



# The School District of Palm Beach County, Florida

## Internal Funds Accounts Audit June 30, 2013

**Report #2014-08**



## **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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*\*As of June 30, 2013*

## TABLE OF CONTENTS

### Report to the School Board

Letter to the School Board.....	1
Combined Statement of Changes in Fund Balance – Cash Basis.....	3
Notes to the Financial Statement.....	5
Report on Compliance and on Internal Control.....	11
Management Letter .....	13
Detailed Findings .....	15

### School Reports

#### Elementary Schools

<b>Summary of Findings</b> .....	27
Acreage Pines Elementary.....	33
Addison Mizner Elementary .....	35
Allamanda Elementary .....	37
Banyan Creek Elementary.....	39
Barton Elementary.....	42
Beacon Cove Intermediate .....	46
Belle Glade Elementary.....	49
Belvedere Elementary .....	53
Benoist Farms Elementary .....	55
Berkshire Elementary .....	60
Binks Forest Elementary .....	63
Boca Raton Elementary.....	66
Calusa Elementary.....	72
Cholee Lake Elementary .....	74
Citrus Cove Elementary .....	78
Clifford O. Taylor / Kirklane Elementary .....	81
Coral Reef Elementary .....	86
Coral Sunset Elementary .....	88
Crosspointe Elementary .....	90
Crystal Lakes Elementary .....	92
Cypress Trails Elementary .....	95
Del Prado Elementary .....	97
Diamond View Elementary .....	100
Discovery Key Elementary .....	102
Dr. Mary McLeod Bethune Elementary .....	104
Dwight D. Eisenhower Elementary .....	107
Egret Lake Elementary .....	109
Elbridge Gale Elementary .....	111
Equestrian Trails Elementary .....	113
Everglades Elementary.....	116
Forest Hill Elementary .....	118
Forest Park Elementary .....	120
Freedom Shores Elementary .....	123

Frontier Elementary.....	131
Galaxy Elementary.....	135
Glade View Elementary.....	138
Golden Grove Elementary.....	140
Gove Elementary.....	142
Grassy Waters Elementary.....	149
Greenacres Elementary.....	152
Grove Park Elementary.....	155
H.L. Johnson Elementary.....	158
Hagen Road Elementary.....	161
Hammock Pointe Elementary.....	164
Heritage Elementary.....	166
Hidden Oaks Elementary.....	168
Highland Elementary.....	171
Hope-Centennial Elementary.....	175
Indian Pines Elementary.....	178
J.C. Mitchell Elementary.....	180
Jerry Thomas Elementary.....	184
Jupiter Elementary.....	186
Jupiter Farms Elementary.....	189
K.E. Cunningham / Canal Point Elementary.....	194
Lake Park Elementary.....	197
Lantana Elementary.....	199
Liberty Park Elementary.....	201
Lighthouse Elementary.....	203
Limestone Creek Elementary.....	205
Lincoln Elementary.....	208
Loxahatchee Groves Elementary.....	211
Manatee Elementary.....	215
Marsh Pointe Elementary.....	217
Meadow Park Elementary.....	220
Melaleuca Elementary.....	223
Morikami Park Elementary.....	225
New Horizons Elementary.....	227
North Grade Elementary.....	229
North Palm Beach Elementary.....	232
Northboro Elementary.....	234
Northmore Elementary.....	237
Orchard View Elementary.....	240
Pahokee Elementary.....	242
Palm Beach Gardens Elementary.....	247
Palm Beach Public.....	249
Palm Springs Elementary.....	252
Palmetto Elementary.....	254
Panther Run Elementary.....	259
Pierce Hammock Elementary.....	261
Pine Grove Elementary.....	264
Pine Jog Elementary.....	267
Pioneer Park Elementary.....	269
Pleasant City Elementary.....	274
Plumosa School of the Arts.....	276
Poinciana Elementary.....	278
Rolling Green Elementary.....	282
Roosevelt Elementary.....	286
Rosenwald Elementary.....	292
Royal Palm Beach Elementary.....	294

S.D. Spady Elementary .....	296
Sandpiper Shores Elementary .....	299
Seminole Trails Elementary .....	301
South Grade Elementary .....	304
South Olive Elementary .....	307
Starlight Cove Elementary .....	310
Sunrise Park Elementary .....	312
Sunset Palms Elementary .....	314
Timber Trace Elementary.....	316
U.B. Kinsey / Palmview Elementary.....	319
Verde Elementary.....	322
Washington Elementary .....	324
Waters Edge Elementary .....	326
Wellington Elementary.....	328
West Gate Elementary.....	331
West Riviera Elementary.....	334
Westward Elementary .....	338
Whispering Pines Elementary .....	343
Wynnebrook Elementary.....	345

**Middle Schools**

<b>Summary of Audit Findings .....</b>	<b>349</b>
Bak Middle School of the Arts.....	351
Bear Lakes Middle .....	354
Boca Raton Middle.....	357
Carver Middle .....	361
Christa McAuliffe Middle .....	366
Congress Middle .....	370
Conniston Middle.....	373
Crestwood Middle.....	375
Don Estridge High Tech Middle .....	380
Eagles Landing Middle .....	383
Emerald Cove Middle .....	385
Howell L. Watkins Middle.....	388
Independence Middle .....	391
Jeaga Middle .....	393
John F. Kennedy Middle .....	398
Jupiter Middle .....	404
Lake Shore Middle .....	407
Lake Worth Middle .....	412
Lantana Middle .....	414
L.C. Swain Middle .....	416
Loggers' Run Middle .....	421
Odyssey Middle.....	424
Okeehelée Middle.....	427
Omni Middle .....	430
Osceola Creek Middle .....	432
Palm Springs Middle .....	434
Polo Park Middle.....	438
Roosevelt Middle .....	442
Tradewinds Middle .....	446
Watson B. Duncan Middle .....	449
Wellington Landings Middle.....	453
Western Pines Middle .....	457
Woodlands Middle.....	459

**High Schools**

**Summary of Audit Findings** .....465  
Alexander W. Dreyfoos, Jr. School of Arts.....467  
Atlantic High School .....470  
Boca Raton High .....474  
Boynton Beach High .....478  
Forest Hill High.....483  
Glades Central High .....489  
John I. Leonard High.....494  
Jupiter High .....500  
Lake Worth High.....503  
Olympic Heights High.....508  
Pahokee Middle / Senior High .....511  
Palm Beach Central High .....517  
Palm Beach Gardens High .....521  
Palm Beach Lakes High .....526  
Park Vista High .....532  
Royal Palm Beach High .....536  
Santaluces High.....539  
Seminole Ridge High School .....542  
Spanish River High .....548  
Suncoast High .....553  
Wellington High .....558  
West Boca Raton High.....563  
William T. Dwyer High School.....567

**Other Schools**

**Summary of Audit Findings** .....571  
Adult Education Center .....573  
Crossroads Academy .....575  
Delray Full Service Center .....580  
Gold Coast Community School.....584  
Indian Ridge School .....587  
Palm Beach Virtual School .....592  
Riviera Beach Preparatory and Achievement Academy.....595  
Royal Palm School .....599  
South Intensive Transition.....601  
Turning Points Academy .....603  
Village Academy.....605



THE SCHOOL DISTRICT OF  
PALM BEACH COUNTY, FLORIDA

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LUNG CHIU, CIG, CPA  
INSPECTOR GENERAL

SCHOOL BOARD  
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FRANK A. BARBIERI, JR, ESQ., VICE CHAIRMAN  
MARCIA ANDREWS  
KAREN M. BRILL  
MICHAEL MURGIO  
DEBRA L. ROBINSON, M.D.  
ERICA WHITFIELD

E. WAYNE GENT, SUPERINTENDENT

December 5, 2014

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, 2013, 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, 2013, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2014, 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 positioned above the typed name.

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, 2013

FY 2013 ALL SCHOOLS	Beginning Balance	Receipts <sup>(a)</sup>	Expenditures <sup>(a)</sup>	Transfers In	Transfers Out	Ending Balance
1 - ATHLETICS	\$1,177,213.60	\$4,994,806.93	\$4,981,561.30	\$2,025,719.23	\$1,889,440.47	\$1,326,737.99
- MUSIC	744,576.68	4,118,219.12	4,030,535.01	1,130,386.45	1,142,924.58	819,722.66
3 - CLASSES	859,803.43	5,604,218.21	5,386,131.03	1,196,024.53	1,273,735.02	1,000,180.12
4 - CLUBS	1,227,046.60	4,541,815.60	4,367,193.42	1,566,110.87	1,653,719.59	1,314,060.06
5 - DEPARTMENTS	3,242,017.59	6,917,551.35	6,970,065.81	2,108,375.59	2,065,094.06	3,232,784.66
6 - TRUSTS	7,569,466.33	49,472,747.21	49,453,333.04	3,055,235.35	3,405,907.82	7,238,208.03
7 - GENERAL ACTIVITIES	1,511,171.35	3,061,313.92	3,339,045.66	1,631,516.49	1,282,546.97	1,582,409.13
	<u>\$16,331,295.58</u>	<u>\$78,710,672.34</u>	<u>\$78,527,865.27</u>	<u>\$12,713,368.51</u>	<u>\$12,713,368.51</u>	<u>\$16,514,102.65</u>

*Source: Individual school Statements of Changes in Fund Balance*

*(a) See Note 5*

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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  
Atlantic High  
Banyan Creek Elementary  
Boca Raton Elementary  
Boca Raton High  
Boca Raton Middle  
Boynton Beach High  
Calusa Elementary

Carver Middle  
Coral Sunset Elementary  
Crosspointe Elementary  
Del Prado Elementary  
Don Estridge High Tech Middle  
Eagles Landing Middle  
Forest Park Elementary  
Galaxy Elementary

Hammock Pointe Elementary  
J.C. Mitchell Elementary  
Loggers Run Middle  
Morikami Park Elementary  
Odyssey Middle  
Olympic Heights High  
Omni Middle  
Orchard View Elementary  
Pine Grove Elementary  
Plumosa School of the Arts  
Poinciana Elementary

Rolling Green Elementary  
S.D. Spady Elementary  
Sandpiper Shores Elementary  
South Intensive Transition School  
Spanish River High  
Sunrise Park Elementary  
Verde Elementary  
Village Academy  
Waters Edge Elementary  
West Boca Raton High  
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  
Okeehelie 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  
North Palm Beach 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  
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  
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  
U.B. Kinsey/Palmview Elementary  
West Gate 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

**(5) ADJUSTMENT OF RECEIPTS AND EXPENDITURES**

During the summer of 2012, the District required that all bank accounts in individual schools be moved to a specific financial institution. As a result, total receipts and expenditures had been adjusted to reflect the transfers. The adjustments for the “Combined Statement of Changes in Fund Balance – Cash Basis” were to eliminate the duplicated entries of receipts and expenditures for transferring funds to a new financial institution for some schools.

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DEBRA L. ROBINSON, M.D.  
ERICA WHITFIELD

E. WAYNE GENT, SUPERINTENDENT

December 5, 2014

**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, 2013, and have issued our report thereon dated December 5, 2014. We conducted our audit in accordance with *Generally Accepted Auditing Standards* in the United State 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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PALM BEACH COUNTY, FLORIDA

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MICHAEL MURGIO  
DEBRA L. ROBINSON, M.D.  
ERICA WHITFIELD

E. WAYNE GENT, SUPERINTENDENT

December 5, 2014

## 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, 2013 and have issued our report thereon dated December 5, 2014.

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, 2013, 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 2013 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 26 schools in which no significant noncompliances were identified during the Fiscal Year 2013 Audits. While not every error or control weakness is necessarily identified during our audit engagement, no significant noncompliance or weaknesses were found in the samples examined at the following 26 schools.

Allamanda Elementary\*\*  
Coral Reef Elementary  
Crosspointe Elementary  
Diamond View Elementary\*\*  
Egret Lake Elementary  
Everglades Elementary  
Glade View Elementary  
Golden Grove Elementary  
Hammock Pointe Elementary  
Lantana Elementary\*\*  
Liberty Park Elementary  
Melaleuca Elementary  
Palm Beach Gardens Elementary

Palm Springs Elementary  
Panther Run Elementary  
Pine Jog Elementary  
Pleasant City Elementary  
Plumosa School of the Arts  
Rosenwald Elementary  
Sandpiper Shores Elementary\*\*  
Starlight Cove Elementary  
Sunset Palms Elementary  
Wynnebrooke Elementary  
Eagles Landing Middle  
Osceola Creek Middle  
South Intensive Transition School

Schools marked with \*\* also had no significant noncompliances during Fiscal Year 2012 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 2013, all 175 schools in the School District disbursed a total of \$78.5 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, 2013, four schools, along with the current year's amount due, collectively owed the Central Office \$129,579 of which \$75,005 was incurred prior to Fiscal Year 2013.

School	2008	2009	2010	2011	2012	2013	Total
Lake Shore Middle	\$1,417					\$479	\$1,896
Polo Park Middle	21,993	1,173					23,166
Glades Central High		32,929				1,321	34,250
Palm Beach Lakes High			6,203	5,777	5,513	52,774	70,267
<b>Total</b>	<b><u>\$23,410</u></b>	<b><u>\$34,102</u></b>	<b><u>\$6,203</u></b>	<b><u>\$5,777</u></b>	<b><u>\$5,513</u></b>	<b><u>\$54,574</u></b>	<b><u>\$129,579</u></b>

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 pay the bills, and (3) timely process payments for all invoices to ensure compliance with the *Florida Prompt Payment Act*.

*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 a turnover at the principal position with the new principal inheriting a deficit. Management recommends 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 2013 Audit found that 110 schools (63%) were in compliance with the *Internal Accounts Manual* and related District guidelines for disbursements. However, the audit also revealed that in 65 (37%) of the schools, some 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:

- 12 schools (7%) issued checks with no supporting documentation.
- 12 schools made payments based on insufficient documentation, such as vendors' account statements or packing lists that did not have the details of the purchases.

- 15 schools (9%) issued checks in an amount more than the total of the supporting receipts or invoices, resulting in overpayments.
- 33 schools (19%) 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**.
- 23 schools (13%) paid contracted services without a properly executed *Consultant Contract*.

(Please note that some of the above 65 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.

**Management's Response:** *Management concurs. In FY13, 65 schools were cited for various audit findings in the Disbursements area which is down 6 schools or 8% as compared to FY12. 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 Allowed on Campus without Consultant Contract**

In 12 schools, vendors were permitted to perform services at the schools without a properly executed *School District Consultant Agreement (PBSD 1420)*. Section 8 of the Agreement 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 2013, there were 76,106 P-Card transactions for a total P-Card purchases of \$14 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 archived 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. For the Fiscal Year 2013 Audit, 19 (11%) schools were noted with missing or insufficient documentation for P-Card purchases. 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. The number of schools cited for various audit findings in the P-Card transactions decreased by 11 schools or 37% from 30 schools in FY12 to 19 schools in FY13. 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 2013, 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 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>
Financial Inaccuracy:	
• Revenue shortage, according to available sales and purchasing records	33
• Revenue recorded in the club's/activity's primary account instead of dedicated decimalized account	10
Lack of Authorization	
• <i>Fundraising Application/Recap</i> form missing (no evidence of principal's authorization)	32
• Fundraising activity started before Principal's authorization	10
Insufficient/Lack of Documentation	
• <i>Sales Item Inventory Report</i> missing or not used	45
• <i>Sales Item Inventory Report</i> incomplete/completed with inaccurate information	13
• <i>Ticket Sellers Report</i> not used/missing	11
• Record of "give-aways" or damaged items not maintained/documentated	34
• Remaining inventory not retained	6
Conducted Activities Disallowed by Policy	
• Fundraising through prohibited "drawings of chance" (i.e. raffles)	2

Staff has addressed some of the issues related to inventory discrepancies beginning in Fiscal Year 2014 by requiring the Principal or Assistant Principal to sign the *Sales Item Inventory Form* attesting to the reported unsold items or those given away. In addition, web-based training for employees involved with fundraising activities was introduced in Fiscal Year 2013.

While we recognize these proactive steps taken by staff 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*. This will provide a reasonable basis to ensure that revenues are properly accounted for.

**Management's Response:** *Management concurs. In FY13, 96 schools were cited for various audit findings in the Fundraising area which is comparable with FY12. Many of the fundraising audit citations relate to inventory discrepancies. When schools have unsold inventory at the close of a fundraiser (e.g., unsold yearbooks, agenda planners, school shirts or PE uniforms) they note it on the Sales Item Inventory Report. The Sales Item Inventory Report was revised in FY14 to require the Principal or Assistant Principal to sign the Sales Item Inventory Report, attesting to the unsold items. At the conclusion of the fundraiser, there is no longer a need to track the unsold items because it is considered surplus or obsolete. Schools often give those surplus items away as rewards or incentives since they still have some utility, even though they no longer have value as fundraising inventory. As a result of this change we expect to see a reduction in the number of audit citations in FY14.*

*In addition, during FY13 the District implemented online training for teacher/sponsors and over 6,500 staff members participated in one or more of the training modules, which included Cash Collections, Cash Disbursements, Field Trips, Fundraising and Ticket Sales. Of the 6,500, approximately 4,000 employees successfully completed the Fundraising module in the first year. Bookkeepers also received online training in addition to the live face-to-face monthly training sessions offered by Accounting Services in addition to the online training. Training and experience on the part of the bookkeeper also contribute to the success of the school's audit. Schools with no audit exceptions had a bookkeeper who regularly attends training and had more than two years' experience on the job. Management is hopeful that the new online training for school staff will result in steady improvements in the area of Cash Disbursements.*

## **6. Monies Not Deposited Timely**

In 38 (22%) of the schools, monies collected by staff were not always turned in timely to the bookkeeper for deposit, with delays ranging from one to 44 working days, and an average of 9 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 2012 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 FY13, 38 schools were cited for not depositing monies timely which is down 7 schools or 16% as compared to FY12. 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/sponsor. 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 it 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**

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 \$1 million for liability coverage, and specifically includes the School Board as an additional insured party. For the 2013 Internal Funds Audits, 56 (33%) of the schools did not receive proof of adequate insurance from some of their lessees. 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:** Based on review of the detailed audit findings a majority of the findings were due to the fact that the Certificate of Insurance on file at the school listed the School DISTRICT as an additional insured instead of listing the School BOARD of Palm Beach County. Another issue was that the certificate of insurance expired prior to or during the term of the lease, especially for tenants that lease facilities year after year from the school.*

*The Department of Planning and Real Estate Services continues to reinforce the leasing procedures through training including mandatory live training (held August 2013), 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 that was created and implemented in FY13. The training includes "School Board" vs. "School District" on liability insurance paperwork,*

*using the expiration reminder feature in the system to systematically notify them prior to the date of expiration of insurance certificates and the importance of protecting the School Board by obtaining a current certificate of insurance prior to the start of all leases. A Newsletter has also been created and the next circulation will include: Best Practices for handling Recurring Leases (i.e., Monthly Collections) and A Tip Sheet on How to set up Credit Card Payments (also to be added to the Mandatory online training documents).*

## **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 54 (31%) of the schools. 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:*** *The Department of Planning and Real Estate Services implemented electronic workflow including the use of electronic signatures for leases starting October 14, 2013. The signature of the lessee, current certificate of insurance and collection of the rental payment must still be obtained prior to the use of the facility and remains a major topic in all training sessions. Training sessions include a mandatory live training (held August 2013), 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 that was created and implemented in FY13.*

## **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 42 (24%) of the schools 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:*** *In FY13 the facility leasing program generated over \$3.9 million in revenue for Palm Beach County Schools. The Department of Planning and Real Estate Services continues to reinforce the leasing procedures through training including mandatory live training (last held August 2013), 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 that was created and implemented in FY13. The current policy requires the collection of rent prior to the use of the facility. Best practice and training will continue to reinforce the need to collect rent prior to the start of the lease and we recommend that the policy be revised to include the assessment of a late fee.*

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

Sincerely,

A handwritten signature in blue ink, appearing to read 'Lung Chiu', with a long horizontal flourish extending to the right.

Lung Chiu, CPA  
Inspector General  
Office of Inspector General

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# Elementary Schools

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Elementary Schools  
**All Schools**  
 Summary of Audit Findings  
 FY 2013 Internal Funds Audits

Elementary Schools	School Age Child Care (SACC)														Disbursements	Receipts	Leases	Others	Number of Findings																										
	Fiscal Management		Student Records				Payroll																																						
	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 Rental	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
Area 1 - 23 Schools	0	2	1	1	0	0	0	0	0	0	0	0	0	0	0	0	10	2	1	0	1	0	1	3	0	2	2	0	1	5	2	0	0	1	2	0	0	0	12	1	3	0	0	53	
Area 2 - 23 Schools	0	2	2	0	0	0	0	0	0	0	0	0	0	0	1	0	5	0	1	0	1	0	2	4	0	2	0	0	5	12	6	1	1	0	2	0	0	9	1	0	1	2	60		
Area 3 - 17 Schools	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	6	2	2	0	1	0	2	1	0	2	1	0	7	3	2	0	2	0	2	0	2	0	1	0	10	1	3	1	1	52
Area 4 - 23 Schools	0	6	0	1	1	0	0	0	0	0	0	0	1	0	1	0	8	1	0	0	0	0	0	5	0	2	0	0	6	6	6	0	2	0	2	0	0	0	11	1	0	2	2	64	
Area 5 - 22 Schools	0	3	1	1	0	0	0	0	0	0	0	0	0	0	0	9	3	2	0	2	0	0	2	0	6	0	0	5	2	7	1	1	0	2	0	0	0	8	3	1	2	0	61		
<b>Total - 108 Schools</b>	<b>0</b>	<b>14</b>	<b>5</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>38</b>	<b>8</b>	<b>6</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>5</b>	<b>15</b>	<b>0</b>	<b>14</b>	<b>3</b>	<b>0</b>	<b>24</b>	<b>28</b>	<b>23</b>	<b>2</b>	<b>6</b>	<b>1</b>	<b>10</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>50</b>	<b>7</b>	<b>7</b>	<b>6</b>	<b>5</b>	<b>290</b>	











**Acreage Pines Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 14200 Orange Boulevard  
Loxahatchee, FL 33470

Principal:  
Fiscal Year 2013: Colleen Iannitti/Amy Dujon  
During Audit: Amy Dujon

Treasurer:  
Fiscal Year 2013: Barbara Schumacher  
During Audit: Barbara Schumacher

Afterschool Site Director:  
Fiscal Year 2013: Karla Powell  
During Audit: Karla Powell

Cash and Investments

Checking	\$ 42,448.63
Investments	
	\$ 42,448.63

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	785.04	372.09	406.16	33.70	33.70	750.97
Classes	1,510.96	23,929.62	23,978.40	837.63	547.63	1,752.18
Clubs	205.64	432.57	251.75	0.00	10.00	376.46
Departments	2,247.62	9,521.06	9,981.58	106.63	202.14	1,691.59
Trusts	26,937.89	307,810.45	307,921.14	10,874.43	11,099.12	26,602.51
General	9,485.66	30,025.70	28,276.64	21,009.90	20,969.70	11,274.92
	\$ 41,172.81	\$ 372,091.49	\$ 370,815.67	\$ 32,862.29	\$ 32,862.29	\$ 42,448.63

## LEASING OF SCHOOL FACILITIES

### **Finding**

The review of school facility leasing records found that the *Certificate of Insurance for Lease Agreement* #1002 listed the School Board as the certificate holder; it did not include the School Board as an additional insured party for 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. The above referenced lease was executed prior to the close of the 2012 school year, and prior to the bookkeeper being aware of the liability insurance agreement requirements. Upon renewal the lessee was required to comply with the policy.*



**Addison Mizner Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

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

Principal:  
Fiscal Year 2013: Donna Binninger  
During Audit: Kelly Burke

Treasurer:  
Fiscal Year 2013: Robin Stewart  
During Audit: Robin Stewart

Afterschool Site Director:  
Fiscal Year 2013: Steve Robert  
During Audit: Steve Robert

Cash and Investments

Checking	\$ 119,689.11
Investments	
	\$ 119,689.11

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	3,504.86	1,352.00	851.89	1,352.00	1,352.00	4,004.97
Classes	484.73	42,385.87	39,728.71	2,304.27	4,538.89	907.27
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	30,942.14	30,502.57	28,921.83	10,510.86	10,510.86	32,522.88
Trusts	97,688.27	893,306.59	911,844.44	33,411.95	35,512.37	77,050.00
General	4,696.68	5,020.08	8,847.81	5,703.74	1,368.70	5,203.99
	\$ 137,316.68	\$ 972,567.11	\$ 990,194.68	\$ 53,282.82	\$ 53,282.82	\$ 119,689.11

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

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

- The school paid a total \$12,145.04 (\$5,516.77 during January through June 2013, and \$6,628.27 during July and August 2013) through 10 payments to a vendor for various campus beatification projects, during January 18, through August 7, 2013. However, the school did not obtain three competitive quotes although these purchases exceeded the \$5,000 threshold that requires a minimum of three competitive quotes pursuant to ***School Board Policy 6.14, Section 4.b.iii.***
- Disbursement #10184 (for \$6,160) was for payment of the 4<sup>th</sup> Grade Everglades Field Trip. However, the *Field Trip/Activity Planning Report and Approval Request (PBSD 1894)* was not approved by the Area Superintendent.

### 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,

- Pursuant to ***School Board Policy 6.14, Section 4.b.iii,*** “*the Principal shall make purchases exceeding five thousand dollars (\$5,000), to the extent authority has been delegated above, using a minimum of three (3) competitive quotes...*” The school should comply with the District competitive bidding requirement for purchases in excess of \$5,000.
- 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.

### Management's Response

*Concur. In the future we will follow school board policy. These mistakes will not happen again.*

**Allamanda Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 10300 Allamanda Drive  
Palm Beach Gardens, FL 33410

Principal:  
Fiscal Year 2013: Marilu Garcia  
During Audit: Marilu Garcia

Treasurer:  
Fiscal Year 2013: Millie Graff  
During Audit: Millie Graff

Afterschool Site Director:  
Fiscal Year 2013: Frances Grenon  
During Audit: Frances Grenon

Cash and Investments

Checking	\$ 42,465.36
Investments	
	\$ 42,465.36

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	934.78	206.00	604.55	106.00	106.00	536.23
Classes	1,976.72	23,758.13	20,935.63	4,958.17	6,434.23	3,323.16
Clubs	377.55	770.15	1,073.08	770.15	844.15	0.62
Departments	1,714.67	10,999.68	9,066.25	2,705.03	2,826.11	3,527.02
Trusts	51,196.27	418,539.00	436,936.01	5,967.20	5,231.53	33,534.93
General	2,754.00	6,286.11	8,432.18	2,123.50	1,188.03	1,543.40
	\$ 58,953.99	\$ 460,559.07	\$ 477,047.70	\$ 16,630.05	\$ 16,630.05	\$ 42,465.36

Allamanda Elementary School  
Management Letter  
Year Ended June 30, 2013

This audit revealed no material instances of noncompliance.

**Banyan Creek Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 4243 Sabal Lake Drive  
Delray Beach, FL 33445

Principal:  
Fiscal Year 2013: William J. Fay, Jr.  
During Audit: William J. Fay, Jr.

Treasurer:  
Fiscal Year 2013: Judy Castano  
During Audit: Karen Spiro

Afterschool Site Director:  
Fiscal Year 2013: Lydia Carreio  
During Audit: Gale Allen

Cash and Investments

Checking	\$ 60,698.57
Investments	
	\$ 60,698.57

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	30.00	0.00	0.00	0.00	0.00	30.00
Classes	5,611.62	59,487.31	59,781.42	5,931.87	7,584.42	3,664.96
Clubs	5,437.33	31,398.39	16,910.68	5,982.30	5,793.25	20,114.09
Departments	1,410.88	4,368.87	5,946.79	1,200.00	0.00	1,032.96
Trusts	48,227.98	465,207.81	478,398.19	14,422.28	17,178.86	32,281.02
General	3,119.34	3,025.12	5,589.00	3,120.08	100.00	3,575.54
	\$ 63,837.15	\$ 563,487.50	\$ 566,626.08	\$ 30,656.53	\$ 30,656.53	\$ 60,698.57

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of sample fundraiser records found that the *Sales Item Inventory Reports* for the Safety Patrol Candy Fundraiser (Account #6-4000.02), Safety Patrol Krispy Kreams (Account #6-4000.03), and Safety Patrol Coupon Books (Account #6-4000.04) were not completed with the accurate information. The selling prices, sales revenues, and quantities purchased and sold were either incorrect or missing.

### Recommendation

To protect the school's best interest and 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. Significant discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.

### Management's Response

*Concur.*

## DOCUMENTATION OF DISBURSEMENTS

### Finding

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

- A January 28, 2013, purchase of \$1,233.17 in snacks for the Afterschool Program was split into two purchases (\$912.44 and \$320.73) and were subsequently charged to the Afterschool Site Director's P-card on January 30, and February 1, 2013, respectively.
- A \$996.92 P-Card transaction occurred on February 13, 2013, was supported by a credit card receipt instead of an itemized invoice or receipt.

### 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 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.

- 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. New SACC director. Unfamiliar with procedures. Subsequent training has corrected issue.*

**LEASING OF SCHOOL FACILITIES**

**Finding**

The review of records for school facility leasing found that:

- Four *Lease Agreements* (#1003, #1004, #1006 and #1010) were not signed by the lessees and the Principal until two to 45 days after the leasehold periods began. Moreover, *Lease Agreement* #1010 was not signed by the lessee.
- Leasing charges were not collected prior to use of facilities by the lessees. Specifically, the leasing charges for five Leases (#1003, #1004, #1010, #1014, and #1020) were not collected until 21 to 47 days after the lessees 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 and ensure *Lease Agreements* are legally enforceable, they should be executed with all the required signatures prior to the use of facilities by lessees.
- As required by ***School Board Policy 7.18***, "*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.*

***Additional Comments:*** *All of the issues were relatively minor and all have been addressed.*

**Barton Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 1700 Barton Road  
Lake Worth, FL 33460

Principal:  
Fiscal Year 2013: Denise Sanon  
During Audit: Denise Sanon

Treasurer:  
Fiscal Year 2013: Karen Gedeon/Chris Logan  
During Audit: Diane Witherspoon

Cash and Investments

Checking	\$ 43,818.39
Investments	
	\$ 43,818.39

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	61.00	0.00	0.00	0.00	61.00	0.00
Classes	7,174.85	4,006.92	7,758.64	2,219.15	2,179.00	3,463.28
Clubs	32.50	0.00	0.00	0.00	32.50	0.00
Departments	1,876.46	3,695.80	3,256.07	1,454.21	1,545.19	2,225.21
Trusts	40,829.65	62,748.34	64,720.03	1,386.92	2,451.46	37,793.42
General	906.46	1,133.58	2,912.43	1,208.87	0.00	336.48
	\$ 50,880.92	\$ 71,584.64	\$ 78,647.17	\$ 6,269.15	\$ 6,269.15	\$ 43,818.39



## 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 deposited in a timely manner. For example, \$612.40 collected through four MCRs (#450-7, #450-12, #451-2 and #457-4) was retained by the sponsors for six to 22 working days before it was put into the drop-safe for deposit.

### Recommendation

As required by *DOE Rules (Chapter 8 of the 2012 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)* 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 sponsors and result in potential irregularities.

### Management's Response

*Concur.*

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of sample fundraiser records revealed that the Grade 5 Field Day Fundraiser (Account #3-3500.03) did not have a *Fundraising Application/Recap* form or a *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 and 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. Significant discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.

### Management's Response

*Concur.*

## DOCUMENTATION OF DISBURSEMENTS

### Finding

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

- Disbursement #2544 (for \$421) did not have any supporting documentation for the expenditures. Missing documents included invoices and the Principal's approved *Check Requisition*.
- Disbursement #2592 (for \$1,687.87) was supported by a vendor's statement which included only the dollar amount but did not have the details of the purchase.
- Two disbursements (#2551 for \$1,800 and #2610 for \$2,384.50) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*.
- A \$1,261.88 P-Card purchase occurred on April 22, 2013, exceeded the \$1,000 daily limit threshold. Neither a *Purchase Order* nor prior approval from the Purchasing Department was obtained.

### Recommendation

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

- All disbursements should be adequately documented with the *Check Requisitions* and supported by itemized invoices and receipts. *Check Requisitions* should be signed by the sponsors to confirm the receipt of goods and services and approved by the Principal. Without adequate supporting documentation, there is 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.
- P-Card purchase in excess of \$1,000 requires prior approval from the Purchasing Department.

### Management's Response

*Concur.*

## LEASING OF SCHOOL FACILITIES

### Finding

The review of the school facility leasing records found that:

- The Tririga System indicated that the school had executed six leasing contracts (Lease #s 1001, 1002, 1003, 1004, 1005, and 1007) with total rentals of \$10,046.60. However, none of these leasing arrangements had the required *Lease Agreements*.

Barton Elementary School  
Management Letter  
Year Ended June 30, 2013

- The school allocated and transmitted \$427.88 in utility fees to the Central Office during the year. However, based on rental collection records, a total of \$4,572.63 in utility fees should have been transmitted to the Central Office. As a result, the school under-transmitted \$4,144.75 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. Moreover, all leasing of school facilities should be recorded and processed by the Tririga System.
- Leasing revenues should be allocated in accordance with the approved *Rate Schedule*. The portion of utility fees should be transmitted to the Central Office in accordance with the District's approved *Rate Schedule*.

***Management's Response***

*Concur.*

**Beacon Cove Intermediate School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 150 School House Road  
Jupiter, FL 33458

Principal:  
Fiscal Year 2013: Una Hukill  
During Audit: Leslie Bolte

Treasurer:  
Fiscal Year 2013: Catherine Steveson  
During Audit: Catherine Steveson

Afterschool Site Director:  
Fiscal Year 2013: Jane Winters  
During Audit: Jane Winters

Cash and Investments

Checking	\$ 88,671.22
Investments	
	\$ 88,671.22

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	3,088.74	32,447.50	27,346.27	12,951.31	13,832.23	7,309.05
Classes	0.00	37,806.98	33,596.83	816.54	5,026.69	0.00
Clubs	2,646.13	8,338.42	9,459.94	2,269.88	1,710.88	2,083.61
Departments	10,035.50	54,886.98	48,491.82	18,391.14	19,160.42	15,661.38
Trusts	50,402.73	691,748.62	686,045.37	12,509.43	16,047.53	52,567.88
General	17,585.19	61,756.89	77,132.23	12,296.94	3,457.49	11,049.30
	\$ 83,758.29	\$ 886,985.39	\$ 882,072.46	\$ 59,235.24	\$ 59,235.24	\$ 88,671.22

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of sample fundraising records found that:

- The Drama-iPad Drawing Fundraiser (Account #4-1650.02) was for selling raffle tickets to students, with a donated iPad as the door prize. Raffle ticket selling for a door prize is contrary to ***School Board Policy 2.16*** that prohibits schools from having drawings of chance for school sponsored activities. Moreover, Disbursement #10793 was for purchases of \$4,504.95 gifts for all the fifth grade students at the graduation party. The gifts included 265 gift cards/certificates with values ranging from \$10 to \$30, and five Kindle Fires devices at \$162.99 each. The gifts were given to students through drawings.
- The Music Recorder Sales (Account #2-3500.01) had \$3,730 in sales revenue deposited into the Internal Funds during the year. As indicated by the sponsor on the *Sales Item Inventory Report*, 32 recorders and 40 binders, with a total resale value of \$328 (9% of sales revenue), were provided to students free-of-charge. However, no record was maintained as to who received the give-away items.

### Recommendation

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

- Raffles and other activities of chance should not be conducted for school-connected activities. Specifically, ***School Board Policy 2.16***, states that “*Schools may not have drawings of chance...*”
- 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 should include the purposes and the names of the recipients.

### Management’s Response

*Concur. All staff have been trained on procedures and step by step check-off has been put in place and is overseen by the bookkeeper and administration.*

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

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

- The school executed a *School District Consultant Agreement (PBSD1420)* with a consultant for providing clarinet and saxophone lessons to student for a maximum compensation of \$2,000. However, during October 2012 through May 2013, the school paid this consultant, through four disbursements (#s 10213, 10419, 10529, and 10646), a total of \$3,050, which exceeded the contract amount by \$1,050.

- Three disbursements (#10536, #10706, and #10745, totaling \$5,895), for renting of entertainment equipment for the fifth grade graduation party, did not obtain proof of liability insurance coverage from the vendor. Moreover, the entertainment equipment also included mechanical ride, which is prohibit by ***School Board Policy 2.16***.
- Disbursement #10209 (for \$4,782.72) was not supported by an itemized invoice; instead, it was supported by a vendor statement, which did not indicate the items purchased.

### **Recommendation**

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

- Consultant payment should be made in accordance with agreements. A separate agreement should be prepared for procuring additional consultant service beyond the existing agreement's scope or contract amount.
- To protect the School District from unwarranted liability, rental of entertainment equipment should follow the same 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.*"
- ***School Board Policy 2.16, 4(c)***, states "*Due to the inherent dangers posed by mechanical rides, no school or school organization is permitted to allow any mechanical rides on School District property or at any school sponsored activity for any activities whatsoever.*"
- To ensure that purchases are appropriate, disbursements 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. Internal Accounts Manual concerning rentals has been reviewed by staff involved in rentals and after-care. Rentals are monitored by treasurer and administration.*

**Belle Glade Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

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

Principal:  
Fiscal Year 2013: Angela Avery Moore  
During Audit: Angela Avery Moore

Treasurer:  
Fiscal Year 2013: Krista Carter  
During Audit: Krista Carter

Cash and Investments

Checking	\$ 15,365.41
Investments	
	\$ 15,365.41

	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	12,173.25	11,854.92	718.33	1,036.66	0.00
Clubs	500.00	0.00	0.00	0.00	500.00	0.00
Departments	1,877.85	6,167.51	5,630.77	1,836.93	1,836.93	2,414.59
Trusts	6,906.10	68,582.90	65,383.54	14,750.84	21,823.48	3,032.82
General	( 29.75)	7,165.42	5,108.64	7,890.97	0.00	9,918.00
	\$ 9,254.20	\$ 94,089.08	\$ 87,977.87	\$ 25,197.07	\$ 25,197.07	\$ 15,365.41

## 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 deposited into the school's bank account in a timely manner. For example, \$1,595.20 collected through eight MCRs was neither processed by the bookkeeper nor deposited into the bank until six to 12 working days after the monies were collected.

### Recommendation

As required by *DOE Rules (Chapter 8 of the 2012 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)* 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 sponsors and result in potential irregularities.

### Management's Response

*Concur. Action will be made by following the above noted recommendation.*

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of sample fundraiser records revealed that the BG Boosters-HERO Day Shirts Sales (Account #6-0300.15) had the following exceptions:

- The shirts were sold at \$10 and \$20 each, but the *Sales Item Inventory Report* incorrectly listed the selling price of \$8 for all shirts.
- The school's purchasing records indicated that 175 shirts were purchased for resale. The shirts were sold at either \$10 or \$12 each, which should have generated a total estimated revenue of at least \$1,750. However, only \$1,534 in sales revenues was deposited into the Internal Funds. As a result, at least \$216 (12%) in estimated revenue was unaccounted for.
- The shirts purchased for this fundraiser was incorrectly paid with Budget Funds for supplies, instead of the school's Internal Funds.

### Recommendation

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



- To protect the school's best interest and 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. Significant discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.
- Expenditures should be funded by the appropriate funding sources, in accordance with District's guidelines. In particular, items purchased for fundraisers should be paid with Internal Funds.

***Management's Response***

*Concur. Action will be made by following the noted recommendation above.*

**DOCUMENTATION FOR DISBURSEMENTS**

**Finding**

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

- Disbursement #10187 (for \$1,565) was for payment of charter bus services for an out-of-county fieldtrip. However, the *Field Trip/Activity Planning Report and Approval Request (PBSD 1894)* was not approved by the Area Superintendent.
- Disbursement #10167 (for \$1,003.65) and a September 21, 2012, P-Card transaction (for \$1,177.64) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*.
- Two P-Card transactions for purchases of office supplies occurred on August 31, 2012, included \$31.11 in sales tax.

**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*, out-of-county field trips should be pre-approved by the Principal and Area 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. All purchases should be pre-approved by the Principal.
- The School District is a tax-exempt governmental entity, and should not pay sales tax for eligible purchases

***Management's Response***

*Concur. Action will be made by following the noted recommendation above.*

**LEASING OF SCHOOL FACILITIES**

**Finding**

The review of leases found that:

- *Lease Agreements* were not always executed with all the signatures prior to the use of facilities by lessees. *Agreements* #1001 and #1005 were not signed by the Principal, lessees and witnesses until five and 24 days, respectively, after the leasehold periods began.
- Lease #1004 had a total contracted amount of \$730 (\$520 in rental and \$210 in labor charges). However, the school collected only \$520 from the lessee. As of June 30, 2013, the school had not collected the remaining \$210 in labor charges from the 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 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.
- As required by ***School Board Policy 7.18***, "*fees are to be paid by check or credit card at least forty-eight (48) hours prior to use of a facility.*" The school should recoup the \$210 in labor costs from the lessee.

***Management's Response***

*Concur. Action will be made by following the noted recommendation above.*

**Belvedere Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 3000 Parker Avenue  
West Palm Beach, FL 33405

Principal:  
Fiscal Year 2013: Diane Mahar  
During Audit: Diane Mahar

Treasurer:  
Fiscal Year 2013: Adis Garcia  
During Audit: Adis Garcia

Afterschool Site Director:  
Fiscal Year 2013: Connie Abston  
During Audit: Connie Abston

Cash and Investments

Checking	\$ 39,202.09
Investments	
	\$ 39,202.09

	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	3.00	1,912.50	1,907.50	0.00	8.00	0.00
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	414.12	9,000.82	8,840.43	0.00	0.00	574.51
Trusts	22,952.94	172,579.21	161,383.58	1,164.76	1,386.58	33,926.75
General	1,556.76	8,021.47	5,107.22	1,815.42	1,585.60	4,700.83
	\$ 24,926.82	\$ 191,514.00	\$ 177,238.73	\$ 2,980.18	\$ 2,980.18	\$ 39,202.09

## DEPOSIT OF MONIES

### **Finding**

The review of the money collection process at the school revealed that some sponsors did not attach the *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. Repeatedly remind teachers to attach receipts to MCR. It is listed on checkout procedures but that doesn't matter if a teacher does not save the official receipts or cannot find them.*

*Additional comments: This is a first time citation for Belvedere. We try to be very conscientious with money and documentation.*

**Benoist Farms Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

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

Principal:  
Fiscal Year 2013: Ruthann Miller  
During Audit: Ruthann Miller

Treasurer:  
Fiscal Year 2013: Robin McLaughlin  
During Audit: Robin McLaughlin

Afterschool Site Director:  
Fiscal Year 2013: Calvin Lewis  
During Audit: Calvin Lewis

Cash and Investments

Checking	\$ 17,214.12
Investments	
	\$ 17,214.12

	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	0.00	0.00	0.00	0.00	0.00
Classes	322.71	789.29	350.00	0.00	440.74	321.26
Clubs	581.13	3,392.90	2,598.36	945.98	945.98	1,375.67
Departments	1,592.70	5,824.51	6,803.01	432.40	3.16	1,043.44
Trusts	10,643.36	285,466.37	281,897.11	4,125.00	4,125.00	14,212.62
General	108.19	2,486.31	2,344.87	11.50	0.00	261.13
	\$ 13,248.09	\$ 297,959.38	\$ 293,993.35	\$ 5,514.88	\$ 5,514.88	\$ 17,214.12

**DOCUMENTATION FOR FUNDRAISERS**

**Finding**

The review of fundraiser records revealed that:

- The Safety Patrol Lollipop Sale (Account #4-4300.01) had a total of \$284 in sales revenues deposited into the Internal Funds during July 1, 2012, and June 30, 2013. However, based on the school’s purchasing records and the *Sales Item Inventory Report* for School Year 2013, this fundraiser should have generated a total estimated revenue of \$604. As a result, \$320 in estimated revenue was unaccounted for.

Item	Quantity				Units Sold	Selling Price	Revenues
	Beginning Inventory	Purchases <sup>(1)</sup>	Items Given Away <sup>(2)</sup>	Inventory On Hand <sup>(2)</sup>			
Lollipops	0	640	36	0	604	\$1	\$604
Total Estimated Revenues							\$604
Total \$ Deposited into Internal Funds							\$284
<b>Estimated Revenues Unaccounted For</b>							<b>\$320</b>

(1) Based on purchasing records during July 1, 2012, and June 30, 2013.  
 (2) Based on *FY13 Sales Item Inventory Report*.

