscal Year 2014, with delays ranging from ten to 56 days.

Recommendation

Adult Education and Community School Programs should be administered in accordance with the District's guidelines. Specifically, Adult Education tuition and GED special testing fees should be transmitted timely to the Central Office.

Management's Response

Concur. Fund will henceforth be transmitted within the five working days after the close of the accounting period.

**Santaluces High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 6880 Lawrence Road
Lantana, FL 33462

Principal:
Fiscal Year 2014: Kathleen Weigel
During Audit: Tameka Robinson

Treasurer:
Fiscal Year 2014: Susan Diglio
During Audit: Susan Diglio

Community School Director:
Fiscal Year 2014: James Utterback
During Audit: James Utterback

Cash and Investments

Checking	\$ 262,111.84
Investments	
	\$ 262,111.84

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 28,120.35	\$ 131,567.61	\$ 123,483.16	\$ 52,506.43	\$ 50,724.98	\$ 37,986.25
Music	29,716.68	215,812.98	226,228.33	104,158.22	107,761.72	15,697.83
Classes	12,063.99	47,424.75	47,380.76	14,056.72	15,176.72	10,987.98
Clubs	17,647.11	46,002.10	38,793.50	10,656.23	18,409.50	17,102.44
Departments	59,120.62	101,682.14	114,840.20	60,226.62	43,163.02	63,026.16
Trusts	116,946.08	368,488.05	367,389.64	50,727.28	61,868.56	106,903.21
General	14,357.69	4,019.11	12,741.83	5,048.00	275.00	10,407.97
	\$ 277,972.52	\$ 914,996.74	\$ 930,857.42	\$ 297,379.50	\$ 297,379.50	\$ 262,111.84

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process at the school found that:

- MCR 475-8 indicated that a total of \$20,000 in cash was collected during the Band's Marching Chief Invitational Event. However, only \$19,360 was recorded into the Internal Funds and deposited into the bank account. The other \$640 in cash was unaccounted for. According to staff, the monies were collected by volunteers. The wrapper for a \$2,000 batch that contained the discrepancy did not have the signature/initial of the volunteer.
- Monies collected for Community School and Adult Education Programs were not always deposited in a timely manner. For example, \$932 in collections recorded on MCRs #493-25 and #451-19 were retained by the sponsor for up to three working days before they were put into the drop-safe for deposit.

Recommendation

Money collections should be administered in accordance with District guidelines and *DOE Rules (Chapter 8 of the 2013 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*. Specifically,

- Discrepancies between the amount of monies turned in and their related collection records should be investigated and resolved accordingly. Final results should be reviewed and signed off by the Principal.
- As required by *DOE Rules* and *District Bulletin #P-14051-S/CFO*, monies collected should be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in potential irregularities.

Management's Response

Concur.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card records found that:

- Disbursement #13923 (for \$1,696.41) was for reimbursing fundraising expenditures to 19 students, ranging from \$40 to \$615. The payments were supported by a list of the students who received the funds, but without any supporting documentation for the purposes of expenditures, invoices, and

receipts, etc.

- A June 3, 2014, P-Card purchase, totaling \$1,169.92, was split into two payments (\$900 and \$169.92) charged to two school's P-Cards.
- A June 4, 2014, P-Card transaction (for \$765) was for payment of a conference registration fee that was supported by a registration form, which indicated only the course number and title. It did not have the dollar amount, the agenda, or description of the conference.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

- All disbursements and P-Card purchases should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.
- P-Card purchase in excess of \$1,000 requires prior approval from the Purchasing Department. Pursuant to *Purchasing Card Procedures*, "*Splitting an invoice totaling more than \$1,000 is considered Pyramiding and is not allowed. Payment for purchases shall not be split to stay within the single purchase limit.*" The school should not circumvent purchasing rule through splitting large purchase.

Management's Response

Concur.

ADULT EDUCATION AND COMMUNITY SCHOOL

Finding

The review of the Adult Education and Community School Programs found that:

- Three of the five sample students were charged with the Florida resident rate, but did not have the proof of Florida residence. This resulted in a total undercharge of \$270 in tuition fees.
- The Adult Education fees collected during 10 of the 12 months were not timely transmitted to the Central Office, with delays ranging from one to 42 working days.

Recommendation

Adult and Community Education Programs should be administered in accordance with the District's guidelines. Specifically,

- Adult Education and Community School Program fees should be collected in accordance with the District's approved *Rate Schedule*. Students who are eligible for Florida resident rate should be adequately documented.
- In order to provide adequate funding for Community School personnel and other related expenses in a timely manner, all GED Special Testing and Adult General Education fees should be transmitted to the Central Office within five business days after the close of accounting period.

Management's Response

Concur.

LEASING OF SCHOOL FACILITIES

Finding

The review of school facility leasing records found that Leases #1016 and #1032 did not have the proof of liability insurance coverage.

Recommendation

To protect the School District from unwarranted liability and as required by ***School Board Policy 7.18***, lessee must "*provide a copy of liability insurance policy in the amount of \$1,000,000, naming the School Board of Palm Beach County as an additional insured, with the Lease Agreement or purchase liability insurance from the School District.*" This will ensure the School Board is well protected.

Management's Response

Concur.

**Seminole Ridge High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 4601 Seminole Pratt Whitney Road
Loxahatchee, FL 33470

Principal:
Fiscal Year 2014: James Campbell
During Audit: James Campbell

Treasurer:
Fiscal Year 2014: Sherry Permenter
During Audit: Sherry Permenter

Community School Director:
Fiscal Year 2014: David Carroll
During Audit: David Carroll

Cash and Investments

Checking	\$ 506,416.03
Investments	
	\$ 506,416.03

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 82,714.65	\$ 280,568.24	\$ 291,435.85	\$ 157,482.27	\$ 154,942.81	\$ 74,386.50
Music	64,804.67	215,788.37	219,319.64	60,290.94	61,716.94	59,847.40
Classes	21,211.96	64,454.29	62,987.36	6,369.82	8,141.79	20,906.92
Clubs	28,436.64	147,549.62	140,953.42	28,607.54	30,497.74	33,142.64
Departments	84,015.38	227,367.44	207,873.09	57,255.37	56,993.77	103,771.33
Trusts	212,954.82	262,169.33	282,101.62	32,270.39	28,353.79	196,939.13
General	34,582.79	45,655.10	61,186.29	30,658.50	32,287.99	17,422.11
	\$ 528,720.91	\$1,243,552.39	\$1,265,857.27	\$ 372,934.83	\$ 372,934.83	\$ 506,416.03

DEPOSIT OF MONIES

Finding

Monies collected at the school were not always deposited in a timely manner. For example, \$2,555.75 of the total \$2,815.75 in collections recorded on MCRs #816-5 and #810-15 was retained by the sponsors for one to 22 working days before it was put into the drop-safe for deposit.

Recommendation

DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools) and the District's *Internal Accounts Manual* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in exposure to staff and increased potential irregularities.

Management's Response

Concur. Continue to remind teachers of the need to deposit monies on the day of collection.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser documentation revealed that:

- The *Sales Item Inventory Report* for Student Parking Permit Sales (Account #7-0100.02) did not contain any of the fundraiser information. Missing information included (1) the beginning and ending inventories, (2) the quantities of items purchased, sold, and given-away, and (3) the selling prices and revenues.
- The *Sales Item Inventory Reports* for three sample fundraisers were approved by the Principal's signature stamp, in lieu of the manual signature. These three sample fundraisers included: (1) Student Parking Permit Sales (Account #7-0100.02), (2) Lit Mag-Beef Jerky & Fruit Snack Sales (Account #5-0300.04), and (3) Project Graduation-Subway Sub Sales (Account #6-3500.05).

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically, to ensure proper fiscal accountability,

- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information should assist staff in reconciling the sales revenue with the estimated revenue. Significant discrepancy, if any, between the estimated revenue and actual

collection should be investigated and resolved accordingly.

- The *Sales Item Inventory Report* should be approved by the Principal, with a manual signature, to confirm the legitimacy for any items that were given-away free-of-charge, or missing.