- The Safety Patrol Smencil Sale (Account #4-4300.07) had a total of \$784.03 in sales revenues deposited into the Internal Funds during July 1, 2012, and June 30, 2013. However, based on the school’s purchasing records and the *Sales Item Inventory Report* for School Year 2013, this fundraiser should have generated a total estimated revenue of \$1,000. As a result, \$215.97 in estimated revenue was unaccounted for.

Item	Quantity				Units Sold	Selling Price	Revenues
	Beginning Inventory	Purchases <sup>(1)</sup>	Items Given Away <sup>(2)</sup>	Inventory On Hand <sup>(2)</sup>			
Smencils	0	1,000	0	0	1,000	\$1	\$1,000.00
Total Estimated Revenues							\$1,000.00
Total \$ Deposited into Internal Funds							\$784.03
<b>Estimated Revenues Unaccounted For</b>							<b>\$215.97</b>

(1) Based on purchasing records during July 1, 2012, and June 30, 2013.  
 (2) Based on *FY13 Sales Item Inventory Report*.

**Recommendation**

To protect the school’s best interest and 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.

Significant discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.

***Management's Response***

*Concur. Safety Patrol will no longer do fundraisers until properly trained and then will be monitored.*

**DOCUMENTATION FOR DISBURSEMENTS**

**Finding**

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

- The *School District Consultant Agreement (PBSD 1420)* for hiring a DJ for the Afterschool Program was not signed and approved by the Principal. This Agreement had a contract amount of \$150. However, the actual payment was for \$175 (Disbursement #10076), which exceeded the contract amount by \$25.
- Disbursement #10165 (for \$1,260) 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,

- 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's performing the services at school. The amount of payments to consultant should be consistent with the agreement.
- *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. Contract was signed by director of aftercare (states director/principal). From now on all expenses over \$1,000 will have a P.O.; this was a function not materials so did not realize had to have a P.O.*

**AFTERSCHOOL AND SUMMER CAMP PROGRAMS**

**Finding**

The review of Afterschool and Summer Camp Programs found that:

- On February 5, 2013, the school posted the adjusting entries to remove a total of \$419.25 in Afterschool Program fees (receivable) for two students (\$236.50 for the October 2012 fees for one student, and \$182.75 for the January 2013 fees for another student) without justification, although the students were attending the program during the related months.

- As of October 31, 2013, the Summer Camp program had an accounts receivable balance of \$11,573.82 from 28 student accounts.
- As of June 30, 2013, the Afterschool Special Activities Account (#6-9600.00) had a year-end balance of \$2,299.74, which exceeded the \$750 year-end balance as provided by *Afterschool Programs Operational Manual*.

### **Recommendation**

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

- Afterschool Program fees should be collected in accordance with *Afterschool Programs Operational Manual*. School-based fee waivers, if any, should be adequately documented and approved by the Principal.
- 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 states "*fees are payable in advance and are collected monthly on the first three school days of the month.*"
- 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 Afterschool Program Special Activities Account year-end balance should not exceed \$750. The school should monitor the revenues and expenditures of this account accordingly.

### **Management's Response**

*1) Concur. Will make sure justification is included in every transaction. 2) Missed October 15<sup>th</sup> deadline for camp program due to outstanding invoices from camp expenses. 3) Concur. Will monitor account monthly.*

## **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 prior to the leasehold period began. Lease #1001 was not signed by the lessee, a witness, and the Principal until 10 days after the leasehold period began; and Lease #1004 was not signed by the lessee until four days after the start of the lease.



Benoist Farms Elementary School  
Management Letter  
Year Ended June 30, 2013

- Leasing charges were not always collected in a timely manner. The rentals for Leases #1001 and #1004 were not collected until 10 and five days respectively after the lessees 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 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.
- As required by ***School Board Policy 7.18***, “*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. Will adhere to above recommendations.*

**Berkshire Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

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

Principal:  
Fiscal Year 2013: Maria Bishop  
During Audit: Maria Bishop

Treasurer:  
Fiscal Year 2013: Brizeida Lora  
During Audit: Brizeida Lora

Afterschool Site Director:  
Fiscal Year 2013: Josephine Costo  
During Audit: Josephine Costo

Cash and Investments

Checking	\$ 56,043.13
Investments	
	\$ 56,043.13

	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	14,131.29	12,759.05	79.00	1,451.24	0.00
Clubs	0.00	3,144.00	2,123.00	0.00	1,021.00	0.00
Departments	12,081.01	32,562.81	36,363.17	1,216.25	880.29	8,616.61
Trusts	39,839.75	663,923.58	671,533.21	11,869.08	10,340.22	33,758.98
General	11,193.02	32,371.18	30,425.08	18,238.94	17,710.52	13,667.54
	\$ 63,113.78	\$ 746,132.86	\$ 753,203.51	\$ 31,403.27	\$ 31,403.27	\$ 56,043.13

## SEGREGATION OF DUTIES

### Finding

During the audit, we noted that the bookkeeper performed incompatible duties in (1) preparing leasing documentation, (2) collecting leasing fees from lessees, (3) preparing MCRs for other staff members to sign as the remitters, and (4) preparing *Check Requisitions* for other staff members to sign as the requestors. Moreover, the bookkeeper was the custodian for the school's *Drop-safe Log*.

### Recommendation

To (1) ensure fiscal accountability and (2) prevent and detect potential irregularities, segregation of duties should be enforced at the school. Specifically,

- Certain functions should be performed by the activity sponsors, instead of the bookkeeper. Such functions include (1) collecting monies from students and lessees, and (2) preparing MCRs, *Check Requisitions*, and leasing documentation.
- 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. Another staff member, other than the bookkeeper, should be assigned as the document custodian for the *Drop-Safe Log*.

### Management's Response

*Concur. Policies and procedures will be reviewed with staff. A system will be developed to monitor and ensure adherence to policy.*

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of sample fundraiser records found that:

- \$18,645.81 in sales revenue was deposited into the Internal Funds for the Safety Patrol Chocolate Sales (Account #6-4000.01). However, based on the *Sales Item Inventory Report* and the school's purchasing records, this fundraiser should have generated a total estimated revenue of \$19,084. As a result, \$438.19 in estimated revenue was unaccounted for.
- The Pepsi Vending Machine (Account #6-0200.01) had a total of \$848.65 in sales revenues deposited into the Internal Funds during the year. Based on the *Sales Item Inventory Report*, this fundraiser should have generated a total estimated revenue of \$1,012.50. As a result, \$163.85 in estimated revenue was unaccounted for. According to staff, the quantities of items given-away free-of-charge was understated because on numerous occasions items were used for refreshments at various staff meetings without records.
- The Campus Yearbooks Sales did not have the required *Sales Item Inventory Report*.

### **Recommendation**

To protect the school's best interest and 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. Significant discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.

### **Management's Response**

*Concur. Further investigation revealed that Sales Inventory form did not reflect the boxes of chocolate that were damaged due to ant infestation. As far as the Pepsi machine, again the Sales Inventory form did not accurately document the cans that were given away free of charge. Sponsors will be retrained on completing the Sales Item Inventory Report.*

## **LEASING OF SCHOOL FACILITIES**

### **Finding**

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

- Two signed *Lease Agreements* (#1001 and #1003) was generated by Tririga system before they were approved by the Central Office and had the word "DRAFT" printed across the entire documents.
- The leasehold period for Lease #1003 began on January 22, 2013. However, the rental was not collected until February 4, 2013; i.e., 13 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,

- To protect the best interest of the School District and ensure *Lease Agreements* are legally enforceable, *Lease Agreement* (without the word "Draft") should be properly executed with all the required signatures prior to the use of facilities by lessees.
- As required by ***School Board Policy 7.18***, "*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. Leases will be monitored closely to ensure the adherence to District policies and procedures.*

**Binks Forest Elementary School**  
**Internal Fund Accounts**  
**Combining Statement of Changes in Cash and Investments – Cash Basis**  
**Year Ended June 30, 2013**

Address: 15101 Bent Creek Road  
Wellington, FL 33414

Principal:  
Fiscal Year 2013: Michella Levy  
During Audit: Michella Levy

Treasurer:  
Fiscal Year 2013: Lisa Molbogot  
During Audit: Lisa Molbogot

Afterschool Site Director:  
Fiscal Year 2013: Leila Truitt  
During Audit: Leila Truitt

Cash and Investments

Checking	\$ 109,540.65
Investments	
	\$ 109,540.65

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	137.00	1,569.00	1,504.60	61.90	61.90	201.40
Classes	3,754.70	75,845.24	74,897.42	17,305.34	12,651.08	9,356.78
Clubs	12,263.24	30,587.88	33,081.07	1,020.88	6,180.13	4,610.80
Departments	8,120.84	28,122.38	31,870.88	8,632.79	8,685.19	4,319.94
Trusts	42,882.33	692,415.90	669,042.59	31,136.82	40,088.92	57,303.54
General	36,848.73	62,049.88	74,659.91	25,750.91	16,241.42	33,748.19
	\$ 104,006.84	\$ 890,590.28	\$ 885,056.47	\$ 83,908.64	\$ 83,908.64	\$ 109,540.65

## DEPOSIT OF MONIES

### Finding

During the audit, we noted that two pages of the *Drop Safe Log* (#12-46821 and #12-46822) were missing.

### Recommendation

To ensure proper fiscal accountability and as required by *Bulletin #P-14051-S/CFO* and *Chapter 27 of the Internal Accounts Manual*,

- Completed *Drop-safe Logs* must be filed sequentially in numerical order in a binder and retained for five years.
- A document custodian should be assigned for the *Drop-safe Log* by completing and signing the *Document Custodian Assignment Register (PBSD 1663)*; and the *Drop-safe Log* should be inventory-checked monthly by the document custodian and record the results on the *Prenumbered Document Inventory Register (PBSD 0160)*.

### Management's Response

*The two lost pages of the Drop Safe Log were not discovered during the Audit. Those two pages were left to be used during the summer for Summer Camp. Upon the Bookkeeper visiting the school during the summer, it was discovered that the pages had been lost. Accounting Service and the Principal were notified immediately. Under instruction from Accounting Services, the safe was opened and a new log was made. All deposits were accounted for and documentation of the incident was made.*

*All procedures are followed concerning the Drop Safe Log and Document Custodian Assignment Register. This was an incident of neglect or not following procedures. We conducted summer school at our location, which resulted in many non-Binks personnel on campus. It was clearly a case of misplaced pages and once recreated, nothing was at a loss except two pieces of paper.*

## AFTERSCHOOL PROGRAM

### Finding

As of June 30, 2013, the Afterschool Program Snack Account (#6-9550) had a year-end balance of \$3,961.93, and Afterschool Program Special Activities Account (#6-9600) had a year-end balance of \$2,210.34. Both of them exceeded the \$1,500 and \$750 year-end balance respectively as provided by *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

Binks Forest Elementary School  
Management Letter  
Year Ended June 30, 2013

Account year-end balance should not exceed \$750. The school should monitor the revenues and expenditures of these accounts accordingly.

***Management's Response***

*Concur. Yes, the balances of Afterschool Snack and Afterschool Special Activities were higher than those proposed in the manual, due to the fact that internal invoices were not yet posted to our school upon closing of the year. The intention was to pay for those invoices in August and keep the total amount due to the District available for those payments. If not, form #2242, Internal Account Funding Source Change, would've had to be done for all invoices.*

*It is understood that regardless of outstanding invoices at the time of closing, the balances should be \$1,500 for Afterschool Snack and \$750 for Afterschool Special Activities.*

**Boca Raton Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

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

Principal:  
Fiscal Year 2013: Renee Elfe  
During Audit: Renee Elfe

Treasurer:  
Fiscal Year 2013: Janice Williams  
During Audit: Janice Williams

Afterschool Site Director:  
Fiscal Year 2013: Patricia Jackson  
During Audit: Patricia Jackson

Cash and Investments

Checking	\$ 15,322.87
Investments	
	\$ 15,322.87

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	575.58	824.00	1,395.69	26.00	29.89	0.00
Classes	5,593.72	8,258.02	10,780.77	5,066.07	8,137.04	0.00
Clubs	121.91	0.00	0.00	0.00	121.91	0.00
Departments	5,711.12	3,044.27	4,507.52	274.13	774.60	3,747.40
Trusts	25,503.00	130,672.81	139,534.12	9,269.51	16,927.48	8,983.72
General	893.02	3,895.18	13,551.66	14,679.77	3,324.56	2,591.75
	\$ 38,398.35	\$ 146,694.28	\$ 169,769.76	\$ 29,315.48	\$ 29,315.48	\$ 15,322.87



## DEPOSIT OF MONIES

### Finding

Monies collected were not always deposited in a timely manner. For example, \$1,766 collected through two MCRs (#351-0294 for \$584 and #360-0320 for \$1,182) was retained by the sponsors for one and three working days, respectively, before the monies were put into the drop-safe for deposit.

### Recommendation

As required by *DOE Rules (Chapter 8 of the 2012 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)* 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 sponsors and result in potential irregularities.

### Management's Response

*Concur. Administration will meet with teachers to remind them that monies must always be deposited into drop-safe daily.*

## SEGREGATION OF DUTIES

### Finding

During the audit, we noted that:

- In addition to maintaining the Internal Funds accounting records, the bookkeeper also prepared some *Check Requisitions* for other staff members to sign as requestors.
- The Afterschool Site director was assigned as the custodian for the *SACC Receipt Books*; however, the staff also used the receipt books for collecting fees from parents.

### Recommendation

To ensure fiscal accountability and prevent potential irregularities, segregation of duties should be enforced at the school. Specifically,

- *Check Requisitions* should be prepared and signed by the activity sponsors, instead of the bookkeeper.
- 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. Bookkeeper will attend District Training and the principal will ensure that check requisitions are prepared and signed activity sponsors and not the bookkeeper.*

**DOCUMENTATION FOR FUNDRAISERS**

**Finding**

The review of sample fundraiser records found that the Music Recorder Sales and the Music Polo Shirt Sales had the following exceptions:

- Neither of them had the required *Fundraising Application/Recap Form* and *Sales Item Inventory Report*.
- Two disbursements (#10156 and #10275, totaling \$608), for the purchase of polo shirt for the Music Polo Shirt Sales, did not have any supporting documentation, such as itemized invoices/receipts, indicating the descriptions and quantities of the items purchased.
- The financial transactions for these fundraisers were recorded in the General Music's primary account (#2-3500.00), instead of separate decimalized accounts for each fundraiser.

Due to lack of documentation and inventory counts, there was no basis to determine if 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,

- 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. Significant discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.
- All disbursements should be adequately documented and supported by itemized invoices and receipts.
- To assist the school in evaluating and monitoring the performance of individual fundraiser, a separate decimalized account should be established for each fundraiser.

***Management's Response***

*Concur. Bookkeeper will attend District training and principal will ensure that all School Board Policies will be followed concerning fundraising.*

**DOCUMENTATION FOR DISBURSEMENTS**

**Finding**

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

- Disbursements #10223 and #10299, totaling \$500, were for payments to a consultant for providing DJ services to the school. However, these disbursements were not supported by the required *School District Consultant Agreement*.
- Three P-Card purchases, totaling \$303.63, occurred during October 2012, were supported by packing slips that did not indicate the dollar amounts of the purchases.

**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 best interests of the school, the *School District Consultant Agreement (PBSD 1420)* should be properly executed prior to the consultant performing the services at school. Moreover, to protect the safety and welfare of students, the school should ensure that consultants, who work on school campus, have passed the required background and clearance check as required by *Florida Statutes §1012.465*.
- To ensure that expenditures are appropriate, all purchases should be adequately documented and supported by itemized invoices and receipts.

***Management's Response***

*Concur. All disbursements procedures will be administered in accordance with Internal Accounts Manual, Purchasing Card Procedures guidelines. Also all School District Consultant Agreements will be properly executed prior to the consultant performing service.*

**AFTERSCHOOL PROGRAM**

**Finding**

The review of the Afterschool Program records found that:

- The EZ Care database (Afterschool Program student information and accounting system) contained inconsistent information. Based on the student attendance and parent sign-out records, the program

should have collected an estimated total of \$88,842.50 in program fees during the year. However, the EZ Care database indicated that only \$73,038.21 in program fees was recorded to the parent accounts, resulting in an estimated undercharging and under-collecting program fees of \$15,804.29 from the parents. The undercharges ranged from \$166 for September 2012, to \$2,777 for November 2012.

- The school provided Early Release Day Activity Program to students on the four Professional Development Days (PDD) during the school year, but did not collect the additional fees for the PDD days. Based on the student attendance records, this program should have collected \$1,512.50 in estimated revenues.
- Our review of the EZ Care database found that the school posted a total \$2,866 in negative adjustments to numerous parent accounts to reduce the fees payable from the parents. However, no record was maintained to document the justifications and Principal's approval for the fee reductions.

### **Recommendation**

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

- 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.
- Afterschool Program fees, including PDD fees, should be collected in accordance with *Afterschool Programs Operational Manual* and related District's guidelines.
- Adjustments to accounts receivable and fee waivers should be adequately documented and approved by the Principal.

### **Management's Response**

*Concur. Aftercare Director will receive additional training on EZ-Care database and all guidelines in the Afterschool Programs Operational Manual will be followed closely.*

## **LEASING OF SCHOOL FACILITIES**

### **Finding**

The review of records for leasing of school facilities found that for Leases #1015 and #1002 (for the same lessee):

- Although the *Certificate of Insurance* listed the School Board as the certificate holder, it did not include the School Board as an additional insured party for liability insurance coverage.
- The leasing charges were not collected until after the lessee had begun using the facilities for one and two days respectively.

**Recommendation**

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

- The School Board should be listed as the additional insured party on the lessee's certificate of insurance, in order to protect the School District from unwarranted liability.
- Leasing charges should be collected from lessees at least 48 hours prior to their use of school facilities.

***Management's Response***

*Concur. Principal monitor the bookkeeper to ensure that all leasing of school facilities should be administered in accordance with School Board Policy 7.18 and related District guidelines.*

**Calusa Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 2051 Clint Moore Road  
Boca Raton, FL 33496

Principal:  
Fiscal Year 2013: Jamie Wyatt  
During Audit: Jamie Wyatt

Treasurer:  
Fiscal Year 2013: Lynda Kramer  
During Audit: Lynda Kramer

Afterschool Site Director:  
Fiscal Year 2013: Laurie Ostrow  
During Audit: Laurie Ostrow

Cash and Investments

Checking	\$ 37,188.63
Investments	
	\$ 37,188.63

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	803.42	3,387.00	3,946.82	385.30	385.30	243.60
Classes	3,138.97	59,349.57	56,774.81	3,940.22	6,073.91	3,580.04
Clubs	1,650.53	1,035.89	932.15	430.16	430.16	1,754.27
Departments	12,141.85	26,451.47	27,447.53	2,880.24	3,642.10	10,383.93
Trusts	15,805.27	623,829.79	621,334.88	8,175.59	9,084.30	17,391.47
General	6,362.66	9,401.33	15,732.93	5,171.76	1,367.50	3,835.32
	\$ 39,902.70	\$ 723,455.05	\$ 726,169.12	\$ 20,983.27	\$ 20,983.27	\$ 37,188.63

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

The school hired a consultant to provide Zumba instruction classes to students during September 10, 2012, through May 31, 2013. However, the *School District Consultant Agreement* (PBSD1420) was not signed by the consultant and approved by the Principal until October 19, 2012. As a result, the consultant provided four instruction classes to students during September 10, through October 15, 2012, (Disbursements #10166 and #10280, totaling \$800) without an executed contract.

### Recommendation

To protect the best interests of the school, the *School District Consultant Agreement* (PBSD 1420) should be properly executed prior to the consultant performing the services at school. Moreover, to protect the safety and welfare of students, the school should ensure that consultants, who work on school campus, have passed the required background and clearance check as required by *Florida Statutes §1012.465*.

### Management's Response

*Concur. I have already spoken to my Aftercare Director and leasing person about this finding. We will not let this happen again.*

## DEPOSIT OF MONIES

### Finding

\$3,000 collected through MCR #332-36 was a donation to the school, but did not have the required "Thank You" letter to the donor.

### Recommendation

Pursuant to *School Board Policy 6.04*, "*Donations having a value in excess of \$1,000 shall be acknowledged in writing by the Superintendent.*"

### Management's Response

*Concur. We did complete a thank you letter but because the money was divided between a few teachers we didn't realize the donation amount. I have met with my bookkeeper and spoken to the staff about a new process for documenting donations so that this will not be missed again.*

**Cholee Lake Elementary School**  
**Internal Fund Accounts**  
**Combining Statement of Changes in Cash and Investments – Cash Basis**  
**Year Ended June 30, 2013**

Address: 6680 Dillman Road  
Greenacres, FL 33413

Principal:  
Fiscal Year 2013: Jacqueline Perkins  
During Audit: Marline Campbell

Treasurer:  
Fiscal Year 2013: LaSonya Martin  
During Audit: LaSonya Martin

Afterschool Site Director:  
Fiscal Year 2013: Joycelyn Cardona  
During Audit: Joycelyn Cardona

Cash and Investments

Checking	\$ 13,428.46
Investments	
	\$ 13,428.46

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	256.11	618.00	782.95	766.25	31.65	825.76
Classes	2,184.94	15,192.77	12,582.18	8,945.75	12,265.79	1,475.49
Clubs	4,895.44	4,435.03	5,758.33	3,531.18	3,736.21	3,367.11
Departments	1,215.08	3,621.81	6,894.17	6,278.12	3,266.77	954.07
Trusts	13,426.19	224,532.74	230,475.74	25,893.52	26,570.68	6,806.03
General	3,078.91	16,172.96	19,708.15	12,176.92	11,720.64	0.0
	\$ 25,056.67	\$ 264,573.31	\$ 276,201.52	\$ 57,591.74	\$ 57,591.74	\$ 13,428.46



## DOCUMENTATION FOR FUNDRAISERS

### **Finding**

The review of fundraiser records found that the Yearbook Sales (Account #7-0100.03) did not have the required *Sales Item Inventory Report*. The school purchased 201 yearbooks for resale at \$20 each, and 39 yearbooks remained in the inventory during the audit. Based on available records, this fundraiser should have generated a total estimated revenue of \$3,240 [ $\$20 \times (201 - 39)$ ]. However, only \$1,996 in sales revenue was deposited into the Internal Funds during May 2, through June 5, 2013. As a result, \$1,244 (38%) in estimated revenue was unaccounted for. According to staff, an undetermined number of yearbooks were stolen from the main office.

### **Recommendation**

To ensure proper fiscal accountability, *Sales Item Inventory Reports* should be completed accurately with all the needed information. Accurate *Sales Item Inventory Reports* should assist staff in (1) reconciling sales revenues and (2) tracking items purchased, given-away, or remaining in inventory. Significant discrepancy between the estimated revenue and actual receipts should be investigated and resolved accordingly.

### **Management's Response**

*Concur. Discussed findings and recommendations with the bookkeeper. Yearbooks will be locked up in a safe and secured area to prevent loss or theft.*

## DOCUMENTATION FOR DISBURSEMENTS

### **Finding**

The review of sample disbursements and P-Card transaction records found that the school inadvertently paid a \$275 invoice twice for the Smencils fundraiser: once with a P-Card on September 8, 2012, and then with a school check (#3560) on September 13, 2012. As a result, the school overpaid \$275 to the vendor.

### **Recommendation**

Disbursement procedures should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. The school should contact the vendor to recoup the \$275 overpayment for the Smencils fundraiser invoice.

### **Management's Response**

*Concur. Bookkeeper was directed to contact vendor to recoup overpayment of \$275.*

## LEASING OF SCHOOL FACILITIES

### Finding

The review of sample leases for use of school facilities found that two leases, with the same lessee, were not executed with all the required signatures and the leasing charges were not collected until after the leasehold periods had begun. Specifically,

- Lease #1001 was for the use of facilities by the lessee on October 18, 2012. However, the *Lease Agreement* was not signed by the lessee and the Principal until November 29, 2012, and December 3, 2012, respectively. Moreover, the rental was not collected until November 28, 2012.
- Lease #1008 was for the use of facilities by the lessee during November 12, 2012, through January 15, 2013. However, the *Lease Agreement* was not signed by the lessee and the Principal until November 29, 2012, and December 3, 2012, respectively. The rental was not collected until November 28, 2012.

### 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.
- As required by *School Board Policy 7.18*, leasing charges should be collected from lessees prior to their use of school facilities.

### Management's Response

*Concur. Discussed findings and recommendations with Bookkeeper. There are no current leases however, when leasing the school facilities all procedures for leasing will be followed.*

## AFTERSCHOOL PROGRAM

### Finding

As of June 30, 2013, the SACC Snack Account (#6-9550) and SACC Special Activities Account (#6-9600) had a year-end balance of \$1,920.36 and \$1,807.41, respectively. However, both accounts exceeded the maximum year-end balance of \$1,500 and \$750, 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.

Cholee Lake Elementary School  
Management Letter  
Year Ended June 30, 2013

Specifically, the year-end balance for the Afterschool Program Snack Account should not exceed \$1,500, and the Afterschool Program 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 findings and recommendations with the Afterschool Director. Meeting was also held with Principal, District and school Afterschool Director where this finding was discussed.*

**Citrus Cove Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 8400 Lawrence Road  
Boynton Beach, FL 33436

Principal:  
Fiscal Year 2013: Laura Green  
During Audit: Laura Green

Treasurer:  
Fiscal Year 2013: Denise Farley  
During Audit: Denise Farley

Afterschool Site Director:  
Fiscal Year 2013: Sheila Ross  
During Audit: Sheila Ross

Cash and Investments

Checking	\$ 71,928.97
Investments	
	\$ 71,928.97

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	439.03	12,811.61	9,500.47	3,723.56	3,723.56	3,750.17
Classes	9,112.41	48,847.91	50,731.22	3,690.09	3,738.09	7,181.10
Clubs	5,710.47	0.00	0.00	0.00	2,291.62	3,418.85
Departments	4,910.86	16,983.22	17,199.50	4.39	42.84	4,656.13
Trusts	52,887.80	636,783.91	649,427.25	8,018.67	14,075.72	34,187.41
General	12,378.21	21,511.61	23,589.63	16,819.12	8,384.00	18,735.31
	\$ 85,438.78	\$ 736,938.26	\$ 750,448.07	\$ 32,255.83	\$ 32,255.83	\$ 71,928.97

## DOCUMENTATION OF DISBURSEMENTS

### Finding

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

- Two disbursements (#10393 for \$1,690.92 and #10440 for \$1,967.95) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Orders*.
- The *Purchase Order* for Disbursement #10426 (for \$2,681.80) was neither prepared by the sponsor nor approved by the Principal until seven 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, *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.

### Management's Response

*Corrected PO was located for #10426. Missing PO #10393 & #10440 were located and attached.*

## LEASING OF SCHOOL FACILITIES

### Finding

The *Certificate of Insurance* for Lease #1001 listed the School Board as the certificate holder; however, the School Board was not included as an additional insured party for 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. New leases have been implemented with monitoring to ensure that District policy is being adhered to. Leasing contact also attended the training on Tririga.*

## AFTERSCHOOL PROGRAM

### **Finding**

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 a total of \$3,218.75 from parents in PDD activity fees for two PDD days (\$1,681.25 for December 6, 2012, and \$1,537.50 for January 24, 2013).

### **Recommendation**

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

### ***Management's Response***

*Payments are billed with afterschool fees.*

*Additional comments: We have hired a new experienced bookkeeper effective 2/1/2014.*

**Clifford O. Taylor/Kirklane Elementary School**  
**Internal Fund Accounts**  
**Combining Statement of Changes in Cash and Investments – Cash Basis**  
**Year Ended June 30, 2013**

Address: 4200 Purdy Lane  
Palm Springs, FL 33461

Principal:  
Fiscal Year 2013: Agartha Gragg  
During Audit: Agartha Gragg

Treasurer:  
Fiscal Year 2013: Linda Hawkins  
During Audit: Linda Hawkins

Afterschool Site Director:  
Fiscal Year 2013: Cybil Askew  
During Audit: Cybil Askew

Cash and Investments

Checking	\$ 17,782.00
Investments	
	\$ 17,782.00

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	724.50	724.50	346.55	346.55	0.00
Classes	2,231.88	60,988.84	50,541.96	25,813.10	32,122.39	6,369.47
Clubs	21.58	3,324.76	2,486.39	1,114.30	762.18	1,212.07
Departments	210.94	18,197.35	15,386.80	849.74	2,628.66	1,242.57
Trusts	8,420.46	587,141.69	585,626.24	17,019.76	17,997.78	8,957.89
General	18.65	24,323.41	33,056.17	15,324.30	6,610.19	0.0
	\$ 10,903.51	\$ 694,700.55	\$ 687,822.06	\$ 60,467.75	\$ 60,467.75	\$ 17,782.00

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of sample fundraiser records found that:

- Based on the school's purchasing records for the Safety Patrol Candy Sales, this fundraiser should have generated \$19,200 in total estimated revenue. However, only \$17,071.06 was deposited into the Internal Funds. According to the sponsor, eight students had not turned in a total of \$446 in sales revenue, and some candy was provided to students as rewards. However, no record was maintained for the \$1,682.94 (\$19,200 - \$17,071.06 - \$446) give-away items.
- The *Sales Item Inventory Report* for the Yearbook Sales (Account #7-0100.12) indicated that 30 Yearbooks were given-away free-of-charge. The give-away items had a total resale value of \$750, or 18% of the total estimated revenue of this fundraiser. However, no documentation was maintained for the recipients of these give-away items.
- Although a decimalized account was established for each fundraiser, some revenues and expenditures for fundraising activities were recorded in other unrelated accounts. For example, the printing cost for Yearbook (Account #7-0100.12) was recorded in the General Activities Account (#7-0100.00), and the sales revenues for Safety Patrol Spat Ball Sales (Account #6-4000.08) were recorded in the Orlando Trip Account (#6-4001.00).

### Recommendation

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

- 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 should include the purposes and the names of the recipients.
- To assist the school in evaluating and monitoring the performance of individual fundraiser, all financial information should be recorded in the respective decimalized account for each fundraiser.

### *Management's Response*

*Concur. The recommendations as stated above will be followed.*

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

The review of sample disbursements and P-Card transaction records found that a \$325.97 P-Card purchases made on December 22, 2012, was for purchase of an iPod and iPod accessories. However, the school could not locate the items for our inspection during the audit.



### **Recommendation**

All school assets should be properly safeguarded and Police Report should be obtained to account for the lost equipment.

### ***Management's Response***

*The student signed a statement as to the loss of the iPod which was taken from her at school. A police report was completed.*

## **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 (1) prepared some MCRs for other staff members to sign as remitters and (2) completed Section 1 of the *Drop Safe Log*.

### **Recommendation**

To ensure fiscal accountability and prevent potential irregularities, segregation of duties should be enforced at the school. Specifically,

- *Monies Collected Reports* should be prepared and signed by the staff who collected the monies.
- As required by ***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. The recommendations as stated above will be followed.*

## **AFTERSCHOOL PROGRAM**

### **Finding**

As of September 30, 2013, the school's Summer Camp Program had an accounts receivable balance of \$18,746.58 from 34 student accounts. These accounts were overdue for more than two months. According to staff, the accounts receivable balance was overstated because some of the Family Central subsidy reimbursements were not accurately recorded in the EZ Care database (the Afterschool Program's student information and accounting system); and the Department of Afterschool Programming was in the process of assisting the school in updating the EZ Care database.

### **Recommendation**

Afterschool Program should be administered in accordance with District's guidelines and *Afterschool Programs Operational Manual*. 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. The school should made adjustments to correct the records.
- Afterschool and Summer Camp Programs are self-sufficient programs supported by user fees. Program fees should be collected in advance as required by the *Afterschool Programs Operational Manual*.

### **Management's Response**

*Concur. The accounts are presently updated. The Summer Camp director will review the accuracy of the aging reports monthly.*

## **LEASING OF SCHOOL FACILITIES**

### **Finding**

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

- The name of the insured listed on the *Certificate of Insurance* for Lease #1014 did not agree with the name of the lessee listed on the *Lease Agreement*.
- Leasing charges were not always collected in a timely manner. In particular, Lease #1020 was for the use of facilities during November 1, 2012, through January 22, 2013. However, the rental was not collected until March 22, 2013, two months after the leasehold period ended.

### **Recommendation**

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

- To protect the School Board and the District from unwarranted liabilities, all lessees must provide proof of adequate insurance or purchase the insurance coverage through the District insurance pool.
- As required by *School Board Policy 7.18*, "*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**

*The District does not approve leases if insurance is incorrect. That information is automatically populated on the leasing form. In this case, the Certificate of Insurance approved by the District has an extended name representing the lessee.*

Clifford O. Taylor/Kirklane Elementary School  
Management Letter  
Year Ended June 30, 2013

***Additional comments:** Our bookkeeper continues to demonstrate mastery of record keeping and excellence with bookkeeping credentials.*

**Coral Reef Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 6151 Hagen Ranch Road  
Lake Worth, FL 33467

Principal:  
Fiscal Year 2013: Bobbi Moretto  
During Audit: Bobbi Moretto

Treasurer:  
Fiscal Year 2013: Donna Laska  
During Audit: Donna Laska

Afterschool Site Director:  
Fiscal Year 2013: Pat Felice  
During Audit: Pat Felice

Cash and Investments

Checking	\$ 65,389.48
Investments	
	\$ 65,389.48

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	1,314.41	953.00	942.28	225.50	225.50	1,325.13
Classes	4,587.82	68,136.11	66,606.08	21,883.07	21,532.67	6,468.25
Clubs	2,715.28	29,748.00	17,196.00	13,683.35	22,855.97	6,094.66
Departments	6,547.56	19,069.25	17,796.39	5,871.42	6,504.40	7,187.44
Trusts	48,823.68	649,404.03	665,021.69	22,187.96	13,429.94	41,964.04
General	3,109.29	12,813.49	14,270.00	2,503.15	1,805.97	2,349.96
	\$ 67,098.04	\$ 780,123.88	\$ 781,832.44	\$ 66,354.45	\$ 66,354.45	\$ 65,389.48

Coral Reef Elementary  
Management Letter  
Year Ended June 30, 2013

This audit revealed no material instances of noncompliance.

**Coral Sunset Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 22400 Hammock Street  
Boca Raton, FL 33428

Principal:  
Fiscal Year 2013: Danielle Garcia  
During Audit: Danielle Garcia

Treasurer:  
Fiscal Year 2013: Caren Lustman  
During Audit: Tracey Coleman

Afterschool Site Director:  
Fiscal Year 2013: Evelyn Garcia  
During Audit: Evelyn Garcia

Cash and Investments

Checking	\$ 30,752.49
Investments	
	\$ 30,752.49

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	27.75	50.00	77.75	0.00	0.00	0.00
Classes	740.62	11,665.09	9,759.67	1,302.00	1,875.91	2,072.13
Clubs	535.74	0.00	747.72	2,000.00	0.00	1,788.02
Departments	6,415.85	12,763.34	16,248.52	3,251.79	3,256.33	2,926.13
Trusts	17,865.43	306,350.82	298,971.63	26,108.45	29,102.53	22,250.54
General	4,386.50	4,853.76	9,097.12	4,002.75	2,430.22	1,715.67
	\$ 29,971.89	\$ 335,683.01	\$ 334,902.41	\$ 36,664.99	\$ 36,664.99	\$ 30,752.49

## 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 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.

### **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. Teachers received additional training on proper use, collection, and turning in of monies collected forms and deposits made. Teachers are required to check/compare to receipt. Teachers received an envelope to keep/store all monies collected forms and receipts for future need/records and/or if errors occur.*

**Crosspointe Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 3015 South Congree Avenue  
Boynton Beach, FL 33426

Principal:  
Fiscal Year 2013: Cheryl A. McKeever  
During Audit: Cheryl A. McKeever

Treasurer:  
Fiscal Year 2013: Mona Francois  
During Audit: Mona Francois

Afterschool Site Director:  
Fiscal Year 2013: Abeer Khalfa Majdalawi  
During Audit: Abeer Khalfa Majdalawi

Cash and Investments

Checking	\$ 64,891.78
Investments	
	\$ 64,891.78

	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	247.00	246.96	0.00	0.00	0.04
Classes	10,734.39	20,596.53	19,645.53	5,868.91	6,639.01	10,915.29
Clubs	0.00	90.00	90.00	0.00	0.00	0.00
Departments	4,711.23	10,836.34	10,941.89	2,192.00	2,067.00	4,730.68
Trusts	29,896.44	339,526.18	324,272.00	6,061.66	6,134.41	45,077.87
General	4,009.27	11,265.75	11,824.97	3,015.19	2,297.34	4,167.90
	\$ 49,351.33	\$ 382,561.80	\$ 367,021.35	\$ 17,137.76	\$ 17,137.76	\$ 64,891.78



Crosspointe Elementary  
Management Letter  
Year Ended June 30, 2013

This audit revealed no material instances of noncompliance.

**Crystal Lakes Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 6050 Gateway Boulevard  
Boynton Beach, FL 33437

Principal:  
Fiscal Year 2013: Diane Curcio-Greaves  
During Audit: Diane Curcio-Greaves

Treasurer:  
Fiscal Year 2013: Penny Richter  
During Audit: Penny Richter

Afterschool Site Director:  
Fiscal Year 2013: Michelle Soto  
During Audit: Michelle Soto

Cash and Investments

Checking	\$ 53,585.55
Investments	
	\$ 53,585.55

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	5,424.70	620.00	820.98	75.00	75.00	5,223.72
Classes	5,056.95	16,810.15	16,437.53	1,765.52	1,765.52	5,429.57
Clubs	355.82	1,739.00	1,766.69	0.00	0.00	328.13
Departments	11,503.97	16,068.93	14,067.86	3,270.87	3,270.87	13,505.04
Trusts	32,825.60	405,325.65	408,827.79	2,562.46	3,161.36	28,724.56
General	2,084.41	7,286.50	9,595.28	598.90	0.00	374.53
	\$ 57,251.45	\$ 447,850.23	\$ 451,516.13	\$ 8,272.75	\$ 8,272.75	\$ 53,585.55

## DEPOSIT OF MONIES

### Finding

The review of sample *Monies Collected Reports* (MCRs) and the money collection process at the school found that MCR #321-1328 was prepared for \$2,265.85 (\$1,760.75 in cash and \$505.10) collected from the Spring Book Fair Fundraiser on May 17, 2013. However, the monies were not put in the drop-safe for deposit until May 20, 2013. In addition, this fundraiser did not have the required *Fundraising Application/Recap Form*.

### Recommendation

As required by *DOE Rules (Chapter 8 of the 2012 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)* 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 sponsors and result in potential irregularities.

Fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*, in accordance with *School Board Policy 2.16*.

### Management's Response

*Concur. Deposit was put in the PTA safe at the end of Friday, May 17<sup>th</sup>. Then it was put in the school safe on Monday, May 20<sup>th</sup>.*

## LEASING OF SCHOOL FACILITIES

### Finding

The review of school facilities leasing records found that:

- *Lease Agreement* #1001 was not signed by the lessee and approved by the Principal until three days after the leasehold period had begun.
- The *Certificates of Insurance* for four leases (#1001, #1005, #1006, and #1011) listed the School Board as the certificate holder. The School Board was not included 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,

- 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**

*Concur. Recommendation already implemented.*

**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 (1) prepared some leasing documentation, (2) collected leasing fees from lessees, (3) collected monies from students/parents, and (4) completed some *Monies Collected Reports* (MCRs) for other staff members to sign as requestors.

**Recommendation**

To ensure fiscal accountability and prevent potential irregularities, segregation of duties should be enforced. Specifically, certain functions should be performed by the activity sponsors, instead of the bookkeeper. Such functions include (1) preparing *Monies Collected Reports* and leasing documentation, and (2) collecting monies from students, parents, and lessees.

**Management’s Response**

*Concur. Recommendations already implemented.*

**SAFEGUARDING OF SCHOOL ASSETS**

**Finding**

On November 15, 2013, we noted that some monies (both cash and checks) and MCRs were left on the bookkeeper’s desk unattended; and the door to the office was also unlocked while the bookkeeper was away from the office.

**Recommendation**

To protect the best interests of the school, school assets should be properly safeguarded at all times.

**Management’s Response**

*Concur. Recommendation already implemented and safe was moved out of the bookkeeper’s office.*

**Cypress Trails Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

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

Principal:  
Fiscal Year 2013: Tameka Moore-Robinson  
During Audit: Tameka Moore-Robinson

Treasurer:  
Fiscal Year 2013: Kim LaCroix  
During Audit: Erica Rolf

Afterschool Site Director:  
Fiscal Year 2013: Kelly Hinde  
During Audit: Kelly Hinde

Cash and Investments

Checking	\$ 77,880.45
Investments	
	\$ 77,880.45

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	2,751.93	1,104.00	395.10	598.90	598.90	3,460.83
Classes	2,926.24	6,138.07	7,067.17	836.21	875.21	1,958.14
Clubs	777.41	0.00	2,121.25	2,000.00	654.56	1.60
Departments	4,180.24	9,946.38	11,465.40	2,192.07	2,167.07	2,686.22
Trusts	67,665.15	309,492.22	315,667.14	20,881.84	23,392.84	58,979.23
General	12,297.37	9,897.07	12,579.57	2,837.93	1,658.37	10,794.43
	\$ 90,598.34	\$ 336,577.74	\$ 349,295.63	\$ 29,346.95	\$ 29,346.95	\$ 77,880.45

## DEPOSIT OF MONIES

### **Finding**

The review of sample *Monies Collected Reports* (MCRs) and money collection process revealed that a total of \$1,200 in Washington DC Fieldtrip fees collected through two MCRs (#440-04 and #412-06) was retained by the sponsor for one to two working days before the monies were put into the drop-safe for deposit.

### **Recommendation**

As required by *DOE Rules (Chapter 8 of the 2012 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)* and District *Bulletin #P-14051-S/CFO*, monies collected should be put into the school's 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.

### **Management's Response**

*Concur. Sponsors have taken appropriate sponsor procedures for monies collected training. Please note there was one additional bookkeeper last year.*

**Del Prado Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 7900 Del Prado Circle  
Boca Raton, FL 33433

Principal:  
Fiscal Year 2013: Carol Goode  
During Audit: Carol Goode

Treasurer:  
Fiscal Year 2013: Jenny Okee  
During Audit: Maria Leggio

Afterschool Site Director:  
Fiscal Year 2013: Lori Goldfinger  
During Audit: Lori Goldfinger

Cash and Investments

Checking	\$ 42,492.32
Investments	
	\$ 42,492.32

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	564.12	0.00	0.00	380.00	0.00	944.12
Classes	100.00	70,458.23	70,551.24	19,313.91	19,220.90	100.00
Clubs	2,291.56	6,884.00	3,676.61	2,760.32	2,760.32	5,498.95
Departments	2,006.07	23,790.61	25,714.53	7,775.01	4,610.15	3,247.01
Trusts	25,233.86	656,227.37	650,332.06	3,230.85	6,330.31	28,029.71
General	4,467.86	22,363.43	21,620.35	7,315.80	7,854.21	4,672.53
	\$ 34,663.47	\$ 779,723.64	\$ 771,894.79	\$ 40,775.89	\$ 40,775.89	\$ 42,492.32

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The Yearbook Sales (Account #7-0100.02) did not have the required *Fundraising Application/Recap Form* and *Sales Item Inventory Form*.

### 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 Reports* should be completed accurately with all the needed information. Accurate *Sales Item Inventory Reports* should assist staff in (1) reconciling sales revenues and (2) tracking items purchased, given-away, or remaining in inventory. Significant discrepancy between the estimated revenue and actual receipts should be investigated and resolved accordingly.

### Management's Response

*Concur. Treasurer and I will be more diligent in assuring that all future reconciling sales revenues and tracking sales items is done according to the school board policy.*

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

The school paid a total of \$10,407.50, through 11 disbursements (#s 10022, 10035, 10123, 10188, 10231, 10279, 10301, 10350, 10384, 10454, and 10561), to a consultant for providing "Hands-On Science Enrichment Program" for Afterschool Program. However, the *School District Consultant Agreement (PBSD 1420)* was not approved by the School Board, although the total consultant fees exceeded the \$10,000 threshold that requires the School Board's approval.

### Recommendation

Pursuant to *School Board Policy 6.14* and the instructions on the *School District Consultant Agreement (PBSD 1420)*, "All consultant contracts over \$10,001 must be approved by the Legal Department before going to the Board. The Board Chairman will sign the contract after Board Approval."

### Management's Response

*Concur. Treasurer and I will be more diligent in assuring that scheduled consultant contracts that are over the District policy amount will be sent to legal for approval.*



Del Prado Elementary School  
Management Letter  
Year Ended June 30, 2013

***Additional comments:** Our Aftercare program uses their services on a consistent basis during the school year – meeting School Board policy – the overage occurred when our instructional staff uses the services.*

**Diamond View Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 5300 Haverhill Road  
Greenacres, FL 33463

Principal:  
Fiscal Year 2013: Carolyn Seal  
During Audit: Carolyn Seal

Treasurer:  
Fiscal Year 2013: Wendy Martin  
During Audit: Wendy Martin

Afterschool Site Director:  
Fiscal Year 2013: Luis Lebron  
During Audit: Luis Lebron

Cash and Investments

Checking	\$ 75,092.43
Investments	
	\$ 75,092.43

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	218.24	535.75	309.29	0.00	0.00	444.70
Classes	799.56	35,660.78	34,632.96	6,768.99	8,416.90	179.47
Clubs	3,744.00	19,120.81	11,032.43	8,392.70	15,251.84	4,973.24
Departments	6,474.75	11,432.99	10,725.25	4,878.51	4,884.51	7,176.49
Trusts	41,941.31	434,899.95	429,411.51	7,898.79	1,251.25	54,077.29
General	3,670.28	16,727.07	14,021.62	5,397.90	3,532.39	8,241.24
	\$ 56,848.14	\$ 518,377.35	\$ 500,133.06	\$ 33,336.89	\$ 33,336.89	\$ 75,092.43

Diamond View Elementary  
Management Letter  
Year Ended June 30, 2013

This audit revealed no material instances of noncompliance.

**Discovery Key Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 3550 Lyons Road  
Lake Worth, FL 33467

Principal:  
Fiscal Year 2013: Catherine Lewis  
During Audit: Catherine Lewis

Treasurer:  
Fiscal Year 2013: Stacey Colella  
During Audit: Stacey Colella

Afterschool Site Director:  
Fiscal Year 2013: Tammy Cella  
During Audit: Jessica Rosenfeld

Cash and Investments

Checking	\$ 87,980.10
Investments	
	\$ 87,980.10

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	98.00	98.00	0.00	0.00	0.00
Classes	6,279.36	49,130.21	50,949.42	4,699.69	4,699.69	4,460.15
Clubs	3,237.96	332.28	2,780.47	85.01	94.01	780.77
Departments	14,958.85	29,065.27	27,502.55	2,418.39	2,418.39	16,521.57
Trusts	34,843.72	585,453.54	565,445.56	27,182.85	27,976.86	54,057.69
General	9,933.36	7,606.59	6,183.04	757.74	( 45.27)	12,159.92
	\$ 69,253.25	\$ 671,685.89	\$ 652,959.04	\$ 35,143.68	\$ 35,143.68	\$ 87,980.10

## DOCUMENTATION FOR FUNDRAISERS

### **Finding**

The *Sales Item Inventory Report* for the 5<sup>th</sup> Grade T-Shirt (Account #3-3500.01) did not contain any of the sales information, including selling prices, sales revenues, and the quantities of items purchased, given-away, sold, and beginning and ending inventory.

### **Recommendation**

To protect the school's best interest and ensure proper fiscal accountability, *Sales Item Inventory Report* should be completed with all the needed and 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**

*Concur. Sales Item Inventory forms will contain all sales information.*

## LEASING OF SCHOOL FACILITIES

### **Finding**

The *Certificate of Insurance* for two Leases #1007 and #1008 (with the same lessee) listed the School Board as the certificate holder, but it did not include the School Board as an additional insured party for 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. All certificates of insurance for leases will list the School Board of Palm Beach County as an additional insured.*

**Dr. Mary McLeod Bethune Elem School**  
**Internal Fund Accounts**  
**Combining Statement of Changes in Cash and Investments – Cash Basis**  
**Year Ended June 30, 2013**

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

Principal:  
Fiscal Year 2013: Edwina Mooney  
During Audit: Edwina Mooney

Treasurer:  
Fiscal Year 2013: Mary Kozlowski  
During Audit: Mary Kozlowski

Afterschool Site Director:  
Fiscal Year 2013: Corlyss Grant  
During Audit: Corlyss Grant

Cash and Investments

Checking	\$ 33,157.88
Investments	
	\$ 33,157.88

	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	2,686.76	7,996.00	8,350.34	179.02	398.33	2,113.11
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	1,681.40	4,413.08	4,688.86	125.00	125.00	1,405.62
Trusts	25,306.00	117,809.84	120,713.87	1,903.29	2,089.09	22,216.17
General	2,759.05	4,811.22	3,775.04	2,830.59	2,425.48	4,200.34
	\$ 35,655.85	\$ 135,030.14	\$ 137,528.11	\$ 5,037.90	\$ 5,037.90	\$ 33,157.88

**DOCUMENTATION FOR FUNDRAISERS**

**Finding**

The review of fundraiser records revealed that:

- The Wildcat Movie Night Snacks Sales (Account #6-4401.05) incurred a deficit of \$462.95. Our review of the records for this fundraiser revealed that the *Sales Item Inventory Report* did not include all the items purchased for resale. Information missing from the report included bottled water, Capri Sun and chips.

Based on the school’s purchasing records and the *Sales Item Inventory Report*, this fundraiser should have generated a total estimated revenue of \$804.50. However, only \$199.85 in sales revenues was deposited into the Internal Funds. As a result, \$604.65 in estimated revenue was unaccounted for.

Item	Quantity				Units Sold	Selling Price	Revenues
	Beginning Inventory <sup>(1)</sup>	Purchases <sup>(2)</sup>	Items Given Away <sup>(1)</sup>	Inventory On Hand			
Pickled Eggs	-	90	32	-	58	\$ .75	\$43.50
Hot Sausages	-	200	41	-	159	1.00	159.00
Pickles	-	60	-	-	60	0.75	45.00
Candy	-	204	57	-	147	1.00	147.00
Water	-	80	-	-	80	1.00	80.00
Capri Sun	-	360	-	-	360	0.75	270.00
Chips	-	80	-	-	80	0.75	60.00
Total Estimated Revenues							\$804.50
Total \$ Deposited into Internal Funds							\$199.85
<b>Estimated Revenues Unaccounted For</b>							<b><u>\$604.65</u></b>

(1) Based on *FY13 Sales Item Inventory Report*.

(2) Based on purchasing records during July 1, 2012, and June 30, 2013.

- The *Sales Item Inventory Report* for the Dance Concession Sales (Account #6-4401.01) did not include all the items purchased for resale. Specifically, chips purchased for resale was not included in the report.

**Recommendation**

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

- *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.

***Management's Response***

*Concur. In the future any personnel responsible for fundraisers will participate in online Fundraiser training in order to understand the reconciliation of sales revenues and tracking of items purchased, given away, or inventoried to ensure all fundraisers are in accordance with PBCSB Policy 2.16.*

**LEASING OF SCHOOL FACILITIES**

**Finding**

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

- The Tririga System indicated that the school had executed Lease #1001; however, the signed *Lease Agreement* could not be found at the school.
- \$21.60 in sales tax collected from Lease #1012 was inadvertently recorded in the rental income and utilities accounts. As a result, the school under-transmitted \$21.60 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 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.
- The portion of sales tax should be recorded in Florida Sales Tax Payable Account (#6-1800), and periodically transmitted to the Central Office in accordance with the District's guideline.

***Management's Response***

*Concur. In the future leasing of school facility will be in accordance with District guideline with portion of sales tax recorded in the Florida Sales Tax Payable Account (#6-1800) and periodically transmitted to the Central Office in accordance with District's guideline.*

***Additional comments:*** *In an effort to protect the best interest of the school district, leasing of school facilities will be administered in accordance with School Board Policy 7.18 and related guidelines. Fundraisers will be administered in accordance with School Board Policy 2.16 and related District guidelines.*



**Dwight D. Eisenhower Elementary School**  
**Internal Fund Accounts**  
**Combining Statement of Changes in Cash and Investments – Cash Basis**  
**Year Ended June 30, 2013**

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

Principal:  
Fiscal Year 2013: James Pegg  
During Audit: Jo Anne Rogers

Treasurer:  
Fiscal Year 2013: Sarah Weis  
During Audit: Sarah Weis

Afterschool Site Director:  
Fiscal Year 2013: Alicia DeCavalcanti  
During Audit: Alicia DeCavalcanti

Cash and Investments

Checking	\$ 60,307.67
Investments	
	\$ 60,307.67

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	625.42	3,135.50	2,430.14	1,557.57	1,557.57	1,330.78
Classes	1,700.08	25,435.30	23,096.58	3,696.68	3,902.02	3,833.46
Clubs	581.75	846.30	467.33	733.10	741.23	952.59
Departments	3,532.88	7,546.37	6,484.06	3,843.97	3,717.25	4,721.91
Trusts	35,046.01	276,290.49	267,011.30	14,783.68	15,739.89	43,368.99
General	4,968.31	15,997.20	15,908.53	3,572.53	2,529.57	6,099.94
	\$ 46,454.45	\$ 329,251.16	\$ 315,397.94	\$ 28,187.53	\$ 28,187.53	\$ 60,307.67

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of fundraiser records revealed that the GA-Agendas (Account #7-0100.01) had an ending inventory of 39 agendas (with a total value of \$234). However, the inventory could not be verified because staff inadvertently discarded the remaining items because the agendas were a dated document and could not be sold the following year due to the lapse of time.

### Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically, physical inventory documented on *Sales Item Inventory Reports* should not be discarded until the applicable audit has been completed.

### Management's Response

*[Former principal] Concur. In agreement that the physical inventory should not be discarded until completion of audit. I will forward the recommendation to the school.*

*[Current principal] Concur. Discussed with Treasurer and all staff on March 27, 2014 at the monthly faculty meeting.*

## AFTERSCHOOL PROGRAM

### Finding

As of June 30, 2013, the Afterschool Program Snack Account (#6-9550) and Afterschool Program Special Activities Account (#6-9600) had a year-end balance of \$1,602.80 and \$1,339.80 respectively, which exceeded the respective \$1,500 and \$750 year-end balance as provided by *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

*[Former principal] Concur. The school accepts the recommendation made.*

*[Current principal] Concur. Discussion with SACC Director and appropriate staff. Thank you for support to Eisenhower Elementary School.*

**Egret Lakes Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

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

Principal:  
Fiscal Year 2013: Christine Rick  
During Audit: Christine Rick

Treasurer:  
Fiscal Year 2013: Cherrie Ullom  
During Audit: Cherrie Ullom

Afterschool Site Director:  
Fiscal Year 2013: Lori Seal  
During Audit: Lori Seal

Cash and Investments

Checking	\$ 51,488.72
Investments	
	\$ 51,488.72

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	278.37	474.00	735.38	6.67	6.67	16.99
Classes	0.00	494.83	464.98	56.07	85.92	0.00
Clubs	10.56	0.00	0.00	0.00	10.56	0.00
Departments	15,031.52	13,881.48	10,427.67	7,551.75	7,551.75	18,485.33
Trusts	27,547.69	198,297.00	194,277.50	2,324.96	2,313.64	31,578.51
General	742.80	4,718.45	4,082.45	1,473.74	1,444.65	1,407.89
	\$ 43,610.94	\$ 217,865.76	\$ 209,987.98	\$ 11,413.19	\$ 11,413.19	\$ 51,488.72

Egret Lake Elementary School  
Management Letter  
Year Ended June 30, 2013

This audit revealed no material instances of noncompliance.

**Elbridge Gale Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 1915 Royal Fern Drive  
Wellington, FL 33414

Principal:  
Fiscal Year 2013: Gail Pasterczyk  
During Audit: Gail Pasterczyk

Treasurer:  
Fiscal Year 2013: Ranka Connor  
During Audit: Ranks Connor

Afterschool Site Director:  
Fiscal Year 2013: Patricia Vico-Montalvo  
During Audit: Denise Halperin

Cash and Investments

Checking	\$ 60,779.75
Investments	
	\$ 60,779.75

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	23.57	0.06	0.00	23.63	47.26	0.00
Classes	845.88	45,168.60	43,358.08	3,682.35	5,633.92	704.83
Clubs	2,820.39	33,888.63	22,527.94	5,612.50	13,848.12	5,945.46
Departments	11,074.35	27,244.08	33,006.18	8,293.71	8,538.36	5,067.60
Trusts	40,461.24	745,553.01	751,157.38	39,194.04	32,423.46	41,627.45
General	6,698.44	12,233.25	15,182.17	7,594.47	3,909.58	7,434.41
	\$ 61,923.87	\$ 864,087.63	\$ 865,231.75	\$ 64,400.70	\$ 64,400.70	\$ 60,779.75

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of records for sample fundraisers found that the *Sales Item Inventory Report (SIIR)* for the PE Fundraiser (Account #5-1900.01) was not completed with the accurate information. Specifically, the item sales price and sales revenues did not agree with the actual sales. According to the sponsor, the shoe laces and boot laces were sold at \$4 and \$5 each respectively, but the SIIR indicated that the selling price was \$2 and \$2.5 respectively. Moreover, based on the school's purchasing records, this fundraiser should have generated a total estimated revenue of \$4,037; however, only \$3,877 was deposited into the Internal Funds. As a result, \$160 in estimated revenue was unaccounted for.

### Recommendation

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.

### Management's Response

*Concur. This was the first time this person did a fundraiser and she put the profit amount info instead of the sales price. She is now aware of her error.*

## AFTERSCHOOL PROGRAM

### Finding

The school rented a rockwall, two station bungee jump, and a bounce house (Disbursement #4648 for \$1,150) for the school's Afterschool Program on December 6, 2012. This procurement was supported by a *School District Consultant Agreement (PBSD 1420)*; however, the school did not obtain proof of liability insurance coverage from the vendor.

### Recommendation

To protect the School District from unwarranted liability and as required by *Afterschool Program Operational Manual, page 1-13*, "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. We made numerous calls to the owner and we were promised the document many times and never received it. We were told they had the needed documents. I have a new Aftercare Director this year. This happened with the previous director. The new director is aware of policy.*

**Equestrian Trails Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 9720 Stribling Way  
Wellington, FL 33414

Principal:  
Fiscal Year 2013: Michele Johnson  
During Audit: Michele Johnson

Treasurer:  
Fiscal Year 2013: Lourdes Santos  
During Audit: Lourdes Santos

Afterschool Site Director:  
Fiscal Year 2013: Ken Haines  
During Audit: Ken Haines

Cash and Investments

Checking	\$ 74,768.68
Investments	
	\$ 74,768.68

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$508.23	\$0.00	\$0.00	\$0.00	\$0.00	\$ 508.23
Music	60.45	1,217.00	1,145.75	0.00	0.00	131.70
Classes	9,267.97	68,631.02	68,354.42	4,018.33	4,800.91	8,761.99
Clubs	1,257.91	3,699.21	2,639.88	0.00	0.00	2,317.24
Departments	13,863.35	16,851.15	12,288.33	4,127.04	4,127.04	18,426.17
Trusts	39,616.53	541,926.97	548,392.92	9,334.67	9,735.24	32,750.01
General	8,964.92	23,466.55	21,741.28	6,869.97	5,686.82	11,873.34
	\$ 73,539.36	\$ 655,791.90	\$ 654,562.58	\$ 24,350.01	\$ 24,350.01	\$ 74,768.68

**DOCUMENTATION FOR FUNDRAISERS**

**Finding**

The review of fundraiser records found that:

- A total of \$11,981.37 in sales revenues was deposited in the Safety Patrol Candy Sales Account (#6-4000.02) during July 1, 2012, and June 30, 2013. Based on the school’s purchasing records and the *Sales Item Inventory Report* for School Year 2013, this fundraiser should have generated a total estimated revenue of \$12,480. As a result, \$498.63 in estimated revenue was unaccounted for.

Item	Quantity				Units Sold	Selling Price	Revenues
	Beginning Inventory <sup>(1)</sup>	Purchases <sup>(2)</sup>	Items Given Away <sup>(1)</sup>	Inventory On Hand <sup>(1)</sup>			
Candy	0	240	0	0	240	\$52.00	\$12,480.00
Total Estimated Revenues							\$12,480.00
Total \$ Deposited into Internal Funds							\$11,981.37
<i>Estimated Revenues Unaccounted For</i>							<u><u>\$498.63</u></u>

(1) Based on *FY13 Sales Item Inventory Report*.

(2) Based on purchasing records during July 1, 2012, and June 30, 2013.

Moreover, the school purchased 240 boxes of candies for resale, but the *Sales Item Inventory Report* indicated that 230 boxes of candies were purchased for this fundraiser.

- As indicated by the sponsor on the *Sales Item Inventory Report* for the Agenda Sales (Account #7-0100.01), there were 20 agendas provided to students free-of-charge and 34 unsold agendas (with resale value of \$221) remained in inventory at the end of the sales.

However, (1) no records was maintained for the give-away items, and (2) the inventory could not be verified because staff inadvertently discarded the remaining items because the agendas were a dated document and could not be sold the following year due to the lapse of time.

**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 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.
- 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 should include the purposes and the names of the recipients.



- Physical inventory documented on *Sales Item Inventory Reports* should not be discarded until the applicable audit has been completed.

***Management's Response***

*Concur. Funds will be reported accurately and documentation will remain until applicable audit has been completed.*

**DOCUMENTATION FOR DISBURSEMENTS**

**Finding**

Three disbursements (#10318, #10355, and #1056, totaling \$5,600) were for payments to three consultants for the Summer Camp program. However, none of these disbursements had the required *School District Consultant Agreement (PBSD 1420)*.

**Recommendation**

To protect the best interests of the school, the *School District Consultant Agreement (PBSD 1420)* should be properly executed prior to the consultant performing the services at school. Moreover, to protect the safety and welfare of students, the school should ensure that consultants, who work on school campus, have passed the required background and clearance check as required by *Florida Statutes §1012.465*.

***Management's Response***

*Concur. Consultant agreements will be properly documented on correct forms and executed prior to services being performed.*

**Everglades Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 407 Marginal Road  
West Palm Beach, FL 33411

Principal:  
Fiscal Year 2013: Tara Dellegrotti  
During Audit: Tara Dellegrotti

Treasurer:  
Fiscal Year 2013: Cheryl Conner  
During Audit: Cheryl Conner

Afterschool Site Director:  
Fiscal Year 2013: Jennifer Sunderman  
During Audit: Jennifer Sunderman

Cash and Investments

Checking	\$ 31,797.53
Investments	
	\$ 31,797.53

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	228.14	1,092.00	953.46	22.20	18.88	370.00
Classes	973.90	57,848.90	56,000.80	4,112.20	6,934.20	0.00
Clubs	2,167.22	6,892.01	4,723.88	2,377.26	2,685.60	4,027.01
Departments	6,691.36	18,072.54	17,217.66	4,872.05	4,656.05	7,762.24
Trusts	5,187.27	402,473.42	396,440.83	5,251.40	6,441.75	10,029.51
General	4,962.86	17,263.88	16,719.34	9,086.10	4,984.73	9,608.77
	\$ 20,210.75	\$ 503,642.75	\$ 492,055.97	\$ 25,721.21	\$ 25,721.21	\$ 31,797.53

Everglades Elementary School  
Management Letter  
Year Ended June 30, 2013

This audit revealed no material instances of noncompliance.

**Forest Hill Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 5555 Purdy Lane  
West Palm Beach, FL 33415

Principal:  
Fiscal Year 2013: Ana Arce-Gonzalez  
During Audit: Ana Arce-Gonzalez

Treasurer:  
Fiscal Year 2013: Susan Adrion  
During Audit: Susan Adrion

Afterschool Site Director:  
Fiscal Year 2013: Anita Winkis  
During Audit: Anita Winkis

Cash and Investments

Checking	\$ 39,872.10
Investments	
	\$ 39,872.10

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	2,020.21	1,256.20	765.22	568.48	568.48	2,511.19
Classes	2,706.47	9,543.48	8,664.43	3,753.63	5,142.12	2,197.03
Clubs	0.00	2,607.00	4,868.57	2,261.57	0.00	0.00
Departments	5,417.83	8,916.62	8,052.93	2,608.36	3,421.45	5,468.43
Trusts	25,437.37	293,291.37	289,347.29	21,215.27	22,856.61	27,740.11
General	480.39	4,521.13	4,627.53	1,933.05	351.70	1,955.34
	\$ 36,062.27	\$ 320,135.80	\$ 316,325.97	\$ 32,340.36	\$ 32,340.36	\$ 39,872.10

## PRENUMBERED DOCUMENT INVENTORY REGISTERS NOT PREPARED

### 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 *Drop-safe Log*.

### Recommendation

To ensure proper fiscal accountabilities and as required by *Chapter 27 of the Internal Accounts Manual*, 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). Moreover, the custodian for prenumbered documents should be someone who is not involved in the day-to-day use of the form

### Management's Response

*Concur. Staff training has been provided to adhere to above identified recommendations.*

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

The review of sample disbursements and P-Card transaction records found that two *Check Requisitions* (#12081 for \$431.35 and #12250 for \$791) were not signed and approved by the Principal. Moreover, the related checks were signed only by the bookkeeper, although they should be co-signed by the Principal.

### Recommendation

Disbursements should be processed in accordance with *Internal Accounts Manual* and related District guidelines. Specifically, all checks and *Check Requisition* should be approved by the Principal as required by *DOE Rules (Chapter 8 of the 2012 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools), Section III (1.3)*, which states "Each account shall have at least two authorized check signers, one of whom must be the principal."

### Management's Response

*Concur. Bookkeeper will attend all mandatory District trainings.*

**Forest Park Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

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

Principal:  
Fiscal Year 2013: Suzanne Matuella  
During Audit: Suzanne Matuella

Treasurer:  
Fiscal Year 2013: JoAnn Bazer  
During Audit: JoAnn Bazer

Afterschool Site Director:  
Fiscal Year 2013: Kim Stivers  
During Audit: Kim Stivers

Cash and Investments

Checking	\$ 23,797.90
Investments	
	\$ 23,797.90

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	13.14	0.00	0.00	0.00	0.00	13.14
Classes	794.38	16,352.62	16,066.89	2,110.72	2,670.45	520.38
Clubs	822.15	580.00	625.53	57.78	57.78	776.62
Departments	2,421.54	3,724.23	3,166.54	594.40	594.40	2,979.23
Trusts	18,158.39	257,709.01	256,081.55	8,071.91	8,354.86	19,502.90
General	110.41	5,842.84	6,790.30	2,754.56	1,911.88	5.63
	\$ 22,320.01	\$ 284,208.70	\$ 282,730.81	\$ 13,589.37	\$ 13,589.37	\$ 23,797.90

**DOCUMENTATION FOR FUNDRAISERS**

**Finding**

The review of fundraiser records found that:

- The Yearbook Sales (Account #7-0100.04) had a total of \$2,011.00 in sales revenues deposited into the Internal Funds during July 1, 2012, and January 23, 2014. However, based on the school’s purchasing records, the *Sales Item Inventory Report* for School Year 2013 and our examination of physical inventory during the audit, this fundraiser should have generated a total estimated revenue of \$2,750 during the same period. As a result, \$739 in estimated revenue was unaccounted for.

Item	Quantity					Selling Price	Revenues
	Beginning Inventory <sup>(1)</sup>	Purchases <sup>(2)</sup>	Items Given Away <sup>(1)</sup>	Inventory On Hand <sup>(3)</sup>	Units Sold		
Yearbooks	0	150	0	25	125	\$22	\$2,750
Total Estimated Revenues							\$2,750
Total \$ Deposited into Internal Funds							\$2,011
<b>Estimated Revenues Unaccounted For</b>							<b>\$739</b>

- (1) Based on *FY13 Sales Item Inventory Report*.
- (2) Based on purchasing records during July 1, 2012, and June 30, 2013.
- (3) Based on our examination of physical inventory on January 23, 2014.

- \$1,087.70 in sales revenues for the Sunrise Vending Sales (Account #6-0200.01) was deposited into the Internal Funds during July 1, 2012, and January 24, 2014. Based on the school’s purchasing records, the *Sales Item Inventory Report* for School Year 2013 and our examination of physical inventory during the audit, this fundraiser should have generated a total estimated revenue of \$1,359.25 during the same period. As a result, \$271.55 in estimated revenue was unaccounted for.

Item	Quantity					Selling Price	Revenues
	Beginning Inventory <sup>(1)</sup>	Purchases <sup>(2)</sup>	Items Given Away <sup>(1)</sup>	Inventory On Hand <sup>(3)</sup>	Units Sold		
Water	36	120	3	26	127	\$1.00	\$127.11
Soda	120	1,752	21	208	1,643	0.75	1,232.25
Total Estimated Revenues							\$1,359.25
Total \$ Deposited into Internal Funds							\$1,087.70
<b>Estimated Revenues Unaccounted For</b>							<b>\$271.55</b>

- (1) Based on *FY13 Sales Item Inventory Report*.
- (2) Based on purchasing records during July 1, 2012, and January 24, 2014.
- (3) Based on our examination of physical inventory on January 24, 2014.

**Recommendation**

To protect the school’s best interest and 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. Significant discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.

Forest Park Elementary School  
Management Letter  
Year Ended June 30, 2013

***Management's Response***

*Concur. Analyzed previous year's sales to determine appropriate ordering.*



**Freedom Shores Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 3400 Hypoluxo Road  
Boynton Beach, FL 33436

Principal:  
Fiscal Year 2013: Patricia Trejo  
During Audit: Patricia Trejo

Treasurer:  
Fiscal Year 2013: Tracey Coleman  
During Audit: Maida Daughtrey

Afterschool Site Director:  
Fiscal Year 2013: Kim Sheehan  
During Audit: Kim Sheehan

Cash and Investments

Checking	\$ 70,112.18
Investments	
	\$ 70,112.18

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 13.95	\$ 160.00	\$ 142.20	\$0.00	\$0.00	\$ 31.75
Music	197.16	499.00	386.23	112.77	112.77	309.93
Classes	16,743.38	56,463.11	58,633.20	13,687.14	8,531.49	19,728.94
Clubs	5,151.94	5,658.28	5,720.39	710.00	1,535.33	4,264.50
Departments	5,250.43	28,012.73	26,253.82	4,024.98	5,520.88	5,513.44
Trusts	32,942.22	618,968.92	616,624.00	15,064.77	12,093.54	38,258.37
General	4,563.17	6,934.68	3,686.95	1,908.42	7,714.07	2,005.25
	\$ 64,862.25	\$ 716,696.72	\$ 711,446.79	\$ 35,508.08	\$ 35,508.08	\$ 70,112.18

## DEPOSIT OF MONIES

### Finding

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

- Monies collected by the Afterschool Program Site Director were not always deposited intact or in a timely manner. Daily collections were dropped in the safe uncounted; however, the Director prepared MCRs by blending checks and cash collected from different days into a single deposit. Moreover, the EZ-Care database (Afterschool Program's accounting software) was not accurately maintained. Payments were not entered into the system on the day of collection. For example,
  - MCR #355-9 prepared on August 30, 2012 (for \$6,978.60) included cash collections from August 15 through August 29, 2012, but payments were not entered into the EZ Care database until August 29, 2012, as many as eight working days after the collections.
  - MCR #414-19 dated January 11, 2013 (for \$10,687.97) included cash collections from January 8 through 10, 2013, but payments were not entered into the EZ Care database until January 10, 2013, as many as two working days after the collections.
  - MCR #448-4 dated April 11, 2013 (for \$9,456.71) included cash collections from April 2 through 9, 2013, but payments were not entered into the EZ Care database until April 10, 2013, as many as six working days after the collections.
- Deposit #465-1 included 13 separate MCRs totaling \$2,059.51. Three of the 13 MCRs (totaling \$483.36) were held by the sponsor for one working day. Additionally, the bookkeeper did not complete the portion of the MCRs with the required information such as Official Receipt Date, Deposit/Form number, or initials.
- Some sponsors did not always record the required deposit information on the *Drop-safe Log* before dropping off the monies into the safe. For example, the deposit information for MCR #465-3 (for \$787.95) was not recorded on the *Log*. Furthermore, \$160.49 reported on MCR #465-3 was mistakenly recorded in the accounting system with MCR #465-1.
- MCR #411-15 (for \$450) recorded collections for staff holiday party; however, the supporting documentation only totaled \$435.
- MCR #453-17 (for \$15) was for a Kindergarten in-county fieldtrip; however, the *Field Trip/Activity Planning Report and Approval Request* was signed by the Assistant Principal instead of the Principal.

### Recommendation

Money collections should be administered in accordance with related District guidelines and *DOE Rules (Chapter 8 of the 2012 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*. Specifically,

- 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 risk for sponsors and result in potential irregularities.
- To ensure proper fiscal accountability, Afterschool Program financial transactions should be accurately recorded in the EZ Care database on a daily basis and periodically reconciled to the Internal Funds records. As required by the **Afterschool Operational Manual page 3-9**, *“At the close of each business day, the Monies Collected form, PBC End of Day Payments report (by Transaction Detail), hand-written afterschool receipts (yellow copies), if any, and all cash and checks, along with the tapes subtotaling each, will be placed in an envelope and deposited in the school’s drop safe. The amount listed on the Monies Collected form should balance to the total amount of cash and checks collected for the day and match both the PBC End of Day Payments report (by Transaction Detail) and the drop safe log. A copy of the PBC End of Day Payment report and Money Calculator report should be kept in the afterschool office with the yellow copy of the Monies Collected form.”*
- 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.
- Field trips should be administered in accordance with **School Board Policy 2.40**. Specifically, (1) field trips should be pre-approved by the Principal with adequate documentation, (2) in-county field trips should be approved by the Principal, and (3) out-of-county field trips should be approved by the Principal and Area Superintendent.

### **Management’s Response**

*Concur. All policies and procedures will be followed.*

## **DOCUMENTATION FOR FUNDRAISERS**

### **Finding**

The review of fundraiser records found that:

- The Vocabulary Book Sales (Account # 3-2800.06), Recorder Sales (Account # 2-3500.01) and Secme Shirt Sales (Account # 4-4500.00) did not have the required *Fundraising Application/Recap Forms*. The Yearbook Sales’ (Account # 5-0450.00) *Fundraising Application/Recap Form* was not approved by the Principal until four working days after the fundraising activities had begun.
- The *Sales Item Inventory Reports* were not maintained for the Vocabulary Book Sales (Account # 3-2800.06), Recorder Sales (Account # 2-3500.01), Secme Shirt Sales (Account # 4-4500.00), Yearbook

Freedom Shores Elementary School  
Management Letter  
Year Ended June 30, 2013

Sales (Account # 5-0450.00), and the Basket Sales, Water/Soda Sales, and Baked Goods Sales of the Teachers Talent Show (Account # 7-0100.02). Without documentation for sales information such as selling prices, quantities sold, and inventory counts, there is no assurance that all the sales revenues were properly accounted for.

- The Teachers Talent Show (Account # 7-0100.02) included the selling of raffle tickets. Pursuant to ***School Board Policy 2.16***, schools may not have drawings of chance.
- The financials for the Secme Shirt Sales were recorded in the Secme's primary account (#4-4500.00), instead of a decimalized account for the sales.

### **Recommendation**

Fundraisers should be administered in accordance with ***School Board Policy 2.16*** and related District guidelines. To protect the school's best interest,

- Fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- *Sales Item Inventory Reports* should be completed accurately with all the required information. Accurate *Sales Item Inventory Reports* should assist staff in (1) reconciling sales revenues and (2) tracking items purchased, given-away, or remaining in inventory. Significant discrepancy between the estimated revenue and actual receipts should be investigated and resolved accordingly.
- ***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 fundraisers, a separate decimalized account should be established for each fundraiser. Fundraiser accounts should include all the needed and accurate financial information.

### ***Management's Response***

*Concur. All policies and procedures will be followed.*

## **DOCUMENTATION FOR DISBURSEMENTS**

### **Finding**

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

- Twelve checks for \$38 each (Disbursements #9920 through #9931) payable to a vendor were issued on February 22, 2013, in advance of purchases by the Afterschool Program. The checks were issued based

Freedom Shores Elementary School  
Management Letter  
Year Ended June 30, 2013

only on an *Internal Accounts Purchase Order*. At the time of the audit (August 2013), three of the checks had not been used and were still in the possession of the Afterschool Program Site Director for future use.

- The school did not always timely process payments for purchases. For example, Disbursement #9694 (for \$1,836) was for summer camp insurance; however, the April 9, 2012, invoice was not paid until after six months, i.e. October 8, 2012. Moreover, the insurance was paid after summer camp was complete.
- The *Purchase Order* for four disbursements (#9671, #9713, #9714 and #10050, totaling \$3,859.52) for Afterschool Program purchases were not approved by the Principal until four to 14 working days after the invoice date.
- Disbursement #10084 (for \$1,000) was for miscellaneous Afterschool Program snacks purchased at a warehouse club. The actual purchase totaled \$1,275.15, which exceeded the approved *Purchase Order* amount of \$1,000. The excess \$275.15 was charged to the school's warehouse club credit card.
- Disbursement #10176 (for \$700) was for miscellaneous Afterschool Program snacks. The actual purchase was \$517.89. The \$182.11 in change was issued on a store gift card instead of depositing the change back into the Internal Funds. The gift card was subsequently used for Afterschool Program snack purchases.
- Disbursements #9576 and #9720 (for \$600 and \$450, respectively) were for consultant services for the Afterschool Program. However, the *Consultant Contracts* did not include the financial impact.
- Disbursement #10155 (for \$8,877.11) was for the purchase of yearbooks; however, no vendor contract was executed.
- Six P-Card transactions totaling \$1,511.07 were for payment of Summer Camp field trips. However, the *Field Trip/Activity Planning Report and Approval Request Forms* and related staff *Temporary Duty Elsewhere (TDE) Forms* were not completed.
- One P-Card transaction (for \$184.48) was for an Afterschool Program staff meeting lunch. However, no documentation was maintained indicating the purposes and attendees of the meeting.

**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 ensure that purchases are appropriate, disbursements and P-Card purchases should be adequately documented and supported by itemized invoices and receipts.
- To ensure accurate financial reporting and compliance with *Florida Prompt Payment Act*, the school should timely process payments for all invoices.
- *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.

- *School District Consultant Agreements* should be properly executed with the needed information and signatures prior to the consultant providing the services.
- Field trips should be administered in accordance with ***School Board Policy 2.40***. Specifically, field trips and related staff *TDEs* should be pre-approved by the Principal with adequate documentation.
- To ensure proper fiscal accountability, the purposes and attendees of staff meeting lunches should be documented.

### ***Management's Response***

*Concur. All policies and procedures will be followed.*

## **LEASING OF SCHOOL FACILITIES**

### **Finding**

The review of sample leases for use of school facilities found that:

- *Lease Agreement* #1016 did not have the Principal's signature. It was signed by the Assistant Principal instead of the Area Superintendent while the Principal was on Leave of Absence.
- The *Certificate of Insurance* for Lease #1010 listed the School Board as the certificate holder, but it did not include the School Board as an additional insured party for liability coverage.
- Leasing charges for two leases (#1014 and #1016) were not always collected prior to the use of facilities by the lessee, with delays ranging from one to two days.
- Lease #1004 was charged non-profit rates without proof of non-profit or tax-exempt status. Leases #1008, #1010, #1014 and #1016 did not have proof of status of corporation.

### **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.
- 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 protected from unwarranted liabilities.

- As required by **School Board Policy 7.18**, leasing charges should be collected from lessees prior to their use of school facilities.
- 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.

***Management's Response***

*Concur. All policies and procedures will be followed.*

**CREDIT CARD**

**Finding**

The school obtained a warehouse club's credit card, with a total revolving credit of \$2,100. The review of this credit card account found that:

- The school paid two late fees totaling \$79.98 (Disbursements #9742 and #9997) during September 2012 and April 2013, respectively, because the school did not pay the prior month's purchases in a timely manner.
- Credit card payment amounts were greater than the statement amounts by including a payment for store receipts from a future payment cycle. For example, the August 8, 2012 statement balance was \$876.60; however Disbursement #9545 was for \$1,986.93 (\$1,110.50 over the statement balance).
- Staff used this credit card to make purchases at another affiliated store, which is inconsistent with **Bulletin #P-12690-CAO/COO/P**.

**Recommendation**

**District Bulletin P-12690-CAO/COO/P** allows schools to obtain credit cards from certain warehouse clubs and requires that *"It must be a business card paid in full each month by using your internal fund, and must follow all District purchasing procedures including P-Card procedures. The store card should be used for in-store purchases only.*

The school should comply with **District Bulletin P-12690-CAO/COO/P** (1) by paying all charges in full each month and (2) using the card only for in-store purchases.

***Management's Response***

*Concur. All policies and procedures will be followed.*

## AFTERSCHOOL PROGRAM

### **Finding**

As of June 30, 2013, the Afterschool Program Special Activities Account (#6-9600) had a year-end balance of \$1,249.35. However, this exceeded the \$750 maximum year-end balance 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 Afterschool Program Snack Account should not exceed \$1,500, and the Afterschool Program 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. All policies and procedures will be followed.*

**Additional Comments:** *Upon my return from maternity leave, I request that a thorough audit occur after certain question arose regarding some aftercare transactions.*



**Frontier Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 6701 180th Avenue North  
Loxahatchee, FL 33470

Principal:  
Fiscal Year 2013: Susan Groth  
During Audit: Susan Groth

Treasurer:  
Fiscal Year 2013: Beatriz Sarmiento  
During Audit: Beatriz Sarmiento

Afterschool Site Director:  
Fiscal Year 2013: Kim Harrell  
During Audit: Ali Huffstetler

Cash and Investments

Checking	\$ 54,355.37
Investments	
	\$ 54,355.37

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	246.35	0.00	0.00	0.00	0.00	246.35
Classes	7,662.96	38,602.42	40,304.39	2,491.60	4,040.10	4,412.49
Clubs	860.67	715.27	1,068.48	219.25	219.25	507.46
Departments	5,537.95	11,266.23	10,947.04	3,486.09	3,486.09	5,857.14
Trusts	23,891.79	349,786.06	347,961.20	24,698.71	24,700.21	25,715.15
General	3,726.61	34,305.65	21,965.48	16,256.09	14,706.09	17,616.78
	\$ 41,926.33	\$ 434,675.63	\$ 422,246.59	\$ 47,151.74	\$ 47,151.74	\$ 54,355.37

## DOCUMENTATION FOR FUNDRAISERS

### Finding

- The Safety Patrol Chocolate Sale (Account #6-4000.06) 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 \$7,680. However, \$6,938.80 in sales revenue from this fundraiser was deposited into the Internal Funds. As a result, \$741.20 (or 10%) in estimated revenue was unaccounted for.
- As indicated by the sponsor on the *Sales Item Inventory Report* for the Agenda Sale (Account #7-0100.01), this fundraiser had an ending inventory of 110 "agendas" (with estimated resale value of \$550). However, the inventory could not be verified because staff discarded the remaining items as the agendas were a dated document and could not be used for next year.

### 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 completed with accurate information so that sales revenues can be reconciled; and purchased items, give-away items, and ending inventory can be accounted for. Significant discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.
- Remaining inventory as stated on *Sales Item Inventory Reports* should not be discarded until the applicable audit has been completed, and approved by the Principal.

### Management's Response

*Concur. Will verify that Sales Item Inventory reports are attached to each report at the conclusion of the fundraiser.*

## LEASING OF SCHOOL FACILITIES

### Finding

The review of the school facility leasing records found that the *Certificate of Insurance* for Lease #1009 did not include the School Board as an additional insured party for 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. Will ensure insurance policy names Palm Beach County School Board as additional insured.*

**DOCUMENTATION FOR DISBURSEMENTS**

**Finding**

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

- The *School District Consultant Agreements (PBSD 1420)* for two disbursements (#10024 for \$500 and #10192 for \$500) were not approved by the Principal. Instead, these two *Agreements* were signed by the Afterschool Program Site Director.
- Two disbursements (#10233 for \$1,260 and #10318 for \$1,227.63) 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* and related District guidelines. Specifically,

- *School District Consultant Agreements (PBSD 1420)* should be approved by the Principal.
- *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.

***Management's Response***

*Concur. SACC Director is aware that only Principal can approve consultant agreements. Also, any purchase exceeding \$1,000 will have a purchase order and approval by the principal prior to the purchase.*

**AFTERSCHOOL PROGRAM**

**Finding**

The review of Afterschool Program and Summer Camp records revealed that:

- The February 14, 2013, and March 14, 2013, reimbursement checks from Family Central were not recorded in the EZ-Care system until April 4 and 15, 2013, respectively.
- *Family Central's Subsidy Reimbursement Reports* were missing for six months: August 2012, September 2012, October 2012, November 2012, December 2012 and May 2013.

- The Summer Camp ended August 9, 2013. However, as of October 31, 2013, the Summer Camp Program had a total accounts receivable of \$22,954.93 from 39 student accounts.

### **Recommendation**

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

- *DOE Rules (Chapter 8 of the 2012 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 sponsors and result in potential irregularities.
- All records, including *Family Central's Subsidy Reimbursement Reports*, should be retained for a time period consistent with *Afterschool Programs Operational Manual* and District *Record Retention Schedule*.
- 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*. Specifically, "*fees are payable in advance and are collected monthly on the first three school days of the month.*"

### **Management's Response**

*Concur. New SACC Director will adhere to all district and state guidelines.*

**Galaxy Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 301 Galaxy Way  
Boynton Beach, FL 33435

Principal:  
Fiscal Year 2013: Ed Capitano  
During Audit: Ed Capitano

Treasurer:  
Fiscal Year 2013: Anita Williams/vacant  
During Audit: Jennifer Srabian

Afterschool Site Director:  
Fiscal Year 2013: Katina Williams  
During Audit: Katina Williams

Cash and Investments

Checking	\$ 16,535.39
Investments	
	\$ 16,535.39

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	5.00	0.00	0.00	0.00	5.00	0.00
Classes	4,929.59	7,837.40	5,683.15	3,183.71	5,222.51	5,045.04
Clubs	1,232.91	160.00	30.63	60.00	797.04	625.24
Departments	1,017.42	4,190.91	3,967.06	0.00	996.37	244.90
Trusts	9,489.02	237,133.93	239,860.04	5,023.72	3,719.24	8,067.39
General	714.79	1,435.76	2,070.46	2,929.64	456.91	2,552.82
	\$ 17,388.73	\$ 250,758.00	\$ 251,611.34	\$ 11,197.07	\$ 11,197.07	\$ 16,535.39

**DOCUMENTATION FOR FUNDRAISERS**

**Finding**

The Grade 5 Enjoy the City Coupon Book Sale (Account #3-3500.06) had a total of \$320 in sales revenues deposited into the Internal Funds. However, based on the school’s purchasing records and the *Sales Item Inventory Report* for School Year 2013, this fundraiser should have generated a total estimated revenue of \$560. As a result, \$240 (or 43%) in estimated revenue was unaccounted for. Moreover, as indicated by the sponsor on the *Sales Item Inventory Report*, 26 coupon books (with an estimated resale value of \$520) were given-away free-of-charge without documentation as to the purposes and the recipients for the give-away items.

Item	Quantity					Selling Price	Revenues
	Beginning Inventory <sup>(1)</sup>	Purchases <sup>(2)</sup>	Items Given Away <sup>(1)</sup>	Inventory On Hand	Units Sold		
Coupon Books	-	54	26	-	28	\$20	\$560
Total Estimated Revenues							\$560
Total \$ Deposits into Internal Funds							\$320
<i>Estimated Revenues Unaccounted For</i>							<u><u>\$240</u></u>

(1) Based on *FY13 Sales Item Inventory Report*.

(2) Based on purchasing records during July 1, 2012, and June 30, 2013.

**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 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.
- 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 the recipients.

**Management’s Response**

*Concur. Coupon books were not given away, they were thrown out per instructions to do so.*

## AFTERSCHOOL PROGRAM

### Finding

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

- The *Student Attendance Records, Registration Forms, and Parent Sign-Out Sheets* for School Year 2013, were missing. According to staff, the records were misplaced when the school moved to its new location.
- Disbursement #11348 (for \$245) was for renting a bounce house (with attendant) for the Afterschool Program. However, the school did not obtain the proof of liability insurance coverage from the vendor.

### Recommendation

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

- All Afterschool Program records, including *Student Attendance Records, Registration Forms, and Parent Sign-Out Sheets*, should be retained for a time period consistent with the *Afterschool Programs Operational Manual* and District *Record Retention Schedule*.
- To protect the School District from unwarranted liability and as required by *Afterschool Program Operational Manual, page 1-13*, "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.