Management's Response

Concur. Will ensure appropriate documentation is completed on all fundraisers and cease use of signature stamp.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation revealed that:

- Disbursement #14191 (for \$4,000) was for payment to a consultant for providing coaching services to the school's Cheerleading Team. However, this consultant was engaged without the required *School District Consultant Agreement (PBSD 1420)*.
- A November 13, 2013, P-Card expense (for \$25) at a hotel did not have any supporting documentation.
- A November 12, 2013, P-Card transaction (for \$532.43) included \$27.03 in sales tax.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and the related District guidelines. Specifically,

- To protect the safety and welfare of students, prior to the consultant performing services at the school: (1) the *School District Consultant Agreement (PBSD 1420)* should be properly executed with all the required signatures, and (2) the consultant's background and clearance check must have been conducted and cleared as required by *Section 8 of the Agreement* and *Florida Statutes §1012.465*.
- All school purchases should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there was no assurance that the expenses were appropriate.
- The School District is a tax-exempt governmental entity, and should not pay sales tax for eligible purchases

Management's Response

Concur. Will reemphasize the need for supporting documentation on all charges and that tax should not be paid.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for school facility leasing found that:

- *Lease Agreements* #1002 and #1003 were not approved by the Principal until the four and 24 days, respectively, after the leasehold periods began.
- Leasing charges were not always collected prior to the lessees' use facilities. Specifically, the rentals for Lease #1002 was not collected until 25 days after the lessee had begun using the facilities. Moreover, the monthly rentals for Lease #1003 were not collected timely, with delays ranging from four to 23 days.

Recommendation

Leasing of school facilities should be administered in accordance with *School Board Policy 7.18* and related District guidelines. Specifically,

- *Lease Agreements* should be properly executed with all the required signatures prior to lessees' use of facilities.
- *School Board Policy 7.18*, requires that "*Fees are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*"

Management's Response

Concur. Lease #1003 current leases are made per event. Lease #1002 was sent late as the system operating contracts was not working so signatures were collected late, therefore payment was received late. Lease #1003 after yearly contract was sent, lessee decided to make payments per event. Electronic payment reminders were sent to lessee prior to each event and payments were sent by lessee late.

ADULT EDUCATION AND COMMUNITY SCHOOL PROGRAMS

Finding

The review of Adult Education and Community School Programs found that:

- District procedures require that Adult Education tuition and GED special testing fees be transmitted monthly to the Central Office within five working days after the close of accounting period. However, fees collected during nine of 12 months during the year were not timely transmitted to the Central Office, with delays ranging from two to 48 days.

Seminole Ridge High School
Management Letter
Year Ended June 30, 2014

- The Community School secretary was the assigned custodian for *Adult Education Receipts*. However, she also used the *Receipts* for fee collections.

Recommendation

Adult Education and Community School Programs should be administered in accordance with the District's guidelines. Specifically,

- GED Special Testing and Adult General Education Fees should be transmitted to the Central Office within five working days after the end of each month.
- As required by ***Internal Accounts Manual, Chapter 27***, "*The document custodian for each form may be someone different, but it should be someone who is not involved in the day-to-day use of the form.*"

Management's Response

Concur. Currently, the GED Special Testing and Adult General Education Fees are being transmitted on time. Designated the assistant principal of the AE Program as the custodian of the Adult Education receipts.

Additional comments: *FY13 and FY14 audits both occurred in FY15. No opportunity to correct FY13 findings during FY14.*

**Spanish River High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 5100 Jog Road
Boca Raton, FL 33496

Principal:
Fiscal Year 2014: William Latson
During Audit: William Latson

Treasurer:
Fiscal Year 2014: Donna D' Aria
During Audit: Donna D' Aria

Community School Director:
Fiscal Year 2014: Todd Bolar
During Audit: Todd Bolar

Cash and Investments

Checking	\$ 549,003.86
Investments	
	\$ 549,003.86

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 87,102.15	\$ 262,449.72	\$ 269,985.22	\$ 53,432.27	\$ 53,590.13	\$ 79,408.79
Music	34,907.49	146,903.50	151,432.88	20,593.86	20,593.86	30,378.11
Classes	18,913.87	99,659.14	101,500.30	27,842.30	27,038.30	17,876.71
Clubs	103,881.43	270,025.17	254,238.93	42,027.93	44,974.88	116,720.72
Departments	115,100.81	129,815.70	148,531.08	14,042.42	12,300.92	98,126.93
Trusts	146,486.89	470,139.27	448,604.40	60,219.72	58,233.72	170,007.76
General	23,118.01	39,113.05	24,319.53	34,019.00	35,445.69	36,484.84
	\$ 529,510.65	\$1,418,105.55	\$1,398,612.34	\$ 252,177.50	\$ 252,177.50	\$ 549,003.86

DEPOSIT OF MONIES

Finding

The review of money collection process at the school revealed that:

- None of the activity sponsor turned in the yellow copies of the *Monies Collection Reports* (MCRs) to the school secretary for filing at the end of school year.
- Some sponsors did not always record all the required information on the *Drop-safe Log* before dropping off the collections into the safe. Missing information included the dates of collections and the dates when the collections were put into the safe.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- As required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7's Record Retention Requirements*, at year-end "*Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary...*"
- To ensure proper fiscal accountability and as required by *Bulletin #P-14051-S/CFO*, deposit information should be properly recorded on the *Drop-safe Log*.

Management's Response

Concur. The policy will have to be a part of the checkout procedures for the year. A notification was sent out on Jan. 2015 alerting teachers to the new policy to adhere to in June.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of documentation for sample fundraiser found that:

- None of the sample fundraisers had the required *Sales Item Inventory Report*. These fundraisers included (1) Band Coupon Books Sales (Account #2-1000.06), (2) Class of 2014 Sweatshirts Sales (Account #3-2014.04), (3) Environmental Club T-Shirts Sales (Account #4-1654.01), and (4) DECA – Golf for CCFA (Account #4-1520.02)
- The school purchased 868 Coupon Books for the Band Coupon Books Sales (Account #2-1000.06), which should have generated a total estimated revenue of \$17,360. However, \$16,219.22 in revenue was deposited into the Internal Funds. As a result, \$1,140.78 (7%) in estimated revenue was unaccounted for.

Spanish River High School
 Management Letter
 Year Ended June 30, 2014

Item	Quantity					Selling Price	Revenues
	Beginning Inventory	Purchases ⁽¹⁾	Items Given Away	Inventory On Hand	Units Sold		
Coupon Books	-	868	-	-	868	\$20	\$17,360.00
Total Estimated Revenues							\$17,360.00
Total \$ Deposited into Internal Funds							\$16,219.22
Estimated Revenues Unaccounted For							\$1,140.78

(1) Based on purchasing records during Fiscal Year 2014.

- A total of \$3,300 in sales revenue was collected and deposited into the Internal Funds for the Class of 2014 Sweatshirts Sales. Based on the school's purchasing records, this fundraiser should have generated a total estimated revenue of \$3,825. As a result, \$525 (14%) in estimated revenue was unaccounted for.

Item	Quantity					Selling Price	Revenues
	Beginning Inventory	Purchases ⁽¹⁾	Items Given Away	Inventory On Hand	Units Sold		
Sweatshirts	-	153	-	-	153	\$25	\$3,825
Total Estimated Revenues							\$3,825
Total \$ Deposited into Internal Funds							\$3,300
Estimated Revenues Unaccounted For							\$525

(1) Based on purchasing records during Fiscal Year 2014.

- The Environmental Club T-Shirts Sales (Account #4-1654.01) collected a total of \$180 in sales revenues which was deposited into the Internal Funds. Based on the school's purchasing records, this fundraiser should have generated a total estimated revenue of \$440. As a result, \$260 (59%) in estimated revenue was unaccounted for.

Item	Quantity					Selling Price ⁽¹⁾	Revenues
	Beginning Inventory ⁽¹⁾	Purchases ⁽²⁾	Items Given Away	Inventory On Hand	Units Sold		
T-Shirts	13	75	-	-	88	\$5	\$440
Total Estimated Revenues							\$440
Total \$ Deposited into Internal Funds							\$180
Estimated Revenues Unaccounted For							\$260

(1) Based on *Fundraising Application/Recap Form*.

(2) Based on purchasing records during Fiscal Year 2014.

Recommendation

To ensure proper fiscal accountability, *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser in order for staff to reconcile the sales revenue with the estimated revenue. Moreover, the *Report* should be approved by the Principal to confirm the legitimacy for any items that were given-away free-of-charge, or missing. Significant discrepancy between the estimated revenue and actual collection should be investigated and resolved accordingly.

Management's Response

Concur. Sponsors of the clubs that were in violation were provided a copy of the audit and the issues were discussed with solutions to the problem provided.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation revealed that:

- Three P-Card purchases did not have adequate supporting documentation for the expenses:
 - A September 10, 2013, online purchase (for \$734.66) was supported by a screen-print of a purchase for \$682.50, which had a discrepancy of \$52.16.
 - Two P-Card purchases (for \$497.92 and \$358.88, totaling \$856.80) made on August 28, 2013, did not have any supporting documentation for the expenses.
- Four disbursements (#34850 for \$9,109.50, #35185 for \$4,574, #35911 for \$5,723.90, and #36378 for \$4,259.14) exceeded the \$1,000 *Purchase Order* threshold. However, none of these disbursements had the required *Purchase Orders*.
- The *Purchase Orders* for three disbursements (#34417 for \$4,988.48, #34964 for \$3,947.66, and #36347 for \$3,282) were not approved by the Principal before the purchases, with delays ranging from eight to 28 working days.
- Disbursement #34565 (for \$7,265) was for payment of decorations and setup for the Homecoming Dance event. However, the related contract was signed by the sponsor instead of the Principal.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and the related District guidelines. Specifically,

- All disbursements and P-Card purchases should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there was no assurance that the expenses were appropriate.
- *Purchase Order* pre-approved by the Principal should be issued for purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase.
- Contractual agreements should be approved by the Principal as required by *District Administrative Directive D-6.03*, which states “*the Principal of the school is the only person to whom authority has been granted to make any purchase that in any way obligate the school for payment.*”

Management's Response

Concur. The P.O. policy was addressed with staff members. The signing of contracts was addressed as that was not what was in place prior to the new procedures of having all signed by the principal and prior to the contract enacted was discussed.

**Suncoast High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 1717 Avenue "S"
Riviera Beach, FL 33404

Principal:
Fiscal Year 2014: Linda Cartlidge
During Audit: Linda Cartlidge

Treasurer:
Fiscal Year 2014: Lynn Gold
During Audit: Lynn Gold

Cash and Investments

Checking	\$ 302,706.13
Investments	
	\$ 302,706.13

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 62,377.28	\$ 289,893.77	\$ 264,378.17	\$ 107,603.38	\$ 106,001.45	\$ 89,494.81
Music	11,637.82	75,491.77	79,463.18	8,594.43	8,594.43	7,666.41
Classes	47,809.07	91,668.00	83,948.47	1,577.10	24,736.12	32,369.58
Clubs	43,488.82	191,636.70	199,026.83	43,616.62	46,784.64	32,930.67
Departments	76,564.65	220,002.99	209,600.98	8,437.81	4,235.29	91,169.18
Trusts	55,680.29	191,151.58	216,234.94	10,842.34	7,213.16	34,226.11
General	3,721.74	57,434.33	63,200.11	51,994.84	35,101.43	14,849.37
	\$ 301,279.67	\$1,117,279.14	\$1,115,852.68	\$ 232,666.52	\$ 232,666.52	\$ 302,706.13

DEPOSIT OF MONIES

Finding

The review of money collection process revealed that collections were not always turned in by the activity sponsors or processed by the bookkeeper and deposited into the bank in a timely manner. For example,

- \$8,135.50 in collections recorded on four MCRs (#654-21, #695-6, #697-14, and #737-3) were retained by the sponsors for one to three working days before the collections were put into the drop-safe for deposit.
- \$2,800.50 in collections recorded on another four MCRs (#639-27, #654-21, #667-2, and #683-6) were not timely processed by the bookkeeper. As a result, the collections were not deposited into the bank until six to eight working days after the collections.

Recommendation

DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools) and the District's *Internal Accounts Manual* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in exposure to staff and increased potential irregularities.

Management's Response

Concur. I discussed the expectation of daily deposits with the involved parties on an individual basis. I extended on staff member's access to the front office to assist with timely deposits.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser documentation found that the Boys Track Coupon Books fundraiser (Account #1-6000.02) had the following exceptions:

- It did not have the required *Fundraising Application/Recap Form* and *Sales Item Inventory Form*.
- The coupon books were sold in advance for \$20 per book. The school purchased 150 coupon books for resale, which should have generated a total estimated revenue of \$3,000. However, the school collected a total of \$1,160 which was deposited into Internal Funds. As a result, \$1,840 (61%) in estimated revenue was unaccounted for.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District

guidelines. Specifically,

- To ensure that fundraising activities are consistent with School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- To ensure proper fiscal accountability, *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser in order for staff to reconcile the sales revenue with the estimated revenue. Moreover, the *Report* should be approved by the Principal to confirm the legitimacy for any items that were given-away free-of-charge, or missing. Significant discrepancy between the estimated revenue and actual collection should be investigated and resolved accordingly.

Management's Response

Concur. I met with the track coach about principal approval of a fundraising and submission of the form. In addition, we discussed the lack of an inventory form. He later provided the inventory form. He stated that the books were handed out at a track meet. It started to rain and many books were damaged. The team sold what they could and disregarded the rest which accounted for the loss of revenue.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation revealed that:

- Disbursement #12635 (for \$1,500) was for payment of rentals for entertainment equipment, with attendants, for the school's carnival. However, this procurement was not supported by the required *School District Consultant Agreement (PBSD 1420)*.
- Disbursement #13388 (for \$2,950) was supported by a vendor's contract that was signed by the activity sponsor, instead of the Principal.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically,

- To protect the safety and welfare of students, prior to the consultant performing services at the school: (1) the *School District Consultant Agreement (PBSD 1420)* should be properly executed with all the required signatures, and (2) the consultant's background and clearance check must have been conducted and cleared as required by *Section 8 of the Agreement* and *Florida Statutes §1012.465*.
- Contractual agreements should be approved by the Principal as required by *District Administrative Directive D-6.03*, which states "*the Principal of the school is the only person to whom authority has been granted to make any purchase that in any way obligate the school for payment.*"

Management's Response

Concur. A purchase order was signed by the principal for payment of rentals for entertainment equipment, but not a School District Consultant agreement. In the future a consultant agreement will be signed by the principal.

I met with the Drama Coach to remind her that she cannot sign a vendor contract. It is only signed by the principal. She agreed to follow this procedure in the future.

**Wellington High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 2101 Greenview Shores Boulevard
Wellington, FL 33414

Principal:
Fiscal Year 2014: Mario Crocetti
During Audit: Mario Crocetti

Treasurer:
Fiscal Year 2014: Dottie Billi
During Audit: Dottie Billi

Community School Director:
Fiscal Year 2014: Chris Romano
During Audit: Chris Romano

Cash and Investments

Checking	\$ 576,322.93
Investments	
	\$ 576,322.93

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 122,338.13	\$ 301,689.22	\$ 301,708.11	\$ 112,454.82	\$ 135,401.93	\$ 99,372.13
Music	14,581.78	110,485.29	113,095.21	10,157.39	11,253.89	10,875.36
Classes	5,295.20	10,737.80	13,023.25	9,133.85	4,804.79	7,338.81
Clubs	89,671.77	373,293.72	386,713.94	88,214.42	76,522.59	87,943.38
Departments	75,866.20	215,250.39	219,170.61	37,194.08	27,937.90	81,202.16
Trusts	186,734.57	419,240.06	391,831.54	34,732.55	21,155.87	227,719.77
General	88,894.10	44,057.65	56,270.29	32,769.66	47,579.80	61,871.32
	\$ 583,381.75	\$1,474,754.13	\$1,481,812.95	\$ 324,656.77	\$ 324,656.77	\$ 576,322.93

DEPOSIT OF MONIES

Finding

The review of money collection process at the school noted that some activity sponsors also submitted the yellow copies of the MCRs to the bookkeeper when turning in the collections for deposit.

Recommendations

To ensure proper fiscal accountability and as required by *Bulletin #P-14051-S/CFO*, activity sponsors should keep the yellow copy of the MCR, instead of giving it to the bookkeeper with the monies collected. Keeping a copy of the MCR will assist the sponsors in (1) ensuring that the dollar amount indicated on the *Official Receipt* provided by the bookkeeper agrees with the monies collected and submitted for deposit, (2) tracking the account balance periodically, and (3) providing documentation for the amount of revenue collected if recording errors should occur.

Management's Response

Concur. All staff members are being reminded of the requirement to keep their yellow copies of the MCRs.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser documentation revealed that:

- The Yearbook Sales (Account #5-0450.00) did not have the required *Fundraising Application Recap Form* and *Sales Item Inventory Report*.
- The *Fundraising Application/Recap Form* for the Matella Fashion Show (Account #5-1250.01) was not approved by the Principal.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- Although Yearbook Sales might not be intended to raise money for the school, *Sales Item Inventory Reports* should be prepared in order to account for the sales. Information on the *Report* will assist staff in reconciling the sales revenue with the estimated revenue. Significant discrepancy, if any, between the estimated revenue and actual collection should be investigated and resolved accordingly.