**Glade View Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

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

Principal:  
Fiscal Year 2013: Linda Edgecomb  
During Audit: Linda Edgecomb

Treasurer:  
Fiscal Year 2013: Brenda Dominique  
During Audit: Brenda Dominique

Cash and Investments

Checking	\$ 19,078.16
Investments	
	\$ 19,078.16

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	67.35	0.00	67.35	0.00	0.00	0.00
Classes	0.00	225.00	224.90	0.00	0.10	0.00
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	55.26	1,104.56	1,056.38	3.18	3.18	103.44
Trusts	10,035.28	43,232.27	36,888.79	5,884.96	5,884.96	16,378.76
General	5,351.25	3,831.39	6,586.78	10.10	10.00	2,595.96
	\$ 15,509.14	\$ 48,393.22	\$ 44,824.20	\$ 5,898.24	\$ 5,898.24	\$ 19,078.16



Glade View Elementary School  
Management Letter  
Year Ended June 30, 2013

This audit revealed no material instances of noncompliance.

**Golden Grove Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

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

Principal:  
Fiscal Year 2013: Kathryn Koerner  
During Audit: Adam Miller

Treasurer:  
Fiscal Year 2013: Grace Wersching  
During Audit: Grace Wersching

Afterschool Site Director:  
Fiscal Year 2013: Patricia Packard  
During Audit: Patricia Packard

Cash and Investments

Checking	\$ 51,668.14
Investments	
	\$ 51,668.14

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 1,511.06	\$ 220.24	\$ 370.44	\$0.00	\$ 25.00	\$ 1,335.86
Music	544.46	577.81	530.93	112.00	112.00	591.34
Classes	7,701.91	29,757.87	29,002.02	1,496.22	1,936.22	8,017.76
Clubs	1,362.12	2,292.25	1,031.90	21.00	21.00	2,622.47
Departments	2,971.91	7,372.58	7,554.35	1,320.23	1,320.23	2,790.14
Trusts	28,455.29	267,661.55	266,570.45	9,111.63	7,842.67	30,815.35
General	9,001.84	23,848.28	26,550.94	3,522.27	4,326.23	5,495.22
	\$ 51,548.59	\$ 331,730.58	\$ 331,611.03	\$ 15,583.35	\$ 15,583.35	\$ 51,668.14

Golden Grove Elementary School  
Management Letter  
Year Ended June 30, 2013

This audit revealed no material instances of noncompliance.

**Gove Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

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

Principal:  
Fiscal Year 2013: Darren Edgecomb  
During Audit: Darren Edgecomb

Treasurer:  
Fiscal Year 2013: Joann Rivers  
During Audit: Joann Rivers

Cash and Investments

Checking	\$ 60,332.98
Investments	
	\$ 60,332.98

	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	744.00	744.00	0.00	0.00	0.00
Classes	2,142.08	73,535.88	64,606.25	21,507.10	23,460.06	9,118.75
Clubs	8,528.56	63,794.49	63,745.27	3,244.40	330.00	11,492.18
Departments	7,531.32	15,780.83	13,263.48	3,109.21	3,830.21	9,327.67
Trusts	25,066.46	67,610.32	72,567.80	14,746.17	15,320.62	19,534.53
General	10,944.14	1,250.57	1,668.87	348.96	14.95	10,859.85
	\$ 54,212.56	\$ 222,716.09	\$ 216,595.67	\$ 42,955.84	\$ 42,955.84	\$ 60,332.98

## ADJUSTMENTS TO ACCOUNTING RECORDS

### Finding

The review of documentation for adjustments to accounting records found that the school inappropriately transferred a total of \$1,804.56 from four student accounts and one faculty account to the Administrative Courtesy Account at the end of the year.

<u>Account #</u>	<u>Account Name</u>	<u>Amount Transferred</u>
3-3200.00	2 <sup>nd</sup> Grade Account	\$24.00
3-3000.00	Kindergarten	470.06
3-3400.00	4 <sup>th</sup> Grade	329.50
5-7300.00	ESE Department	721.00
6-4400.01	Gove Holiday Event	<u>260.00</u>
	<b>Total</b>	<b><u>\$1,804.56</u></b>

### Recommendation

Pursuant to *Chart of Accounts for Internal Funds*, the means for generating funds for the Administrative Courtesy Account are profits from school pictures, vending machines, and specific donations.

### Management's Response

*Concur. The bookkeeper will transfer funds to the correct student accounts.*

## SEGREGATION OF DUTIES

### Finding

During our audit, we noted that the bookkeeper was performing incompatible duties. In addition to maintaining the Internal Funds accounting records, the bookkeeper also collected monies and prepared *Monies Collected Reports* (MCR).

### Recommendation

To ensure proper fiscal accountability and prevent potential conflict of interest, segregation of duties should be enforced at the school. Specifically, collecting monies from activity participants and preparing MCRs should be performed by the activity sponsors, instead of the bookkeeper.

### Management's Response

*Concur. Segregation of duties will be enforced at school.*

## DEPOSIT OF MONIES

### Finding

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

- Page #12-19925 of the *Drop-safe Log* was missing.
- \$500 recorded on MCR #349-5 was for a donation to the school for student incentives. However, the fund was incorrectly recorded in the Administrative Courtesy Account (#6-0200.00) instead of the General Activities Account (#7-0100.00).

### Recommendation

Money collections should be administered in accordance with District guidelines and *DOE Rules (Chapter 8 of the 2012 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*. Specifically,

- *Chapter 27 of the Internal Accounts Manual* and *Bulletin #P-14051-S/CFO*, require that “*completed Drop-safe Logs must be filed sequentially in numerical order in a binder and retained for five years.*”
- Donation received by the school should be deposited into the appropriate accounts and expended in accordance with the designated purposes.

### Management's Response

*Concur. Monies collection will be administered in accordance with District guidelines. Drop-safe logs will be filed sequentially.*

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of fundraiser documentation revealed that:

- There was no *Fundraising Application/Recap Form* for the 6<sup>th</sup> Grade T-shirt Sales (Account #3-3600.00).
- The *Fundraising Application/Recap Forms* for the Safety Patrol Candy Sales (Account #4-4300.01), 6<sup>th</sup> Grade Candle Sales (Account #3-3600.02), and School Store (Account #6-1900.07) were not signed until eight, 12, and 35 working days respectively, after the fundraising activities began.
- Four fundraisers did not have the required *Sales Item Inventory Report*: (1) Safety Patrol Candy Sales (Account #4-4300.01), (2) Catalog Sales (Account #6-1900.03), (3) Music Recorder Sales (Account #2-3500.00), and (4) 6<sup>th</sup> Grade T-Shirts Sales (Account #3-3600.00).

- The *Sales Item Inventory Report* was not properly completed for the Interested Parent Group T-shirt Sales (Account #6-1900.01). Missing information included beginning inventory, quantity sold, ending inventory, and the sales revenue.
- The Safety Patrol Candy Sales (Account #4-4300.01) did not have the required *Sales Item Inventory Report*. A total of \$29,267.93 in sales revenues 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 \$30,624. As a result, \$1,356.07 (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 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 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, if any, between the estimated revenue and actual receipt should be investigated and resolved accordingly.

### **Management's Response**

*Concur. All fundraisers will be administered in accordance with School Board Policy 2.16 and related District guidelines.*

## **DOCUMENTATION FOR DISBURSEMENTS**

### **Finding**

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

- The school inadvertently paid \$890 for two employees' conference registrations twice: once with two school checks (#11487 for \$445 and #11488 for \$445) on February 1, 2013, and then with a P-Card on February 4, 2013. As a result, the school overpaid \$890 to the vendor.
- Disbursement #11518 (for \$500) was for petty cash for the Washington D.C. trip. However, there was not supporting documentation for the expenses related to the trip.
- Two disbursements (#11599 for \$1,260, and #11611 for \$1,840) were for payments to two custodians for work performed for the school's facility leasing activities. Payments to employees in this nature should have been processed through the District's payroll system. Moreover, these payments were not supported by timesheets documenting the hours worked by the employees; and Disbursement #11611 did not have the required *Check Requisition*.

- Three disbursements (#11450 for \$2,405.46, #11502 for \$2,897, and #11559 for \$2,995) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Orders*.
- Disbursement #11577 (for \$798.16) was payment for two Kindle Fire tablets. However, one of them was not on campus, but there was no *Off Premises Property Transfer (PBSD 1279)* for its absence.
- Check #11513 was for payment for the 6th Grade out-of-county field trip. However, the related *Field Trip/Activity Planning Report and Approval Request (PBSD1894)* was not approved by the Area Superintendent.
- An \$83.90 P-Card transaction was for purchase of chemicals (cleaning supplies). However, purchase of chemicals is prohibited by District's *Purchasing Manual*.

### **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.
- The school should recoup the \$890 in overpayment from the vendors for checks #11487 and #11488. Moreover, the school should require the employee to provide the supporting documentation of expenses incurred during the Washington D.C. field trip, or recoup the \$500 petty cash (Disbursement #11518) from the employee.
- To ensure proper tax withholding, employees' compensation should be processed through the District's payroll system.
- *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.
- 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.
- All school assets should be properly accounted for at all time. Moreover, school property temporarily removed from campus should be documented on *Off-Premises Property Transfer Forms (PBSD 1279)* and approved by the Principal accordingly.
- P-Card should not be used for purchase of items disallowed by the *Purchasing Manual*. Moreover, to protect the safety and health of students and staff, chemical items such as custodial supplies should be ordered from the District's warehouse or procured through the Purchasing Department.



***Management's Response***

*Concur. All disbursements procedures will be administered in accordance with Internal Accounts Manual, Purchasing Card Procedures and related district guidelines.*

**LEASING OF SCHOOL FACILITIES**

**Finding**

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

- *Lease Agreement* #1001 was for the use of facilities between August 20, and December 21, 2102. However, the *Certificate of Insurance* expired on November 17, 2012. Consequently, there was no liability insurance coverage during November 17, through December 21, 2012. Moreover, the *Certificate* did not include the School Board as an additional insured party for liability insurance coverage.
- *Lease Agreements* were not always properly executed with all the signatures in a timely manner. Five *Agreements* (#s 1001, 1003, 1004, 1005 and 1006) were not signed by the lessees, witnesses, and the Principal until 10 to 113 days after the leasehold periods began.
- *Lease Agreement* #1001 had a total contracted leasing charges of \$26,712. As of June 30, 2013, the school had not collected the leasing charges from the lessee.
- Leasing charges for three leases (#1004, #1005 and #1006) were not always collected prior to the use of facilities, with delays ranging from 15 to 175 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 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.
- 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.
- As required by ***School Board Policy 7.18***, “*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 \$26,712 in unpaid rentals from the lessee for Lease #1001.

Gove Elementary School  
Management Letter  
Year Ended June 30, 2013

***Management's Response***

*Concur. All leasing of school facilities will be administered in accordance with School Board Policy 7.18 and related District guidelines.*

**Grassy Waters Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

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

Principal:  
Fiscal Year 2013: Amy Wilkinson  
During Audit: Amy Wilkinson

Treasurer:  
Fiscal Year 2013: Theresa Ferry  
During Audit: Theresa Ferry

Afterschool Site Director:  
Fiscal Year 2013: Carissa Pagliaro  
During Audit: Carissa Pagliaro

Cash and Investments

Checking	\$ 63,546.87
Investments	
	\$ 63,546.87

	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	0.00	0.00	0.00	213.64
Classes	10,556.08	9,910.46	11,531.10	1,557.63	1,557.63	8,935.44
Clubs	4,447.52	331.68	701.72	0.00	0.00	4,077.48
Departments	4,363.15	13,696.21	12,970.09	2,956.54	2,956.54	5,089.27
Trusts	37,448.20	482,030.88	478,614.63	6,076.17	6,076.12	40,864.50
General	2,318.62	5,863.76	3,815.79	5,125.96	5,126.01	4,366.54
	\$ 59,347.21	\$ 511,832.99	\$ 507,633.33	\$ 15,716.30	\$ 15,716.30	\$ 63,546.87

## YEARBOOK ACCOUNT DEFICIT

### **Finding**

The Yearbook Sales had a total revenue of \$3,620 which was deposited into the Internal Funds (Account #7-0100.07). As of June 30, 2013, there were 134 unsold yearbooks in inventory and \$4,863.30 in unpaid bill from the yearbook printing company. As a result, the Yearbook Sales had a net deficit balance of \$1,243.30 (\$4,863.30 - \$3,620).

### **Recommendation**

To ensure fiscal accountability and self-sufficiency, the school should monitor closely the revenues and expenditures for the Yearbook Account. Specifically, the school should monitor the number of yearbooks to be printed so that this activity will not incur a deficit.

### ***Management's Response***

*Concur. Timely order of yearbooks with earlier arrival date.*

## DOCUMENTATION FOR DISBURSEMENTS

### **Finding**

The review of sample disbursements and P-Card transaction records found that the school executed a *School District Consultant Agreement (PBSD1420)* with a consultant for providing various shows to the Afterschool and Summer Camp Programs for a maximum compensation of \$2,500. However, the school paid this consultant through six disbursements for a total of \$4,098, which exceeded the contract maximum amount by \$1,598.

### **Recommendation**

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

### ***Management's Response***

*Concur. A second contract will be completed if the first contract does not cover the required amount.*

## LEASING OF SCHOOL FACILITIES

### **Finding**

The *Certificate of Insurance* for Leases #1009 and #1016 (with the same lessee) listed the School Board as the certificate holder. However, the certificate did not include the School Board as an additional insured party for 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. The school will make sure all Certificates of Insurance list the School Board of Palm Beach County as an additional insured.*

**Greenacres Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 405 Jackson Avenue  
Greenacres, FL 33463

Principal:  
Fiscal Year 2013: Patricia Lucas  
During Audit: Melissa Patterson

Treasurer:  
Fiscal Year 2013: Donna Shaw  
During Audit: Donna Shaw

Afterschool Site Director:  
Fiscal Year 2013: Omi Torres  
During Audit: Omi Torres

Cash and Investments

Checking	\$ 49,862.03
Investments	
	\$ 49,862.03

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	127.77	1,220.00	1,734.26	1,036.74	565.74	84.51
Classes	10,769.03	25,480.72	24,866.30	10,456.65	10,704.92	11,135.18
Clubs	220.20	0.00	0.00	0.00	0.00	220.20
Departments	3,194.87	9,715.02	9,148.88	2,730.28	2,646.41	3,844.88
Trusts	32,847.10	319,758.77	317,946.25	22,296.83	24,404.54	32,551.91
General	1,464.46	576.46	1,816.68	1,801.11	0.00	2,025.35
	\$ 48,623.43	\$ 356,750.97	\$ 355,512.37	\$ 38,321.61	\$ 38,321.61	\$ 49,862.03

**DOCUMENTATION FOR FUNDRAISERS**

**Finding**

The PTC T-Shirts Sales (Account #6-3100.01) had a total of \$4,490 in sales revenues deposited into the Internal Funds during July 1, 2012, through October 15, 2013. However, based on the school’s purchasing records, the *Sales Item Inventory Report* for School Year 2013, and our examination of physical inventory during the audit, this fundraiser should have generated a total estimated revenue of \$5,107. As a result, \$617 (12%) in estimated revenue was unaccounted for.

Items	Quantity					Selling Price	Revenues
	Beginning Inventory <sup>(1)</sup>	Purchases <sup>(2)</sup>	Items Given Away	Inventory On Hand <sup>(3)</sup>	Units Sold		
Fiscal Year 2013							
Shirts/T-shirts		203		0	203	\$7	\$1,421
T-shirts	107	85		25	167	8	1,336
Collar Shirts	55	117		77	95	10	950
Fiscal Year 2014							
Youth T-shirts		42		7	35	9	315
Adult T-shirts		26		8	18	10	180
PA Collar		50		7	43	15	645
Youth Gilden Collar		24		11	13	12	156
Adult Gilden Collar		30		22	8	13	104
						Total Estimated Revenues	\$5,107
						Total \$ Deposited into Internal Funds	\$4,490
						<b>Estimated Revenues Unaccounted For</b>	<b>\$617</b>

- (1) Based FY13 *Sales Item Inventory Report*.
- (2) Based on purchasing records during July 1, 2012 through October 15, 2013.
- (3) Based on our examination of physical inventory October 14, 2013.

- As indicated by the sponsor on the *Sales Item Inventory Report* for the Safety Patrol Candy (Account #6-4000.01), “many students took candy and never returned any money or didn’t return \$60 like they were supposed to.” The items un-returned/unaccounted for had a total resale value of \$960.

**Recommendation**

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

- *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.
- To ensure proper fiscal accountability and reconciliation of sales revenues for each fundraiser, the school should maintain records for the names of persons who received fundraising items for resale and the names of persons 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 for uncollected funds.

***Management's Response***

*Concur. Sales Item Inventory Report has been accurately completed with all the needed information. The school has maintained records with the names of persons who received fundraising items for resale and the names of persons who did not return the unsold fundraising items at the end of the fundraising activity.*

**DOCUMENTATION FOR DISBURSEMENTS**

**Finding**

The review of sample disbursements and P-Card purchases found that a June 6, 2013, P-Card transaction for purchase of \$999.64 in merchandises for the Summer Camp Program included \$48.35 in sales tax.

**Recommendation**

The School District is a tax-exempt governmental entity, and should not pay sales tax for eligible purchases.

***Management's Response***

*Concur. Staff has been reminded that the School District is a tax exempt governmental entity.*

**LEASING OF SCHOOL FACILITIES**

**Finding**

The *Certificate of Insurance* for Leases #1002 and #1003 (for the same lessee) listed the School Board as the certificate holder but did not included it as an additional insured party for liability 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. All current leases include a copy of a liability insurance policy in the amount of \$1,000,000 naming the School Board of Palm Beach County as an additional insured.*



**Grove Park Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

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

Principal:  
Fiscal Year 2013: Eric Gross  
During Audit: Eric Gross

Treasurer:  
Fiscal Year 2013: Kanishia Mortin  
During Audit: Kanishia Mortin

Afterschool Site Director:  
Fiscal Year 2013: Patricia Almaguer  
During Audit: Patricia Almaguer

Cash and Investments

Checking	\$ 44,850.87
Investments	
	\$ 44,850.87

	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	0.00	0.00	0.00	0.00	23.78
Classes	553.79	5,657.81	5,410.31	879.56	1,680.85	0.00
Clubs	882.08	31.00	613.56	267.00	298.00	268.52
Departments	2,482.22	5,249.20	5,768.11	216.54	216.16	1,963.69
Trusts	35,883.72	202,207.94	197,643.54	7,762.77	7,731.77	40,479.12
General	1,231.33	2,439.65	2,356.13	801.29	0.38	2,115.76
	\$ 41,056.92	\$ 215,585.60	\$ 211,791.65	\$ 9,927.16	\$ 9,927.16	\$ 44,850.87

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The Candy Bar Sales fundraiser (Account #6-4000.16) did not have the required *Sales Item Inventory Report*. The school purchased 3,120 bars of candy for resale, which should have generated a total estimated revenue of \$3,120. However, only \$2,921 in sales revenue was deposited into the Internal Funds. As a result, \$199 (6.4%) in estimated revenue was unaccounted for.

### Recommendation

To protect the school's best interest and 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. Significant discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.

### Management's Response

*Concur. The Principal, Treasurer and Fundraiser sponsor met to review the candy bar sales. As a result, we concur that the Sales Item Inventory was not completed and has been completed for FY14. The unaccounted revenue according to the sponsors tracking report was \$71 (outstanding student payments).*

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

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

- Disbursement #10017 (for \$285) was for payment to a consultant who provided on-site entertainment services. The consultant, however, provided only \$500,000 in liability insurance coverage, which was lower than the District's required \$1,000,000 coverage.
- Disbursement #10164 (for \$371) was for a tax exempt purchase, but included \$21 in sales tax.

### Recommendation

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

- To protect the School District from unwarranted liability, the school should require the vendor to provide proof of insurance that is consistent with the School District's guideline.
- The School District is a tax-exempt governmental entity, no sales tax should be paid for eligible purchases.

***Management's Response***

*Concur. The consultant liability was an oversight and will not happen again. Sales tax will not be paid for eligible purchases.*

**LEASING OF SCHOOL FACILITIES**

**Finding**

The review of records for leasing of school facilities found that Lease #1001 had the following exceptions:

- The *Lease Agreement* was neither signed by the lessee, a witness, nor the Principal.
- The *Certificate of Insurance* inadvertently included the School District, instead of the School Board, as the certificate holder and additional insured party for liability insurance coverage.
- The \$36 in utility fee was neither recorded in the Utilities Account (#6-5500.00) nor 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.
- Since the School Board is a legal entity, it should be listed as the additional insured party in order to protect the School District from unwarranted liability.
- The portion of utility fees should be transmitted to the Central Office in accordance with the District's approved *Rate Schedule*.

***Management's Response***

*Concur. The signed lease was misplaced during the summer break. All future signed leases taken during summer break will be kept in the safe. The lease coordinator will make sure that all future leases have the "School Board" listed as an additional insured. Lease #1001 was inadvertently deposited into 6-3800 in its entirety. This will not happen again.*

**H.L. Johnson Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 1000 Crestwood Boulevard North  
Royal Palm Beach, FL 33411

Principal:  
Fiscal Year 2013: Sharon Hench  
During Audit: Patricia Lucas

Treasurer:  
Fiscal Year 2013: Maria Medina  
During Audit: Maria Medina

Afterschool Site Director:  
Fiscal Year 2013: Jennifer Tingler  
During Audit: Jennifer Tingler

Cash and Investments

Checking	\$ 86,318.64
Investments	
	\$ 86,318.64

	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	11,974.04	42,145.12	41,240.69	3,377.93	3,305.43	12,950.97
Clubs	118.49	903.25	961.99	59.50	59.50	59.75
Departments	8,069.34	16,499.71	17,322.25	2,125.54	2,125.54	7,246.80
Trusts	64,078.68	457,249.42	467,354.65	2,294.96	202.55	56,065.86
General	14,004.99	13,340.42	15,590.53	11,395.54	13,560.45	9,589.97
	\$ 98,650.83	\$ 530,137.92	\$ 542,470.11	\$ 19,253.47	\$ 19,253.47	\$ 86,318.64

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

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

- Disbursement #16536 (for \$1,084.59) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*.
- Two P-Card purchases (\$326.91 and \$752.18, totaling \$1,079.09) occurred on June 12, 2013, were completed at the same retail store within 10 minutes. Apparently, these two purchases occurred in order to comply with the \$1,000 threshold for *Purchase Order* P-Card limit. This apparent splitting of a purchase in aggregate that exceeded the \$1,000 limit is disallowed by the ***Purchasing Card Procedures***.
- Four P-Card transactions totaling \$3,310 were for the Summer Camp field trips. The reservations for these field trips were completed between January 30, and February 25, 2013; however, the related *Field Trip/Activity Planning Report and Approval Requests* were neither prepared by the sponsor nor approved by the Principal until June 7, 2013.
- Disbursement #16695 was for reimbursing an employee \$386.83 in school purchases. However, the reimbursement was supported by three receipts totaling \$368.83. As a result, the school overpaid \$18 to the employee.

### 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 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.
- P-Card purchase in excess of \$1,000 requires prior approval from the Purchasing Department. In addition, ***Purchasing Card Procedures*** provides that “*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 adhere to the purchasing rules and should not split purchases.
- 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.*”
- All disbursements and P-Card purchases should be adequately documented and supported by itemized invoices and receipts. The school should recoup the \$18 overpayment from the employee for Disbursement #16695.

***Management's Response***

*P-Card and Field Trip procedures will be reviewed with staff to eliminate further errors.*

**AFTERSCHOOL PROGRAM DOCUMENTATION**

**Finding**

The review of the school's Afterschool Program records found that the Afterschool Snack Account (#6-9550.00) had a year-end balance of \$3,206.16, which exceeded the \$1,500 year-end balance as allowed by *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 Afterschool Program Snack Account should not exceed \$1,500. The school should monitor the revenues and expenditures of this account accordingly.

***Management's Response***

*Concur. The Afterschool Program will closely monitor its funds to ensure that the balance does not exceed \$1,500.*

**Hagen Road Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 10565 Hagen Ranch Road  
Boynton Beach, FL 33437

Principal:  
Fiscal Year 2013: Richard Hughes  
During Audit: Richard Hughes

Treasurer:  
Fiscal Year 2013: Melvis (Ana) Santana  
During Audit: Melvis (Ana) Santana

Afterschool Site Director:  
Fiscal Year 2013: Amanda Vargas  
During Audit: Sasha Lejeune

Cash and Investments

Checking	\$ 57,074.53
Investments	
	\$ 57,074.53

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	22.42	0.00	0.00	0.00	22.42	0.00
Classes	6,121.43	27,000.61	30,610.24	19,699.61	4,868.86	17,342.55
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	3,351.50	7,194.15	7,683.25	1,412.85	1,569.67	2,705.58
Trusts	47,206.95	666,316.04	683,933.51	84,045.99	83,785.04	29,850.43
General	1,379.49	57,987.67	37,278.73	6,694.82	21,607.28	7,175.97
	\$ 58,081.79	\$ 758,498.47	\$ 759,505.73	\$ 111,853.27	\$ 111,853.27	\$ 57,074.53

## DEPOSIT OF MONIES

### Finding

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

- \$3,589.31 (MCR #1016) in Afterschool Program fees collected on April 8, 2013, was put into the school's drop-safe on the same day. The monies were returned to the sponsor for processing on the next working day. However, the collection was retained by the sponsor for three working days before it was turned in for deposit on April 12, 2013.
- 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.
- 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 2012 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*. Specifically,

- 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 sponsors and result in potential irregularities.
- Activity sponsors should retain the yellow copy of the MCR before turning in the monies to the bookkeeper for deposit. Keeping a copy of the MCR will assist the sponsors in (1) ensuring that the dollar amount printed 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 revenue collections if bookkeeping errors should occur.
- 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. Teachers/sponsors will be reminded to submit their copies to the school secretary.*



## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of fundraiser documentation revealed that:

- The *Sales Item Inventory Report* for the Chocolate Bar Sales (Account #7-0100.04) was neither signed by the sponsor nor reviewed by the principal/designee.

Based on the school's purchasing records, this fundraiser should have generated an estimated revenue of \$28,800. The *Sales Item Inventory Report* indicated that 45 cases of chocolate with an estimated resale value of \$2,700 (or 9% of the total estimated revenue) were given-away free-of-charge. However, documentation was not maintained as to who received the give-away items.

- The Dollar No Collar Fundraiser (Account #6-0300.01), Teddy Bear Fundraiser (Account #6-0300.06), and Yearbook Sales (Account #7-0100.01) 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 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. Significant discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.

### Management's Response

*Concur. Bookkeeper is reminded to follow stated procedures.*

**Additional Comments:** *With the establishment of a PTA at our school and their funds no longer under the supervisory role of the school and district, we will be requesting an audit review of their records at the close of the 2015 fiscal year to ensure that fiscal steps are maintained and state laws related to PTA and nonprofit are maintained. We appreciate your continued assistance and guidance.*

**Hammock Pointe Elementary School**  
**Internal Fund Accounts**  
**Combining Statement of Changes in Cash and Investments – Cash Basis**  
**Year Ended June 30, 2013**

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

Principal:  
 Fiscal Year 2013: Carol Crilley  
 During Audit: Carol Crilley

Treasurer:  
 Fiscal Year 2013: Elsa Esparza  
 During Audit: Elsa Esparza

Afterschool Site Director:  
 Fiscal Year 2013: Bonnie Welch  
 During Audit: Bonnie Welch

Cash and Investments

Checking	\$ 58,229.32
Investments	
	\$ 58,229.32

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	5,146.07	4,395.00	5,327.79	1,911.45	1,911.45	4,213.28
Classes	423.92	24,586.90	25,107.32	5,808.58	5,468.57	243.51
Clubs	1,993.30	8,414.98	6,295.92	3,830.81	6,214.06	1,729.11
Departments	15,010.07	16,335.73	14,529.81	7,009.88	6,109.24	17,716.63
Trusts	25,855.84	439,802.83	436,975.86	3,307.45	1,603.32	30,386.94
General	14,335.36	9,245.30	19,079.28	2,739.63	3,301.16	3,939.85
	\$ 62,764.56	\$ 502,780.74	\$ 507,315.98	\$ 24,607.80	\$ 24,607.80	\$ 58,229.32

Hammock Pointe Elementary School  
Management Letter  
Year Ended June 30, 2013

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, 2013**

Address: 5100 Melaleuca Lane  
Greenacres, FL 33463

Principal:  
Fiscal Year 2013: Seth Moldovan  
During Audit: Nina Lant

Treasurer:  
Fiscal Year 2013: Mary Paradise  
During Audit: Mary Paradise

Afterschool Site Director:  
Fiscal Year 2013: Laura Lowman  
During Audit: Laura Lowman

Cash and Investments

Checking	\$ 24,656.72
Investments	
	\$ 24,656.72

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	468.52	759.50	875.00	0.00	0.00	353.02
Classes	962.04	12,652.05	12,760.95	370.64	370.64	853.14
Clubs	408.35	767.57	1,137.30	276.67	276.67	38.62
Departments	3,767.52	14,336.22	14,618.70	3,271.94	3,271.94	3,485.04
Trusts	17,901.13	299,469.31	300,108.83	15,009.42	14,582.97	17,688.06
General	2,185.18	8,219.38	7,739.27	1,372.85	1,799.30	2,238.84
	\$ 25,692.74	\$ 336,204.03	\$ 337,240.05	\$ 20,301.52	\$ 20,301.52	\$ 24,656.72

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

The review of sample disbursements and P-Card transaction records found that the school purchased a total of \$1,137.44 in snacks for the Afterschool Program. However, this purchase did not have the required *Purchase Order* and was split into two purchases (\$531.60 and \$605.84 with the orders on June 13, 2013). Subsequently, this purchase was paid with a District's P-Card as two separate transactions on June 23, 2013.

### Recommendation

Purchases and disbursement procedures should be administered in accordance with *Internal Accounts Manual* and *Purchasing Card Procedures (Purchasing Manual Chapter 24)*. 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.
- 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 the purchasing rule through splitting large purchase.

### Management's Response

*Concur. Purchase orders will be completed and signed by the principal. P-Card purchases will not be split and procedures will be followed.*

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of fundraising records found that the Recorder Sales (Account 2-3500.00) did not have the required *Sales Item Inventory Report*.

### Recommendation

To protect the school's best interest and ensure proper fiscal accountability, *Sales Item Inventory Report* should be accurately completed with all needed information. Accurate *Sales Item Inventory 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. A sales inventory report will be completed for all sales, even those which are not fundraisers and items are sold at cost to students.*

**Hidden Oaks Elementary School**  
**Internal Fund Accounts**  
**Combining Statement of Changes in Cash and Investments – Cash Basis**  
**Year Ended June 30, 2013**

Address: 7685 S. Military Trail  
 Lake Worth, FL 33463

Principal:  
 Fiscal Year 2013: Sari Myers  
 During Audit: Sari Myers

Treasurer:  
 Fiscal Year 2013: Katrinka Combs  
 During Audit: Katrinka Combs

Afterschool Site Director:  
 Fiscal Year 2013: Ruben Soto  
 During Audit: Ruben Soto

**Cash and Investments**

Checking	\$ 55,914.85
Investments	
	\$ 55,914.85

	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	551.00	510.45	40.55	40.55	40.55
Classes	10,421.06	77,991.86	75,453.95	28,028.41	27,947.98	13,039.40
Clubs	1,760.96	16,586.50	10,455.69	1,133.74	6,780.91	2,244.60
Departments	6,491.01	14,957.93	15,770.64	4,153.61	4,234.04	5,597.87
Trusts	39,497.72	589,613.11	600,987.33	34,865.82	29,218.65	33,770.67
General	1,848.58	26,292.59	26,919.41	7,547.42	7,547.42	1,221.76
	\$ 60,019.33	\$ 725,992.99	\$ 730,097.47	\$ 75,769.55	\$ 75,769.55	\$ 55,914.85

## LEASING OF SCHOOL FACILITIES

### Finding

The review of records for school facility leasing found that:

- *Lease Agreement* #1003 was for the use of facilities during the period October 4, 2012, through May 30, 2013, with a total rental charge of \$2,120. According to Internal Funds records, the school collected only \$1,696 in rentals from this lessee. The remaining \$424, which was for May 2013 rentals, had not been collected as of December 13, 2013.
- Leasing charges were not always collected prior to the use of facilities. The rentals for Leases #1020 and #1012 were not received until after the lessees had begun using the facilities for one and three days respectively.
- The *Certificates of Insurance* for Leases #1003 and #1013 listed the School Board as the certificate holders; however, both certificates did not include the School Board as 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,

- As required by ***School Board Policy 7.18***, “*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 \$424 in unpaid rentals from the lessee for Lease #1003.
- 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. For the businesses that lease with us consistently over time, fees are collected monthly and sometimes there is a lapse for a few days. All monies have been recouped.*

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The School-Wide Great American Fundraiser (Account #7-0100.01) did not have the Principal’s approved *Fundraising Application/Recap Form*.

Hidden Oaks Elementary School  
Management Letter  
Year Ended June 30, 2013

**Recommendation**

To ensure that fundraising activities are consistent with the School Board Mission and as required by ***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. In the future, all fundraising applications and recaps will be approved by the principal in a timely manner.*



**Highland Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 500 Highland Avenue  
Lake Worth, FL 33461

Principal:  
Fiscal Year 2013: Brian Killeen  
During Audit: Brian Killeen

Treasurer:  
Fiscal Year 2013: Teresa Porter  
During Audit: Teresa Porter

Afterschool Site Director:  
Fiscal Year 2013: Heather Emerson  
During Audit: Heather Emerson

Cash and Investments

Checking	\$ 94,096.09
Investments	
	\$ 94,096.09

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	1,070.15	368.00	228.06	0.00	0.00	1,210.09
Classes	10,169.54	43,434.00	49,237.89	16,018.83	13,862.45	6,522.03
Clubs	848.90	17,611.52	4,421.48	14,380.19	15,025.09	13,394.04
Departments	9,198.30	10,256.99	10,226.33	2,961.49	3,102.49	9,087.96
Trusts	33,930.93	227,477.69	233,855.96	16,595.25	17,945.41	26,202.50
General	37,104.64	826.40	231.25	0.00	20.32	37,679.47
	\$ 92,322.46	\$ 299,974.60	\$ 298,200.97	\$ 49,955.76	\$ 49,955.76	\$ 94,096.09

## 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 attach the computerized *Official Receipts* to the yellow copies of the MCRs when submitting these documents to the school secretary for record retention.
- The *Drop-safe Log* was not always completed with all the required information. Missing information included the date of collection and the date when the monies was dropped off into the safe.

### Recommendation

Money collections should be administered in accordance with 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 comply with *Bulletin #P-14051-S/CFO*, responsible staff should complete the *Drop-safe Log* with all the required information.

### Management's Response

*Concur. Teachers/sponsors have been required to take District-provided courses regarding official receipts and drop-safe procedures online.*

## AFTERSCHOOL PROGRAM

### Finding

The review of records for the Afterschool and Summer Camp Programs found that as of June 30, 2013, the Afterschool and Summer Camp Programs had total accounts receivable of \$3,059.98 and \$3,571.18 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 the *Afterschool Programs Operational Manual*. Specifically, "fees are payable in advance and are collected monthly on the first three school days of the month."

***Management's Response***

*Concur. As we serve low-income community (98% Free/Reduced Lunch), it is sometimes difficult for our parents to pay. We diligently work with our parents so that they are able to pay the fees.*

**LEASING OF SCHOOL FACILITIES**

**Finding**

The review of the facility leasing records found that:

- The *Certificates of Insurance* for Leases #1001 and #1005 listed the School Board as the certificate holder. However, they did not include the School Board as an additional insured party for liability insurance coverage.
- *Lease Agreements* were not always executed prior to the use of facilities by lessees. For example, Lease #1009 was not signed by the lessee and the Principal until 22 days after the leasehold period had ended. Lease #1001 was not signed by the lessee and the witness until nine days after the lessee had begun using the facilities.
- Leasing charges for Lease #1009 were not collected until 43 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 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...*” This will ensure the School Board is well protected.
- To ensure *Lease Agreements* are legally enforceable, *Lease Agreements* should be properly executed with all the required signatures prior to the use of facilities by the lessees.
- As required by ***School Board Policy 7.18***, “*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 are reviewing the Certificates of Insurance in question and will make the proper amendments. In the future, no leases will be permitted to use our facilities until the lease agreement is signed.*

## CONTROL OF PRENUMBERED DOCUMENTS

### Finding

The review of controls of prenumbered documents found that:

- A document custodian was not assigned for the *School Age Child Care (SACC) Receipt Books*. Moreover, the receipt books were maintained by the Afterschool Site Director, who also used the receipts for collecting fees from parents.
- The *Prenumbered Document Inventory Registers* were not maintained for the *Drop Safe Log* and *SACC Receipt Books*.

### 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.
- Document custodian should use the *Prenumbered Document Inventory Register* (PBSD 0160) to confirm the periodic inventory of the prenumbered forms. Specifically, the *Drop Safe Log* should be inventory-checked monthly; and the *SACC Receipt Books* should be inventory-checked at year-end.

### Management's Response

*Concur. We will work on doing currently. Used about 3 receipts the whole year only in the beginning of year when collection is in front office instead of by the computer.*

**Hope-Centennial Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 5350 Stacy Street  
West Palm Beach, FL 33417

Principal:  
Fiscal Year 2013: Julie Hopkins  
During Audit: Awilda Tomas Andres

Treasurer:  
Fiscal Year 2013: Elizabeth Biaggi  
During Audit: Elizabeth Biaggi

Afterschool Site Director:  
Fiscal Year 2013: Danielle Cole  
During Audit: Danielle Cole

Cash and Investments

Checking	\$ 14,165.90
Investments	
	\$ 14,165.90

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	944.95	2,463.00	2,541.70	0.00	0.00	866.25
Classes	249.35	7,883.45	7,591.47	1,644.84	1,545.59	640.58
Clubs	0.00	1,000.00	999.44	0.00	0.00	0.56
Departments	1,306.27	6,173.28	5,007.46	2,059.39	2,059.39	2,472.09
Trusts	7,271.32	159,768.98	157,743.88	955.83	958.83	9,293.42
General	1,989.15	2,049.98	3,049.88	182.68	278.93	893.00
	\$ 11,761.04	\$ 179,338.69	\$ 176,933.83	\$ 4,842.74	\$ 4,842.74	\$ 14,165.90

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of the school's fundraiser documentation revealed that:

- The *Fundraising Application/Recap Forms* for Spirit Shirt Sales (#7-0100.01) and Scholastic Book Fair Sales (#5-1700.03) were not approved by the Principal prior to commencement of sales.
- The Safety Patrol Smencil Sales (#6-4000.01) collected \$878 in sales revenue which was deposited into the Internal Funds. The *Sales Item Inventory Report* indicated that \$128 (15% of sales revenue) in merchandise was given-away free-of-charge. However, no documentation was maintained as to who received the give-away items.

### 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 and 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 should include the purposes and the names of the recipients for the gifts.

### Management's Response

*[Current Principal]* Concur. *Fundraising activities will be documented and approved according to School Board Policy 2.16 and related guidelines. The bookkeeper has been made aware of the importance of keeping proper documentation of merchandise given away.*

*[Former Principal]* Concur. *School Treasurer will make sure all fundraisers are approved by the Principal prior to commencement of sales and also make sure any merchandise that is given away has been documented with the names of the recipients and purpose for the give aways.*

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

The review of sample disbursements and P-Card records found that none of the supporting documentation included in our samples were defaced (stamped "PAID") after payment in order to prevent potential duplicate payments.

**Recommendation**

To avoid potential duplicate payments, supporting documentation should be defaced (stamped “PAID”) after payment.

***Management’s Response***

*[Current Principal] Concur. The bookkeeper is now stamping P-Card payments as paid.*

*[Former Principal] Concur. All disbursements and P-Card records will be stamped “PAID” by the treasurer after payment is made to prevent duplicate payments.*

***Additional Comments***

*[Current Principal] I am in agreement with all the given recommendations and am ensuring the bookkeeper maintains proper documentation for fundraising activities and disbursements.*

**Indian Pines Elementary School**  
**Internal Fund Accounts**  
**Combining Statement of Changes in Cash and Investments – Cash Basis**  
**Year Ended June 30, 2013**

Address: 6000 Oak Royal Drive  
Lake Worth, FL 33463

Principal:  
Fiscal Year 2013: Laura Lougee / Jill Robinson  
During Audit: Jill Robinson

Treasurer:  
Fiscal Year 2013: Monique Spann  
During Audit: Monique Spann

Afterschool Site Director:  
Fiscal Year 2013: Marie Charles  
During Audit: Marie Charles

Cash and Investments

Checking	\$ 15,523.70
Investments	
	\$ 15,523.70

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.15	0.00	0.00	0.00	0.15	0.00
Classes	1,156.51	5,975.10	6,155.66	1,112.18	1,563.13	525.00
Clubs	2,840.73	32,372.19	31,415.10	20,770.00	20,740.00	3,827.82
Departments	2,868.63	10,111.34	10,864.85	524.00	539.00	2,100.12
Trusts	6,702.89	184,917.15	183,688.54	2,438.82	2,604.32	7,766.00
General	22.67	1,188.94	508.45	1,272.24	670.64	1,304.76
	\$ 13,591.58	\$ 234,564.72	\$ 232,632.60	\$ 26,117.24	\$ 26,117.24	\$ 15,523.70



## LEASING OF SCHOOL FACILITIES

### Finding

The review of leasing of school facilities for community use found that:

- *Lease Agreement* #1007 was for the use of facilities by the lessee on March 12, 2013. However, it was supported by a *Certificate of Insurance* that was expired on January 23, 2013. As a result, this leasing arrangement did not have proof liability insurance coverage. Moreover, the *Lease Agreement* was not signed by the lessee, a witness, and the Principal until April 12, 2013; i.e. one month after the use of facilities by the lessee.
- Lease #1001 was for the use of facilities which started on August 5, 2011. However, the fees were not collected until August 19, 2012, i.e. 14 days after the beginning of the leasehold period.

### 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 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.
- As required by ***School Board Policy 7.18***, “*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. IPES has obtained a new bookkeeper as well as a new leasing coordinator. They have both been trained by the appropriate District staff to ensure compliance.*

**J.C. Mitchell Elementary School**  
**Internal Fund Accounts**  
**Combining Statement of Changes in Cash and Investments – Cash Basis**  
**Year Ended June 30, 2013**

Address: 2470 NW 5th Avenue  
 Boca Raton, FL 33431

Principal:  
 Fiscal Year 2013: Laura Riopelle  
 During Audit: Joan Pierre-Jerome

Treasurer:  
 Fiscal Year 2013: Laura Sattler  
 During Audit: Laura Sattler

Afterschool Site Director:  
 Fiscal Year 2013: Lisa Faustini  
 During Audit: Lisa Faustini

Cash and Investments

Checking	\$ 43,029.22
Investments	
	\$ 43,029.22

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	2,450.14	2,757.40	2,524.15	150.28	150.28	2,683.39
Classes	8,553.98	13,465.19	14,894.02	264.10	1,049.94	6,339.31
Clubs	202.57	162.00	194.67	0.00	10.00	159.90
Departments	13,057.58	17,157.21	23,193.77	5,662.94	4,083.03	8,600.93
Trusts	20,129.92	311,425.56	312,462.88	1,863.18	2,825.76	18,130.02
General	8,678.44	13,944.48	15,685.76	4,798.46	4,619.95	7,115.67
	\$ 53,072.63	\$ 358,911.84	\$ 368,955.25	\$ 12,738.96	\$ 12,738.96	\$ 43,029.22

**DOCUMENTATION FOR FUNDRAISERS**

**Finding**

The review of the school’s fundraiser records found that:

- The Music Recorder and Book Sales (Account #2-3501.00) did not have the required *Fundraising Application/Recap Form* and *Sales Item Inventory Report*. A total of \$2,657.40 in sales revenues was deposited into the Internal Funds during July 1, 2012, and October 23, 2013. 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 \$3,604. As a result, \$946.60 (26%) in estimated revenue was unaccounted for.

Item	Quantity				Selling Price	Revenues
	Purchases <sup>(1)</sup>	Items Given Away <sup>(2)</sup>	Inventory On Hand <sup>(3)</sup>	Units Sold		
FY13-Recorders	200	0	0	200	\$5.00	\$1,000.00
FY13-Books	220	0	0	220	4.00	880.00
FY14-Recorders	172	0	18	154	6.00	924.00
FY14-Books	200	0	0	200	4.00	800.00
Total Estimated Revenues						\$3,604.00
Total Sales Revenues Collected						\$2,657.40
<b>Estimated Revenues Unaccounted For</b>						<b><u>\$946.60</u></b>

(1) Based on purchasing records during July 1, 2012, and October 23, 2013.

(2) *Sales Item Inventory Report* was not maintained for FY13. No records for items given-away free-of-charge.