Management's Response

Concur. All staff members are being reminded of the requirement to have principal approval of all fundraisers and to complete Sales Item Inventory Reports.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of records for sample disbursements and P-Card purchases found that:

- Disbursement #15124 (for \$3,280) was for payment to a vendor for renting entertainment equipment, with attendants, during the May 22, 2014, graduation event. However, this vendor was hired without the required *School District Consultant Agreement (PBSD 1420)*.
- Disbursement #15023 (for \$1,254.10) was for reimbursing staff for expenses incurred during the May 2014 Drama Club's trip to New York. However, \$697.79 of the \$1,254.10 in expenses was supported only by credit card receipts which only indicated the total dollar amounts, without the details of the items purchased.
- Disbursement #15069 (for \$2,564) was for payment to the catering services for the May 15, 2014, Baseball Banquet. The related *Catering Contract and Banquet Event Order* was signed by the sponsor, instead of the Principal.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and the related District guidelines. Specifically,

- To protect the safety and welfare of students, prior to the consultant performing services at the school: (1) the *School District Consultant Agreement (PBSD 1420)* should be properly executed with all the required signatures, and (2) the consultant's background and clearance check must have been conducted and cleared as required by *Section 8 of the Agreement* and *Florida Statutes §1012.465*.
- All expenditures should be supported by itemized invoices and receipts. Without supporting documentation, there was no assurance that the expenses were appropriate.
- Contractual agreements should be signed by the Principal as required by *District Administrative Directive D-6.03*, which states "*the Principal of the school is the only person to whom authority has been granted to make any purchase that in any way obligate the school for payment.*"

Management's Response

Concur. All staff members are being informed that all contracts require the principal's signature and that itemized invoices and receipts must accompany requests for all reimbursements.

ADULT EDUCATION AND COMMUNITY SCHOOL PROGRAMS

Finding

District procedures require that Adult Education tuition and GED special testing fees be transmitted monthly to the Central Office within five working days after the close of accounting period. However, the fees collected during 10 of the 12 months during Fiscal Year 2014 were not timely transmitted to the Central Office. Delays ranged from nine to 61 days.

Recommendation

Adult Education and Community School Programs should be administered in accordance with the District's guidelines. Specifically, GED Special Testing and Adult General Education Fees should be transmitted to the Central Office within five working days after the end of each month.

Management's Response

Concur. Adult Ed staff have been reminded that testing fees are to be transmitted to the District on a monthly basis.

**West Boca Raton High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 12811 Glades Road
Boca Raton, FL 33498

Principal:
Fiscal Year 2014: Mark Stenner
During Audit: Mark Stenner

Treasurer:
Fiscal Year 2014: Linda Scharrer
During Audit: Linda Scharrer

Community School Director:
Fiscal Year 2014: Lyle Agnew
During Audit: Lyle Agnew

Cash and Investments

Checking	\$ 670,819.03
Investments	
	\$ 670,819.03

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 154,733.50	\$ 243,306.08	\$ 264,511.58	\$ 103,839.48	\$ 87,065.76	\$ 150,301.72
Music	3,562.80	62,473.83	53,207.01	22,155.09	23,775.31	11,209.40
Classes	16,816.40	72,458.85	69,433.64	8,324.26	17,332.29	10,833.58
Clubs	58,143.92	125,896.81	132,408.99	25,547.28	28,660.39	48,518.63
Departments	82,671.15	267,386.42	286,485.63	140,123.69	115,753.92	87,941.71
Trusts	240,304.43	546,182.57	498,871.01	83,198.46	116,547.44	254,267.01
General	86,589.95	43,107.89	27,897.71	48,005.05	42,058.20	107,746.98
	\$ 642,822.15	\$ 1,360,812.45	\$ 1,332,815.57	\$ 431,193.31	\$ 431,193.31	\$ 670,819.03

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process at the school found that MCR #546-8 had the following exceptions:

- The activity sponsor indicated on MCR #546-8 that \$6,036 in ticket sales revenue was collected and noted on the related *Ticket Seller's Report*. After the bookkeeper counted and verified the collections, she marked on the MCR that the actual collection was only \$5,784. However, this discrepancy/difference was neither signed/initialed by the bookkeeper nor the sponsor.
- The related *Ticket Seller's Report* was dated March 11, 2014. However, the collection was not put into the drop-safe until March 25, 2014; i.e. five working days and 14 calendar days after the monies were collected.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- To ensure proper fiscal accountability, changes on MCRs made by the bookkeeper should be acknowledged by the sponsors.
- *DOE Rules* and *Internal Accounts Manual* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in exposure to staff and increased potential irregularities.

Management's Response

Concur. District and DOE Rules have been discussed with bookkeeper and sponsor.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of records for sample disbursements and P-Card purchases found that:

- The school engaged a consultant to provide services for the Young Frankenstein drama play. The consultant received a total of \$10,000 from the school through two \$5,000 disbursements (#21872 on February 21, 2014, and #22032 on March 13, 2014). The engagement of this consultant was supported by a *School District Consultant Agreement (PBSD 1420)*, which was approved by the Principal on March 10, 2014, with a maximum contract amount of \$5,000. Consequently, Disbursement #21872 did not appear to have the required *School District Consultant Agreement*

(*PBSD 1420*). Moreover, the total payment to this consultant was \$10,000, but did not have the approval of the Area Superintendent, Chief Academic Officer, and the Superintendent.

- Four P-Card transactions, totaled \$904.16, occurred during April 2014, did not have adequate supporting documentation for the expenses:
 - An April 21, 2014, purchase (for \$16.50) did not have any supporting document.
 - Two online purchases (\$375 and \$213.76 made on April 10 and 12 respectively) were supported by screen-prints that included only the total dollar amounts but did not have the details for the items purchased.
 - An April 18, 2014, purchase (for \$298.90) was supported by a credit card receipt that indicated the total dollar amount, but did not have the details for the items purchased.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and the related District guidelines. Specifically,

- To protect the best interests of the school, the *School District Consultant Agreement (PBSD 1420)* should be properly executed prior to the consultants performing services at the school. Moreover, to protect the safety and welfare of students, the school should ensure that the consultant has passed the required background and clearance check as required by *Florida Statutes §1012.465*.
- Pursuant to *School Board Policy 6.14* and the instructions on the *School District Consultant Agreement (PBSD 1420)*, consultant contracts for “\$5,001 to \$10,000 per vendor/fiscal year/location requires signature of consultant, principal/director, area/assistant superintendent, chief academic/operating officer and superintendent.”
- All disbursements and P-Card purchases should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there was no assurance that the expenses were appropriate.

Management’s Response

Concur. Review of District policies with the Drama Director and P-Card holders has been completed.

ADULT EDUCATION AND COMMUNITY SCHOOL

Finding

District procedures require that Adult Education tuition and GED special testing fees be transmitted to the Central Office within five working days each month. However, the fees collected for six of the 12 months were not timely transmit to the Central Office, with delays ranging from six to 118 days.

Recommendation

The school should comply with the District guidelines in transmitting the GED Special Testing and Adult General Education Fees to the Central Office within five working days after the end of each month.

Management's Response

Concur. Transmittal procedures have been discussed with the AP for Adult and Community Education.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for school facility leasing found that:

- *Lease Agreement* #1021 was not signed by the lessee and approved by the Principal until one day after the leasehold period began.
- Leasing charges for Leases #1017 and #1021 were not collected until two and three days, respectively, after the leasehold periods began.

Recommendation

Leasing of school facilities should be administered in accordance with ***School Board Policy 7.18*** and related District guidelines. Specifically,

- To protect the best interest of the School District, *Lease Agreements* should be executed with all the required signatures prior to the lessees' use of facilities.
- ***School Board Policy 7.18***, requires that "*Fees are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*"

Management's Response

Concur. Discussion and review of leasing procedural safeguards has been discussed with lease coordinator.

**William T. Dwyer High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 13601 North Military Trail
Palm Beach Gardens, FL 33418

Principal:
Fiscal Year 2014: Glenda Sheffield
During Audit: Glenda Sheffield

Treasurer:
Fiscal Year 2014: Connie Hodgdon
During Audit: Connie Hodgdon

Cash and Investments

Checking	\$ 390,863.05
Investments	
	\$ 390,863.05

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 40,550.92	\$ 249,426.35	\$ 233,901.23	\$ 43,654.69	\$ 55,210.85	\$ 44,519.88
Music	4,572.44	67,776.38	69,968.62	14,420.52	14,420.52	2,380.20
Classes	98,360.14	118,818.75	108,937.13	17,207.81	29,544.23	95,905.34
Clubs	52,649.95	138,485.74	154,584.31	41,262.46	41,203.18	36,610.66
Departments	48,275.17	156,331.11	151,149.92	54,542.44	43,393.94	64,604.86
Trusts	128,143.64	235,391.00	237,399.93	47,510.38	43,547.56	130,097.53
General	12,510.63	1,509.89	5,997.92	8,921.98	200.00	16,744.58
	\$ 385,062.89	\$ 967,739.22	\$ 961,939.06	\$ 227,520.28	\$ 227,520.28	\$ 390,863.05

DOCUMENTATION FOR FUNDRAISERS

Finding

The *Sales Item Inventory Report* for the Panther Graphics T-Shirt Sales (Account #5-0250.01) was not completed with accurate information. Specifically, it did not indicate the beginning inventory; and the quantities of items purchased for resale did not agree with the purchasing records. Moreover, there was no documentation for 176 items that were given-away free-of-charge. These give-away items had a total cost of \$1,992.79.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically, to ensure proper fiscal accountability,

- *Sales Item Inventory Report* should be prepared and completed with accurate information. Accurate *Sales Item Inventory Report* should assist staff in (1) reconciling sales revenue and (2) tracking items purchased, given-away, or remained in ending inventory. Significant discrepancy, if any, between the estimated revenue and actual collection should be investigated and resolved accordingly.
- Items purchased with school funds and provided free-of-charge to students, staff members or the community should follow similar requirements as specified in *Bulletin #P-12690-CAO/COO/P* for gift cards, that “schools must maintain documentation of all recipients of gift cards.” Records for give-away items should include the purposes and the names of recipients.