(3) Based on our examination of physical inventory on October 23, 2013.

In addition, the transactions for this fundraiser were recorded in the Moorehead, Ken-Music Account (#2-3501.00), instead of a decimalized account for the fundraiser.

- The *Sales Item Inventory Reports* were not properly completed for No Bullying T-shirt Sales (Accounts # 7-0100.04 and # 7-0100.05), and Yearbook Sales (Account # 7-0100.02). Specifically, the selling prices and sales revenues did not agree with the sales revenues deposited into the Internal Funds.

**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. 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 accounts should include all the needed and accurate financial information.

### ***Management's Response***

*Concur. All fundraising activities will be pre-approved by the Principal. Effective FY15 all teachers will attend a preschool meeting led by the Principal and the School Treasurer to review the related District guidelines affiliated with fundraising activities.*

## **DOCUMENTATION FOR DISBURSEMENTS**

### **Finding**

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

- Disbursement #10425 (for \$2,400) was for the purchase of computer software; however, this software was neither on the *District Approved Technology List* nor approved by the Information Technology Department.
- Disbursement #10210 (for \$12,750) was for payment of the Washington DC trip; it did not have a *Field Trip/Activity Planning Report and Approval Request*.

### **Recommendation**

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

- As required by the District's ***Purchasing Manual Section 5-1***, "*Technology items must be approved by the Information Technology Department (IT) or be on the Information Technology approved product list. Software license agreements must be approved by Information Technology and may require the signatures of the Superintendent and Board Chairperson.*" The school should submit the *Software / Hardware / Technology Request Form (PBSD 2199)* to the Information Technology for review and approval for purchase of non-District approved software.
- 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. Prior to the approval of any technology items the approved list will be reviewed by the Principal or her designee. Field Trip/Activity Planning Report and Approval Request will be submitted to the Principal for all possible Field Trip/Activities.*

## LEASING OF SCHOOL FACILITIES

### **Finding**

The *Certificate of Insurance* for Lease #1004 did not include the School Board as an additional insured party for liability coverage, although the School Board was listed as the certificate holders. In addition, the leasehold period was for October 31, 2012, through March 12, 2013; however, the insurance expired on March 1, 2013. As a result, this leasehold activity had no insurance coverage during March 2, through 12, 2013.

### **Recommendation**

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 protected from unwarranted liabilities.

### **Management’s Response**

*Concur. The School Treasurer will review all leases and make note of the liability insurance validity dates.*

**Additional Comments:** *Please note that the audit findings were provided to the new principal of J.C. Mitchell after the beginning of FY14 school year. In FY15 all teachers will attend a preschool meeting with Principal and Treasurer to increase compliance with District Policies.*

**Jerry Thomas Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 800 Maplewood Drive  
Jupiter, FL 33458

Principal:  
Fiscal Year 2013: Ann Wark  
During Audit: Ann Wark

Treasurer:  
Fiscal Year 2013: Doralien Ciaramella  
During Audit: Doralien Ciaramella

Afterschool Site Director:  
Fiscal Year 2013: Lisa Borrie  
During Audit: Lisa Borrie

Cash and Investments

Checking	\$ 50,832.81
Investments	
	\$ 50,832.81

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	55.25	200.00	249.68	0.00	0.00	5.57
Classes	2,119.10	77,342.25	79,419.57	11,236.27	8,082.64	3,195.41
Clubs	3,159.49	59,237.37	14,558.16	91,506.10	133,858.10	5,486.70
Departments	8,514.19	6,631.52	5,822.30	0.00	0.00	9,323.41
Trusts	46,886.47	387,363.11	441,122.73	306,311.00	267,587.99	31,849.86
General	1,821.45	14,280.05	15,605.00	2,425.91	1,950.55	971.86
	\$ 62,555.95	\$ 545,054.30	\$ 556,777.44	\$ 411,479.28	\$ 411,479.28	\$ 50,832.81

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

The review of sample disbursements and P-Card transaction records found that two disbursements (#10263 for \$1,953.41, and #10666 for \$1,264.80) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Orders*.

### 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. All purchases should be pre-approved by the Principal.

### Management's Response

*#1. This is 3 different orders. School Food Service pays for the agendas for grades 3-5 and we pay for handbook. For 2<sup>nd</sup> grade we pay for the planner and handbook. For K-1 we only order the handbook. None were over \$1,000. The vendor bill all 3 together in error. #2. Concur. The order for \$1,264.80 was placed by new head secretary over the summer. She did not know a purchase order was needed. We will use a purchase order in the future.*

## LEASING OF SCHOOL FACILITIES

### Finding

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

- Lease #1004 did not have the required proof of insurance.
- Although the *Certificate of Insurance* for Lease #1019 listed the School Board as the certificate holder, it did not include the School Board as an additional insured party for liability insurance coverage.

### Recommendation

To protect the School Board from unwarranted liabilities 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.*”

### Management's Response

*Concur. Secretary will check additional insured in the future.*

**Jupiter Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 200 South Loxatatchee Drive  
Jupiter, FL 33458

Principal:  
Fiscal Year 2013: Daniel Smith  
During Audit: Daniel Smith

Treasurer:  
Fiscal Year 2013: Ramona Solozabal  
During Audit: Ramona Solozabal

Afterschool Site Director:  
Fiscal Year 2013: Cheri Rosen  
During Audit: Cheri Rosen

Cash and Investments

Checking	\$ 64,586.80
Investments	
	\$ 64,586.80

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	482.43	496.00	341.30	0.00	0.00	637.13
Classes	10,734.62	24,605.04	23,464.12	5,774.49	6,663.98	10,986.05
Clubs	15.36	7,862.63	8,842.03	5,359.88	3,435.00	960.84
Departments	7,981.62	4,117.64	692.96	808.00	808.00	11,406.30
Trusts	42,582.33	300,150.76	303,974.63	1,769.00	4,374.99	36,152.47
General	2,646.38	6,554.42	6,327.39	2,334.70	764.10	4,444.01
	\$ 64,442.74	\$ 343,786.49	\$ 343,642.43	\$ 16,046.07	\$ 16,046.07	\$ 64,586.80



## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of fundraiser documentation revealed that the school purchased 148 Kindergarten T-shirts for resale during School Year 2013. As indicated by the sponsor on the *Sales Item Inventory Report* for the T-shirt Sales (Account #3-3000.02), 18 T-shirts were given-away free-of-charge. These give-away items had a total resale value of \$126, which represented 12% of the total estimated revenue. However, no documentation was maintained for the purposes and the recipients of these give-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 be adequately documented. Records should include the purposes and the names of the recipients who received the gifts.

### Management's Response

*Concur.*

## LEASING OF SCHOOL FACILITIES

### Finding

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

- *Lease Agreements* were not always executed with all the signatures in a timely manner. Specifically, *Lease Agreement* #1001 was not signed off by the principal, lessee and witness until eight days after the leasehold period had begun. Moreover, *Lease Agreement* #1011 was not signed off by the principal until three days after the leasehold period had begun.
- The monthly leasing charges for two leases (#1001 and #1011) were not always collected prior to the use of facilities, with delays ranging from three to 53 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 use of facilities by lessees.
- As required by ***School Board Policy 7.18***, "*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.*"

Jupiter Elementary School  
Management Letter  
Year Ended June 30, 2013

***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, 2013**

Address: 17400 Haynie Lane  
 Jupiter, FL 33478

Principal:  
 Fiscal Year 2013: William Thompson  
 During Audit: William Thompson

Treasurer:  
 Fiscal Year 2013: Carolyn Santos  
 During Audit: Carolyn Santos

Afterschool Site Director:  
 Fiscal Year 2013: Jenny Giambagno  
 During Audit: Jenny Giambagno

Cash and Investments

Checking	\$ 52,328.59
Investments	
	\$ 52,328.59

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	1,196.95	1,528.35	798.83	2,097.62	1,585.62	2,438.47
Classes	345.18	46,029.39	43,657.32	2,639.18	4,662.89	693.54
Clubs	11,872.31	3,729.02	2,101.93	1,319.14	5,548.50	9,270.04
Departments	23,057.42	6,124.31	23,753.36	0.00	0.00	5,428.37
Trusts	38,175.28	378,254.18	391,689.93	14,197.61	11,253.29	27,683.85
General	6,817.97	9,582.53	12,382.93	4,167.25	1,370.50	6,814.32
	\$ 81,465.11	\$ 445,247.78	\$ 474,384.30	\$ 24,420.80	\$ 24,420.80	\$ 52,328.59

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The school purchased 950 coupon books for resale at \$20 each and should have generated a total estimated revenue of \$19,000. However, only \$17,910 in sales revenues was deposited into the Internal Funds. The *Sales Item Inventory Report* indicated that there were 54 coupon books unsold with a total resale value of \$1,080, but the unsold coupon books were not available for our inspection during the audit. As a result, \$1,090 (\$19,000 - \$17,910) in estimated revenue was unaccounted for. According to the sponsor, some coupon books were given-away free-of-charge and some were sold at \$10 instead of \$20. However, no documentation was maintained for coupon books sold at \$10 and the recipients for the give-away items.

Moreover, the *Fundraising Application/Recap Form* for the Coupon Book Sales (Account #6-4000.01) was not approved by the Principal until 11 working days after the fundraising activity began.

### Recommendation

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

- To protect the school's best interest and ensure proper fiscal accountability, *Sales Item Inventory Report* should be completed with accurate information which should assist staff in (1) reconciling sales revenues and (2) tracking of items purchased, given away, or remained in inventory. In addition, merchandise purchased with school funds and provided free-of-charge to students, staff members or the community should be adequately documented.
- Significant discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.
- 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*

### Management's Response

*Concur. Teachers will receive a copy of School Board Policy 2.16 attached to fundraising application. Treasurer will ensure all components are in place.*

## DEPOSIT OF MONIES

### Finding

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

- A total of \$307 collected through three MCRs (#s 352-18, 352-19, and 369-8) were retained by the sponsors for one to four working days before it was put into the drop-safe for deposit.

- At the end of the school 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 2012 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*. Specifically,

- 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 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. Treasurer will notify school administration when monies are not dropped in accordance with policy.*

## **DOCUMENTATION FOR DISBURSEMENTS**

### **Finding**

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

- Disbursement #10183 (for \$600) was for payment for the FCAT Limo Lunch Ride field trip. However, a *Field Trip Request Form* was not prepared for Principal's approval.
- The school executed a *School District Consultant Agreement (PBSD1420)* with a consultant for providing entertainment services to the Afterschool Program, with a maximum contract amount of \$2,500. During Fiscal Year 2013, the school paid this consultant through 20 disbursements a total of \$3,600, which exceeded the contract maximum amount by \$1,100.

### **Recommendation**

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

- As required by *School Board Policy 2.40*, field trips should be pre-approved by the Principal with adequate documentation.
- Consultant payment should be made in accordance with agreements. A new agreement or an addendum to the existing agreement should be prepared for procuring additional service beyond the contract amount.

***Management's Response***

*Concur. Treasurer will track payments to consultants using an external spreadsheet.*

**LEASING OF SCHOOL FACILITIES**

**Finding**

The review of records for school facility leasing found that:

- *Lease Agreement* #1004 did not have the dates for signatures of the witness and lessee.
- The *Certificate of Insurance* for Lease #1023 listed the School Board as the certificate holder, but it 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,

- To ensure *Lease Agreements* are legally enforceable, they should be properly completed with all the required information, signatures, and dates prior to the use of facility by the 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***

*Concur. Lease agreements will be rerouted to principal for final approval. Liability insurance is now processed by District through Tririga.*

**PRENUMBERED DOCUMENTS**

**Finding**

The ***Internal Accounts Manual, Chapter 27***, requires prenumbered documents be inventoried and recorded on the *Prenumbered Document Inventory Register* (PBSD 0160). However, the *Prenumbered Document Inventory Register* was not maintained for the *Drop-safe Log*.

**Recommendation**

To ensure proper fiscal accountabilities and as required by *Chapter 27 of the Internal Accounts Manual*, custodian for prenumbered documents should be someone who is not involved in the day-to-day use of the form. 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).

***Management's Response***

*Concur. Will have a monthly check-off sheet attached to the drop-safe book and dated by designee who is not involved in the day-to-day use of the form.*

**K.E. Cunningham/Canal Point Elementary School**  
**Internal Fund Accounts**  
**Combining Statement of Changes in Cash and Investments – Cash Basis**  
**Year Ended June 30, 2013**

Address: 37000 Main Street  
Canal Point, FL 33438

Principal:  
Fiscal Year 2013: Derrick Hibler  
During Audit: Derrick Hibler

Treasurer:  
Fiscal Year 2013: Cynthia Cormack  
During Audit: Michele Griffin

Cash and Investments

Checking	\$ 13,419.51
Investments	
	\$ 13,419.51

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	56.10	3,800.00	3,347.65	0.00	135.20	373.25
Classes	402.21	1,521.50	597.89	1,125.34	1,125.34	1,325.82
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	496.99	4,969.05	4,634.45	18.52	18.52	831.59
Trusts	13,062.24	25,516.27	29,481.18	7,283.23	7,356.53	9,024.03
General	2,595.30	10,289.94	11,228.92	4,160.03	3,951.53	1,864.82
	\$ 16,612.84	\$ 46,096.76	\$ 49,290.09	\$ 12,587.12	\$ 12,587.12	\$ 13,419.51



## DEPOSIT OF MONIES

### Finding

The review of sample *Monies Collected Reports* (MCRs) and 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.

### 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. Staff will be instructed at the Year Opening meeting to turn in yellow copies of MCR's with the computerized receipt upon completion of activity, instead of waiting until the end of the school year.*

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of fundraiser documentation revealed that:

- The Spring Bookfair (Account #5-1700.01) and Spring Carnival (Account #7-0100.08) did not have the required *Fundraising Application/Recap Forms* that were approved by the Principal.
- The PE Uniform Sales (Account #7-0100.10) had a total sales revenue of \$867 deposited into the Internal Funds. As indicated by the sponsor on the *Sales Item Inventory Report*, 29 shirts were given-away free-of-charge. These give-away items had a total resale value of \$145 (or 17% of the sales revenue). However, no documentation was maintained 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 related District guidelines. Specifically,

- To ensure that fundraising activities are not contrary to 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, 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 the recipients.

***Management's Response***

*Concur. The new bookkeeper has already started working with Fundraising Sponsors to make sure inventory reports are completed properly, with appropriate documentation.*

**LEASING OF SCHOOL FACILITIES**

**Finding**

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

- Lease #1001 was for the use of facilities by lessee during August 2012, through May 2013. Although the leasing information was recorded in the Tririga System, the school did not have a hard copy of the *Lease Agreement* that was executed with all the required signatures.
- *Lease Agreement* #1004 did not have the signature of the 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 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 new bookkeeper will work with The Boys & Girls Club of PB County and our secretary to obtain the proper documents and signatures in a timely manner.*

***Additional Comments:*** *The new bookkeeper is working with District personnel to make sure she is following District policies correctly. She attends all training sessions offered by the District and obtains assistance, as needed.*

**Lake Park Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 410 3rd Street  
Lake Park, FL 33403

Principal:  
Fiscal Year 2013: Valerie Reddick-Mason  
During Audit: Valerie Reddick-Mason

Treasurer:  
Fiscal Year 2013: Patty Gomez  
During Audit: Patty Gomez

Afterschool Site Director:  
Fiscal Year 2013: Martha Christie-Patrick  
During Audit: Martha Christie-Patrick

Cash and Investments

Checking	\$ 10,847.78
Investments	
	\$ 10,847.78

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	97.34	2,269.67	2,036.51	838.49	838.49	330.50
Classes	857.88	1,689.00	1,559.81	557.64	862.87	681.84
Clubs	2,048.68	7,005.50	3,232.19	2,329.50	4,487.50	3,663.99
Departments	786.83	3,531.33	2,764.70	371.97	371.97	1,553.46
Trusts	4,800.37	97,976.88	99,804.87	5,081.99	3,670.25	4,384.12
General	9.57	4,922.90	5,750.09	1,832.71	781.22	233.87
	\$ 8,600.67	\$ 117,395.28	\$ 115,148.17	\$ 11,012.30	\$ 11,012.30	\$ 10,847.78

## AFTERSCHOOL PROGRAM

### **Finding**

The review of Afterschool Program records found that as of June 30, 2013, the Afterschool and Summer Camp Programs had total accounts receivable of \$1,049.75 and \$1,012, respectively.

### **Recommendation**

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.”*

### ***Management’s Response***

*Concur. Conferenced with Aftercare Director to review section on collecting fees.*

**Lantana Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 710 West Ocean Avenue  
Lantana, FL 33462

Principal:  
Fiscal Year 2013: Elaine Persek  
During Audit: Elaine Persek

Treasurer:  
Fiscal Year 2013: Danielle McNeely  
During Audit: Danielle McNeely

Afterschool Site Director:  
Fiscal Year 2013: Denise Sasiain  
During Audit: Denise Sasiain

Cash and Investments

Checking	\$ 20,715.14
Investments	
	\$ 20,715.14

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	20.10	0.00	0.00	0.00	0.00	20.10
Classes	2,739.91	6,565.67	8,193.47	2,536.47	2,445.11	1,203.47
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	1,068.16	6,902.58	7,575.83	1,723.61	1,723.61	394.91
Trusts	14,476.40	519,276.29	514,964.88	13,453.14	13,819.58	18,421.37
General	( 72.97)	4,355.79	3,882.61	735.08	460.00	675.29
	\$ 18,231.60	\$ 537,100.33	\$ 534,616.79	\$ 18,448.30	\$ 18,448.30	\$ 20,715.14

Lantana Elementary School  
Management Letter  
Year Ended June 30, 2013

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, 2013**

Address: 6601 Constitution Way  
Greenacres, FL 33463

Principal:  
Fiscal Year 2013: Joseph Schneider  
During Audit: Joseph Schneider

Treasurer:  
Fiscal Year 2013: Raysa Navarro  
During Audit: Raysa Navarro

Afterschool Site Director:  
Fiscal Year 2013: Shereima Smith  
During Audit: Elizabeth Delerme

Cash and Investments

Checking	\$ 25,039.94
Investments	
	\$ 25,039.94

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	132.11	0.00	68.90	0.00	0.00	63.21
Classes	2,264.28	22,852.68	22,332.07	13,280.12	12,008.84	4,056.17
Clubs	0.00	2,022.71	454.41	0.00	1,438.30	130.00
Departments	2,088.17	14,271.77	13,008.22	6,262.12	6,572.64	3,041.20
Trusts	12,107.18	267,183.10	270,806.75	13,746.20	12,683.93	9,545.80
General	2,139.00	20,134.69	13,485.40	4,280.02	4,864.75	8,203.56
	\$ 18,730.74	\$ 326,464.95	\$ 320,155.75	\$ 37,568.46	\$ 37,568.46	\$ 25,039.94

Liberty Park Elementary School  
Management Letter  
Year Ended June 30, 2013

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, 2013**

Address: 4750 Dakota Drive  
Jupiter, FL 33458

Principal:  
Fiscal Year 2013: Julie Hopkins  
During Audit: Julie Hopkins

Treasurer:  
Fiscal Year 2013: Dawn Santiago  
During Audit: Stephanie Schulz

Afterschool Site Director:  
Fiscal Year 2013: Marie Delizia  
During Audit: Marie Delizia

Cash and Investments

Checking	\$ 88,495.19
Investments	
	\$ 88,495.19

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00
Classes	0.00	49,739.47	49,119.68	1,848.64	2,468.43	0.00
Clubs	1,029.10	922.00	909.28	0.00	0.00	1,041.82
Departments	14,655.62	26,326.49	22,984.16	9,499.35	9,499.66	17,997.64
Trusts	43,891.45	502,635.61	485,816.04	0.00	795.18	59,915.84
General	12,561.77	19,291.07	23,728.23	5,461.07	4,045.79	9,539.89
	\$ 72,137.94	\$ 598,914.64	\$ 582,557.39	\$ 16,809.06	\$ 16,809.06	\$ 88,495.19

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of fundraiser records found that the school did not maintain documentation for give-away items. Specifically, as indicated by the sponsor on the *Sales Items Inventory Reports*, \$100 (3% of total estimated revenue) in merchandises for the PE T-Shirt Sales (Account #5-1900.01) and \$130 (6% of total estimated revenue) in merchandises PE Field Day T-Shirt Sales (Account #5-1900.02) were given-away. However, no documentation was maintained as to who received the give-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 be adequately documented. Records for give-away items should include the purposes and the names of the recipients.

### Management's Response

*Concur. Obtain documentation of give-away items, including the names of students items were given to.*

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

The review of sample disbursements and P-Card records found that a \$169 P-Card purchase was for payment of hotel reservation. However, the related *Leaves/Temporary Duty Elsewhere (TDE) Form* for the staff was not approved by the Area Superintendent, and it was not signed off by the Principal until 16 working days after the hotel reservation was completed.

### Recommendation

As required by **School Board Policy 6.01**, "*Out-of-County Travel. -- All travel for employees or other authorized persons must be approved by the Superintendent or designee prior to departure and incurrence of expenses.*" Moreover, out-of-county TDE requires the approval of the Area Superintendent.

### Management's Response

*Concur. All TDE's will be approved by the Principal and Area Superintendent (if required) prior to travel.*

**Limestone Creek Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 6701 Church Street  
Jupiter, FL 33458

Principal:  
Fiscal Year 2013: Suzanne Gibbs  
During Audit: Suzanne Gibbs

Treasurer:  
Fiscal Year 2013: Melinda McDowell  
During Audit: Melinda McDowell

Afterschool Site Director:  
Fiscal Year 2013: Cindy Williams  
During Audit: Cindy Williams

Cash and Investments

Checking	\$ 64,476.14
Investments	
	\$ 64,476.14

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	59.03	0.00	57.67	0.00	0.00	1.36
Classes	6,665.77	71,432.23	81,351.31	21,901.99	10,581.79	8,066.89
Clubs	2,253.95	2,567.80	1,965.39	792.66	792.66	2,856.36
Departments	15,947.48	29,316.84	31,203.11	9,645.41	9,560.26	14,146.36
Trusts	40,087.12	475,186.47	471,077.78	18,920.40	31,362.10	31,754.11
General	10,831.76	17,222.35	21,439.40	1,801.56	765.21	7,651.06
	\$ 75,845.11	\$ 595,725.69	\$ 607,094.66	\$ 53,062.02	\$ 53,062.02	\$ 64,476.14

## DEPOSIT OF MONIES

### Finding

Monies collected were not always deposited in a timely manner. For example, \$1,511.50 in collection recorded on MCR #424-6 was retained by the sponsor for two working days before the monies were put into the drop-safe for deposit.

### Recommendation

As required by *DOE Rules (Chapter 8 of the 2012 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)* 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 sponsors and result in potential irregularities.

### Management's Response

*Concur. We agree with the recommendation and have reminded staff. We will continue to remind staff when we become aware that a deposit was not turned in on a timely manner.*

## LEASING OF SCHOOL FACILITIES

### Finding

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

- The *Certificates of Insurance* for Leases #1017 and #1020 did not include the School Board as an additional insured party, although the School District and School Board were listed as the certificate holders.
- Leasing charges were not always collected prior to the leasehold periods began. For example, some of the monthly rentals for Leases #1006 and #1011 were not collected until four to six days after the lessees had begun using the school 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 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.

Limestone Creek Elementary School  
Management Letter  
Year Ended June 30, 2013

- As required by **School Board Policy 7.18**, “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. Naming the School Board of Palm Beach County as an additional insured was brought up in the SY12 audit. That audit was during February 13-15, 2013. Corrective action was taken on a going forward basis. The two leases mentioned were done prior to the audit date. We agree with requiring lease payments 48 hours prior to an event. During SY13, we had 258 events on campus. All events were paid for. We will remind lessees to pay 48 hours in advance.*

**Lincoln Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 1160 Avenue "N"  
Riviera Beach, FL 33404

Principal:  
Fiscal Year 2013: Tracy Sims  
During Audit: Tracy Sims

Treasurer:  
Fiscal Year 2013: Coretta Williams  
During Audit: Toni Davis

Afterschool Site Director:  
Fiscal Year 2013: Zaneka Miller/ Francheska Delgado  
During Audit: Kenneth Anders

Cash and Investments

Checking	\$ 16,842.19
Investments	
	\$ 16,842.19

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	1,624.75	784.75	5.00	845.00	0.00
Classes	0.00	680.00	680.00	0.00	0.00	0.00
Clubs	0.00	15,885.32	14,055.66	3,636.11	2,796.11	2,669.66
Departments	588.69	3,814.70	3,846.67	532.11	205.63	883.20
Trusts	7,064.34	65,526.11	64,046.00	650.00	1,204.45	7,990.00
General	4,082.59	8,301.08	7,312.31	4,478.06	4,250.09	5,299.33
	\$ 11,735.62	\$ 95,831.96	\$ 90,725.39	\$ 9,301.28	\$ 9,301.28	\$ 16,842.19

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of sample fundraiser records at the school found that although a *Sales Item Inventory Report* for the Recorders Sales (Account #2-3500.01) was prepared and signed by the sponsor, none of the fundraiser information was recorded on the form. Missing information included the (1) beginning and ending inventories, (2) quantities of items purchased, sold, and given-away, and (3) selling prices and revenues.

### 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 completed with all the accurate information. Accurate *Sales Item Inventory Report* should assist staff in (1) reconciling sales revenues and (2) tracking items purchased, given-away, or remaining in inventory. Significant discrepancy between the estimated revenue and actual receipts should be investigated and resolved accordingly.

### Management's Response

*Concur. Discuss procedural guidelines with bookkeeper. Sales Inventory Item form will be completed at the end of fundraisers to reflect the beginning and ending inventory balances. The fundraiser was for Recorders ordered based on the amount collected from students at \$5 each (2 recorders per student – one for school and home to practice).*

## AFTERSCHOOL PROGRAM PAYROLL

### Finding

The review of Afterschool Program payroll records revealed that eight employees with the Afterschool Program were paid a total of \$926.68 (91.25 hours) more than their scheduled work hours without justification.

### Recommendation

Afterschool Program should be administered in accordance with District's guidelines and *Afterschool Programs Operational Manual*. Specifically, as required by *Bulletin #P-13115-CAO/COO*, "employees must report and punch in and out only for their scheduled time" and "employees that fail to utilize the TCD, adhere to their approved schedule, or repeatedly miss punches should be counseled by their supervisor and subjected to progressive disciplinary action if necessary." The school should comply with *Bulletin #P-13115-CAO/COO* regarding appropriate personnel actions.

### Management's Response

*Concur. Counseled previous and current afterschool directors regarding procedural guidelines. Put in place payroll procedural monitoring oversight where directors actively monitor hours to prevent overtime. All miss punch forms will be closely monitored by the aftercare director, head secretary and principal.*

## AFTERSCHOOL PROGRAM DEFICIT

### **Finding**

The review of Afterschool Program found that the program had a year-end deficit of \$12,069.12 as of June 30, 2013.

### **Recommendation**

Afterschool Programs should be self-sufficient funded by user-fees. To ensure fiscal accountability, the school should monitor closely the program's financial condition to ensure that program expenditures will not exceed revenues.

### ***Management's Response***

*Concur. A portion of the year end deficit was the result of implementing a new afterschool program at Lincoln with \$0 funding. Program began with a negative. As of January 2014, the year-end deficit of \$12,069.12 has been cleared and the afterschool program is now in the positive.*



**Loxahatchee Groves Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 16020 Okeechobee Boulevard  
Loxahatchee, FL 33470

Principal:  
Fiscal Year 2013: Richard Myerson  
During Audit: Richard Myerson

Treasurer:  
Fiscal Year 2013: Iraida Areyzaga  
During Audit: Iraida Areyzaga

Afterschool Site Director:  
Fiscal Year 2013: Stephanie Wagner  
During Audit: Kayla Foster

Cash and Investments

Checking	\$ 53,873.43
Investments	
	\$ 53,873.43

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.09	222.60	265.44	50.00	0.00	7.25
Classes	1,962.97	14,663.60	16,928.03	4,884.24	2,472.92	2,109.86
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	2,875.15	13,199.82	15,630.01	5,241.80	2,917.93	2,768.83
Trusts	45,289.03	317,186.65	318,887.21	38,572.38	44,260.21	37,900.64
General	3,627.80	18,297.04	11,740.63	6,252.56	5,349.92	11,086.85
	\$ 53,755.04	\$ 363,569.71	\$ 363,451.32	\$ 55,000.98	\$ 55,000.98	\$ 53,873.43

## 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 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 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. We will follow the School Board Policy.*

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of fundraising activities found that:

- The Holiday Flower Sale (Account #6-3300.08) fundraiser was conducted during October 1, through December 14, 2012. However, the *Fundraising Application/Recap Form* was not prepared by the sponsor until November 1, 2012, and not approved by the Principal until January 13, 2013.
- The *Sales Item Inventory Report* for the School Shirt Sales (Account #7-0100.01) was not accurately completed. Specifically, the quantities of shirts purchased for resale did not agree with the school's purchasing records. Based on the school's purchasing records, the beginning inventory and items given-away as indicated on the *Sales Item Inventory Report*, and our examination of the physical inventory during the audit, this fundraiser should have generated a total estimated revenue of \$9,032 during July 1, 2012, through May 9, 2014. However, \$8,769 in sales revenue was deposited into the Internal Funds during the same period. As a result, \$263 (or 3%) in estimated sales revenue was unaccounted for.

### 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 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. Significant discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.

***Management's Response***

*Concur. We will follow the School Board Policy.*

**LEASING OF SCHOOL FACILITIES**

**Finding**

The review of school facility leasing records found that leasing charges were not always collected in a timely manner. Specifically, the September 2012 rental for Lease #1002 and the November 2012 rental Lease #1014 were not timely collected, with delays of nine and 15 days respectively.

**Recommendation**

As required by *School Board Policy 7.18*, "*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 follow the School Board Policy.*

**AFTERSCHOOL PROGRAM**

**Finding**

As of June 30, 2013, the Afterschool Program Special Activities Account (#6-9600) had a year-end balance of \$2,088.26, which exceeded the \$750 year-end balance as allowed by the District's *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 Special Activities Account year-end balance should not exceed \$750. The school should monitor the revenues and expenditures of this account accordingly.

***Management's Response***

*Concur. We will follow the Afterschool Program Operational Manual.*

## PRENUMBERED DOCUMENTS

### **Finding**

The review of controls for prenumbered documents found that the staff who were appointed as the school's document custodians for *Classroom Receipt Books* (PBSD0196) and *SACC Receipt Books* (PBSD 1438) also used these documents for collecting fees from students and parents.

### **Recommendation**

To ensure proper fiscal accountability through segregation of duties and 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. We will follow the Internal Accounts Manual.*

**Manatee Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 7001 Charleston Shores Boulevard  
Lake Worth, FL 33467

Principal:  
Fiscal Year 2013: Mary Churchill-Jones  
During Audit: Mary Churchill-Jones

Treasurer:  
Fiscal Year 2013: Lenita Phillips  
During Audit: Lenita Phillips

Afterschool Site Director:  
Fiscal Year 2013: Patricia Latona  
During Audit: Patricia Latona

Cash and Investments

Checking	\$ 76,271.44
Investments	
	\$ 76,271.44

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	1,736.00	1,578.98	257.90	257.90	157.02
Classes	274.00	43,973.36	40,812.70	14,627.65	14,030.21	4,032.10
Clubs	254.17	23.51	68.27	0.00	0.00	209.41
Departments	11,458.03	25,552.02	28,032.86	22,390.61	22,386.30	8,981.50
Trusts	72,627.78	783,415.84	813,620.08	18,764.05	17,540.80	43,646.79
General	28,911.86	27,267.80	35,110.04	2,597.83	4,422.83	19,244.62
	\$ 113,525.84	\$ 881,968.53	\$ 919,222.93	\$ 58,638.04	\$ 58,638.04	\$ 76,271.44

## LEASING OF SCHOOL FACILITIES

### **Finding**

The *Certificates of Insurance for Lease Agreements* #1010 and #1013 listed the School Board as the certificate holder, but they did not include the School Board as an additional insured party for liability insurance coverage.

### **Recommendation**

***School Board Policy 7.18***, requires that lessees must “*provide a copy of liability insurance policy in the amount of \$1,000,000.00, naming the School Board of Palm Beach County as a certificate holder and as an additional insured, with the Lease Agreement or purchase liability insurance from the School District.*”

### ***Management’s Response***

*Concur. Treasurer will be sure that the certificate holder lists the School Board of Palm Beach County as an additional insured on the liability insurance coverage.*

**Marsh Pointe Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 12649 Ibiza Drive  
Palm Beach Gardens, FL 33418

Principal:  
Fiscal Year 2013: Maureen Werner  
During Audit: Maureen Werner

Treasurer:  
Fiscal Year 2013: Darleen Dixon  
During Audit: Darleen Dixon

Afterschool Site Director:  
Fiscal Year 2013: Erika Latson  
During Audit: Erika Latson

Cash and Investments

Checking	\$ 173,142.82
Investments	
	\$ 173,142.82

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	2,590.75	6,453.93	7,232.91	4,912.39	4,712.39	2,011.77
Classes	990.84	42,012.70	41,588.30	5,644.99	2,621.00	4,439.23
Clubs	11,497.75	10,971.83	10,117.15	4,803.27	4,791.27	12,364.43
Departments	9,572.07	34,955.70	34,426.75	16,518.62	16,152.58	10,467.06
Trusts	91,640.54	557,415.59	510,679.13	64,709.30	63,359.10	139,727.20
General	15,979.92	13,530.10	20,424.66	3,426.74	8,378.97	4,133.13
	\$ 132,271.87	\$ 665,339.85	\$ 624,468.90	\$ 100,015.31	\$ 100,015.31	\$ 173,142.82

## 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 some *Check Requisitions* for the account sponsors to sign as the requestors.

### Recommendation

To ensure fiscal accountability and prevent potential irregularities, segregation of duties should be enforced at the school. Certain functions should be performed by the activity sponsors, such as preparing *Check Requisitions*, instead of the bookkeeper.

### Management's Response

Concur. Corrective action has already been put into place.

## CONTROL OF PRENUMBERED DOCUMENTS

### Finding

The school neither assigned a document custodian nor maintained the *Prenumbered Document Inventory Register (PBSD0160)* for *Classroom Receipt Books* in accordance with the *Internal Accounts Manual*.

### 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 prenumbered forms on the school campus, and the assignments should be recorded on the *Document Custodian Assignment Register (PBSD 1663)*.
- Each assigned document custodian should use the *Prenumbered Document Inventory Register (PBSD 0160)* to confirm the periodic inventory of the prenumbered forms.

### Management's Response

Concur. Corrective action has occurred.

## AFTERSCHOOL PROGRAM

### Finding

The review of Afterschool Program records found that a total of \$1,255.50 in program fees was collected from a family whose three children attended the program during August 2012 through February 2013. Based on the attendance records and the fee schedule, a total of \$2,005.50 in program fees should have been



collected from this family. As a result, the school undercharged and under-collected \$780 in program fees from this family.

**Recommendation**

To ensure fiscal accountability, Afterschool Program fees should be collected in accordance with District's approved fee schedule.

**Management's Response**

*Concur.*

**LEASING OF SCHOOL FACILITIES**

**Finding**

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

- The *Certificate of Insurance* for Leases #1001 and #1002 (for the same lessee) listed the School Board as the Certificate Holder. However, the certificate did not include the School Board as an additional insured party for liability insurance coverage.
- Leasing charges were not always collected in a timely manner. The rental for the use of facility during April 2013 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,

- To protect the School Board from unwarranted liability as a legal entity, the School Board should be listed as the additional insured party on the lessee's certificate of insurance.
- As required by *School Board Policy 7.18*, "*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.*

**Additional comments:** *All citations have been corrected and discussed with the appropriate personnel.*

**Meadow Park Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 956 Florida Mango Road  
West Palm Beach, FL 33406

Principal:  
Fiscal Year 2013: Pamela Arnette  
During Audit: Pamela Arnette

Treasurer:  
Fiscal Year 2013: Jann Wood  
During Audit: Maria Konietzko

Afterschool Site Director:  
Fiscal Year 2013: Tammy Ditmars  
During Audit: Tammy Ditmars

Cash and Investments

Checking	\$ 38,647.04
Investments	
	\$ 38,647.04

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	542.09	1,642.40	2,047.39	145.09	145.09	137.10
Classes	2,225.00	12,058.24	11,591.73	2,604.89	2,662.89	2,633.51
Clubs	2,376.07	15,345.75	5,777.68	11,146.52	18,790.52	4,300.14
Departments	8,472.96	13,945.46	15,225.50	5,544.13	5,217.65	7,519.40
Trusts	25,696.08	308,120.96	321,552.20	9,039.81	1,762.60	19,542.05
General	5,737.41	15,192.03	16,512.91	3,291.27	3,192.96	4,514.84
	\$ 45,049.61	\$ 366,304.84	\$ 372,707.41	\$ 31,771.71	\$ 31,771.71	\$ 38,647.04

## DEPOSIT OF MONIES

### Finding

The review of sample *Monies Collected Reports* (MCRs) and the money collection process at the school found that the yellow copies of the MCRs for the Afterschool Program were not turned in to the school secretary 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.*

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of fundraiser documentation found that the Mother's Day Cake Sales (Account #7-0100.03) did not have the required *Fundraising Application/Recap Form*.

### 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*.

### Management's Response

*Concur.*

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

The review of sample disbursements and P-Card transaction records found that the school had a *School District Consultant Agreement* with a vendor for providing DJ services for the Afterschool Program. This *Agreement* had a maximum compensation of \$700. During September 2012, through May 2013, the school paid this vendor a total of \$2,100 through six disbursements (#s 10038, 10232, 10283, 10342, 10394, and 10413); and the total exceeded the contract amount by \$1,400.

**Recommendation**

Disbursement procedures should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically, consultant payments should be made in accordance with agreements. An addendum to the agreement should be prepared for procuring additional consultant services beyond the contract amount.

***Management's Response***

*Concur.*

**Melaleuca Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 5759 West Gun Club Road  
West Palm Beach, FL 33415

Principal:  
Fiscal Year 2013: Deborah Maupin  
During Audit: Deborah Maupin

Treasurer:  
Fiscal Year 2013: Lesia Mullett  
During Audit: Lesia Mullett

Afterschool Site Director:  
Fiscal Year 2013: Doreen Ulyas  
During Audit: Doreen Ulyas

Cash and Investments

Checking	\$ 22,573.47
Investments	
	\$ 22,573.47

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	15.72	403.00	403.00	0.00	0.00	15.72
Classes	1,672.60	12,508.50	11,349.78	1,692.50	1,692.50	2,831.32
Clubs	1,187.78	4,009.44	2,494.77	0.00	1,497.44	1,205.01
Departments	3,873.59	7,774.93	6,999.68	5,079.87	5,079.87	4,648.84
Trusts	12,039.83	184,623.65	185,275.03	1,892.55	495.11	12,785.89
General	5,117.84	630.81	4,761.96	100.00	0.00	1,086.69
	\$ 23,907.36	\$ 209,950.33	\$ 211,284.22	\$ 8,764.92	\$ 8,764.92	\$ 22,573.47

Melaleuca Elementary School  
Management Letter  
Year Ended June 30, 2013

This audit revealed no material instances of noncompliance.

**Morikami Park Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 6201 Morikami Park Road  
Delray Beach, FL 33484

Principal:  
Fiscal Year 2013: Stacey Quinones  
During Audit: Stacey Quinones

Treasurer:  
Fiscal Year 2013: Debra Balmaceda  
During Audit: Debra Balmaceda

Afterschool Site Director:  
Fiscal Year 2013: Teri Pavlus  
During Audit: Teri Pavlus

Cash and Investments

Checking	\$ 111,485.88
Investments	
	\$ 111,485.88

	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	150.00	150.00	0.00	0.00	0.00
Classes	55.34	42,613.15	42,034.92	653.37	899.47	387.47
Clubs	1,014.01	0.00	41.87	0.00	0.00	972.14
Departments	3,966.16	37,868.51	37,680.36	6,407.17	6,408.29	4,153.19
Trusts	47,370.70	676,890.71	655,349.53	19,287.95	20,774.98	67,424.85
General	23,760.47	46,637.20	33,583.69	22,061.07	20,326.82	38,548.23
	\$ 76,166.68	\$ 804,159.57	\$ 768,840.37	\$ 48,409.56	\$ 48,409.56	\$ 111,485.88

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The school purchased 880 sets of printed matter (“agendas”) for the Agenda & Folders Sales (Account #7-0100.07), which should have generated a total estimated revenue of \$8,800. As indicated by the sponsor on the *Sales Item Inventory Report*, 209 “agendas” were given-away without documentation as to who received the give-away items, which had an estimated resale value of \$2,090 (or 24% of total estimated revenue).

### Recommendation

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 the recipients.

### Management’s Response

*Concur. At the start of FY15, we will keep a list of staff members and students receiving agendas at no cost.*

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

The review of sample disbursements and P-Card documentation revealed that two disbursements (#10188 for \$3,680.5 and #10137 for \$3,400) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Orders*. Moreover, Disbursement #10137 was supported by an e-mail price quote instead of an itemized invoice or receipt.

### 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 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 to be pre-approved by the Principal.
- All disbursements should be supported by itemized invoices and receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.

### Management’s Response

*Concur. All purchases exceeding \$1,000 will have the required purchase orders.*



**New Horizons Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 13900 Greenbriar Boulevard  
Wellington, FL 33414

Principal:  
Fiscal Year 2013: Elizabeth Cardozo  
During Audit: Elizabeth Cardozo

Treasurer:  
Fiscal Year 2013: Tina Brewster  
During Audit: Tina Brewster

Afterschool Site Director:  
Fiscal Year 2013: Debra Alba  
During Audit: Jeremy Kirk

Cash and Investments

Checking	\$ 114,329.91
Investments	
	\$ 114,329.91

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	1,595.46	471.00	1,448.25	0.00	0.00	618.21
Classes	11,579.89	16,846.33	20,368.98	4,724.52	1,802.89	10,978.87
Clubs	12,438.84	45,722.40	42,823.15	8,844.66	6,957.06	17,225.69
Departments	8,265.68	5,611.76	11,257.05	2,178.50	1,116.56	3,682.33
Trusts	65,579.68	237,713.92	234,640.56	9,392.70	11,704.36	66,341.38
General	16,220.83	13,765.26	10,943.15	1,048.40	4,607.91	15,483.43
	\$ 115,680.38	\$ 320,130.67	\$ 321,481.14	\$ 26,188.78	\$ 26,188.78	\$ 114,329.91

## AFTERSCHOOL PROGRAM

### **Finding**

As of June 30, 2013, the Afterschool Program Snack Account (#6-9550) had a year-end balance of \$3,393.93, and Afterschool Program Special Activities Account (#6-9600) had a year-end balance \$829.15. However, both accounts exceeded the \$1,500 and \$750 year-end 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. The Afterschool Program Director, Treasurer, and Principal will monitor the accounts regularly to adhere to program guidelines.*

**North Grade Elementary School**  
**Internal Fund Accounts**  
**Combining Statement of Changes in Cash and Investments – Cash Basis**  
**Year Ended June 30, 2013**

Address: 824 North "K" Street  
Lake Worth, FL 33460

Principal:  
Fiscal Year 2013: Nicole Patterson  
During Audit: Nicole Patterson

Treasurer:  
Fiscal Year 2013: Stephenie Dunlop  
During Audit: Stephenie Dunlop

Afterschool Site Director:  
Fiscal Year 2013: Loidy Jiminez  
During Audit: Loidy Jiminez

Cash and Investments

Checking	\$ 31,108.65
Investments	
	\$ 31,108.65

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	1,706.05	2,977.00	4,032.79	722.76	760.80	612.22
Classes	1,340.22	48,233.96	47,495.34	19,789.05	20,756.36	1,111.53
Clubs	3,043.39	1,511.21	489.20	3,802.98	6,875.93	992.45
Departments	2,132.56	12,896.22	12,968.25	1,299.34	1,444.25	1,915.62
Trusts	21,999.37	488,277.88	491,300.77	18,053.63	16,163.36	20,866.75
General	1,020.21	13,176.59	10,919.66	6,992.19	4,659.25	5,610.08
	\$ 31,241.80	\$ 567,072.86	\$ 567,206.01	\$ 50,659.95	\$ 50,659.95	\$ 31,108.65

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The Yearbook Sales (Account #7-0100.02) and Yearbook Advertisement Sales did not have the required *Sales Item Inventory Reports*. Due to lack of documentation for sales and inventory counts, there was no basis to determine if 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, to ensure proper fiscal accountability, *Sales Item Inventory Report* should be completed accurately 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.

### Management's Response

*Concur. All future yearbook sales will have a sales item inventory report attached and completed.*

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

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

- Disbursement #10402 (for \$3,041.31) was for purchases of snacks for the Afterschool Program. However, this disbursement was supported by nine invoices, totaling \$2,929.24. The other \$112.07 in purchase did not have any supporting documentation.
- Disbursement #10272 (for \$1,934.79) was for payment of a purchase occurred on January 15, 2013. However, the *Purchase Order* was prepared by the sponsor February 27, 2013, and approved by the Principal on March 10, 2013.
- Disbursement #10337 was for purchase of \$1,887 in t-shirts and backpacks for the 4<sup>th</sup> Grade Epcot field trip; and Disbursements #10350 and #10383 were for purchase of \$1,914.60 in shirts for the Washington DC fieldtrip. However, both purchases 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,

North Grade Elementary School  
Management Letter  
Year Ended June 30, 2013

- 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.
- All purchases should be pre-approved by the Principal. *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. All future disbursements will have proper and all original receipts attached. This disbursement was made by a previous bookkeeper and even though the original receipt was not found an itemized description was on the Sam's statement. All future purchase orders will be prepared and signed by the Principal before the purchase is made and paid for.*

## LEASING OF SCHOOL FACILITIES

**Finding**

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

- The *Certificate of Insurance* for Lease #1004 mistakenly listed the School District as certificate holder and additional insured party, instead of the School Board.
- *Lease Agreement* #1008 did not have proof of insurance.

**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. All leases will be reviewed to make sure the additional insured is listed as School Board. We will also make sure all future leases have proof of insurance before lease can take effect. We also will have someone new in charge of leasing.*

**North Palm Beach Elementary School**  
**Internal Fund Accounts**  
**Combining Statement of Changes in Cash and Investments – Cash Basis**  
**Year Ended June 30, 2013**

Address: 401 Anchorage Drive  
North Palm Beach, FL 33408

Principal:  
Fiscal Year 2013: Teresa Stoupas  
During Audit: Teresa Stoupas

Treasurer:  
Fiscal Year 2013: Sheryl Bartis  
During Audit: Sheryl Bartis

Afterschool Site Director:  
Fiscal Year 2013: Heather Graham  
During Audit: Heather Graham

Cash and Investments

Checking	\$ 29,267.24
Investments	
	\$ 29,267.24

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	311.05	5,338.58	3,000.91	1,889.73	1,889.73	2,648.72
Classes	0.00	914.00	647.50	128.50	145.00	250.00
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	2,157.89	5,253.09	5,114.56	1,412.82	1,412.82	2,296.42
Trusts	17,430.59	164,641.02	161,349.27	3,447.12	2,920.94	21,248.52
General	1,755.56	17,104.46	15,526.76	9,305.64	9,815.32	2,823.58
	\$ 21,655.09	\$ 193,251.15	\$ 185,639.00	\$ 16,183.81	\$ 16,183.81	\$ 29,267.24

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

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

- Disbursement #10231 (for \$275) was for renting a bounce house and slide on May 17, 2013. However, the *Certificate of Insurance* provided by the vendor expired on October 20, 2011. Consequently, there was no liability insurance coverage for the event. Moreover, the *Certificate* did not include the School Board as an additional insured party for liability insurance coverage.
- Disbursement #10248 (for \$1,199.20) exceeded the \$1,000 *Purchase Order* threshold was not supported with a *Purchase Order*.

### 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 School District from unwarranted liability, rental of bounce house should follow the same 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.*”
- *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.

### Management’s Response

*Concur. Conference to be held with Bookkeeper when she returns from sick leave. Conference notes will be taken and review of vendor procedures completed. Conference notes will be taken and review of P-Card and PO procedures completed.*

**Northboro Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 400 40th Street  
West Palm Beach, FL 33407

Principal:  
Fiscal Year 2013: Gayle Harper  
During Audit: Gayle Harper

Treasurer:  
Fiscal Year 2013: Marie DeSantis  
During Audit: Marie DeSantis

Afterschool Site Director:  
Fiscal Year 2013: Chantelle Broome  
During Audit: Chantelle Broome

Cash and Investments

Checking	\$ 54,837.68
Investments	
	\$ 54,837.68

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	1,249.18	670.00	1,667.53	1,224.32	0.00	1,475.97
Classes	9,633.81	62,496.73	67,021.39	13,204.39	13,832.95	4,480.59
Clubs	42.76	40.00	0.00	0.00	0.00	82.76
Departments	1,929.38	9,472.77	10,082.27	4,382.58	1,933.93	3,768.53
Trusts	25,714.59	389,253.29	371,292.07	19,287.35	27,012.04	35,951.12
General	4,685.70	9,192.16	9,479.43	8,498.67	3,818.39	9,078.71
	\$ 43,255.42	\$ 471,124.95	\$ 459,542.69	\$ 46,597.31	\$ 46,597.31	\$ 54,837.68



## DEPOSIT OF MONIES

### Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process found that monies collected were not always turned in for deposit in a timely manner. For example, \$1,320.44 collected through two sample MCRs (#336-1021 and #293-0061) was retained by the sponsors for one and two working days, respectively, before it was turned in for deposit.

### Recommendation

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 collections and depositing the monies into the bank could result in potential irregularities.

### Management's Response

*Concur. Repeat teacher training on procedures for collecting and turning in monies at august 12, 2014 meeting.*

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of sample fundraisers found that:

- The *Sales Item Inventory Report* for the P.T.O. T-Shirts Sales (Account #6-3300.01) indicated that 131 T-Shirts were given-away free-of-charge. The give-away items had a total resale value of \$917, or 11% of the total estimated revenue of this fundraiser. However, no documentation was maintained for the purposes and the recipients of these give-away items.
- As of June 30, 2013, the Yearbook Account (#7-0100.02) had a year-end balance of \$3,666, and a total unpaid bill of \$3,952.25 payable to the printing company. As a result, the Yearbook Account had a net deficit balance of \$286.25.

### Recommendation

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

- 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 should include the purposes and the names of the recipients.

Northboro Elementary School  
Management Letter  
Year Ended June 30, 2013

- The school should monitor closely the revenues and expenditures for the Yearbook Account. Specifically, the school should consider adjusting the selling prices for the yearbook and charges for advertisement. The school should also monitor the number of yearbooks to be printed so that this activity will not incur a deficit.

***Management's Response***

*Concur. PTO officers and yearbook sponsor to be provided follow-up training. School will monitor yearbook sales and make adjustments, as needed, to prevent incurring a deficit.*

**Northmore Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 4111 North Terrace Drive  
West Palm Beach, FL 33407

Principal:  
Fiscal Year 2013: Nancy Robinson  
During Audit: Nancy Robinson

Treasurer:  
Fiscal Year 2013: Belinda Colebrook  
During Audit: Belinda Colebrook

Afterschool Site Director:  
Fiscal Year 2013: Lesley Gillins  
During Audit: Lesley Gillins

Cash and Investments

Checking	\$ 17,932.13
Investments	
	\$ 17,932.13

	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	0.00	45.23
Classes	1,988.94	6,390.20	7,819.68	853.44	121.75	1,291.15
Clubs	94.82	0.00	0.00	0.00	0.00	94.82
Departments	394.18	3,029.10	3,035.02	288.02	288.02	388.26
Trusts	6,160.04	139,510.31	132,173.22	4,124.58	4,923.36	12,698.35
General	4,673.57	10,534.69	11,861.03	6,705.82	6,638.73	3,414.32
	\$ 13,356.78	\$ 159,464.30	\$ 154,888.95	\$ 11,971.86	\$ 11,971.86	\$ 17,932.13

## SEGREGATION OF DUTIES

### Finding

During the audit, we noted that the bookkeeper performed incompatible duties in (1) preparing *Monies Collected Reports* (MCRs) for checks received in the mail, and provided the MCRs to other staff members to sign as the remitters, (2) preparing *Check Requisitions* for other staff members to sign as the requestors, and (3) receiving and distributing incoming “pony” mail, which could contain checks.

### Recommendation

To ensure fiscal accountability and prevent and detect potential irregularities, segregation of duties should be enforced at the school. Specifically,

- Certain functions should be performed by the activity sponsors, instead of the bookkeeper. Those functions include (1) collecting monies from students and lessees and (2) completing the MCRs and *Check Requisitions*.
- 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. However, Data Processor was assigned task of opening mail.*

## AFTERSCHOOL PROGRAM

### Finding

The review of the school’s Afterschool Program records revealed that:

- The school provided Early Release Day Activity Program to students on the December 6, 2012, and March 7, 2013, Professional Development Days (PDD), but did not collect the PDD program fees from participating students. The review of the attendance records and EZ Care database (Afterschool Program’s student information and accounting system) revealed that a total of \$425 in program fees should have been collected from the parents for the two PDD days.
- The school rented a bounce house and dunk-tank, with attendant, for the Afterschool Program on May 22, 2013. Although a *Certificate of Insurance* was provided by the vendor to the school, the *Certificate* inadvertently listed the School District, instead of the School Board, as the certificate holder and additional insured party for liability insurance coverage.

### Recommendation

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

Northmore Elementary School  
Management Letter  
Year Ended June 30, 2013

- 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.
- Since the School Board is a legal entity and to protect the School Board from unwarranted liability, it should be listed as the additional insured party for liability insurance coverage.

***Management's Response***

*Concur. Aftercare Director provided a mentor to increase capacity of job.*

**Orchard View Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 4050 Old Germantown Road  
Delray Beach, FL 33445

Principal:  
Fiscal Year 2013: Kathleen DePuma  
During Audit: Kathleen DePuma

Treasurer:  
Fiscal Year 2013: Melanie Hanie  
During Audit: Jenny Okoe

Afterschool Site Director:  
Fiscal Year 2013: Kathy Anderson  
During Audit: Kathy Anderson

Cash and Investments

Checking	\$ 44,849.38
Investments	
	\$ 44,849.38

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	324.74	0.00	245.00	0.00	0.00	79.74
Classes	1,177.05	14,909.00	14,783.05	2,345.99	2,410.08	1,238.91
Clubs	511.16	5,219.95	1,955.99	1,385.92	1,052.10	4,108.94
Departments	2,451.92	4,221.76	3,672.82	201.51	535.33	2,667.04
Trusts	42,360.38	159,673.28	167,539.49	20,216.76	20,615.40	34,095.53
General	4,983.52	10,744.49	13,531.52	865.08	402.35	2,659.22
	\$ 51,808.77	\$ 194,768.48	\$ 201,727.87	\$ 25,015.26	\$ 25,015.26	\$ 44,849.38

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

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

- Disbursement #10200 (for \$1,200) was for payment of charter bus services for transporting students during an out-of-county field trip. However, the charter bus company was not on the District's approved *Charter Bus List*.
- Disbursements #10002 (for \$2,513) and #10191 (for \$1,038.40) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Orders*.
- An \$867.94 P-Card purchase included the payment of \$49.13 in sales tax.

### 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 ensure the safety of transportation for students and staff, only District's approved charter bus should be used for transporting students during field trips.
- *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.
- The School District is a tax-exempt governmental entity, no sales tax should be paid for eligible purchases.

### Management's Response

*Concur. New bookkeeper on staff. Procedures in place based on recommendations.*

**Pahokee Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 560 East Main Place  
Pahokee, FL 33476

Principal:  
Fiscal Year 2013: Karen Pyfrom Abrams  
During Audit: Karen Pyfrom Abrams

Treasurer:  
Fiscal Year 2013: Sandra Vazquez  
During Audit: Leontye Mann

Cash and Investments

Checking	\$ 10,298.38
Investments	
	\$ 10,298.38

	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	0.00	3,003.50	2,184.60	49.87	5.00	863.77
Clubs	2,773.82	9,153.00	8,011.21	7,193.44	7,189.44	3,919.61
Departments	842.21	1,326.60	1,369.67	198.29	136.93	860.50
Trusts	9,696.09	36,476.47	40,545.50	1,810.60	3,086.60	4,351.06
General	5,046.47	15,174.50	21,083.30	8,528.18	7,362.41	303.44
	\$ 18,358.59	\$ 65,134.07	\$ 73,194.28	\$ 17,780.38	\$ 17,780.38	\$ 10,298.38



**DOCUMENTATION FOR FUNDRAISERS**

**Finding**

The review of fundraiser documentation revealed that:

- Seven fundraisers did not have the required *Fundraising Application/Recap Forms* approved by the Principal: (1) Superbowl T-shirt Sales (Account #6-4403.02), (2) Yearbook Sales (Account #7-0100.00), (3) 5<sup>th</sup> Grade Dance (Account #7-0100.16), (4) Field trip T-shirt Sales (Account #7-0100.08), (5) Valentine Shop (Account # 7-0100.11), (6) Book Fair (Account # 5-1700.01), and (7) Coupon Book Sales (7-0100.02).
- Six fundraisers did not have the required *Sales Item Inventory Reports*: (1) Superbowl T-shirt Sales (Account #6-4403.02), (2) 5<sup>th</sup> Grade Dance (Account #7-0100.16), (3) Field trip T-shirt Sales (Account #7-0100.08), (4) Kermesse (Account # 7-0100.03), (5) Book Fair (Account # 5-1700.01), and (6) Coupon Book Sales (7-0100.02).
- The Superbowl T-shirt Sales (Account #6-4403.02) had a total sales revenue of \$5,483.45, which was deposited into the Internal Funds during July 1, 2012, and June 30, 2013. However, based on the school’s purchasing records for School Year 2013, this fundraiser should have generated a total estimated revenue of \$5,966. As a result, \$482.55 in estimated revenue was unaccounted for.

Item	Quantity					Selling Price	Revenues
	Beginning Inventory <sup>(1)</sup>	Purchases <sup>(2)</sup>	Items Given Away <sup>(1)</sup>	Inventory On Hand <sup>(3)</sup>	Units Sold		
Y-Shirts (S-M-L)	-	81	10	-	71	\$8	\$568.00
A-Shirts (S-M-L-XL)	-	367	-	-	367	\$10	\$3,670.00
A-Shirts (2X-3X-4X-5X-6X)	-	144	-	-	144	\$12	\$1,728.00
Total Estimated Revenues							\$5,966.00
Total \$ Deposited into Internal Funds							\$5,483.45
<b>Estimated Revenues Unaccounted For</b>							<b><u>\$482.55</u></b>

(1) No FY13 Sales Item Inventory Report.  
 (2) Based on purchasing records during July 1, 2012, and June 30, 2013.  
 (3) No ending inventory on hand.

**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.

### ***Management's Response***

*Concur. In the future we will make certain that proper documentation is completed and ending inventory is accounted for.*

## **DOCUMENTATION FOR DISBURSEMENTS**

### **Finding**

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

- Disbursement #10181 (for \$591.16) and two P-Card transactions (totaling \$752.39 occurred in April 2013) did not have any supporting documentation. Missing documentation included the Principal's approved *Check Requisition*, receipts and invoices.
- Four *Check Requisitions* (#10079, #10017, #10229, and #10247, totaling \$4,205.02) did not have the Principal's signature.
- Disbursement #10017 (for \$1,119.02) was not supported by itemized invoices; instead, it was supported by a vendor statement which did not indicate the items purchased.
- Disbursements #10144 (for \$1,281.86 and) and #10017 (for \$1,119.02) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Orders*.
- Disbursements #10079 (for \$2,156) and #10060 (for \$400) were for payments of FCAT Incentive out-of-county and in-county field trips. However, these field trips did not have the required *Field Trip Request Forms*.

### **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.
- All disbursements and P-Card purchases should be adequately documented and supported by itemized invoices and receipts.
- *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.

- All purchases should be pre-approved by the Principal. Staff's *TDE Forms* for District's travel should be approved by the Principal or Area Superintendent prior to paying the expenses for the travel arrangements.
- Field trips should be administered in accordance with ***School Board Policy 2.40***. Specifically, (1) field trips should be pre-approved by the Principal with adequate documentation, (2) in-county field trips should be approved by the Principal, and (3) out-of-county field trips should be approved by the Principal and Area Superintendent.

***Management's Response***

*Concur. In the future, we will make certain that all disbursements are approved and have itemized receipts.*

**DEPOSIT OF MONIES**

**Finding**

The review of 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.

**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. We will continue to inform our teachers/sponsors the guidelines/procedures to follow as we have done in the past.*

**LEASING OF SCHOOL FACILITIES**

**Finding**

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

- *Lease Agreement* #1003 was not signed by the lessee.
- Leasing charges for *Lease Agreement* #1003 were not allocated and recorded in the respective accounts in accordance with District's guidelines. The school under-allocated and under-transmitted to the Central Office a total of \$240 in Utilities (Account #6-5500.00) and \$72 in Sales Tax (Account #6-1800.00).

### **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.
- Leasing revenues should be allocated in accordance with the District's approved *Rate Schedule*. The portions of utility fees, sales tax, and insurance premium should be transmitted to the Central Office accordingly.

### **Management's Response**

*Concur. In the future, all lease agreements will have all signatures as required.*

## **SIGNATURE CARDS**

### **Finding**

All school bank accounts require dual signatures on checks in accordance with the DOE Red Book. Each school shall provide Treasury with the names of the following individuals who are authorized to sign internal funds checks. After the signers are approved by Treasury or the Board, the school will receive a bank resolution letter from Treasury confirming approval of the signatories, and the school may use that letter to process bank signature cards.

The review of banking documentation revealed that the school did not have the signature card for its checking account with the bank.

### **Recommendation**

According to *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, as well as a copy of the actual bank signature cards.

### **Management's Response**

*Concur.*

**Palm Beach Gardens Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 10060 Riverside Drive  
Palm Beach Gardens, FL 33410

Principal:  
Fiscal Year 2013: Marie Caracuzzo  
During Audit: Marie Caracuzzo

Treasurer:  
Fiscal Year 2013: Linda Weaver  
During Audit: Linda Weaver

Afterschool Site Director:  
Fiscal Year 2013: Billy Gira  
During Audit: Billy Gira

Cash and Investments

Checking	\$ 37,478.02
Investments	
	\$ 37,478.02

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	1,680.85	578.92	0.00	0.00	0.00	2,259.77
Classes	0.00	41,556.80	38,357.64	4,965.88	8,165.04	0.00
Clubs	5,802.98	24,510.45	22,488.01	10,530.62	10,692.87	7,663.17
Departments	3,252.33	13,293.98	12,788.91	4,204.02	3,671.44	4,289.98
Trusts	24,040.38	417,900.82	422,629.68	9,875.70	8,072.82	21,114.40
General	2,598.50	9,738.85	11,212.60	2,323.45	1,297.50	2,150.70
	\$ 37,375.04	\$ 507,579.82	\$ 507,476.84	\$ 31,899.67	\$ 31,899.67	\$ 37,478.02

Palm Beach Gardens Elementary School  
Management Letter  
Year Ended June 30, 2013

This audit revealed no material instances of noncompliance.

**Palm Beach Public School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 239 Coconut Road  
Palm Beach, FL 33480

Principal:  
Fiscal Year 2013: Sharon Stevens  
During Audit: Sharon Stevens

Treasurer:  
Fiscal Year 2013: Marilyn Woltjer  
During Audit: Marilyn Woltjer

Afterschool Site Director:  
Fiscal Year 2013: Beth Ann Wampler  
During Audit: Heather Stonelake

Cash and Investments

Checking	\$ 38,276.83
Investments	
	\$ 38,276.83

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	242.07	0.00	0.00	0.00	0.00	242.07
Classes	16.00	16,160.50	15,482.60	1,377.88	1,571.78	500.00
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	871.83	8,918.44	9,532.10	0.00	0.00	258.17
Trusts	35,074.31	174,082.78	180,282.70	12,039.89	9,039.89	31,874.39
General	438.12	16,209.08	8,438.90	3,296.00	6,102.10	5,402.20
	\$ 36,642.33	\$ 215,370.80	\$ 213,736.30	\$ 16,713.77	\$ 16,713.77	\$ 38,276.83

## SEGREGATION OF DUTIES

### Finding

During the audit, we noted that some staff members at the school were performing incompatible duties. Specifically,

- Some *Check Requisitions* were prepared by the bookkeeper for other staff members to sign as requestors.
- The school's *Document Custodian Assignment Register* (PBSD1663) indicated that the Afterschool Site Director was the assigned custodian for the *SACC Receipt Books* (PBSD 1438) although she also used these prenumbered receipts for collecting Afterschool Program fees from parents.

### Recommendation

To ensure proper fiscal accountabilities, segregation of duties should be enforced at the school. Specifically,

- *Check Requisitions* should be completed and signed by the responsible sponsors and staff, instead of the bookkeeper.
- 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; and each assigned document custodian shall use the *Prenumbered Document Inventory Register* (PBSD 0160) to confirm the periodic inventory of the prenumbered forms.

### Management's Response

*Concur. No check requisitions will be signed by bookkeeper. Custodian for pre-numbered forms will be someone not involved in the day to day use of the form.*

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

The review of sample disbursements and P-Card transaction records found that the *School District Consultant Agreement* (PBSD 1420) for Disbursement #10153 (for \$290) was not approved by the Principal until nine days after the service was provided by the vendor. Also, the *Beneficial Interest and Disclosure of Ownership Affidavit* (page 5 of the *Agreement*) and the *Consultant Evaluation Form* (page 6 of the *Agreement*) were missing.

### Recommendation

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 the services.



***Management's Response***

*Concur. We will comply.*

**AFTERSCHOOL PROGRAM**

**Finding**

As of June 30, 2013, the Afterschool Program's Snack Account (#6-9550) and Special Activities Account (#6-9600) had a year-end balance of \$2,441.52 and \$4,056.73, respectively. However, they both exceeded the respective \$1,500 and \$750 year-end balance limits 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 Afterschool Program Snack Account should not exceed \$1,500, and the Afterschool Program 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. We are working with the Director of Afterschool programming to correct excess in accounts.*

**Palm Springs Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 101 Davis Road  
Palm Springs, FL 33461

Principal:  
Fiscal Year 2013: Denise O'Connor / Kathy Harris  
During Audit: Kathy Harris

Treasurer:  
Fiscal Year 2013: Patre Davis  
During Audit: Patre Davis

Afterschool Site Director:  
Fiscal Year 2013: Patricia Silva  
During Audit: Patricia Silva

Cash and Investments

Checking	\$ 33,327.23
Investments	
	\$ 33,327.23

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	419.38	2,470.00	2,506.97	574.51	574.51	382.41
Classes	1,519.93	7,696.21	6,690.30	2,542.21	2,547.21	2,520.84
Clubs	9,151.21	8,449.25	2,646.60	5,766.72	8,367.76	12,352.82
Departments	441.80	5,984.06	4,990.31	1,957.89	2,037.89	1,355.55
Trusts	12,197.04	140,008.89	138,362.57	4,691.58	3,530.96	15,003.98
General	600.08	18,567.70	18,981.57	6,908.57	5,383.15	1,711.63
	\$ 24,329.44	\$ 183,176.11	\$ 174,178.32	\$ 22,441.48	\$ 22,441.48	\$ 33,327.23

Palm Springs Elementary School  
Management Letter  
Year Ended June 30, 2013

This audit revealed no material instances of noncompliance.

**Palmetto Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 5801 Parker Avenue  
West Palm Beach, FL 33405

Principal:  
Fiscal Year 2013: Gladys Harris  
During Audit: Gladys Harris

Treasurer:  
Fiscal Year 2013: Rhonda Diamond Ninfo  
During Audit: Rhonda Diamond Ninfo

Afterschool Site Director:  
Fiscal Year 2013: Courtney Caramanna  
During Audit: Courtney Caramanna

Cash and Investments

Checking	\$ 26,420.22
Investments	
	\$ 26,420.22

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00
Classes	659.68	2,515.05	2,973.85	0.00	38.00	162.88
Clubs	6,949.09	61,259.35	63,262.11	29,458.41	28,379.21	6,025.53
Departments	1,056.20	3,512.91	4,265.86	0.00	111.28	191.97
Trusts	10,865.64	207,367.44	200,515.23	4.48	4.48	17,717.85
General	1,557.87	15,304.69	13,610.65	5,980.13	6,910.05	2,321.99
	\$ 21,088.48	\$ 289,959.44	\$ 284,627.70	\$ 35,443.02	\$ 35,443.02	\$ 26,420.22

## DEPOSIT OF MONIES

### Finding

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

- Some sponsors did not submit yellow copies of the MCRs and computerized *Official Receipts* to the school secretary for record retention at the end of the school year.
- \$2,622 collected through MCR #258-0003 was a refund from a hotel for the April 2012 Washington D.C. trip. However, only \$1,622 was deposited into the Patrol Trip Account (#4-4300.00), the other \$1,000 was deposited into the General Activities Account (#7-0100.00).

### Recommendation

Money collections should be administered in accordance with District guidelines and *DOE Rules (Chapter 8 of the 2012 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..."
- Funds designated for specific clubs or activities should be deposited into the respective Internal Funds accounts and expended for the intended purposes.

### Management's Response

*Concur. Information was discussed with teachers as stated in instructional handbook.*

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of fundraiser documentation revealed that *Sales Item Inventory Reports* were not maintained for four fundraisers: (1) Yankee Candle Sales (Account # 4-3300.05), (2) Yankee Candle Sales (Account # 4-4300.18), (3) Yankee Candle Sales (Account # 7-0100.08), and (4) Candy Sales (Account # 7-0100.03).

### Recommendation

To ensure proper fiscal accountability, *Sales Item Inventory Reports* should be completed accurately with all the needed information. Accurate *Sales Item Inventory Reports* should assist staff in (1) reconciling sales revenues and (2) tracking items purchased, given-away, or remaining in inventory. Significant discrepancy between the estimated revenue and actual receipts should be investigated and resolved accordingly.

***Management's Response***

*Concur. Recommendation was discussed with fund raiser coordinator.*

**DOCUMENTATION FOR DISBURSEMENTS**

**Finding**

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

- Disbursement #10208 (for \$550) was for renting inflatable units for water day activities for the Summer Camp Program. The related *School District Consultant Agreement (PBSD 1420)* was not approved by the Principal; instead, it was signed by the Afterschool Site Director. Moreover, the vendor's *Certificate of Insurance* listed the School District, instead of the School Board, as the additional insured party for liability insurance coverage.
- Disbursement #10202 (for \$400) was for payment of a mobile arcade for the Summer Camp Program. The payment did not have the required *School District Consultant Agreement (PBSD 1420)*. Instead, it was supported by a vendor contract that was signed by the school's Afterschool Site Director in lieu of the Principal.
- Disbursement #10024 (for \$689.10) was not supported by itemized invoices or receipts. It was supported by a vendor statement, which did not indicate the descriptions of the items purchased.

**Recommendation**

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

- 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 consultants, who work on school campus, have passed the required background and clearance check as required by *Florida Statutes §1012.465*.
- Since the School Board is a legal entity, it should be listed as the additional insured party in order to protect the School District from unwarranted liability.
- All disbursements 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. Recommendation was discussed with After Care Director of proper protocol to be followed – only Principal signature needed.*

## DOCUMENTATION FOR FIELD TRIPS

### Finding

The review of the field trip documentation at the school revealed that:

- The Safety Patrol Washington D.C. trip did not have the required *Field Trip/Activity Planning Report and Approval Request Form (PBSD 1894)*.
- To document the Principal's approval of field trips, the school used the "*Palmetto's Field Trip & Activity Request Form*" that was created by the school, instead of using the District's approved *Field Trip/Activity Planning Report and Approval Request Form (PBSD 1894)*, as required by **School Board Policy 2.40**.

### Recommendation

Field trips should be administered in accordance with **School Board Policy 2.40**. Specifically, field trip requests and approval of the Principal should be documented on the District's approved *Field Trip/Activity Planning Report and Approval Request Form (PBSD 1894)*.

### Management's Response

*Concur. Gave copy of appropriate form (PBSD 1894) to Safety Patrol Coordinator.*

## LEASING OF SCHOOL FACILITIES

### Finding

Although the leasing arrangements for Leases #1001 and #1003 were recorded in the Tririga System, the school did not have a hard copy of the *Lease Agreements* that were executed with all the required signatures.

### 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. Moreover, all leasing of school facilities should be recorded and processed by the Tririga System.

### Management's Response

*Concur. Recommendation noted.*

## AFTERSCHOOL PROGRAM

### Finding

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

- As of June 30, 2012, the Afterschool Program Snack Account (#6-9550) had a balance of \$7,396.86, which exceeded the \$1,500 year-end maximum balance as allowed by *Afterschool Programs Operational Manual*.
- Although all five sample *Student Registration Forms* were signed by parents/guardians, three of them did not have dates of the signatures.

### Recommendation

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

- 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. The school should monitor the revenues and expenditures of this account accordingly.
- *Afterschool Programs Registration Forms* should be completed with the needed information, and signed and dated by the students' parents/guardians.

### Management's Response

*Concur. Discussed With After School Program Director.*



**Panther Run Elementary School**  
**Internal Fund Accounts**  
**Combining Statement of Changes in Cash and Investments – Cash Basis**  
**Year Ended June 30, 2013**

Address: 10775 Lake Worth Road  
Lake Worth, FL 33467

Principal:  
Fiscal Year 2013: Pamela Strachan  
During Audit: Pamela Strachan

Treasurer:  
Fiscal Year 2013: Kimberly Kahant  
During Audit: Kimberly Kahant

Afterschool Site Director:  
Fiscal Year 2013: Matthew Childs  
During Audit: Matthew Childs

Cash and Investments

Checking	\$ 33,450.37
Investments	
	\$ 33,450.37

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	148.23	2,418.00	2,357.53	127.00	127.00	208.70
Classes	1,861.02	31,595.47	31,881.62	2,919.05	2,796.63	1,697.29
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	2,527.95	17,766.51	15,976.02	6,134.02	6,134.02	4,318.44
Trusts	21,285.84	552,240.51	560,641.01	8,380.02	8,307.78	12,957.58
General	10,109.33	29,518.50	25,164.81	11,291.04	11,485.70	14,268.36
	\$ 35,932.37	\$ 633,538.99	\$ 636,020.99	\$ 28,851.13	\$ 28,851.13	\$ 33,450.37

Panther Run Elementary School  
Management Letter  
Year Ended June 30, 2013

This audit revealed no material instances of noncompliance.

**Pierce Hammock Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 14255 Hamlin Boulevard  
Loxahatchee, FL 33470

Principal:  
Fiscal Year 2013: John Carvelli  
During Audit: John Carvelli

Treasurer:  
Fiscal Year 2013: Michelle Wells  
During Audit: Beth Ann Lee Koeing

Afterschool Site Director:  
Fiscal Year 2013: Vanessa Garcia  
During Audit: Patricia Vico

Cash and Investments

Checking	\$ 58,858.54
Investments	
	\$ 58,858.54

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	231.18	830.00	901.70	0.00	0.00	159.48
Classes	5,256.69	48,347.05	46,819.58	5,613.45	7,789.20	4,608.41
Clubs	742.28	1,909.96	1,701.77	0.00	210.00	740.47
Departments	5,136.98	12,636.04	11,612.94	5,445.68	5,494.80	6,110.96
Trusts	44,786.95	394,713.86	395,191.01	4,110.73	4,758.29	43,662.24
General	7,645.43	13,943.67	21,094.55	5,320.72	2,238.29	3,576.98
	\$ 63,799.51	\$ 472,380.58	\$ 477,321.55	\$ 20,490.58	\$ 20,490.58	\$ 58,858.54

## DOCUMENTATION FOR FUNDRAISERS

### Finding

As indicated by the sponsor on the *Sales Item Inventory Report* for the Agendas Sales (Account #7-0100.01), 56 “agendas” (with an estimated resale value of \$280) were given-away free-of-charge without documentation as to the purposes and recipients for the give-away items. Moreover, 22 “agendas” (with estimated resale value of \$110) as indicated in ending inventory could not be verified because staff discarded the remaining items as the agendas had no resale value in the following year.

### Recommendation

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

- Fundraising items for resale that were provided to students free-of-charge should be documented.
- Ending inventory as stated on the *Sales Item Inventory Reports* should not be discarded until the applicable audit has been completed, and approved by the Principal.

### Management’s Response

*Concur. Staff was advised to retain school agendas for the appropriate length of time.*

## LEASING OF SCHOOL FACILITIES

### Finding

The review of school facilities leasing records found that *Lease Agreement* #1009 was for the use of facilities during October 9 through 30, 2012. However, the *Agreement* was not signed by the lessee and the Principal until November 5, 2012; i.e. 27 days after the leasehold period began and six days after the leasehold period ended.

### 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. Leases will be signed per district requirements.*

## AFTERSCHOOL PROGRAM

### **Finding**

As of June 30, 2013, the Afterschool Program Snack Account (#6-9550.00) had a year-end balance of \$5,493.08, and the Afterschool Program Special Activities Account (#6-9600.00) had a year-end balance of \$4,890.10, which exceeded the respective \$1,500 and \$750 year-end maximum balances as allowed by *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. The Aftercare Director was advised to review her accounts at year end and end of summer camp.*

**Pine Grove Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 400 SW 10th Street  
Delray Beach, FL 33444

Principal:  
Fiscal Year 2013: Marline Campbell  
During Audit: Joseph Peccia

Treasurer:  
Fiscal Year 2013: Suhair Gali  
During Audit : Suhair Gali

Cash and Investments

Checking	\$ 14,929.60
Investments	
	\$ 14,929.60

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	903.41	200.00	271.15	727.13	196.99	1,362.40
Classes	1,578.25	7,383.50	7,111.16	1,275.28	2,109.07	1,016.80
Clubs	447.42	730.03	1,308.27	1,112.76	393.71	588.23
Departments	3,758.87	1,948.22	2,882.94	2,207.93	1,163.22	3,868.86
Trusts	4,401.33	31,054.07	28,504.19	14,616.45	14,981.89	6,585.77
General	2,047.69	4,569.99	4,015.47	1,233.15	2,327.82	1,507.54
	\$ 13,136.97	\$ 45,885.81	\$ 44,093.18	\$ 21,172.70	\$ 21,172.70	\$ 14,929.60

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of fundraiser records found that the Field Day T-Shirts Sales (Account #3-3501.00) did not have the required *Sales Item Inventory Report*.

### Recommendation

To protect the school's financial interest and ensure proper fiscal accountability, *Sales Item Inventory Report* should be accurately completed with all needed information. Accurate *Sales Item Inventory Report* should assist staff in (1) reconciling sales revenues and (2) tracking of items purchased, given away, or remaining in inventory.

### Management's Response

*Concur. I will meet with the school's bookkeeper weekly to review the items listed as concerns to ensure we are meeting compliance.*

## DOCUMENTATION OF DISBURSEMENTS

### Finding

The review of sample disbursements and P-Card transaction records found that Disbursement #10074 (for \$1,806.24) was not supported by an itemized invoice; instead, it was supported by a vendor's statement which included only the dollar amount but did not have the details of the purchase.

### 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 is no assurance that the expenses were appropriate.

### Management's Response

*Concur. I will meet with my designated staff that utilize a P-Card and share the findings with them. I will also monitor the compliance.*

## LEASING OF SCHOOL FACILITIES

### Finding

The review of sample leases for use of school facilities found that:

- The *Certificate of Insurance* for Leases #1002 and #1003 (for the same lessee) did not include the School Board as an additional insured party for liability coverage.

- *Lease Agreement* #1003 did not have the signature of the witness.

### **Recommendation**

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

- To protect the School District from unwarranted liability and as required by ***School Board Policy 7.18***, the 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.*”
- 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.

### ***Management’s Response***

*I will monitor all future leases and associated paperwork to ensure it meets Board policy.*



**Pine Jog Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 6315 Summit Boulevard  
West Palm Beach, FL 33415

Principal:  
Fiscal Year 2013: Fred Barch  
During Audit: Fred Barch

Treasurer:  
Fiscal Year 2013: Diana Hernandez  
During Audit: Diana Hernandez

**Cash and Investments**

Checking	\$ 34,752.94
Investments	
	\$ 34,752.94

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	2,205.69	2,224.00	2,278.71	924.00	1,063.01	2,011.97
Classes	6,886.59	35,124.86	35,135.21	4,026.64	3,769.28	7,133.60
Clubs	12,940.91	49,293.85	39,577.86	22,602.77	32,750.56	12,509.11
Departments	5,051.44	18,167.96	17,532.28	4,364.58	4,099.83	5,951.87
Trusts	8,162.16	72,063.41	85,018.56	13,553.52	5,013.85	3,746.68
General	4,832.73	13,873.28	16,531.32	11,199.68	9,974.66	3,399.71
	\$ 40,079.52	\$ 190,747.36	\$ 196,073.94	\$ 56,671.19	\$ 56,671.19	\$ 34,752.94

Pine Jog Elementary School  
Management Letter  
Year Ended June 30, 2013

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, 2013**

Address: 39500 Pioneer Park Road  
Belle Glade, FL 33430

Principal:  
Fiscal Year 2013: Adam Miller  
During Audit: Mary Ford

Treasurer:  
Fiscal Year 2013: Dianne Beavers  
During Audit: Dianne Beavers

Cash and Investments

Checking	\$ 22,665.85
Investments	
	\$ 22,665.85

	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	3,097.60	2,647.00	0.00	450.60	0.00
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	1,513.62	780.84	1,034.34	0.00	0.00	1,260.12
Trusts	5,397.97	56,807.52	43,784.39	6,906.88	7,302.35	18,025.63
General	1,683.68	12,143.37	11,293.02	2,703.72	1,857.65	3,380.10
	\$ 8,595.27	\$ 72,829.33	\$ 58,758.75	\$ 9,610.60	\$ 9,610.60	\$ 22,665.85

## 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 given to her for opening and 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. Incoming mail will be opened by confidential secretary and data processor. Any payments received will 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.*

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

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

- Disbursement #4344 (for \$633.60) was supported by an "Open Sales Orders by Item". However, the dollar amount of the purchase listed on the supporting document was \$945.99, which did not agree with the dollar amount of the disbursement.
- Disbursements #4334 and #4402 for \$769.18 were for staff luncheons which included \$195.18 that was incorrectly funded by Beacon Center Funds (Account #6-4401.00) instead of Administrative Courtesy (Account #6-0200.00)

### 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 ensure that expenditures 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.
- Expenditures should be funded by the appropriate funding sources, in accordance with District's guidelines.

***Management's Response***

*Concur. All expenditures will be funded by the appropriate funding source.*

**DOCUMENTATION FOR FUNDRAISERS**

**Finding**

The review of the school's fundraiser records found that:

- The Be Authentic Sales (Account #6-9350.00) and Safety Patrol Shirt Sales (Account #6-4000.08) did not have the required *Fundraising Application/Recap Forms*.
- The Mother's Day Cake Sales (Account #7-0100.05), Bee Authentic Sales (6-9350.00) and Safety Patrol Shirt Sales (6-4000.08) did not have the required *Sales Item Inventory Report*. Without documentation for sales information such as selling prices, quantities sold, and inventory counts, there is assurance that 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,

- 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 and ensure proper fiscal accountability, *Sales Item Inventory Report* should be completed accurately 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.

***Management's Response***

*Concur. All staff members will be held accountable for completing all fundraising paperwork and all paperwork will be pre-approved by the principal and documented in the Fundraising Application/Recap Form.*

**LEASING OF SCHOOL FACILITIES**

**Finding**

The review of sample leases for use of school facilities found that:

Pioneer Park Elementary School  
Management Letter  
Year Ended June 30, 2013

- *Lease Agreement* #1009 was neither signed by the lessee nor the Principal; and Agreement #1006 did not have the Principal's signature.
- \$1,155 in labor charges collected from three leases (#1006, #1008 and #1010) were incorrectly recorded in the Rental Income Account (#6-3800.00), instead of the Extra Services-Custodial Account (#6-1500.00).

### **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.
- Leasing revenues should be allocated in accordance with the *Approved Rate Schedule*. These revenues should have been 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 bookkeeper will ensure leasing revenues will be recorded in the appropriate leasing accounts. All leases will be properly executed with all of the required signatures.*

## **PRENUMBERED DOCUMENTS**

### **Finding**

The review of prenumbered documents found that the school did not maintain the (1) *Document Custodian Assignment Register* and (2) *Prenumbered Document Inventory Register* for checks, *Drop-safe Log*, and *Classroom Receipt Books*.

### **Recommendation**

To ensure proper fiscal accountability and as required by *Chapter 27 of the Internal Accounts Manual*, a document custodian should be assigned for all prenumbered documents and recorded on the *Document Custodian Assignment Register* (PBSD 0163). Each assigned document custodian shall use the *Prenumbered Document Inventory Register* (PBSD 0160) to perform the periodic inventory of the prenumbered forms.

### **Management's Response**

*Concur. Document Custodians have been assigned for all prenumbered documents and recorded on the Document Custodian Assignment Register (PBSD 0163) and signed by the principal. Assigned document custodians are currently using the Prenumbered Document Inventory Register to perform a monthly inventory on prenumbered forms.*

Pioneer Park Elementary School  
Management Letter  
Year Ended June 30, 2013

***Additional comments:** The areas of findings are being monitored by the principal and the bookkeeper is being required to participate in additional training. Also teachers are being trained on how to use the fundraising Application/Recap Forms as well as the Sales Item Inventory Report.*

**Pleasant City Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 2222 Spruce Avenue  
West Palm Beach, FL 33407

Principal:  
Fiscal Year 2013: Moneek Scott-McTier  
During Audit: Moneek Scott-McTier

Treasurer:  
Fiscal Year 2013: Sylvia Buckhalter  
During Audit: Sylvia Buckhalter

Cash and Investments

Checking	\$ 12,387.85
Investments	
	\$ 12,387.85

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	306.71	0.00	0.00	0.00	0.00	306.71
Classes	6.55	2,165.00	2,045.00	120.00	120.00	126.55
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	10,103.79	42,714.63	41,673.35	5,113.73	5,421.73	10,837.07
General	2,352.80	2,022.14	3,565.42	809.55	501.55	1,117.52
	\$ 12,769.85	\$ 46,901.77	\$ 47,283.77	\$ 6,043.28	\$ 6,043.28	\$ 12,387.85



Pleasant City Elementary School  
Management Letter  
Year Ended June 30, 2013

This audit revealed no material instances of noncompliance.

**Plumosa School of the Arts  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 2501 Seacrest Boulevard  
Delray Beach, FL 33444

Principal:  
Fiscal Year 2013: Sally Rozanski / Joe Peccia / Catherine Reynolds  
During Audit: Catherine Reynolds

Treasurer:  
Fiscal Year 2013: Ivey Colligan  
During Audit: Margarita Molina

Afterschool Site Director:  
Fiscal Year 2013: Keith Simpkins/Aubrey Bennett  
During Audit: Aubrey Bennett

Cash and Investments

Checking	\$ 46,498.55
Investments	
	\$ 46,498.55

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	1,127.30	1,492.15	1,027.00	408.60	408.60	1,592.45
Classes	8,045.49	271.00	1,092.04	271.00	271.00	7,224.45
Clubs	9.23	0.00	0.00	0.00	0.00	9.23
Departments	1,318.02	3,525.47	3,369.87	0.00	0.00	1,473.62
Trusts	32,429.91	257,542.61	253,674.66	7,851.28	9,034.80	35,114.34
General	340.43	1,979.03	2,418.52	1,493.52	310.00	1,084.46
	\$ 43,270.38	\$ 264,810.26	\$ 261,582.09	\$ 10,024.40	\$ 10,024.40	\$ 46,498.55

Plumosa School of the Arts  
Management Letter  
Year Ended June 30, 2013

This audit revealed no material instances of noncompliance.

**Poinciana Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 1203 North Seacrest Boulevard  
Boynton Beach, FL 33435

Principal:  
Fiscal Year 2013: Lisa Lee  
During Audit: Lisa Lee

Treasurer:  
Fiscal Year 2013: Jennifer Dietrick  
During Audit: Jennifer Dietrick

Afterschool Site Director:  
Fiscal Year 2013: Gloria Gibson  
During Audit: Gloria Gibson

Cash and Investments

Checking	\$ 58,287.91
Investments	
	\$ 58,287.91

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	1,345.41	1,767.00	1,216.61	0.00	0.00	1,895.80
Classes	14,314.58	49,298.03	46,690.88	17,432.87	16,607.87	17,746.73
Clubs	6,550.76	3,280.49	5,813.87	2,132.27	3,308.61	2,841.04
Departments	5,278.53	9,811.28	9,304.23	1,575.90	1,575.90	5,785.58
Trusts	17,193.12	345,527.26	336,668.10	18,695.58	18,344.24	26,403.62
General	266.82	10,805.14	7,456.82	822.33	822.33	3,615.14
	\$ 44,949.22	\$ 420,489.20	\$ 407,150.51	\$ 40,658.95	\$ 40,658.95	\$ 58,287.91

## DEPOSIT OF MONIES

### Finding

Monies collected were not always deposited in a timely manner. For example, \$942 of the \$1,721 collected through three MCRs, (#335-10, #311-5 and #328-10) was retained by the sponsors for one to four calendar days before the monies were put into the drop-safe for deposit.