Management’s Response

Concur. Principal will review policies and procedures with sponsors.

DEPOSIT OF MONIES

Finding

The review of money collection process at the school revealed that some sponsors did not attach the computerized *Official Receipts* to the yellow copies of the MCRs when submitting these documents to the school secretary for filing at the end of school year.

Recommendation

As required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7’s Record Retention Requirements*, “Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary...”

Management’s Response

Concur. Principal will review policies and procedures with sponsors.

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Other Schools

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**Adult Education Center
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 2161 North Military Trail
West Palm Beach, FL 33409

Principal:
Fiscal Year 2014: Rick Swearingen
During Audit: Rick Swearingen

Treasurer:
Fiscal Year 2014: Carolyn Jefferson
During Audit: Carolyn Jefferson

Cash and Investments

Checking	\$ 70,079.27
Investments	
	\$ 70,079.27

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	0.00	0.00	0.00	0.00	0.00	0.00
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	12.20	0.00	0.00	0.00	0.00	12.20
Trusts	24,435.94	371,109.05	369,667.16	1,292.18	7,364.07	19,805.94
General	32,457.73	22,223.77	10,492.26	6,923.28	851.39	50,261.13
	\$ 56,905.87	\$ 393,332.82	\$ 380,159.42	\$ 8,215.46	\$ 8,215.46	\$ 70,079.27

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation found that:

- The *Purchase Orders* for two disbursements (#10129 for \$1,417.50 and #10207 for \$1,194.17) were not approved by the Principal until one and 28 days after the invoice dates.
- An \$1,734.68 purchase of office supplies received the approval from the Purchasing Department for payment with the school's P-Card on February 10, 2014. However, it did not have the Principal's approved *Purchase Order*.

Recommendation

Purchase Orders approved by the Principal should be issued for purchases in excess of \$1,000. This will help ensure that funds are and will be available for the purchase. Moreover, all purchases should be preapproved by the Principal.

Management's Response

Concur. Hold meeting with school treasurer to review the audit report. I will explain the above stated recommendation and monitor the above findings issue.

**Crossroads Academy
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 225 S.W. 12th Street
Belle Glade, FL 33430

Principal:
Fiscal Year 2014: Diane Howard
During Audit: Diane Howard

Treasurer:
Fiscal Year 2014: Isabel Garcia
During Audit: Isabel Garcia

Cash and Investments

Checking	\$ 1,869.96
Investments	
	\$ 1,869.96

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	183.33	1,449.50	1,569.19	208.33	271.97	0.00
Clubs	38.65	1,834.34	1,962.50	690.54	412.48	188.55
Departments	3.06	0.00	0.00	0.00	0.00	3.06
Trusts	1,272.97	8,020.01	8,484.25	0.00	0.00	808.73
General	998.10	5,904.57	5,818.63	2,405.28	2,619.70	869.62
	\$ 2,496.11	\$ 17,208.42	\$ 17,834.57	\$ 3,304.15	\$ 3,304.15	\$ 1,869.96

DOCUMENTATION FOR DISBURSEMENTS

Finding

Disbursement #2469 (for \$310) was for the payment to a photographer for Senior Photos. However, the payment was not supported by a *School District Consultant Agreement (PBSD 1420)*.

Recommendation

To protect the safety and welfare of students, prior to the consultant performing services at the school: (1) the *School District Consultant Agreement (PBSD 1420)* should be properly executed with all the required signatures, and (2) the consultant's background and clearance check must have been conducted as required by *Section 8 of the Agreement* and *Florida Statutes §1012.465*.

Management's Response

Concur. Thank you.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser records found that:

- Admission tickets were sold for the Step Team's Winter Extravaganza Event (Account #7-0100.01). However, *Ticket Sellers Report* was not maintained to account for the ticket sales revenue.
- The financials for the Yearbook Sales were recorded in the Yearbook Club's Primary Account (#4-6390.00), instead of a decimalized account for the sales.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- *Ticket Sellers Report* should be prepared in order for staff to reconcile revenue with the number of tickets sold. Significant discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.
- To assist the school in evaluating and monitoring the performance of individual fundraisers, a separate decimalized account should be established for each of them. Fundraiser account should include all the needed and accurate financial information.

Management's Response

Concur. Thank you.

**Delray Full Service Center
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 301 S.W. 14th Avenue
Delray Beach, FL 33444

Principal:
Fiscal Year 2014: Jane Bravo
During Audit: Jane Bravo

Treasurer:
Fiscal Year 2014: Yolanda Campbell
During Audit: Yolanda Campbell

Cash and Investments

Checking	\$ 4,420.94
Investments	
	\$ 4,420.94

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	0.00	0.00	0.00	0.00	0.00	0.00
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	0.00	0.00	0.00	0.00	0.00	0.00
Trusts	2,826.14	37,742.39	36,574.47	46.00	46.00	3,994.06
General	405.72	521.22	500.06	0.00	0.00	426.88
	\$ 3,231.86	\$ 38,263.61	\$ 37,074.53	\$ 46.00	\$ 46.00	\$ 4,420.94

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process at the school revealed that the bookkeeper did not always timely process the money from the drop-safe. For example, \$1,860 collected through six MCRs (#137-21, #138-39, #136-11, #137-45, #139-1 and #136-10) by sponsors were not processed by the bookkeeper and deposited into the bank until six to 22 working days after the collections. The time lapse between the collections and deposit in the bank exceeded the Department of Education's five-working-day rule by one to 17 working days.

Recommendation

DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools) requires that monies collected be deposited in the bank within five working days after collection. Delay in depositing the monies in the bank could result in potential irregularities.

Management's Response

Concur. The bookkeeper has reviewed the bookkeeper training in the ELearning and implemented corrective action, depositing all monies collected in the bank within five working days after collection. Please see Additional Comments.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation found that the supporting documentation for eight of the 10 sample disbursements was not defaced (stamped "PAID") after payments.

Recommendation

To avoid potential duplicate payments, supporting documentation should be defaced (stamped "PAID") after payment was made.

Management's Response

Concur. The bookkeeper has reviewed the bookkeeper training in the ELearning and implemented correcting action. Supporting documentation of disbursements, both internal and P-card, will be stamped paid after payment has been made.

PRENUMBERED DOCUMENTS

Finding

The *Internal Accounts Manual, Chapter 27*, requires prenumbered documents be periodically inventoried and recorded on the *Prenumbered Document Inventory Register* (PBSD 0160). However, the *Prenumbered Document Inventory Register* was not maintained for the *Adult and Community Education Fee Receipt Books*.

Moreover, our review of sample collection records found that five *Adult and Community Education Fee Receipt Books* used for collecting fees during the year were missing.

Recommendation

To ensure all prenumbered documents are properly accounted for, *Internal Accounts Manual, Chapter 27*, requires that each prenumbered document be assigned with a document custodian who is to confirm the periodic inventory of the prenumbered forms and document the inventory check on the *Prenumbered Document Inventory Register* (PBSD 0160).

Management's Response

Concur. The bookkeeper has reviewed the bookkeeper training in the ELearning and implemented correcting action. Document custodian assigned to all prenumbered documents, documentation and periodic inventory of all prenumbered forms using Prenumbered Document Inventory Register (PBSD 0160).

ADULT EDUCATION AND COMMUNITY SCHOOL PROGRAMS

Finding

The review of Adult Education and Community School Programs fee collection records found that:

- MCR #137-21 included \$240 in GED fees collected through eight *Adult and Community Education Fee Receipts* (#73577 through #73584). However, only \$210 was deposited in the Internal Funds. The remaining \$30 was unaccounted for.
- It appeared that duplicate receipts were issued for some collections. Same information in check numbers and student names was recorded on two different receipts in three instances (total six receipts).
- *Adult and Community Education Fee Receipt* #13-283006 (for \$120) and #13-282443 (for \$30) that were attached to the Adult Ed registration forms could not be reconciled to any deposits in the Internal Funds.
- District procedures require that GED Special Testing and Adult General Education fees be transmitted to the Central Office within five working days after the close of the accounting period. However, the fees for seven of the ten months were not timely transmitted to the Central Office, with delays ranging from eight to 89 working days.
- District procedures require that community school fees be transmitted to the Central Office within 42 days after the classes begin. However, the fees for Fall 2013 and Spring 2014 were not timely transmitted to the Central Office, with delays of 44 and 4 days respectively.