### Recommendation

As required by *DOE Rules (Chapter 8 of the 2012 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)* 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 sponsors and result in potential irregularities.

### Management's Response

*Concur. Teachers will be told in writing, on an agenda at a faculty meeting, and reminded with signage near the safe to never hold money overnight, and to deposit all monies collected in the safe, daily.*

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

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

- The school rented a bounce house for the November 10, 2012, Safety Patrol Pancake Breakfast (Disbursement #10127 for \$250), without obtaining proof of liability insurance coverage from the vendor.
- The *Group Cruise Agreement* for the November 29, 2012, cruise field trip (Disbursement #10139 for \$450) and *Rental Agreement* for a bounce house and obstacle race course (Disbursement #10127 for \$250) were signed and approved by the activity sponsors, instead of the Principal.

### Recommendation

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

- To protect the School District from unwarranted liability, renting bounce house should follow the same guidelines as provided by the *Afterschool Program Operational Manual, page 1-13* 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.*"

- Contractual agreements should be signed by the Principal in accordance with ***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. Teachers and staff will be told in writing and on agenda at a faculty meeting that no person signs a consultant agreement or contract. Only the principal will sign future contract documents.*

**LEASING OF SCHOOL FACILITIES**

**Finding**

The *Certificate of Insurance* for Leases #1001, 1007 and 1008 (for the lessee) listed the School Board as the certificate holder. However, the certificate did not include the School Board as an additional insured party for liability insurance coverage.

**Recommendation**

To protect the School Board from unwarranted liability, the School Board should be listed as the additional insured party on the lessee’s certificate of insurance.

***Management’s Response***

*Concur. The person in charge of leases will list the School Board as the additional insurance party on the correct spot on the lease for ALL leases in the future.*

**AFTERSCHOOL PROGRAM**

**Finding**

As of June 30, 2013, the Afterschool Program had an accounts receivable balance of \$7,076.44 from 51 student accounts.

**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.

Poinciana Elementary School  
Management Letter  
Year Ended June 30, 2013

***Management's Response***

*Concur. Parents will receive late notices and administration will record all late and non-payments on TERMS payment screens. Parents will be suspended form the program for non-payment. Aftercare will strive to have little to no accounts receivable balances. In 2014.*

**Rolling Green Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 550 Miner Road  
Boynton Beach, FL 33435

Principal:  
Fiscal Year 2013: Sandra Sanchez  
During Audit: Sandra Sanchez

Treasurer:  
Fiscal Year 2013: Terry Boilard  
During Audit: Terry Boilard

Afterschool Site Director:  
Fiscal Year 2013: Sara Damar  
During Audit: Sara Damar

Cash and Investments

Checking	\$ 43,082.45
Investments	
	\$ 43,082.45

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	424.85	210.00	117.21	33.26	0.00	550.90
Classes	3,115.36	10,103.95	9,811.88	8,255.12	6,936.71	4,725.84
Clubs	1,933.66	1,947.05	2,103.58	1,007.79	1,007.79	1,777.13
Departments	778.16	1,482.76	641.13	975.00	975.00	1,619.79
Trusts	20,524.52	358,795.27	358,059.56	13,959.02	15,458.43	19,760.82
General	12,386.17	29,823.37	27,709.31	8,327.05	8,179.31	14,647.97
	\$ 39,162.72	\$ 402,362.40	\$ 398,442.67	\$ 32,557.24	\$ 32,557.24	\$ 43,082.45



## 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 always retain the yellow copies of the MCRs when turning in the monies and MCRs for deposit. Instead, both the yellow copy and original MCR were provided to the bookkeeper.
- Some staff members did not always record all the required deposit information on the *Drop-safe Log*, such as the date of collection.

### Recommendation

Money collections should be administered in accordance with District guidelines and *DOE Rules (Chapter 8 of the 2012 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*. Specifically, 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.
- Responsible staff should properly complete the *Drop-safe Log* with all the required information.

### Management's Response

*Concur. We will review this procedure with the teachers throughout the year. The Bookkeeper will be more diligent on reminding teachers about this procedure as necessary and not accept the yellow copies of MCRs.*

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of fundraiser records found that:

- *Sales Item Inventory Reports* were not maintained for two sample fundraisers: (1) Music Records (Account #2-3500.00) and (2) School Store (Account #70100.02). Without sales information and inventory records, there is no assurance that all revenues are properly accounted for.
- *Section B (Actual Sales)* of some *Fundraising Application/Recap Forms* were completed by the bookkeeper, instead of the sponsors.

### **Recommendation**

Fundraisers should be administered in accordance with *School Board Policy 2.16* and *Internal Accounts Manual*. Specifically,

- To ensure proper fiscal accountability, *Sales Item Inventory Report* should be completed with accurate information so that sales revenues can be reconciled, and purchased items, give-away items, and ending inventory can be accounted for. Significant discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.
- To ensure proper segregation of duties and as required by *Chapter 19* of *Internal Accounts Manual*, the sponsor should request a general ledger of the account from the bookkeeper and complete the rest of the paperwork.

### **Management's Response**

*Concur. The Bookkeeper will never again complete a Fundraising Application. All fundraising paperwork will be reviewed by me at the end of the year to ensure that Sales Item Inventory Reports are completed and estimated revenue and actual receipts are accurate.*

## **DOCUMENTATION FOR DISBURSEMENTS**

### **Finding**

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

- The school rented a bounce house for the November 1, 2012, Safety Patrol Carnival (Disbursement #3564 for \$730.80) without obtaining the proof of liability insurance coverage from the vendor.
- Disbursement # 3635 (for \$200) was for paying a DJ for Parent Involvement Dance without any supporting documentation, such as *School District Consultant Agreement (PBSD 1420)* and the invoice.
- Disbursement #3699 (for \$2,800) was for payment of charter bus services for transporting students during the July 20, and August 8, 2013, field trips to Miami. However, the *Field Trip/Activity Planning Report and Approval Request Forms* were neither approved by the Principal nor the Area Superintendent.
- The *Purchase Order* for Disbursements #3688 (for \$1,942.98) was not prepared by the sponsor until five days after the purchase. Moreover, the *Purchase Order* was not signed off by the Principal.

### **Recommendation**

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

- To protect the School District from unwarranted liability, rental of bounce house should follow the same 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.*”
- To protect the best interests of the school, the *School District Consultant Agreement (PBSD 1420)* should be properly executed prior to the consultant performing the services at the school. Moreover, to protect the safety and welfare of students, the school should ensure that consultants who work on school campus have passed the required background and clearance check as required by ***Florida Statutes §1012.465***.
- 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.
- *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. 1) We will make sure all documentation is completed properly before the activity takes place. 2) We will make sure to keep copies of all approved forms for audit purposes. We will develop a system that will ensure every step is followed and paperwork is kept for documentation. The field trips were approved by the Principal and Area Superintendent, but we did not keep a copy of the documents with the signatures. 3) The summer camp shirts will be paid with a P-Card which will avoid any errors with purchase order.*

## **LEASING OF SCHOOL FACILITIES**

### **Finding**

The *Certificate of Insurance* for Leases #1002 and #1006 (with the same lessee) listed the School Board as the certificate holder; however, it did not include the School Board as an additional insured party for 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. The Bookkeeper will make sure that the Certificate of Insurance names the School Board of PBC as an additional insured.*

**Roosevelt Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 1220 15th Street  
West Palm Beach, FL 33401

Principal:  
Fiscal Year 2013: Glenda Garrett  
During Audit: Sharonda Alleyne

Treasurer:  
Fiscal Year 2013: Sheereeneca Evans  
During Audit: Sheereeneca Evans

Cash and Investments

Checking	\$ 19,092.69
Investments	
	\$ 19,092.69

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	23.22	0.00	0.00	0.00	0.00	23.22
Classes	70.85	7,731.46	6,804.33	1,968.01	1,628.00	1,337.99
Clubs	140.25	1,835.63	1,368.51	130.50	430.51	307.36
Departments	4,231.13	1,561.72	4,435.81	431.06	431.06	1,357.04
Trusts	16,906.76	54,081.99	54,571.23	3,103.56	3,531.25	15,989.83
General	( 73.64)	2,471.84	2,708.64	423.94	36.25	77.25
	\$ 21,298.57	\$ 67,682.64	\$ 69,888.52	\$ 6,057.07	\$ 6,057.07	\$ 19,092.69

## 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 *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.
- MCR #366-1 was for fees collected for a 2<sup>nd</sup> Grade field trip; however, the *Field Trip Request Form* was not approved by the Principal. MCR #364-16 was for fees collected for a trip for 1<sup>st</sup> and 2<sup>nd</sup> Grades; however, the *Field Trip Request Form* was neither signed by the sponsor nor the Principal.

### Recommendation

Money collections should be administered in accordance with related District guidelines and ***DOE Rules (Chapter 8 of the 2012 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..."
- ***School Board Policy 2.40***, requires that field trips should be pre-approved by the Principal.

### Management's Response

*Concur. I was not the Principal at the time of this audit. However, I will comply with the above recommendations.*

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of sample fundraiser documentation revealed that:

- The FCAT Writes Boot Camp T-shirt Sales (Account #7-0100.06) did not have any fundraiser documentation, including the Principal's approved *Fundraising Application/Recap Form* and *Sales Item Inventory Report*. Without sales and inventory records, there was no assurance that all revenues were properly accounted for.
- *Fundraising Application/Recap Form* for the Vending Machine Sales (Account 6-1700.01) was not approved by the Principal until 170 working days after the fundraising activities had begun. Moreover, the *Sales Item Inventory Report* did not contain all the pertinent information. Missing information included the (1) quantities of items purchased, sold, and given-away, and (2) the selling prices and revenues.

### **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. I was not the Principal at the time of this audit. However, I will comply with the above recommendations. Procedures will be reviewed with all faculty.*

## **DOCUMENTATION FOR DISBURSEMENTS**

### **Finding**

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

- Disbursement #10148 (for \$1,260) was for payment to a charter bus company for the 5th Grade out-of-county field trip. However, the charter bus company was not on the District's approved charter bus list.
- Five P-Card purchases (totaling \$468.67) occurred during March, May, and June 2013, did not have any supporting documentation for the purchases.
- Six P-Card transactions (totaling \$663.09) occurred during March through May 2013, were for purchases of food, but did not have documentation for the purposes of the purchases.
- Disbursement #10146 (for \$336) was for payment of a Student Book Club field trip, but did not have the Principal's approved *Check Requisition* and a *Field Trip Request Form*. Moreover, a \$40 refund from the vendor was deposited into the General Activities Account (#7-0100.00), instead of Student Book Club Account (#6-4403.00).
- A March 20, 2013, purchase for a total of \$1,620 was split into two transactions (\$960 and \$660) that were paid with a school's P-Card. However, this purchase exceeded the \$1,000 *Purchase Order* threshold and the P-Card's \$1,000 per day per vendor limit, but did not have the required *Purchase Order* and the prior approval from the Purchasing Department.

Roosevelt Elementary School  
Management Letter  
Year Ended June 30, 2013

- A \$1,454.66 P-Card purchase occurred on June 7, 2013, exceeded the \$1,000 *Purchase Order* threshold and the P-Card's \$1,000 per day per vendor limit, and did not have the required *Purchase Order* and the prior approval from the Purchasing Department. Also, the purchase inappropriately included \$82.34 in sales tax.
- A \$465 P-Card purchase for payment of lodging expenses was not supported by the related TDE form and conference registration record.
- The printing contract for Student Planners and Handbooks (Disbursement #10007 for \$1,269.76) and the contract for school picture (Disbursement #10168 for \$1,357.21) were not approved by the Principal; instead, they were signed by the Assistant Principal.
- Supporting documentation such as invoices/receipts were not defaced (stamped "PAID") after payment in order to prevent potential duplicate payments for 13 out of 20 disbursements reviewed.

### **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 ensure the safety of transportation for students and staff, only buses from the District's approved charter buses should be used for transporting students during field trips.
- All disbursements should be adequately documented with the *Check Requisitions*, approved by the Principal and supported by itemized invoices and receipts. To ensure proper fiscal accountability, the purposes and justifications should be documented for all expenditures. Without adequate supporting documentation, there was no assurance that the expenses were appropriate.
- Refunds from vendors for student activities should be deposited into the respective student activity accounts.
- P-Card purchase in excess of \$1,000 requires Purchasing's prior approval. 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.
- The School District is a tax-exempt governmental entity, and should not pay sales tax for eligible purchases
- Contractual agreements should be signed by the Principal as required by *District Administrative Directive D-6.03*. The directive provides that "*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. I was not the Principal at the time of this audit. However, I will comply with the above recommendations. Procedures were reviewed with School Treasurer and faculty.*

**LEASING OF SCHOOL FACILITIES**

**Finding**

The review of school facility leasing records found that:

- Seven leases (#s 1007, 1009, 1010, 1011, 1016, 1017 and 1018) did not have the proof of liability insurance coverage. Moreover, the *Certificate of Insurance* for Lease #1001 included the school, instead of the School Board, as the certificate holder and additional insured party for liability insurance coverage.
- The school did not maintain a properly executed (with all the required signatures) *Lease Agreement* for lease #1007, although the lease arrangement was recorded in the District's Tririga computer system.
- *Lease Agreements* were not always executed with all the signatures in a timely manner. Nine *Agreements* (#s 1001, 1003, 1004, 1005, 1006, 1009, 1010, 1014 and 1017) were not signed by the Principal, the lessees, and witnesses until the leasehold periods had begun, with delays ranging from one to 49 days. Moreover, *Agreement* #1001 did not have a witness' signature.
- Leasing charges for ten (#s 1003, 1004, 1005, 1006, 1007, 1009, 1011, 1014, 1017 and 1018,) leases were not always collected prior to the use of facilities, with delays ranging from three to 107 days.
- Two leases (#1007 and #1016) were charged with non-profit rate without proof of non-profit status.
- Disbursement #10139 (for \$484) for payment of a community breakfast event was incorrectly funded with the utility fees account (#6-5500.00). The utility fees should be periodically transmitted to the Central Office to reimburse the utility expenses incurred by the District.
- The entire amount of the leasing charges for five leases (#s 1003, 1004, 1005, 1007, and 1009) were recorded in the Rental Income Account (#6-3800). As a result, the school under-transmitted a total of \$2,318 in utility fees, \$862.50 in insurance fees, and \$36 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 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.



Roosevelt Elementary School  
Management Letter  
Year Ended June 30, 2013

- 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 by 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.*”
- 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.
- 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 allocated and 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).
- The portion of sales tax, insurance, and utility fees should be periodically transmitted to the Central Office in accordance with the District’s approved *Rate Schedule*.

***Management’s Response***

*Concur. I was not the Principal at the time of this audit. Leasing procedures have been reviewed and a new Leasing Coordinator has been assigned.*

***Additional Comments:*** *I was not the Principal at the time of this audit. I have reviewed the findings with the School Treasurer, confidential Secretary and faculty to ensure compliance for future audits.*

**Rosenwald Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 1321 Martin L King Jr Boulevard  
South Bay, FL 33493

Principal:  
Fiscal Year 2013: Dionne Napier  
During Audit: Dionne Napier

Treasurer:  
Fiscal Year 2013: Valerie Walker  
During Audit: Valerie Walker

Cash and Investments

Checking	\$ 7,730.04
Investments	
	\$ 7,730.04

	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	16.00	16.00	0.00	0.00	0.00
Classes	0.00	4,962.50	4,548.50	0.00	0.00	414.00
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	592.87	1,653.81	1,804.25	0.00	0.00	442.43
Trusts	14,895.47	27,063.69	35,320.82	972.00	972.00	6,638.34
General	255.24	1,664.70	1,684.67	472.00	472.00	235.27
	\$ 15,743.58	\$ 35,360.70	\$ 43,374.24	\$ 1,444.00	\$ 1,444.00	\$ 7,730.04

Rosenwald Elementary School  
Management Letter  
Year Ended June 30, 2013

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, 2013**

Address: 11911 Okeechobee Boulevard  
Royal Palm Beach, FL 33411

Principal:  
Fiscal Year 2013: Suzanne Watson  
During Audit: Suzanne Watson

Treasurer:  
Fiscal Year 2013: Angela Gadaleta  
During Audit: Angela Gadaleta

Afterschool Site Director:  
Fiscal Year 2013: Deborah Pagliaro  
During Audit: Deborah Pagliaro

Cash and Investments

Checking	\$ 57,340.17
Investments	
	\$ 57,340.17

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	2,806.07	0.00	941.64	0.00	0.00	1,864.43
Classes	0.00	51,560.03	51,378.53	1,859.05	2,040.55	0.00
Clubs	2,466.41	15,722.60	16,091.09	1,152.08	1,152.08	2,097.92
Departments	8,297.58	13,213.49	12,474.43	2,946.44	2,946.44	9,036.64
Trusts	44,161.35	639,220.27	643,635.16	5,819.06	6,324.29	39,241.23
General	10,299.41	16,324.11	22,210.30	3,614.71	2,927.98	5,099.95
	\$ 68,030.82	\$ 736,040.50	\$ 746,731.15	\$ 15,391.34	\$ 15,391.34	\$ 57,340.17

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

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

- Disbursement #10056 was for payment of \$450 to a consultant for providing services during the September 14, 2012, Educational Music Shows. However, the *School District Consultant Agreement* (PBSD 1420) had a maximum contract amount of \$302.50. As a result, the total expenses exceeded the contract amount by \$147.50.
- Five P-Card purchases, totaling \$2,404.84, occurred during June 2013, were supported only by credit card receipts, which indicated the total dollar amount but not the details of the purchased items.

### Recommendation

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

- 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.
- 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. We will ensure payments of consultants are consistent with the agreements and when changes occur addendums are created to reflect such changes. We will REQUIRE itemized invoices from all agencies we do business with.*

**S.D. Spady Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 901 NW 3rd Street  
Delray Beach, FL 33444

Principal:  
Fiscal Year 2013: Martha O'Hare  
During Audit: Rona Tata

Treasurer:  
Fiscal Year 2013: Angelica Rios  
During Audit: Angelica Rios

Afterschool Site Director:  
Fiscal Year 2013: Maxwell Benn  
During Audit: Maxwell Benn

Cash and Investments

Checking	\$ 33,003.54
Investments	
	\$ 33,003.54

	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	334.00	334.00	0.00	0.00	0.00
Classes	2,983.48	29,737.13	28,111.38	2,001.56	3,823.67	2,787.12
Clubs	1,138.57	514.53	715.62	116.85	77.53	976.80
Departments	2,554.20	13,318.44	10,346.25	2,473.29	2,473.29	5,526.39
Trusts	39,175.42	425,727.66	442,595.61	28,977.69	29,391.01	21,894.15
General	1,693.28	6,822.83	8,893.14	3,246.55	1,050.44	1,819.08
	\$ 47,544.95	\$ 476,454.59	\$ 490,996.00	\$ 36,815.94	\$ 36,815.94	\$ 33,003.54

## SAFEGUARDING OF SCHOOL ASSETS

### Finding

During the audit, we noted that the school's blank checks (#10426-10750) were stored in an unlocked drawer in the bookkeeper's office and the office door was also unlocked while the bookkeeper was away from her office.

### Recommendation

To ensure school assets are safeguarded properly, school checks should be stored in a secure location such as a locked cabinet or the drop safe.

### *Management's Response*

*Concur. It is currently locked and will remain locked as directed.*

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of sample fundraising records found that:

- Ticket sales for the Safety Patrol Science Night Dinner (Account #6-4000.09) did not have the required *Ticket Sellers Reports*.
- The *Sales Item Inventory Report* for the Safety Patrol Earth Day T-Shirts Sales (Account #6-4000.07) indicated that 20 T-Shirts, with a resale value of \$200 (20% of total estimated revenue), were given away free-of-charge without maintaining records as to who received the T-Shirts.

### Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. To ensure proper fiscal accountability,

- *Ticket Sellers Report* should be prepared in order for staff to reconcile revenues with the number of tickets sold. Significant discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.
- Merchandises purchased with school funds and provided free-of-charge to students, staff members or the community should be adequately documented. Records for give-away should include the purposes and the names of the recipients.

### *Management's Response*

*Concur. We will be diligent to keep track of ticket sales and corresponding numbers.*

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

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

- Four disbursements (#s 1003, 1004, 10116, and 10281, totaling \$3,605) were for payments of professional services provided by three consultants. However, none of these three consultants was engaged through the *School District Consultant Agreement (PBSD 1420)*.
- Two disbursements (#1002 and #1005, totaling \$1,683.70) were for purchases of refreshment and catering services for staff meetings. However, these purchases were inadvertently paid with fund from the Afterschool Snacks Account (#6-9550).
- Supporting documents for 11 sample disbursements were not defaced (stamped "PAID") after payment in order to prevent duplicate payments.

### Recommendation

Disbursement procedures 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 the services at school. Moreover, to protect the safety and welfare of students, the school should ensure that consultants who work on school campus have passed the required background and clearance check as required by *Florida Statutes §1012.465*.
- Pursuant to the *Afterschool Program Operational Manual, Snack Fee Account Section*, "This money may **NOT** be used to purchase food for adults (example: it may not be used for staff meetings, training, etc.). All expenditures should be funded by the appropriate funding sources in accordance with District's guidelines.
- To avoid potential duplicate payments, supporting documentation should be defaced (stamped "PAID") after payment.

### Management's Response

*Concur. We have corrected the payment plan for refreshments and catering service for all staff meetings from the account 6-9550. We are now following district mandated guidelines.*



**Sandpiper Shores Elementary School**  
**Internal Fund Accounts**  
**Combining Statement of Changes in Cash and Investments – Cash Basis**  
**Year Ended June 30, 2013**

Address: 11201 Glades Road  
 Boca Raton, FL 33498

Principal:  
 Fiscal Year 2013: Martha O'Hare  
 During Audit: Rona Tata

Treasurer:  
 Fiscal Year 2013: Angelica Rios  
 During Audit: Angelica Rios

Afterschool Site Director:  
 Fiscal Year 2013: Maxwell Benn  
 During Audit: Maxwell Benn

Cash and Investments

Checking	\$ 47,070.08
Investments	
	\$ 47,070.08

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	708.28	3,221.13	1,312.99	1,524.60	1,524.89	2,616.13
Classes	6,030.61	11,293.33	10,172.87	2,543.11	2,584.73	7,109.45
Clubs	1,047.93	3,680.50	3,715.23	0.00	47.28	965.92
Departments	3,152.09	14,417.23	12,630.72	2,518.30	2,476.87	4,980.03
Trusts	26,177.17	319,661.00	320,723.37	1,145.00	1,785.07	24,474.73
General	6,351.41	12,027.99	12,143.41	3,555.35	2,867.52	6,923.82
	\$ 43,467.49	\$ 364,301.18	\$ 360,698.59	\$ 11,286.36	\$ 11,286.36	\$ 47,070.08

Sandpiper Shores Elementary School  
Management Letter  
Year Ended June 30, 2013

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, 2013**

Address: 4075 Willows Pond Road  
West Palm Beach, FL 33417

Principal:  
Fiscal Year 2013: Judith Garrard  
During Audit: Judith Garrard

Treasurer:  
Fiscal Year 2013: Yenny Hurtado  
During Audit: Yenny Hurtado

Afterschool Site Director:  
Fiscal Year 2013: Bridgette Marshall  
During Audit: Bridgette Marshall

Cash and Investments

Checking	\$ 56,072.14
Investments	
	\$ 56,072.14

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00
Classes	5,262.31	16,627.01	18,102.51	6,825.84	4,863.37	5,749.28
Clubs	860.68	4,601.00	4,959.82	4,180.93	3,300.12	1,382.67
Departments	6,600.21	13,198.45	11,427.57	2,808.44	2,808.44	8,371.09
Trusts	48,648.19	390,680.57	399,885.98	7,179.77	10,023.05	36,599.50
General	3,681.97	3,700.00	3,412.37	1,646.26	1,646.26	3,969.60
	\$ 65,053.36	\$ 428,807.03	\$ 437,788.25	\$ 22,641.24	\$ 22,641.24	\$ 56,072.14

## DEPOSIT OF MONIES

### Finding

Monies collected were not always deposited in a timely manner. For example, \$910 in collections recorded on MCR #401-5 was retained by the sponsors for four to eight working days before the monies were put into the drop-safe for deposit.

### Recommendation

As required by *DOE Rules* and District *Bulletin #P-14051-S/CFO*, monies collected should be put into the drop-safe daily, and deposited into the bank within five working days after collections. Delay in turning in collections and depositing the monies into the bank could result in potential irregularities.

### Management's Response

*Concur. Principal addressed policies and procedures with specific individual. Principal reviewed policies and procedures with all faculty on 9/3/2014. All sponsors must complete annual training.*

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

The school issued 351 checks during the year. The review of the canceled checks found that three checks (#7315, #7317, and #7318, totaling \$190.95) were signed the Principal only, instead of two authorized signers.

### Recommendation

As required by *DOE Rules (Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools, Chapter 8), Section III (1.3)*, all checks must be signed by two persons, one of whom is the Principal.

### Management's Response

*Concur. Schools procedures were modified. Other authorized signer was asked to sign first.*

## AFTERSCHOOL PROGRAM

### Finding

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

- One student received a school-based partial fee waiver for attending the Afterschool Program. However, the *School-Based Partial Fee Waiver Application Form* was neither signed by the Afterschool Site Director nor approved by the Principal.

- The *Registration Form* for one of the five sample students was missing.

### **Recommendation**

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

- Afterschool Program fee waivers should be adequately documented, approved by the Principal, and periodically reviewed by the school in accordance with the *Afterschool Programs Operational Manual*.
- *Afterschool Programs Registration Forms* should be completed with the needed information and signed by the parents/guardians of all students. Moreover, Afterschool Program records, including student registration forms, should be retained for a time period consistent with the *Afterschool Programs Operational Manual* and District *Record Retention Schedule*

### **Management's Response**

*Concur. The new Afterschool Program Director has been trained to administer the program in accordance with District guidelines and the Afterschool Program Operational Manual.*

**South Grade Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 716 South "K" Road  
Lake Worth, FL 33460

Principal:  
Fiscal Year 2013: Michael Riley  
During Audit: Michael Riley

Treasurer:  
Fiscal Year 2013: Adeline Suarez  
During Audit: Adeline Suarez

Afterschool Site Director:  
Fiscal Year 2013: Francheska Delgado  
During Audit: Francheska Delgado

Cash and Investments

Checking	\$ 19,846.28
Investments	
	\$ 19,846.28

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$ 160.00	\$ 160.00	\$0.00	\$0.00	\$0.00
Music	155.17	1,201.00	1,199.65	0.00	0.00	156.52
Classes	1,237.63	5,941.31	5,188.83	885.03	1,169.85	1,705.29
Clubs	982.13	1,592.70	1,112.22	683.82	639.00	1,507.43
Departments	619.36	291.00	780.04	0.00	0.00	130.32
Trusts	18,389.51	203,384.07	206,814.27	15,170.61	14,893.61	15,236.31
General	1,350.47	20,256.68	20,459.74	455.36	492.36	1,110.41
	\$ 22,734.27	\$ 232,826.76	\$ 235,714.75	\$ 17,194.82	\$ 17,194.82	\$ 19,846.28

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

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

- Two *Check Requisitions* (#4505 for \$1,102.40 and #4506 for \$1,500) were not signed by the sponsors for confirmation of receipt of goods or services.
- Supporting documents were not always defaced (stamped “PAID”) after payment. Defacing the supporting document should help prevent potential duplicate 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,

- *Check Requisitions* should be signed by the sponsors to confirm the receipt of goods and services.
- To avoid potential duplicate payments, supporting documentation should be defaced (stamped “PAID”) after payment.

### Management’s Response

*Concur. Principal will monitor all P-card check requisitions for signatures and will confirm that supporting documents are stamped as paid as part of the P-Card monitoring process for each cardholder.*

## LEASING OF SCHOOL FACILITIES

### Finding

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

- Although the *Certificate of Insurance* for Lease #1001 listed the School Board as the certificate holder, it did not include the School Board as an additional insured party for insurance coverage.
- Leasing charges were not timely collected. Specifically, the leasing charges for five sample leases (#1002, #1003, #1004, #1005 and #1006) were not collected until three to 39 days after the leasehold periods had begun.

### Recommendation

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

- To protect the School District from unwarranted liability and as required by **School Board Policy 7.18**, the School Board should be listed as the additional insured party on the lessee's certificate of insurance.
- As required by **School Board Policy 7.18**, "*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. As lessor, South Grade will follow the PBCSD policy 7.18 in all instances before allowing occupancy by the lessee.*

**AFTERSCHOOL PROGRAM**

**Finding**

The review of records for Afterschool Program revealed that:

- As of June 30, 2013, the school's Afterschool and Summer Camp Programs had a year-end deficit of \$13,433 and \$6,693 respectively.
- *Family Central's Subsidy Reimbursement Reports* for August 2012 through May 2013 were missing. Without such reimbursement reports, there was no assurance that all Family Central's subsidy reimbursements were received.
- The Afterschool Program's *Full Time Equivalency Reports* for August 2012 through June 2013 were missing.

**Recommendation**

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

- Afterschool and Summer Camp Programs are self-sufficient programs funded by user-fees. The school should monitor closely the programs' financial condition to ensure that program expenditures will not exceed revenues.
- All records, including *Family Central Reimbursement Reports* and *Full Time Equivalency Reports*, should be retained for a time period consistent with ***Afterschool Programs Operational Manual*** and District ***Record Retention Schedule***.

**Management's Response**

*Concur. In FY14, a new Afterschool Director was hired at South Grade Elementary and all guidelines in the district's Afterschool Program Operational Manual are being followed – ongoing in FY14 and FY15.*



**South Olive Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 7101 South Olive Avenue  
West Palm Beach, FL 33405

Principal:  
Fiscal Year 2013: Hank Smith  
During Audit: Sharon Hench

Treasurer:  
Fiscal Year 2013: Marilyn Woltjer  
During Audit: Marilyn Woltjer

Afterschool Site Director:  
Fiscal Year 2013: Jim Anstead  
During Audit: Jim Anstead

Cash and Investments

Checking	\$ 64,400.45
Investments	
	\$ 64,400.45

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	440.43	120.00	555.69	0.00	0.00	4.74
Classes	4,514.97	14,734.00	15,432.04	248.90	599.77	3,466.06
Clubs	4.47	160.00	0.00	0.00	160.00	4.47
Departments	7,580.25	11,539.93	7,697.68	2,817.48	7,228.20	7,011.78
Trusts	31,890.02	345,162.66	323,227.13	615.47	1,209.87	53,231.15
General	2,856.77	5,684.72	13,375.23	5,682.26	166.27	682.25
	\$ 47,286.91	\$ 377,401.31	\$ 360,287.77	\$ 9,364.11	\$ 9,364.11	\$ 64,400.45

## DEPOSIT OF MONIES

### Finding

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

- \$105.41 collected through MCR #545-4 was retained by the sponsor for seven to nine working days before it was put into the drop-safe for deposit.
- Some sponsors did not attach the *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

Money collections should be administered in accordance with related District guidelines and *DOE Rules (Chapter 8 of the 2012 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*. Specifically,

- 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 sponsors and result in potential irregularities.
- As required by *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 were also reviewed during Teacher Back-To-School meeting in August 2013.*

## AFTERSCHOOL PROGRAM

### Finding

As of June 30, 2013, the Afterschool Program Snack Account (#6-9550) and Afterschool Program Special Activities Account (#6-9600) had a year-end balance of \$4,480.08 and \$1,046.56, respectively. They both exceeded the \$1,500 and \$750 year-end balance respectively as allowed by *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 Afterschool Program Snack Account should not exceed \$1,500, and

South Olive Elementary School  
Management Letter  
Year Ended June 30, 2013

the Afterschool Program 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. Afterschool Program Director will comply moving forward.*

**PRENUMBERED DOCUMENTS**

**Finding**

The review of the *Document Custodian Assignment Register* (PBSD1663) revealed that the Afterschool Program Site Director was the custodian for Afterschool Program receipt books although the employee also used the prenumbered receipts for fee collections.

**Recommendation**

To ensure proper fiscal accountabilities and as required by *Internal Accounts Manual, Chapter 27*, the custodian for prenumbered form should be someone who is not involved in the day-to-day use of the form; and each assigned document custodian shall use the *Prenumbered Document Inventory Register* (PBSD 0160) to perform the periodic inventory of the prenumbered forms.

***Management's Response***

*Concur. A difference documents custodian was assigned.*

**Starlight Cove Elementary School**  
**Internal Fund Accounts**  
**Combining Statement of Changes in Cash and Investments – Cash Basis**  
**Year Ended June 30, 2013**

Address: 6300 Seminole Drive  
Lantana, FL 33462

Principal:  
Fiscal Year 2013: Susan Saint John  
During Audit: Susan Saint John

Treasurer:  
Fiscal Year 2013: Tracy Tartaglia  
During Audit: Tracy Tartaglia

Afterschool Site Director:  
Fiscal Year 2013: Christian Carrera  
During Audit: Christian Carrera

Cash and Investments

Checking	\$ 31,172.54
Investments	
	\$ 31,172.54

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	38.81	38.00	32.00	6.00	6.00	44.81
Classes	2,290.21	12,884.00	12,655.85	3,360.95	3,133.28	2,746.03
Clubs	289.95	5,027.50	4,464.54	471.00	461.18	862.73
Departments	3,051.95	9,963.50	9,650.95	1,530.32	1,545.32	3,349.50
Trusts	39,311.98	460,280.07	480,044.17	9,997.94	10,225.61	19,320.21
General	3,104.93	5,614.20	3,875.05	5.18	0.00	4,849.26
	\$ 48,087.83	\$ 493,807.27	\$ 510,722.56	\$ 15,371.39	\$ 15,371.39	\$ 31,172.54

Starlight Cove Elementary School  
Management Letter  
Year Ended June 30, 2013

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, 2013**

Address: 19400 Coral Ridge Road  
Boca Raton, FL 33498

Principal:  
Fiscal Year 2013: Alicia Steiger  
During Audit: Alicia Steiger

Treasurer:  
Fiscal Year 2013: Mary Beth Johnson  
During Audit: Mary Beth Johnson

Afterschool Site Director:  
Fiscal Year 2013: Rosanne Lasorsa  
During Audit: Rosanne Lasorsa

Cash and Investments

Checking	\$ 120,912.06
Investments	
	\$ 120,912.06

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	46.24	360.12	406.36	0.00	0.00	0.00
Classes	7,764.65	30,324.00	27,308.60	4,744.26	4,879.96	10,644.35
Clubs	440.03	349.80	419.00	0.00	100.00	270.83
Departments	33,125.85	29,969.86	27,569.95	12,200.60	11,839.40	35,886.96
Trusts	39,467.14	472,371.26	452,200.40	17,687.70	18,765.48	58,560.22
General	8,425.78	29,831.98	23,660.34	8,306.10	7,353.82	15,549.70
	\$ 89,269.69	\$ 563,207.02	\$ 531,564.65	\$ 42,938.66	\$ 42,938.66	\$ 120,912.06

## 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 timely. For example, \$370 collected through two sample MCRs (#324-5 and #311-14) were retained by the sponsors for two and three working days respectively, before it was turned in for deposit.
- MCRs were not always completed with the dates when the monies were collected.

### Recommendation

Money collections should be administered in accordance with District guidelines and *DOE Rules (Chapter 8 of the 2012 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 sponsors and result in potential irregularities.
- MCRs should contain all required information, including the date of monies collected before submitting the funds for deposit.

### Management's Response

*Concur. Met individually with the staff members that did not follow the correct internal accounts procedures. I also reviewed the expectations with all staff members at the onset of the 2014-2015 faculty/staff welcome back meeting. Sunrise Park Faculty handbook FY15 was also revised.*

*Additional Comments: I am confident that my staff members will adhere to the procedures outlined as we kick off the 2014-2015 school year, individual staff members (who were cited) in the audit also received clear expectations in a face to face forum with the principal immediately following the review of the audit findings.*

**Sunset Palms Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 8650 Boynton Beach Boulevard  
Boynton Beach, FL 33437

Principal:  
Fiscal Year 2013: Karen Riddle  
During Audit: Karen Riddle

Treasurer:  
Fiscal Year 2013: Jenny Weinerman  
During Audit: Jenny Weinerman

Afterschool Site Director:  
Fiscal Year 2013: Sheri Baumgardener  
During Audit: Sheri Baumgardener

Cash and Investments

Checking	\$ 79,604.52
Investments	
	\$ 79,604.52

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	424.07	2,272.33	2,129.93	140.93	140.93	566.47
Classes	15,531.94	58,430.01	57,571.69	9,449.85	10,610.03	15,230.08
Clubs	351.11	550.00	561.76	0.00	0.00	339.35
Departments	16,261.38	25,270.81	28,791.27	7,756.36	8,649.70	11,847.58
Trusts	56,582.10	947,773.42	967,378.60	187.25	3,096.35	34,067.82
General	17,305.83	14,090.68	18,805.91	9,667.62	4,705.00	17,553.22
	\$ 106,456.43	\$1,048,387.25	\$1,075,239.16	\$ 27,202.01	\$ 27,202.01	\$ 79,604.52



Sunset Palms Elementary School  
Management Letter  
Year Ended June 30, 2013

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, 2013**

Address: 5200 117th Court North  
Palm Beach Gardens, FL 33418

Principal:  
Fiscal Year 2013: Kathy Pasquariello  
During Audit: Kathy Pasquariello

Treasurer:  
Fiscal Year 2013: Marjorie Swisher  
During Audit: Marjorie Swisher

Afterschool Site Director:  
Fiscal Year 2013: Rhonda Heide  
During Audit: Rhonda Heide

Cash and Investments

Checking	\$ 70,934.69
Investments	
	\$ 70,934.69

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	1,151.01	1,178.68	78.09	50.42	0.00
Classes	0.00	29,985.65	29,858.50	4,880.79	5,007.94	0.00
Clubs	8,809.80	26,848.32	19,083.35	7,155.02	16,316.65	7,413.14
Departments	8,960.99	41,450.37	34,774.58	17,648.03	16,751.12	16,533.69
Trusts	34,759.87	727,798.12	729,237.06	14,807.52	3,702.60	44,425.85
General	4,509.49	8,768.51	7,975.27	5,563.71	8,304.43	2,562.01
	\$ 57,040.15	\$ 836,001.98	\$ 822,107.44	\$ 50,133.16	\$ 50,133.16	\$ 70,934.69

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

The review of sample disbursements and P-Card records found that Disbursement #10776 (for \$1,780.80) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*. Moreover, the *Purchase Order* for Disbursement #10035 (for \$1,144.55) was neither prepared by the sponsor nor approved by the Principal until 19 working days after the items were purchased.

### 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. All purchases should be pre-approved by the Principal.

### Management's Response

*Concur.*

## LEASING OF SCHOOL FACILITIES

### Finding

The review of leasing records for school facility found that:

- On December 18, 2012, the school received a \$593.60 check from the lessee for Lease #1003. The review found that this check was never deposited into the school's bank account. Subsequent to our discussion with staff, the school contacted and received from the lessee two replacement checks, totaling \$593.60, which were deposited into the school's bank account.
- Leasing charges were not always collected in a timely manner. For example, the January and February 2013 monthly rentals for Lease #1004 were not collected timely, with delays of five and three days respectively.

### Recommendation

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

- As required by *DOE Rules (Chapter 8 of the 2012 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)* 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 sponsors and result in potential irregularities.

Timber Trace Elementary School  
Management Letter  
Year Ended June 30, 2013

- **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.*

**U.B. Kinsey/Palmview Elementary School**  
**Internal Fund Accounts**  
**Combining Statement of Changes in Cash and Investments – Cash Basis**  
**Year Ended June 30, 2013**

Address: 800 11th Street  
West Palm Beach, FL 33401

Principal:  
Fiscal Year 2013: Adrienne Howard  
During Audit: Adrienne Howard

Treasurer:  
Fiscal Year 2013: Cathy Borden/Angelica Alvarez  
During Audit: Angelica Alvarez

Afterschool Site Director:  
Fiscal Year 2013: Cynthia Stubbs  
During Audit: Cynthia Stubbs

Cash and Investments

Checking	\$ 29,898.50
Investments	
	\$ 29,898.50

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	9,338.74	29,841.03	28,034.66	9,745.65	9,745.65	11,145.11
Classes	3,466.70	12,967.50	13,578.67	2,644.75	2,406.52	3,093.76
Clubs	3,208.16	15,738.82	15,059.30	8,696.41	8,236.41	4,347.68
Departments	758.13	2,262.26	2,648.17	0.00	0.00	372.22
Trusts	12,506.06	284,753.23	287,171.49	15,891.57	15,897.57	10,081.80
General	4,064.76	3,701.89	6,216.49	6.00	698.23	857.93
	\$ 33,342.55	\$ 349,264.73	\$ 352,708.78	\$ 36,984.38	\$ 36,984.38	\$ 29,898.50

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

Disbursement #4058 (for \$1,050) was for renting a bounce house for Field Day. However, the vendor's *Certificate of Insurance* inadvertently listed the School District, instead of the School Board, as the additional insured party for liability insurance coverage.

### Recommendation

To protect the School District from unwarranted liability, the School Board should be listed as the additional insured party since the School Board is a legal entity.

### *Management's Response*

*Concur. Procedures will be followed.*

## AFTERSCHOOL PROGRAM

### Finding

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

- The school provided Early Release Day Activity Program to students on the four PDD days during the school year. Based on the student attendance records, this program should have collected \$2,662.50 in estimated revenues for the four PDD days. Our review of the EZ Care database (the Afterschool Program's student information and accounting system) revealed that the \$2,662.50 program fees for the four PDD days were not collected from the parents. Moreover, the school incorrectly assessed 21 days, instead of 18 days, of program fees for November 2012, resulting in an overcharge of \$2,355 in program fees. As a result, the school undercharged and under-collected a net total of \$307.50 in Afterschool fees from parents.
- A \$173.50 credit adjustment to a parent account was made on December 10, 2012, without justification.
- As of June 30, 2013, the Afterschool Program had total accounts receivable of \$6,004.90 from 20 student accounts. Of the \$6,004.90 receivable balance, \$1,551.27 was past due for three to six months, and \$1,454.25 was past due for over six months.
- As of October 31, 2013, the Summer Camp program had an accounts receivable of \$12,830.42 from 55 students.

### Recommendation

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

- Afterschool Program fees, including PDD activities fees, should be collected in accordance with *Afterschool Programs Operational Manual*. Fee waivers, if any, should be approved by the Principal and properly documented.
- 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. Afterschool Programs Operational Manual will be reviewed by the Director and Principal.*

## LEASING OF SCHOOL FACILITIES

**Finding**

The *Certificate of Insurance* for Lease #1013 listed the School Board as the certificate holder, but it did not include the School Board as an additional insured party for liability insurance coverage.

**Recommendation**

To protect the School District from unwarranted liability and as required by *School Board Policy 7.18*, the School Board should be listed as the additional insured party on the lessee’s certificate of insurance.

***Management’s Response***

*Concur. Procedures will be followed for leasing of school facilities.*

**Verde Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 6590 Verde Trail  
Boca Raton, FL 33433

Principal:  
Fiscal Year 2013: Ira Margulies  
During Audit: Seth Moldovan

Treasurer:  
Fiscal Year 2013: Marie Steffes  
During Audit: Marie Steffes

Afterschool Site Director:  
Fiscal Year 2013: Jacob Lucarelli  
During Audit: Jacob Lucarelli

Cash and Investments

Checking	\$ 30,390.39
Investments	
	\$ 30,390.39

	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	0.00	\$0.00	\$0.00	\$0.00	\$0.00
Classes	115.77	12,302.75	11,055.98	569.75	1,932.29	0.00
Clubs	1,351.01	9,928.84	10,788.59	529.50	533.03	487.73
Departments	6,902.88	14,911.03	16,116.43	4,542.20	4,516.73	5,722.95
Trusts	11,398.64	559,756.54	552,802.83	896.89	896.89	18,352.35
General	3,208.41	12,711.26	11,432.91	5,061.42	3,720.82	5,827.36
	\$ 22,976.71	\$ 609,610.42	\$ 602,196.74	\$ 11,599.76	\$ 11,599.76	\$ 30,390.39



## SEGREGATION OF DUTIES

### **Finding**

During our audit, we noted that the bookkeeper was performing incompatible duties. In addition to maintaining the Internal Funds accounting records, the bookkeeper also used *Classroom Receipts* to collect monies from parents.