Recommendation

Adult Education and Community School Programs should be administered in accordance with the District's guidelines. Specifically,

- To ensure proper fiscal accountability, the bookkeeper should verify the accuracy of monies turned in by sponsors for deposit prior to entering records into the General Ledger. Discrepancies between the amount of

Delray Full Service Center
Management Letter
Year Ended June 30, 2014

monies turned in and the amount on related collection records should be investigated and resolved accordingly.

- GED Special Testing and Adult General Education Fees should be transmitted to the Central Office within five working days after the end of each month.
- Community School fees should be transmitted to Central Office within 42 days after classes begin.

Management's Response

Concur. The responsibility of money collection has been moved from the ACE Secretary and reassigned to decrease her work load and minimize the chance of mistakes. The replacement will review the bookkeeper training as it relates to collection of funds. The bookkeeper has reviewed the bookkeeper training and implemented the necessary corrective actions.

Additional Comments: *Special circumstances (Deposit of Monies). During the time period the monies collected were not deposited in a timely manner, the bookkeeper experienced a catastrophic family event. Her mother suffered a debilitating stroke. In an attempt to balance work and home, timely deposit of collected fees and deposits went undone. A more flexible schedule has been implemented, providing her with ample time to complete time sensitive bookkeeping duties.*

**Gold Coast Community School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 4260 Westgate Avenue
West Palm Beach, FL 33409

Principal:
Fiscal Year 2014: Willie Jo Young
During Audit: Timothy Abrams

Treasurer:
Fiscal Year 2014: Blanca Figueroa
During Audit: Blanca Figueroa

Cash and Investments

Checking	\$ 4,147.71
Investments	
	\$ 4,147.71

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 278.37	\$ 934.70	\$ 998.28	\$ 1,044.70	\$ 834.70	\$ 424.79
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	0.00	0.00	0.00	0.00	0.00	0.00
Clubs	12.81	0.00	0.00	0.00	0.00	12.81
Departments	187.55	34.00	7.00	39.07	60.00	193.62
Trusts	3,764.25	24,538.79	25,014.26	3,353.29	3,719.36	2,922.71
General	60.74	3,127.74	2,771.70	522.15	345.15	593.78
	\$ 4,303.72	\$ 28,635.23	\$ 28,791.24	\$ 4,959.21	\$ 4,959.21	\$ 4,147.71

Gold Coast Community School
Management Letter
Year Ended June 30, 2014

This audit revealed no material instances of noncompliance.

**Indian Ridge School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 1955 Golden Lakes Boulevard
West Palm Beach, FL 33411

Principal:
Fiscal Year 2014: Laura Lougee
During Audit: Laura Lougee

Treasurer:
Fiscal Year 2014: Ana Moya
During Audit: Stacey Thallemer

Cash and Investments

Checking	\$ 108,752.99
Investments	
	\$ 108,752.99

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	2,521.71	2,519.24	11,784.15	16,042.20	6,692.31	2,606.69
Clubs	1,238.62	2,178.32	4,235.73	3,126.40	376.40	1,931.21
Departments	1,544.49	20,601.44	24,860.01	7,398.92	1,376.92	3,307.92
Trusts	72,547.66	70,497.94	28,965.50	8,420.51	25,855.59	96,645.02
General	12,301.22	412.20	7,764.46	110.30	797.11	4,262.15
	\$ 90,153.70	\$ 96,209.14	\$ 77,609.85	\$ 35,098.33	\$ 35,098.33	\$ 108,752.99

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation found that:

- Disbursement #10209 (for \$650) was for payment of the rental of a rock climbing wall and dunk tank for the April 11, 2014, Reading Carnival. However, this disbursement did not have the *School District Consultant Agreement (PBSD 1420)* and proof of the liability insurance for the vendor.
- Our review of the six June 2014 *Monthly P-Card Bank Statements* noted that two of them were not signed by the cardholders, and one was not reviewed and approved by the Principal.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

- To protect the safety and welfare of students, prior to the consultant performing services at the school: (1) the *School District Consultant Agreement (PBSD 1420)* should be properly executed with all the required signatures, and (2) the consultant's background check must have been cleared as required by *Section 8 of the Agreement* and *Florida Statutes §1012.465*.
- As required by the District's *Special Events Guide for Insurance Loss Prevention*, the school should "obtain a *Certificate of Insurance from the vendors/service provider and an endorsement naming School Board as an Additional Insured on the policy*" for renting dunk tank and conducting carnivals with amusement vendors.
- To prevent and detect potential frauds and irregularities in a timely manner, and as required by *Purchasing Card Procedures (Purchasing Manual Chapter 24)*, cardholder should complete the monthly reconciliation of P-Card activities by the 20th of each month; and the reconciliation records, including P-Card *Monthly Bank Statements* and *End of Cycle Checklist*, should be reviewed and approved by the Principal.

Management's Response

Concur. Ongoing training and technical support will be provided to the new bookkeeper. Monthly meetings with administration and bookkeeper will facilitate the audit process.

LEASING OF SCHOOL FACILITIES

Finding

The review of school facility leasing records found that:

- The school did not have a hard copy of *Lease Agreements* #1001 and #1002, although the leasing arrangements were recorded in the Tririga system.
- *Lease Agreement* #1018 was not signed by the lessee and witness until 15 days after the leasehold period began.

- The Tririga System indicated that the school entered into 17 leases with two lessees during the year. These 17 leases had a total contract leasing charges of \$13,586.40; and a total of \$10,602.10 in leasing revenues was deposited into Internal Funds. As a result, the two lessees owed a total of \$2,984.30 in unpaid leasing charges as of June 30, 2014.

Lessee	Lease Number	Contract Amount	Total Payments Received	Unpaid Leasing Fees
Lessee #1	1001, 1004, 1011, 1012, 1014, 1016, 1017, and 1020	\$8,272.00	\$5,792.00	\$2,480.00
Lessee #2	1002, 1006, 1007, 1009, 1010, 1013, 1015, 1018, and 1019	5,314.40	4,810.10	504.30
Total		\$13,586.40	\$10,602.10	\$2,984.30

Recommendation

Leasing of school facilities should be administered in accordance with *School Board Policy 7.18* and related District guidelines. Specifically,

- To ensure *Lease Agreements* are legally enforceable, they should be properly executed with all the required signatures, prior to the use of facilities by lessees. The school should also maintain a copy of the executed *Lease Agreement* for future reference, in addition to recording leasing activities in the Tririga System.
- *School Board Policy 7.18*, requires that “*Fees are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*” The school should collect the \$2,984.30 in unpaid leasing fees from the two lessees.

Management’s Response

Concur. Training for the new bookkeeper and retraining for the assistant principal may be necessary.

DOCUMENTATION FOR FUNDRAISERS

Finding

The Campus Yearbook Sales (Account #5-0450.00) did not have the required *Sales Item Inventory Report*. Based on the school’s purchasing records, this fundraiser should have generated a total estimated revenue of \$420, but only \$210 in sales revenues was deposited into the Internal Funds. As a result, \$210 (or 50%) in estimated revenue was unaccounted for.

Recommendation

To ensure proper fiscal accountability, *Sales Item Inventory Report* should be prepared and completed with accurate information. Accurate *Sales Item Inventory Report* should assist staff in (1) reconciling sales revenue and (2) tracking items purchased, given-away, or remained in inventory. Significant discrepancy, if any, between the estimated revenue and actual receipt should be investigated and resolved accordingly.

Indian Ridge School
Management Letter
Year Ended June 30, 2014

Management's Response

Concur. Retrain the year book sponsor.

Additional comment: *The new bookkeeper is highly qualified and her ongoing training and technical assistance from the area office will provide for a smooth audit.*

**Palm Beach Virtual School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 7071 Garden Road, Bldg 2
Riviera Beach, FL 33404

Principal:
Fiscal Year 2014: Debra Johnson
During Audit: Debra Johnson

Treasurer:
Fiscal Year 2014: Aida Sterling
During Audit: Aida Sterling

Cash and Investments

Checking	\$ 752.52
Investments	
	\$ 752.52

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	0.00	0.00	0.00	0.00	0.00	0.00
Clubs	96.32	0.00	0.00	0.00	0.00	96.32
Departments	0.000	0.00	0.00	0.00	0.00	0.00
Trusts	69.77	2,940.00	3,007.00	0.00	0.00	2.77
General	123.69	848.00	318.26	84.05	84.05	653.43
	\$ 289.78	\$ 3,788.00	\$ 3,325.26	\$ 84.05	\$ 84.05	\$ 752.52

DEPOSIT OF MONIES

Finding

The review of the money collection process at the school revealed that some sponsors did not always retain the yellow copy of the *Money Collected Reports* (MCRs); instead, the yellow copies were also provided to the bookkeeper when turning in the monies for deposit.

Recommendation

To ensure proper fiscal accountability and as required by *Bulletin #P-14051-S/CFO*, activity sponsors should retain the yellow copy of the MCR, which should not be given to the bookkeeper while turning in the monies for deposit. Keeping a copy of the MCR will assist the sponsors in (1) ensuring that the dollar amount indicated on the *Official Receipt* provided by the bookkeeper agrees with the monies collected and submitted for deposit, (2) tracking the account balance periodically, and (3) providing documentation for the amount of revenue collected if bookkeeping errors should occur.

Management's Response

Concur. The recommendations above will be our process on MCRs.

DOCUMENTATION FOR FUNDRAISERS

Finding

The Lanyard Sales (Account # 7-0100.04) did not have the required *Fundraising Application / Recap Form* and *Sales Item Inventory Report*.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser in order for staff to reconcile the sales revenue with the estimated revenue.

Management's Response

Concur. This process will be followed for all future fundraising activities. Staff development will occur to ensure understanding by those setting up and running such events for our school.

DOCUMENTATION FOR DISBURSEMENTS

Finding

Disbursement #10039 (for \$140) was for paying the face painting service during the Dr. Seuss event. The service provided, however, did not have the required *School District Consultant Agreement (PBSD 1420)*.

Recommendation

To protect the safety and welfare of students, prior to the consultant performing services at the school: (1) the *School District Consultant Agreement (PBSD 1420)* should be properly executed with all the required signatures, and (2) the consultant's background and clearance check must have been conducted as required by *Section 8 of the Agreement* and *Florida Statutes §1012.465*.

Management's Response

Concur. The above described process will be followed for this and future school years.

Riviera Beach Preparatory and Achievement Academy
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014

Address: 7071 Gardens Road
Riviera Beach, FL 33404

Principal:
Fiscal Year 2014: Jeff Pollard
During Audit: Glenda Garrett

Treasurer:
Fiscal Year 2014: Princess Pugh
During Audit: Princess Pugh

Cash and Investments

Checking	\$ 47,000.55
Investments	
	\$ 47,000.55

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 253.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ 253.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	1,067.40	17,403.95	16,908.27	4,657.88	4,657.88	1,563.08
Clubs	374.64	0.00	0.00	0.00	0.00	374.64
Departments	0.00	0.00	0.00	0.00	0.00	0.00
Trusts	50,275.39	42,375.27	48,449.17	0.00	0.00	44,201.49
General	365.40	243.00	0.06	193.27	193.27	608.34
	\$ 52,335.83	\$ 60,022.22	\$ 65,357.50	\$ 4,851.15	\$ 4,851.15	\$ 47,000.55

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and the money collection process at the school found that collections were not always deposited in a timely manner. Specifically,

- Some sponsors did not turn in collections daily. For example, \$2,297 collected through two MCRs (#153-1 for \$1,165, and #148-2 for \$1,132) was retained by the sponsors for eight to 18 working days before it was put into the drop-safe for deposit.
- The bookkeeper did not always process collections in a timely manner. For example, \$4,017.50 collected through six MCRs (#s 138-2, 140-3, 140-13, 142-2, 153-1, and 162-2) was not timely processed by the bookkeeper. As a result, the monies were not deposited into the bank until 13 to 30 working days after collection. The time lapse between the collections and deposit in the bank exceeded the Department of Education's five-working-day rule by eight and 25 working days respectively.

Recommendation

DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools) and the District's *Internal Accounts Manual* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in potential irregularities.

Management's Response

Concur. I will adhere to policies and procedures. All personnel will complete the new professional development on TrainU.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card transaction records found that:

- Disbursement #443 (for \$1,744.13) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*.
- Disbursement #460 (for \$924.63) was for payment of the May 2014 Senior Week Field Trip expenses. However, this field trip did not have the required *Field Trip/Activity Planning Report and Approval Request Form*.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically,

- *Purchase Order* approved by the Principal should be issued for purchase in excess of \$1,000. This will help

ensure that funds are and will be available for the purchase. Moreover, all purchases should be preapproved by the Principal.

- As required by **School Board Policy 2.40**, “*the Field Trip/Activity Planning Report and Approval Request must be completed and approved for each field trip.*”

Management’s Response

Concur. All selected personnel were trained in the Fall 2014 on procedures for Field Trip/Activity Planning request.

LEASING OF SCHOOL FACILITIES

Finding

The review of school facility leasing records found that:

- *Lease Agreement #1002* was not signed by the lessee and a witness. Moreover, this leasing arrangement was not approved by the Principal until 93 days after the leasehold period began.
- *Lease Agreements #1001 and #1003* were not approved by the Principal until 91 and 22 days respectively after the leasehold periods began.
- *Lease Agreement #1001* did not have proof of liability insurance coverage.
- The *Certificates of Insurance* for Leases #1003 and #1004 did not include the School Board as an additional insured party for liability insurance coverage.
- Leasing charges were not always collected prior to the use of facilities by the lessees. Specifically, some of the monthly rentals for three leases (#1001, #1002 and #1003) were not collected timely, with delays ranging from eight to 146 days.

Recommendation

Leasing of school facilities should be administered in accordance with **School Board Policy 7.18** and related District guidelines. Specifically,

- To protect the best interest of the School District, all *Lease Agreements* should be properly executed, with all the required signatures prior to the use of facilities by lessees.
- To protect the School District from unwarranted liability and as required by **School Board Policy 7.18**, lessee must “*provide a copy of liability insurance policy in the amount of \$1,000,000, naming the School Board of Palm Beach County as an additional insured, with the Lease Agreement or purchase liability insurance from the School District.*” This will ensure the School Board is well protected.
- **School Board Policy 7.18**, requires that “*Fees are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*”

Riviera Beach Preparatory and Achievement Academy
Management Letter
Year Ended June 30, 2014

Management's Response

Concur. All selective personnel attended the onsite Lab training for Leasing. We also completed the online TrainU course.

Additional Comment: *As principal, I have made an administrative directive for all target staff to complete the necessary requirements to be successful in their various positions.*

**Royal Palm School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 6650 Lawrence Road
Lantana, FL 33462

Principal:
Fiscal Year 2014: Bradley S.L. Henry
During Audit: Bradley S.L. Henry

Treasurer:
Fiscal Year 2014: Kristen Casagni
During Audit: Kristen Casagni

Afterschool Site Director:
Fiscal Year 2014: Beverly Meg Davis
During Audit: Beverly Meg Davis

Cash and Investments

Checking	\$ 24,058.83
Investments	
	\$ 24,058.83

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	854.23	0.00	502.38	0.00	0.00	351.85
Classes	0.00	969.00	916.92	0.00	52.08	0.00
Clubs	5,099.65	92.14	130.00	0.00	4,279.69	782.10
Departments	8,556.73	6,969.33	7,488.11	1,418.56	4,232.35	5,224.16
Trusts	8,176.18	28,247.15	26,170.05	41.93	1,491.12	8,804.09
General	5,887.67	5,787.32	11,373.11	10,801.25	2,206.50	8,896.63
	\$ 28,574.46	\$ 42,064.94	\$ 46,580.57	\$ 12,261.74	\$ 12,261.74	\$ 24,058.83

LEASING OF SCHOOL FACILITIES

Finding

The leasehold period for *Lease Agreement* #1001 began on October 7, 2013. However, the *Agreement* was not approved by the Principal and signed by the lessee until November 25, and December 1, 2013, respectively; i.e. 49 and 55 days after the leasehold period began.

Recommendation

To protect the best interest of the School District, all *Lease Agreements* should be properly executed with all the required signatures prior to the use of facilities by lessees.

Management's Response

Concur. Lease Agreements will be executed prior to use of facilities by lessees.

Additional comments: *It would be easier to complete this process if approval was done using Liquid Office. Tririga has rejected my signature on several occasions and did not notify me.*

**South Intensive Transition School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 1509 Barton Road
Lake Worth, FL 33460

Principal:
Fiscal Year 2014: Voncia Haywood
During Audit: Michael Williams

Treasurer:
Fiscal Year 2014: Debbie Douglas
During Audit: Debbie Douglas

Cash and Investments

Checking	\$ 5,399.26
Investments	
	\$ 5,399.26

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	0.00	0.00	0.00	0.00	0.00	0.00
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	0.00	0.00	0.00	0.00	0.00	0.00
Trusts	5,260.83	4,690.00	5,333.16	0.00	0.00	4,617.67
General	2,921.69	2,520.77	4,660.87	195.27	195.27	781.59
	\$ 8,182.52	\$ 7,210.77	\$ 9,994.03	\$ 195.27	\$ 195.27	\$ 5,399.26

South Intensive Transition School
Management Letter
Year Ended June 30, 2014

This audit revealed no material instances of noncompliance.

**Turning Points Academy
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014**

Address: 1950 Benoist Farms Road
West Palm Beach, FL 33411

Principal:
Fiscal Year 2014: Anthony Allen
During Audit: Anthony Allen

Treasurer:
Fiscal Year 2014: Alberta Spann
During Audit: Alberta Spann

Cash and Investments

Checking	\$ 1,578.85
Investments	
	\$ 1,578.85

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	0.00	0.00	0.00	0.00	0.00	0.00
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	0.000	0.00	0.00	0.00	0.00	0.00
Trusts	490.56	5,775.98	5,380.32	0.00	35.22	851.00
General	2,016.16	6,671.15	7,994.68	3,081.44	3,046.22	727.85
	\$ 2,506.72	\$ 12,447.13	\$ 13,375.00	\$ 3,081.44	\$ 3,081.44	\$ 1,578.85

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation disclosed certain noncompliance:

- Our review of 12 statements for four months (September, October, and November 2013, and May 2014) revealed that four monthly statements for one cardholder were approved by the bookkeeper, instead of the Principal.
- Supporting documentation such as invoices/receipts were not always defaced (stamped “PAID”) after payment was made. For example, invoices and receipts for five sample disbursements (#10042, #10044, #10068, #10069 and #10080) were not defaced after payment.

Recommendation

Disbursement procedures should be administered in accordance with the *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

- To prevent and detect potential frauds and irregularities timely, and as required by *Purchasing Card Procedures (Purchasing Manual Chapter 24)*, cardholder should complete the monthly reconciliation of P-Card activities by the 20th of each month; and the reconciliation records, including P-Card *Monthly Bank Statements* and *End of Cycle Checklist*, should be reviewed and approved by the Principal.
- To avoid potential duplicate payments, supporting documentation should be defaced (stamped “PAID”) after payment

Management’s Response

Concur.

Village Academy on the Art and Sara Jo Kobacker Campus
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2014

Address: 400 SW 12th Avenue
 Delray Beach, FL 33444

Principal:
 Fiscal Year 2014: Guarn Sims
 During Audit: Guarn Sims

Treasurer:
 Fiscal Year 2014: Dawne Girtman
 During Audit: Dawne Girtman

Cash and Investments

Checking	\$ 66,681.06
Investments	
	\$ 66,681.06

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 4,497.59	\$ 18,892.24	\$ 24,973.03	\$ 15,316.75	\$ 13,492.83	\$ 240.72
Music	0.00	2,901.00	2,044.50	215.00	215.00	856.50
Classes	1,179.07	26,239.37	25,944.96	9,272.03	8,093.27	2,652.24
Clubs	1,361.96	4,828.00	5,544.96	6,195.30	5,260.74	1,579.56
Departments	1,213.36	4,967.74	4,512.57	6,655.74	1,499.57	6,824.70
Trusts	6,595.79	265,594.47	209,537.52	7,667.32	17,238.06	53,082.00
General	859.52	42,803.56	42,695.07	982.06	504.73	1,445.34
	\$ 15,707.29	\$ 366,226.38	\$ 315,252.61	\$ 46,304.20	\$ 46,304.20	\$ 66,681.06

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and the money collection process at the school found that:

- At the year-end, some sponsors did not turn in the yellow copies of the MCRs, along with the computerized receipts, to the school secretary for record keeping. Furthermore, the yellow copies of the MCRs and the computerized receipts, that were turned in at year-end by sponsors were given to the bookkeeper instead of the school secretary.
- Monies collected were not always deposited in a timely manner. For example, \$475 collected through MCRs #336-2 and #328-3 were retained by the sponsors for two working days before it was put into the drop-safe for deposit.
- There was no documentation signed by the bookkeeper and the sponsor for issuing \$420 in change fund to the sponsor for athletic event.

Recommendation

Money collections should be administered in accordance with related District guidelines and *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*. Specifically,

- As required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7's Record Retention Requirements*, "Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary..."
- *DOE Rules* and District *Bulletin #P-14051-S/CFO* require that monies collected should be put into the drop-safe daily, and deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in potential irregularities.
- *Internal Accounts Manual, Chapter 10, Change Funds*, procedures state "have the sponsor and the bookkeeper verify the change in the cashbox contents and sign the print screen to confirm the amount of the cashbox at the time it was issued."

Management's Response

Concur. All teachers and staff will be provided a special folder with instructions for collecting and maintaining yellow copies of the MCR.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser documentation revealed that:

- The Band T-shirt Sales (Account # 2-1000.00) did not have the required *Fundraising Application/Recap*

Form and Sales Item Inventory Report. Furthermore, the financials for this fundraiser were recorded in the Band's Primary Account (#2-1000.00), instead of a decimalized account for the sales.

- The Uniform Sales (Account #7-0100.01) did not have the required *Sales Item Inventory Report*.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser in order for staff to reconcile the sales revenue with the estimated revenue. Significant discrepancy, if any, between the estimated revenue and actual receipt should be investigated and resolved accordingly.

Management's Response

Concur. All procedures with regard to this finding will be reviewed quarterly with school treasurer to ensure compliance.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation found that:

- Disbursement #11065 (for \$5,000) was for payment of the Washington D.C. field trip but did not have the related invoices.
- Disbursement #10653 (for \$2,500) was not supported by itemized invoices. Instead, it was supported by a vendor's statement and a *Purchase Order*. In addition, the vendor's statement indicated a total unpaid balance of \$11,290.01, which was comprised of \$11,263.46 in three unpaid invoices and \$26.55 in interest charges for late payments.
- Three disbursements (#10790 for \$2,610, #11111 for \$2,132, and #11123 for \$1,546) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Orders*.
- Disbursement #11052 (for \$2,034.80) was for payment of consulting services provided to the Principal during September 4, through December 12, 2013. However, the related *School District Consultant Agreement (PBSD 1420)* was (1) for December 15, 2013, through June 30, 2014, and (2) not signed by the consultant and the Principal until January 30, 2014.
- Disbursement #11209 (for \$23,000) was for payment of consulting fees for staff professional development, but did not have the required *School District Consultant Agreement (PBSD 1420)*.
- Disbursement #10787 (for \$4,476.88) was for payment of a staff retirement party. This payment was supported by a vendor's *Event Agreement*, which was signed by the sponsor instead of the Principal.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

- All disbursements should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there was no assurance that the expenses were appropriate.
- To avoid unnecessary finance charges and late fees, all invoices should be processed timely for payments as required by *Florida Prompt Payment Act*.
- *Purchase Orders* approved by the Principal are required for purchases in excess of \$1,000. This will help ensure that funds are and will be available for the purchase. All purchases should be pre-approved by the Principal.
- To protect the best interests of the school, the *School District Consultant Agreement (PBSD 1420)* should be properly executed prior to the consultants performing services at the school.
- Contractual agreements should be signed by the Principal as required by *District Administrative Directive D-6.03*, which states “*the Principal of the school is the only person to whom authority has been granted to make any purchase that in any way obligate the school for payment.*”

Management’s Response

Concur. It was understood with regard to Consultant Agreement that all schools using this consultant would be added to one Consultant Agreement.

DEFICIT ACCOUNTS

Finding

The review of the school’s general ledger and trial balance found that the Yearbook Account (#4-6390) had \$989 year-end deficit and Weatherspoon-Retirement Party Account (#6-4400) had \$1,770.42 year-end deficit as of June 30, 2014.

Recommendation

To ensure proper fiscal accountability and in compliance with *DOE Rules* and the District’s *Internal Accounts Manual*, the school should monitor closely the revenues and expenditures of all activity accounts. Specifically

- *DOE Rules, Section III, 2.4.c*, states “*At no time shall a trust account have a deficit.*”
- *Internal Accounts Manual, Chapter 1*, states “*Principals are expected to monitor account balances closely throughout the year and work with account sponsors to alleviate any deficits prior to the end of the year.*”

Village Academy on the Art and Sara Jo Kobacker Campus
Management Letter
Year Ended June 30, 2014

Management's Response

Concur. Principal monitors all accounts monthly with School Treasurer. All deficit accounts will be satisfied by target completion date. Principal will also ensure deficit accounts do not exist after 11/15/14.