### **Recommendation**

To ensure fiscal accountability and prevent conflict of interest, segregation of duties should be enforced at the school. Specifically, responsibilities in collecting monies should be performed the activity sponsors, instead of the bookkeeper.

### ***Management's Response***

*Concur. Segregation of duties will be enforced at the school. Activity sponsors will be responsible for collecting the monies, not the bookkeeper.*

## DOCUMENTATION FOR DISBURSEMENTS

### **Finding**

The review of sample disbursements and P-Card transaction records found that Disbursement #12868 (for \$68.53) was for reimbursing a staff for school purchases. However, this disbursement was not supported by itemized invoices or receipts; instead, it was supported by a copy of the staff's personal bank statement, which only contains the merchant's name without the details for items purchased.

### **Recommendation**

Disbursement procedures should be administered in accordance with *Internal Accounts Manual*. To ensure that purchases are appropriate, disbursements 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. All disbursements will be supported by an itemized invoice or receipt.*

**Washington Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 1709 West 30th Street  
Riviera Beach, FL 33404

Principal:  
Fiscal Year 2013: Sandra Edwards  
During Audit: Sandra Edwards

Treasurer:  
Fiscal Year 2013: Cynthia Kunjbehari  
During Audit: Cynthia Kunjbehari

Afterschool Site Director:  
Fiscal Year 2013: Demetria White  
During Audit: Demetria White

Cash and Investments

Checking	\$ 15,137.86
Investments	
	\$ 15,137.86

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	731.86	69.00	420.98	69.00	219.00	229.88
Classes	571.62	2,613.00	2,914.11	0.00	0.00	270.51
Clubs	372.67	6,168.08	5,279.86	2,856.61	4,069.68	47.82
Departments	815.34	1,113.05	319.09	1,364.27	1,017.00	1,956.57
Trusts	6,650.06	128,657.63	125,079.95	1,598.53	1,074.66	10,751.61
General	2,602.03	8,608.31	9,820.80	573.23	81.30	1,881.47
	\$ 11,743.58	\$ 147,229.07	\$ 143,834.79	\$ 6,461.64	\$ 6,461.64	\$ 15,137.86

## AFTERSCHOOL AND SUMMER CAMP PROGRAMS

### Finding

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

- As of August 30, 2013, the school's 2013 Summer Camp Program had a total accounts receivable balance of \$5,555.99 from 24 student accounts.
- The *Weekly Full Time Equivalent Reports (FTE Report)* were missing for November 2012, December 10 through 21, 2012, January 14 through 31, 2013, February 4 through 15, 2013, March 2013, and May through June 2013.

### Recommendation

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

- 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.*"
- All Afterschool and Summer Camp Program records, including student *FTE Reports*, and attendance records should be retained for a time period consistent with *Afterschool Programs Operational Manual* and District *Record Retention Schedule*.

### Management's Response

*Concur.*

## LEASING OF SCHOOL FACILITIES

### Finding

The review of leasing for school facilities found that leasing charges were not always collected timely. For example, the leasehold period for Lease #1002 began on February 14, 2013; however, the rentals were not collected until February 19, 2013, five days after the leasehold period began.

### Recommendation

As required by *School Board Policy 7.18*, "*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.*

**Waters Edge Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 21601 Shorewind Drive  
Boca Raton, FL 33428

Principal:  
Fiscal Year 2013: Dianne Rivelli-Schreiber  
During Audit: Dianne Rivelli-Schreiber

Treasurer:  
Fiscal Year 2013: Eileen Cuffari  
During Audit: Eileen Cuffari

Afterschool Site Director:  
Fiscal Year 2013: Marie Gavino  
During Audit: Marie Schonger

Cash and Investments

Checking	\$ 50,551.86
Investments	
	\$ 50,551.86

	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	290.00	288.47	0.00	1.53	0.00
Classes	0.00	86,921.97	81,466.85	1,699.11	7,154.23	0.00
Clubs	0.00	330.00	305.03	0.00	24.97	0.00
Departments	14,642.81	18,318.61	19,921.78	8,788.31	8,257.24	13,570.71
Trusts	27,251.29	497,859.86	503,083.71	7,827.34	9,010.29	20,844.49
General	20,240.11	22,059.78	32,296.73	16,291.76	10,158.26	16,136.66
	\$ 62,134.21	\$ 625,780.22	\$ 637,362.57	\$ 34,606.52	\$ 34,606.52	\$ 50,551.86

## DOCUMENTATION FOR FUNDRAISER

### **Finding**

The Enjoy the City Coupon Book Sales (Account #6-4000.01) collected a total of \$12,070 in sales revenues which was deposited into the Internal Funds. The school's records indicated that 33 coupon books, with a total resale value of \$600 (or 5% of total revenue), were either missing or given-away free-of-charge. However, documentation was not maintained as to who received the given-away items.

### **Recommendation**

To ensure proper fiscal accountability and accurate reconciliation of sales revenues for each fundraiser, the school should maintain proper documentation of all persons who received given-away items. Students not returning items given for resale should be put on the obligation list until amounts owed are paid.

### ***Management's Response***

*Concur. We will maintain proper documentation of all items sold and donated. Students not returning items will be placed on the obligations list.*

**Wellington Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 13000 Paddock Drive  
Wellington, FL 33414

Principal:  
Fiscal Year 2013: Eugina Smith Feaman  
During Audit: Eugina Smith Feaman

Treasurer:  
Fiscal Year 2013: Laurie Maglocco  
During Audit: Laurie Maglocco

Afterschool Site Director:  
Fiscal Year 2013: Lindsay Oerter  
During Audit: Lindsay Oerter

Cash and Investments

Checking	\$ 52,808.95
Investments	
	\$ 52,808.95

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	982.31	432.00	817.86	50.28	50.28	596.45
Classes	1,869.13	15,831.98	15,348.66	1,968.89	2,858.02	1,463.32
Clubs	2,112.01	500.00	0.00	0.00	0.00	2,612.01
Departments	10,426.62	29,101.27	31,755.42	7,748.87	7,630.60	7,890.74
Trusts	35,443.62	419,568.14	420,240.70	9,169.22	9,540.05	34,400.23
General	5,074.26	22,944.35	23,314.10	3,645.54	2,503.85	5,846.20
	\$ 55,907.95	\$ 488,377.74	\$ 491,476.74	\$ 22,582.80	\$ 22,582.80	\$ 52,808.95

**DOCUMENTATION FOR FUNDRAISERS**

**Finding**

The review of fundraiser records found that:

- The Student Planners/Agendas Sales (Account #7-0100.02) had a total of \$2,661.13 in sales revenues deposited into the Internal Funds during the year. However, based on the school’s purchasing records, the *Sales Item Inventory Report* for School Year 2013, and our examination of physical inventory during the audit, this fundraiser should have generated a total estimated revenue of \$3,335.06. As a result, \$673.87 (or 20%) in estimated revenue was unaccounted for.

Item	Quantity					Selling Price	Revenues
	Beginning Inventory <sup>(1)</sup>	Purchases <sup>(2)</sup>	Items Given Away <sup>(1)</sup>	Inventory On Hand <sup>(3)</sup>	Units Sold		
Agendas	0	815	8	140	667	\$5	\$3,335.00
Total Estimated Revenues							\$3,335.00
Total \$ Deposited into Internal Funds							\$2,661.13
<b>Estimated Revenues Unaccounted For</b>							<b>\$673.87</b>

- (1) Based on *FY13 Sales Item Inventory Report*.
- (2) Based on purchasing records during July 1, 2012, and June 30, 2013.
- (3) Based on our examination of physical inventory on March 4, 2014.

**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 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. Significant discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.
- Merchandises purchased with school funds and provided free-of-charge to students, staff members or the community should be adequately documented. Records for give-away should include the purposes and the names of the recipients.

**Management’s Response**

*Concur. Additional training and inventory paperwork for teachers selling and collecting agendas will be put in place for coming year.*

## DOCUMENTATION FOR DISBURSEMENTS

### **Finding**

The review of sample disbursements and P-Card purchase records revealed that a \$5,832 P-Card purchase occurred on April 26, 2013, was supported by a credit card sales receipt, which did not have the information for the items purchased.

### **Recommendation**

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

### ***Management's Response***

*Concur. P-Card user was relatively new to Afterschool Director position and though had a receipt it was not itemized. She has been advised of the requirement for an itemized receipt and has done so since.*

## LEASING OF SCHOOL FACILITIES

### **Finding**

The review of records for leasing of school facilities found that *Lease Agreement* #1008 was for the use of facilities by the lessee between October 2, and December 12, 2012. However, the Agreement was not approved by the Principal until October 23, 2012, and not signed by the lessee and the witness until November 2, 2012, with delays ranging from 21 to 31 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, to ensure *Lease Agreements* are legally enforceable, *Lease Agreements* should be properly executed with all the required signatures and dates prior to the use of facilities by lessees.

### ***Management's Response***

*Concur. Lease designee received training and reminder to submit lease to Principal prior to start of lease. The use of Tririga and electronic signature by Principal has corrected this issue.*



**West Gate Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 1545 Loxahatchee Drive  
West Palm Beach, FL 33409

Principal:  
Fiscal Year 2013: Patricia Ordonez-Feliciano  
During Audit: Patricia Ordonez-Feliciano

Treasurer:  
Fiscal Year 2013: Lissette Miranda  
During Audit: Lissette Miranda

Afterschool Site Director:  
Fiscal Year 2013: Lisdey Padron  
During Audit: Lisdey Padron

Cash and Investments

Checking	\$ 21,586.78
Investments	
	\$ 21,586.78

	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	1,132.54	2,837.14	2,965.00	962.14	962.14	1,004.68
Clubs	1,415.51	17,071.18	16,176.26	5,971.30	5,971.30	2,310.43
Departments	1,695.31	7,058.95	5,597.45	1,314.46	1,443.27	3,028.00
Trusts	10,688.89	247,441.04	247,906.63	884.88	757.45	10,350.73
General	4,570.54	13,367.05	13,357.02	4,713.17	4,711.79	4,581.95
	\$ 19,813.78	\$ 287,775.36	\$ 286,002.36	\$ 13,845.95	\$ 13,845.95	\$ 21,586.78

## DOCUMENTATION FOR DISBURSEMENTS

### **Finding**

The review of sample disbursements and P-Card records found that three P-Card transactions (totaling \$1,379.31) were for payments of expenses during two Summer Camp field trips. However, the related *Field Trip/Activity Planning Report and Approval Requests* were not approved by the Principal until 10 and 12 working days after the field trips took place.

### **Recommendation**

Field trips should be administered in accordance with *School Board Policy 2.40* and pre-approved by the Principal with adequate documentation.

### **Management's Response**

*Concur. New Afterschool Director has been trained and instructed to complete filed trip form following School board policy.*

## LEASING OF SCHOOL FACILITIES

### **Finding**

The review of leasing activities found that charges for Lease #1003 were not collected prior to the use of facilities, with a delay of seven 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. Met with bookkeeper to review School Board Policy 7.18 to avoid future incidents.*

## AFTERSCHOOL PROGRAM

### **Finding**

The review of Afterschool Program records found that as of June 30, 2013, the Afterschool Program had a total accounts receivable of \$3,173.55 (from 31 student accounts); and the Summer Camp Program had a total receivable of \$1,080.98 (from 19 student accounts). Moreover, \$2,637.55 of the \$3,173.55 in accounts receivable for the Afterschool Program 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, 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. Met with Afterschool Director and district Director for Afterschool Programs to review procedures required in Afterschool Programs Operational Manual. In addition to reviewing Policies and Afterschool Programs Operational Manual, school Afterschool Director is receiving additional support.*

**West Riviera Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 1057 West 6th Street  
Riviera Beach, FL 33404

Principal:  
Fiscal Year 2013: Tonja Lindsey-Latson  
During Audit: Tonja Lindsey-Latson

Treasurer:  
Fiscal Year 2013: Anita Porter  
During Audit: Anita Porter

Afterschool Site Director:  
Fiscal Year 2013: Taneisha Johnson  
During Audit: Jasmin Reed

Cash and Investments

Checking	\$ 9,090.00
Investments	
	\$ 9,090.00

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00
Classes	0.00	4,756.50	4,306.00	3,484.50	3,484.50	450.50
Clubs	0.00	0.00	408.40	408.40	0.00	0.00
Departments	0.01	2,349.18	2,304.42	1,857.01	1,857.01	44.77
Trusts	10,475.72	112,713.69	115,310.88	7,178.81	7,180.81	7,876.53
General	0.00	2,018.90	894.30	1,007.00	1,413.40	718.20
	\$ 10,475.73	\$ 121,838.27	\$ 123,224.00	\$ 13,935.72	\$ 13,935.72	\$ 9,090.00

## 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 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.*

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of fundraiser documentation revealed that the Safety Patrol Candy Sale (Account #6-4000.06) had the following observations:

- This fundraiser was conducted during October 22, 2012, through January 22, 2013. However, the *Fundraising Application/Recap Form* was not approved by the Principal until June 22, 2013.
- A total of \$2,326.27 in sales revenues was deposited into the Internal Funds. However, based on the school's purchasing records and the *Sales Item Inventory Report*, this fundraiser should have generated a total estimated revenue of \$2,809. As a result, \$482.73 (or 17%) in estimated revenue was unaccounted for.

Item	Quantity					Selling Price	Revenues
	Beginning Inventory <sup>(1)</sup>	Purchases <sup>(2)</sup>	Items Given Away <sup>(1)</sup>	Inventory On Hand	Units Sold		
Candy	0	2,880	71	0	2,809	\$1	\$2,809.00
Total Estimated Revenues							\$2,809.00
Total \$ Deposited into Internal Funds							\$2,326.27
<b>Estimated Revenues Unaccounted For</b>							<b><u>\$482.73</u></b>

(1) Based on *FY13 Sales Item Inventory Report*.

(2) Based on purchasing records during July 1, 2012, and June 30, 2013.

### 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 so that sales revenues can be reconciled; and purchased items, give-away items, and ending inventory can be accounted for. Significant discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.

***Management's Response***

*Concur.*

**DOCUMENTATION FOR DISBURSEMENTS**

**Finding**

A \$1,650 P-Card purchase occurred on April 12, 2013, exceeded the \$1,000 per vendor daily limit. However, this transaction did not have the prior approval from the Purchasing Department nor a Principal's approved *Purchase Order*.

**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 from the Purchasing Department.
- *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.*

**LEASING OF SCHOOL FACILITIES**

**Finding**

The review of school facilities leasing records found that:

- *Lease Agreements* #1007 and #1004 were not signed by the lessees, witnesses, and the Principal until three and 59 days respectively after the leasehold periods began.

West Riviera Elementary School  
Management Letter  
Year Ended June 30, 2013

- The *Certificates of Insurance* for three leases (#1001, #1002 and #1007) 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,

- 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*, the School Board should be listed as the additional insured party on the lessee's certificate of insurance.

*Management's Response*

*Concur.*

**Westward Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 1101 Golf Avenue  
West Palm Beach, FL 33401

Principal:  
Fiscal Year 2013: Bobbie Brooks  
During Audit: Bobbie Brooks

Treasurer:  
Fiscal Year 2013: Gwen Hutley  
During Audit: Gwen Hutley

Afterschool Site Director:  
Fiscal Year 2013: Katrina Long  
During Audit: Tamara Pierre

Cash and Investments

Checking	\$ 17,964.96
Investments	
	\$ 17,964.96

	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	959.06	8,111.00	8,926.27	1,536.00	939.50	740.29
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	300.05	121.41	169.17	0.00	0.86	251.43
Trusts	9,386.61	159,475.15	156,659.00	4,616.27	4,933.11	11,885.92
General	8,424.53	2,164.80	5,223.21	35.70	314.50	5,087.32
	\$ 19,070.25	\$ 169,872.36	\$ 170,977.65	\$ 6,187.97	\$ 6,187.97	\$ 17,964.96



## DEPOSIT OF MONIES

### Finding

Monies collected were not always deposited in a timely manner. For example, \$795 collected through MCR #368-1 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 2012 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 collections. Delay in turning in the monies for deposit could increase the exposure to sponsors and result in potential irregularities.

### Management's Response

*Concur. Develop a fundraiser checklist that will need to be checked off and signed by the fundraising sponsor prior to approval.*

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The PTO T-shirt Sales (Account #6-3300.01) did not have the Principal's approved *Fundraising Application/Recap Form* and *Sales Item Inventory Report*. Without documentation for sales information such as selling prices, quantities sold, and inventory counts, there is no assurance that all sales revenues were properly accounted for.

### Recommendation

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. Significant discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.

### Management's Response

*Concur. Write out a plan of communication and inventory of PTO shirts that will be given to front office, the community resource person, the PTO president and the bookkeeper.*

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

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

- The September 7, 2012, *School District Consultant Agreement (PBSD 1420)* was for hiring of a consultant to provide professional services to the Afterschool Program on September 13, 2012. The *Agreement* had a maximum contract amount of \$325. However, according to the school's accounting records, the school paid this consultant a total of \$475 through two disbursements (#10630 and #10693). As a result, the total expenses exceeded the contract amount by \$150.
- Two P-Card purchases occurred on December 6 and 12, 2012, included a payment of \$9.20 in sales tax.

### **Recommendation**

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

- 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.
- The School District is a tax-exempt governmental entity, and should not pay sales tax for eligible purchases

### **Management's Response**

*Concur. Afterschool Director non-reappointed.*

## **LEASING OF SCHOOL FACILITIES**

### **Finding**

The review of records for school facility leasing found that:

- 14 leasing arrangements were recorded in the Tririga computer system. However,
  - The school did not have the hard copy of the executed *Lease Agreements* for six (#1001, #1008, #1009, #1013, #1016, and #1017) of them.
  - 10 of the leases (#1001, #1003, #1004, #1005, #1006, #1008, #1009, #1013, #1016, and #1017) did not have proof of liability insurance coverage.
- A comparison of the *General Ledger* and the Tririga records indicated that as of June 30, 2013, a total of \$402.60 in rental charges had not been collected from two leases (\$303 for Lease #1001 and \$99.60 for Lease #1013).

### **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. Moreover, all leasing of school facilities should be recorded and processed by 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.
- As required by **School Board Policy 7.18**, “*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. Assistant Principal will do monthly checks to ensure that hard copies of leases and liability waivers are filed and match the records in Tririga.*

## **AFTERSCHOOL PROGRAM**

### **Finding**

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

- Student attendance records for the period August 2012, through March 2013 were missing.
- The *Full time Equivalency Reports* for August 2012 through June 2013 were missing.
- The \$25 registration fee was not collected for four (80%) of the five sample accounts.
- As of June 30, 2012, the Afterschool Program had an accounts receivable balance of \$3,731.33 from 31 student accounts. Moreover, all the accounts were past due for more than 30 days.

### **Recommendation**

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

- Afterschool Program should be self-sufficient supported by user fees. To ensure fiscal accountability, all program fees, including registration fees, should be collected in accordance with the District’s approved ***Rate Schedule***. Moreover, ***Afterschool Programs Operational Manual***, requires that “*fees are payable in advance and are collected monthly on the first three school days of the month.*”
- All records, including student attendance, parent sign-out records, and *Full Time Equivalency Reports*, should be retained for a time period consistent with the ***Afterschool Programs Operational Manual*** and District’s ***Record Retention Schedule***.

***Management's Response***

*Concur. Non-reappointed the Afterschool Director.*

**PRENUMBERED DOCUMENTS**

**Finding**

The school assigned the Afterschool Site Director as the document custodian for the *SACC Receipt Books*, although the staff was also using the receipts for collecting fees from students and parents.

**Recommendation**

To ensure proper fiscal accountability through segregation of duties and 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. Non-reappointed the Afterschool Director.*

**Whispering Pines Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 9090 Spanish River Boulevard  
Boca Raton, FL 33496

Principal:  
Fiscal Year 2013: Dr. Walter Cornell / Barbara Riemer  
During Audit: Barbara Riemer

Treasurer:  
Fiscal Year 2013: Danyalle Torres  
During Audit: Danyalle Torres

Afterschool Site Director:  
Fiscal Year 2013: Christine Sims  
During Audit: Christine Sims

Cash and Investments

Checking	\$ 30,048.59
Investments	
	\$ 30,048.59

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	71.50	64.00	0.00	1.50	6.00
Classes	216.89	21,158.10	19,886.37	2,416.99	2,247.99	1,657.62
Clubs	835.36	4,808.10	4,417.02	1,761.27	1,461.27	1,526.44
Departments	4,363.32	16,947.65	17,949.45	4,453.16	4,451.66	3,363.02
Trusts	13,056.90	409,182.67	398,214.70	4,374.00	5,443.22	22,955.65
General	1,918.08	8,089.47	10,067.91	1,403.04	802.82	539.86
	\$ 20,390.55	\$ 460,257.49	\$ 450,599.45	\$ 14,408.46	\$ 14,408.46	\$ 30,048.59

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of fundraiser records revealed that the Relay for Life T-shirt Sales (#4-4810.01) did not have the required *Sales Item Inventory Report*.

### Recommendation

To ensure proper fiscal accountability, *Sales Item Inventory Report* should be completed with accurate information so that sales revenues can be reconciled to items purchased, given away, or remained in inventory. Moreover, significant discrepancies, if any, between the estimated revenue and actual receipt should be investigated and resolved accordingly.

### Management's Response

*Concur. We will share with the staff proper procedures for completing Sales Item Inventory Report.*

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

The review of sample disbursements and P-Card documentation found that Disbursement #7073 (for \$720) was for payment to a consultant for providing science experiment activities for 2<sup>nd</sup> grade classes. However, the payment was not supported by a *School District Consultant Agreement*.

### Recommendation

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 consultants, who work on school campus, have passed the required background and clearance check as required by *Florida Statutes §1012.465*.

### Management's Response

*Concur. The School District Consultant Agreement (PBSD 1420) will be properly executed in the future. This information will be shared with the staff.*

**Additional comments:** *The current principal was not the principal during the fiscal year in which these findings took place. She currently is the principal and will share the necessary info with staff to ensure proper procedures and policies are followed.*

**Wynnebrook Elementary School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 1167 Drexel Road  
West Palm Beach, FL 33417

Principal:  
Fiscal Year 2013: Jeffrey Pegg  
During Audit: Jeffrey Pegg

Treasurer:  
Fiscal Year 2013: Edna Legister-Minor  
During Audit: Edna Legister-Minor

Afterschool Site Director:  
Fiscal Year 2013: Maurice Berry  
During Audit: Maurice Berry

Cash and Investments

Checking	\$ 21,219.46
Investments	
	\$ 21,219.46

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	44.52	235.00	228.00	0.00	51.52	0.00
Classes	0.00	1,727.00	1,462.00	252.00	517.00	0.00
Clubs	1,163.27	3,996.95	2,897.34	544.74	1,605.39	1,202.23
Departments	1,248.99	2,922.97	2,473.68	391.00	450.00	1,639.28
Trusts	18,442.19	236,413.18	240,782.08	6,328.83	5,528.37	14,873.75
General	3,615.21	3,818.06	4,564.78	635.71	0.00	3,504.20
	\$ 24,514.18	\$ 249,113.16	\$ 252,407.88	\$ 8,152.28	\$ 8,152.28	\$ 21,219.46

Wynnebrook Elementary School  
Management Letter  
Year Ended June 30, 2013

This audit revealed no material instances of noncompliance.



# Middle Schools

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Middle Schools  
**All Schools**  
 Summary of Audit Findings  
 FY 2013 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 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	
<b>AREA 4 MIDDLE (7 schools)</b>																																				
Bak Middle School of the Arts															√							√													3	
Bear Lakes Middle																				√		√												√	5	
Howell L. Watkins Middle															√		√																	√	3	
Independence Middle										√																		√								2
John F. Kennedy Middle									√		√	√					√				√	√	√											√	9	
Jupiter Middle		√																		√	√			√									√		4	
Watson B. Duncan Middle									√											√	√		√										√	√	6	
<b>North Area Total</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>32</b>	
<b>AREA 5 MIDDLE (8 schools)</b>																																				
Conniston Middle																																		√	1	
Crestwood Middle									√						√		√																√		4	
Jeaga Middle			√						√	√	√				√	√																	√		7	
Roosevelt Middle	√	√																			√	√	√									√			5	
<b>Central Area Total</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>17</b>	
<b>ALL AREAS (33 schools)</b>																																				
<b>Total</b>	<b>3</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>3</b>	<b>9</b>	<b>0</b>	<b>5</b>	<b>1</b>	<b>0</b>	<b>12</b>	<b>12</b>	<b>7</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>24</b>	<b>3</b>	<b>4</b>	<b>1</b>	<b>4</b>	<b>128</b>	

**Bak Middle School of the Arts**  
**Internal Fund Accounts**  
**Combining Statement of Changes in Cash and Investments – Cash Basis**  
**Year Ended June 30, 2013**

Address: 1725 Echo Lake Drive  
West Palm Beach, FL 33407

Principal:  
Fiscal Year 2013: Sally Rozanski  
During Audit: Sally Rozanski

Treasurer:  
Fiscal Year 2013: Cathleen Spring  
During Audit: Cathleen Spring

Cash and Investments

Checking	\$ 340,805.26
Investments	
	\$ 340,805.26

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 2,851.58	\$ 17,486.00	\$ 12,282.05	\$ 4,410.96	\$ 4,410.96	\$ 8,055.53
Music	102,285.75	428,065.53	413,239.02	91,029.28	87,620.24	120,521.30
Classes	4,335.48	20,065.00	19,870.30	1,873.62	1,873.62	4,530.18
Clubs	11,484.23	60,555.10	51,314.98	21,941.18	30,929.12	11,736.41
Departments	145,385.49	343,637.12	362,820.06	77,263.76	74,368.85	129,097.46
Trusts	60,978.97	253,906.42	264,016.19	5,754.71	6,999.76	49,624.15
General	12,994.01	59,206.11	58,888.93	19,669.13	15,740.09	17,240.23
	\$ 340,315.51	\$1,182,921.28	\$1,182,431.53	\$ 221,942.64	\$ 221,942.64	\$ 340,805.26

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of fundraiser records found that:

- There were no *Sales Item Inventory Reports* for the Language Arts Vocabulary Books Sale (Account #5-1500.01) and the General Activity Planners Sale (Account #7-0100.02).
- The General Activity Planners Sale (Account #7-0100.02) had a total of \$9,295 in sales revenue 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 \$14,400. As a result, \$5,105 (or 35%) in estimated revenue was unaccounted for. According to staff, every student received a planner whether or not the student paid the cost of the planner. However, there was no documentation showing how many planners were given-away in this manner, and who received the free items.

### 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 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, if any, between the estimated revenue and actual receipt should be investigated and resolved accordingly.

### Management's Response

*Concur. We will complete Sales Item Inventory Report for "LA Vocabulary Sale" and General Activity Planners Sale.*

## 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,

- \$655 collected through MCR #397-2 was retained by the sponsor for two working days before the monies were put into the school's drop-safe for deposit.
- \$5,355 collected through five MCRs (#360-11, #360-27, #393-4, #397-2 and #418-7) were not timely processed by the bookkeeper until eight to 11 working days after the monies were put into the drop-safe by the sponsors.

**Recommendation**

*DOE Rules (Chapter 8 of the 2012 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 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.

**Management’s Response**

*Concur. Bookkeeper will provide guidance to teachers and provide professional development. Bookkeeper will be given assistance when “large” amount of drops have been completed by sponsors.*

**LEASING OF SCHOOL FACILITIES**

**Finding**

The *Certificates of Insurance* for Lease #1003 listed the School District, instead of the School Board, as the certificate holder and additional insured party for liability coverage as required by *School Board Policy 7.18*.

**Recommendation**

*School Board Policy 7.18*, requires that lessees must “provide a copy of liability insurance policy in the amount of \$1,000,000.00, naming the School Board of Palm Beach County as a certificate holder and as an additional insured, with the Lease Agreement or purchase liability insurance from the School District.”

**Management’s Response**

*Concur. Leases will reflect “School Board of Palm Beach County.”*

*Additional comments: We appreciate the guidance in these matters. We will do our best to adhere to all rules and regulations. We are a “high volume” school when it comes to funds collected, travel, and field trips (like many smaller high schools).*

**Bear Lakes Middle School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 3505 Shenandoah Boulevard  
West Palm Beach, FL 33409

Principal:  
Fiscal Year 2013: Kirk Howell  
During Audit: Kirk Howell

Treasurer:  
Fiscal Year 2013: Elena Santis  
During Audit: Martha Rivera Guzman

Cash and Investments

Checking	\$ 26,465.87
Investments	
	\$ 26,465.87

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 121.00	\$ 2,286.90	\$ 1,678.31	\$ 752.72	\$ 873.72	\$ 608.59
Music	1,691.02	4,582.42	5,905.53	550.00	553.05	364.86
Classes	1,688.25	3,976.00	4,545.81	993.30	1,118.44	993.30
Clubs	908.43	2,446.80	2,668.93	747.80	747.80	686.30
Departments	3,773.41	13,577.40	12,785.40	2,853.37	2,853.37	4,565.41
Trusts	36,692.86	43,966.77	62,404.67	909.50	1,483.97	17,680.49
General	1,532.26	4,105.00	4,894.00	2,830.46	2,006.80	1,566.92
	\$ 46,407.23	\$ 74,941.29	\$ 94,882.65	\$ 9,637.15	\$ 9,637.15	\$ 26,465.87



## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of the Yearbook Sales (Account #5-0450.00) found that:

- It did not have the required *Sales Item Inventory Report*.
- The school printed 201 Yearbooks at a total cost of \$4,665.05. However, the school collected a total of \$2,655 in sales revenues for this fundraiser, resulting in a deficit of \$2,011.05.
- Based on the purchasing records and our examination of the physical inventory (92 remained in inventory) during the audit, this fundraiser should have generated a total estimated revenue of \$3,165. However, only \$2,655 in sales revenue was deposited into the Internal Funds. Consequently, \$510 (or 16%) in estimated revenue was unaccounted for.

### Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. To ensure fiscal accountability and self-sufficiency,

- *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.
- 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. Procedures will be discussed with staff and implemented.*

## LEASING OF SCHOOL FACILITIES

### Finding

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

- The *Certificates of Insurance* for Leases #1013 and #1015 did not include the School Board as an additional insured party for liability insurance coverage.
- *Lease Agreements* #1004 and #1016 were not signed by the lessees, the witnesses, and the Principal until after the leasehold period began. Delays ranged from 12 to 50 days.

- Leasing charges were not always collected in a timely manner. For example, the leasing charges for Leases #1001, #1011, and #1008 were not collected until one to six months 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,

- **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 help ensure that the School Board is protect from unwarranted liability.
- 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.
- As required by **School Board Policy 7.18**, “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 will be discussed with staff and implemented.*

## **PRENUMBERED DOCUMENTS**

### **Finding**

During the audit, we noted that the school did not maintain the *Prenumbered Document Inventory Register* for school checks and *Drop-safe Log*.

### **Recommendation**

To ensure all prenumbered documents are properly accounted for, **Internal Accounts Manual, Chapter 27**, requires that each prenumbered documents 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. Procedures will be discussed with staff and implemented.*

**Boca Raton Middle School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 1251 N.W. 8th Street  
Boca Raton, FL 33486

Principal:  
Fiscal Year 2013: Peter Slack  
During Audit: Peter Slack

Treasurer:  
Fiscal Year 2013: Jeannine Balbier  
During Audit: Jeannine Balbier

Community School Director:  
Fiscal Year 2013: Margaret McDonalds  
During Audit: Lydia Carreiro

Cash and Investments

Checking	\$ 179,173.25
Investments	
	\$ 179,173.25

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 3,231.40	\$ 12,227.85	\$ 8,422.72	\$ 12,228.75	\$ 7,228.75	\$ 12,036.53
Music	3,978.83	72,889.66	67,899.43	15,895.81	15,795.81	9,069.06
Classes	4,834.17	17,588.00	17,993.00	0.00	4,116.17	313.00
Clubs	3,963.01	28,112.39	26,981.51	8,085.28	7,911.63	5,267.54
Departments	44,703.63	92,318.85	82,034.63	32,926.27	35,926.65	51,987.47
Trusts	78,491.24	219,088.58	224,785.56	5,479.76	8,407.29	69,866.73
General	42,540.47	36,911.38	53,589.36	15,841.96	11,071.53	30,632.92
	\$ 181,742.75	\$ 479,136.71	\$ 481,706.21	\$ 90,457.83	\$ 90,457.83	\$ 179,173.25

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of sample fundraiser documentation found that the Physical Education Uniform Sales (Account #5-1900.02) had a total revenue of \$14,019 deposited into the Internal Funds during School Year 2013. As indicated by the sponsor on the *Sales Item Inventory Report*, 39 shirts and 37 shorts were given-away free-of-charge. These give-away items had a total resale value of \$945, or 7% of the total estimated revenue. However, no documentation was maintained for the purposes and recipients of these give-away 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 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.
- 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 the recipients.

### Management's Response

*The PE Uniforms (shorts and shirts) were given to needy students, but an accurate listing of each student given the donation was not kept by the PE Coaches. An accurate listing will be kept in the future for all donated PE Uniforms (shorts and shirts). Boca Raton Community Middle School has a large number of needy students, so it is necessary every year to assist those students and families in need with donated uniforms and other materials.*

## DEPOSIT OF MONIES

### Finding

As reported by the bookkeeper, one (#11-46951) of the pages of the *Drop Safe Log* was missing.

### Recommendation

To ensure proper fiscal accountability and as required by *Bulletin# P-14D51-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. Someone removed the page off the drop-safe log and there were no deposits listed on it. All future completed drop-safe logs will be filed sequentially in numerical order in a binder and retained for five years.*

**DOCUMENTATION FOR DISBURSEMENTS**

**Finding**

Disbursement #12753 (for \$4,998) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *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. The check was issued to Premier Agenda. All future purchase orders will be approved by the Principal and issued for purchases in excess of \$1,000.*

**ADULT EDUCATION AND COMMUNITY SCHOOL PROGRAMS**

**Finding**

The review of the Adult Education and Community School Programs records found that:

- District procedures require that community school fees be transmitted to the Central Office within 42 days after the classes begin. However, the fees for the Winter 2013, Spring 2013, and Summer 2013 terms were not timely transmitted to the Central Office, with a delay of three, seven, and eight 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 fees collected during August, September, and December 2013, were not timely transmitted to the Central Office, with delays of 34, 17, and 13 days, respectively.

**Recommendation**

In order to provide immediate available funding 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. Adult Education and Community School Programs, fees collected from these programs will be timely transmitted to the Central Office.*

**LEASING OF SCHOOL FACILITIES**

**Finding**

The review of school facility leasing records found that leasing charges were not always collected in a timely manner. For example, the leasing charges for four sample leases (#s 1029, 1062, 1082, and 1102) were not collected until one to eight days after the leasehold periods began.

**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. All leasing charges will be collected in a timely manner prior to leaseholders period began.*

**Carver Middle School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 101 Barwick Road  
Delray Beach, FL 33445

Principal:  
Fiscal Year 2013: Lena Roundtree-Wallace  
During Audit: Kiwana Alexander-Prophete

Treasurer:  
Fiscal Year 2013: JoAnne Hopkins  
During Audit: JoAnne Hopkins

Cash and Investments

Checking	\$ 40,524.73
Investments	
	\$ 40,524.73

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 4,216.57	\$ 5,357.25	\$ 5,004.45	\$ 3,881.25	\$ 3,881.25	\$ 4,569.37
Music	4,645.43	45,875.62	45,767.54	9,827.57	9,802.57	4,778.51
Classes	0.00	0.00	0.00	0.00	0.00	0.00
Clubs	9,090.38	34,932.01	35,893.05	6,505.71	7,135.89	7,499.16
Departments	10,548.38	6,439.10	7,662.80	3,340.18	5,798.29	6,866.57
Trusts	20,993.24	32,007.55	37,005.37	3,000.00	4,191.89	14,803.53
General	4,272.42	3,227.21	9,747.22	7,335.42	3,080.24	2,007.59
	\$ 53,766.42	\$ 127,838.74	\$ 141,080.43	\$ 33,890.13	\$ 33,890.13	\$ 40,524.73

## DEPOSIT OF MONIES

### Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process found that monies were not always deposited in a timely manner. For example, \$1,121.13 (\$984.13 in cash and \$137 in checks) collected through three MCRs (#332-0412, #291-0080 and #321-0340) was retained by the sponsors for one to three working days before it was put into the drop-safe for deposit.

### Recommendation

As required by *DOE Rules (Chapter 8 of the 2012 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)* 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 sponsors and result in potential irregularities.

### Management's Response

*Concur. Will do a presentation at the April 1, 2014, Faculty Meeting. The presentation will be for teachers and staff members to review the District monies collected and Drop Safe procedures.*

## FIELD TRIPS

### Finding

The review of field trip records found that:

- The April 13, 2013, fieldtrip to the Kravis Center did not have the Principal's approved *Field Trip/Activity Planning Report and Approval Request Form*.
- The *Field Trip/Activity Planning Report and Approval Request Form* for the December 15, 2012, field trip to the Broward Center was not signed off by the Area Superintendent as required by *School Board Policy 2.40*.

### Recommendation

Field trips should be administered in accordance with *School Board Policy 2.40*. Specifically, (1) field trips should be pre-approved by the Principal with adequate documentation, (2) in-county field trips should be approved by the Principal, and (3) out-of-county field trips should be approved by the Principal and Area Superintendent.

### Management's Response

*Concur. Will discuss and review all District Field Trip procedures with faculty and staff members at the April 2, 2014, Faculty Meeting.*



## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of fundraising records found that:

- The *Fundraising Application/Recap Form* for the Drill Team Chocolate Sales (Account #2 2000.35) was neither prepared by the sponsor nor approved by the Principal until after the sales had begun for 27 days.
- The *Sales Item Inventory Report* for the Athletics T-Shirts Sales (Account #1-0010.31) indicated that 98 T-Shirts and two Hoodies, with a total resale value of \$1,020, were provided to students free-of-charge. However, no records were maintained for the purposes and recipients of these give-away items.
- The *Sales Item Inventory Report* for the P.E. Uniforms Sales (Account #5-1900.32) indicated that 71 uniforms, with a resale value of \$568, were given away free-of-charge. There was no record as to the purposes and recipients of these uniforms.

### 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, 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 should include the purposes and the names of recipients.

### Management's Response

*Concur. Will review all fundraising procedures with Faculty and Staff.*

## MORNING CARE PROGRAM RECORDS

### Finding

The review of the student registration, attendance, and fee collections records revealed that 81 students attended the school's Morning Care Program during the year. However,

- The *Registration Forms* for 10 students were missing.
- 31 students received partial fee waivers, totaling \$832, without documentation of waivers approved by the Principal.

### **Recommendation**

The Morning Care Program should be administered in accordance with *Middle School Afterschool Program Handbook* and other District guidelines. Specifically,

- To ensure the safety of students, *Registration Forms* should be completed with the needed information and signed by their parents/guardians. Program records, including student *Registration Forms*, should be retained for a time period consistent with District's *Record Retention Schedule*.
- To ensure proper fiscal accountability, fee waivers should be adequately documented and approved by the Principal.

### **Management's Response**

*Concur. All registration forms will be completed and signed prior to participation of students. Forms will be maintained per the district's record retention schedule. Fee waiver will be used to document and maintain fiscal accountability.*

## **LEASING OF SCHOOL FACILITIES**

### **Finding**

The review of school facility leasing records found that the *Certificates of Insurance* for Lease #1010 did not include the School Board as an additional insured party for 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. Prior to confirming all leases, a copy of Liability Insurance from the lessee will be maintained in a file.*

## **CONTROL OF CHANGE FUNDS**

### **Finding**

\$150 in Change Fund for the Book Fair was issued (through Disbursement #10020) to the sponsor without the require confirmation signed by the sponsors as required by the *Internal Accounts Manual*.

**Recommendation**

To ensure proper fiscal accountability, issuance of Change Funds should be administered in accordance with *Internal Accounts Manual Chapter 10, Change Funds*. Specifically, the sponsor and the bookkeeper should verify and sign the print screen of the Cash Out transaction to confirm the amount of Change Funds issued to the sponsor.

***Management's Response***

*Concur. Review with sponsors and the School Treasurer procedures for cash out transaction.*

**Christa McAuliffe Middle School**  
**Internal Fund Accounts**  
**Combining Statement of Changes in Cash and Investments – Cash Basis**  
**Year Ended June 30, 2013**

Address: 6500 Le Chalet Boulevard  
 Boynton Beach, FL 33437

Principal:  
 Fiscal Year 2013: Jeff Silverman  
 During Audit: Jeff Silverman

Treasurer:  
 Fiscal Year 2013: Diane Davant  
 During Audit: Diane Davant

Cash and Investments

Checking	\$ 83,487.62
Investments	
	\$ 83,487.62

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 5,172.33	\$ 12,148.10	\$ 15,075.44	\$ 6,070.85	\$ 6,020.85	\$ 2,294.99
Music	6,810.14	38,932.05	39,646.55	13,451.81	13,776.30	5,771.15
Classes	716.62	25,162.00	24,738.70	423.30	423.30	1,139.92
Clubs	3,578.25	9,534.12	9,754.79	3,832.50	3,882.50	3,307.58
Departments	33,847.35	91,620.25	82,193.19	25,472.18	23,936.10	44,810.49
Trusts	4,983.40	73,882.90	56,622.03	13,852.49	15,291.03	20,805.73
General	9,657.72	28,904.11	33,431.02	13,260.48	13,033.53	5,357.76
	\$ 64,765.81	\$ 280,183.53	\$ 261,461.72	\$ 76,363.61	\$ 76,363.61	\$ 83,487.62

## 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, \$1,530.42 in collections recorded on two MCRs (#364-7 and #300-29) was retained by the sponsors for one to seven working days before the monies were put into the drop-safe for deposit.
- 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 2012 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*. Specifically,

- 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 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. Staff has been instructed to always turn in the computerized receipt along with the yellow copies.*

*\*\*Comment: It seems redundant and wasteful to require a paper copy of an electronic receipt. Why then have the electronic receipt at all? Staff has also been reminded to always deposit monies on the same day as collected. This will be monitored closely.*

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The P.E. Uniform Sales (Account #5-1900.02) collected a total of \$10,490 in sales revenue which was deposited into the Internal Funds. As indicated by the sponsor on the *Sales Item Inventory Report*, 29 shirts and 21 shorts were given-away free-of-charge. The give-away items had an estimated resale value of \$500, or 4.8% of the total revenue of this fundraiser. However, no documentation was maintained for the purposes and recipients of these give-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 be adequately documented. Records for give-away should include the purposes and the names of the recipients.

### ***Management's Response***

*Concur. Staff has been instructed to always document give-aways.*

## **SAFE SCHOOL DOCUMENTATION**

### **Finding**

The review of records for the Safe School Program revealed that:

- The *Registration Forms* for four students were missing, although the *Attendance Records* indicated that these students attended the program for one to two days during the months of October 2012, January 2013, and February 2013. According to staff, at the beginning of the year some students might have enrolled in other programs but attended the Safe School classes by mistake.
- Students who were on the free and reduce lunch program were eligible to attend the Safe School Program free-of-charge. Our review found that the school had no record of the fee-waiver for a student who attended the Safe School Program free-of-charge during October 2012 through May 2013. This student's eligibility for free and reduced lunch status expired on October 8, 2012, resulting in the student's non-payment of \$204 in program fee.

### **Recommendation**

Safe School Program should be administered in accordance with District and Department of Safe Schools guidelines

- *Registration Forms* for students in the Safe School Program should be completed with the needed information and signed by their parents/guardians. All records, including student attendance and parent sign-out, should be retained for a time period consistent with District's ***Record Retention Schedule***.
- Fee waiver should be adequately documented and approved by the Principal.

### ***Management's Response***

*Concur. Afterschool Program staff were reminded of registration requirements.*

## SAFEGUARDING OF SCHOOL ASSETS

### **Finding**

During the audit, we noted that the school's blank checks (from #7393 to #7494) were stored in an unlocked drawer in the bookkeeper's office, and the office door was also unlocked while the bookkeeper was away from her office.

### **Recommendation**

To ensure school assets are safeguarded properly, school checks should be stored in a secure location such as a locked cabinet or the drop safe.

### ***Management's Response***

*Concur. The school treasurer has been instructed to keep her door and desk locked at all times.*

***Additional comments:*** *I would like to ask the Audit Department to consider changing some of the requirements for written/printed documentation whenever the same documentation is available electronically.*

**Congress Middle School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 101 South Congress Avenue  
Boynton Beach, FL 33426

Principal:  
Fiscal Year 2013: Kathy Harris / Denise O'Connor  
During Audit: Denise O'Connor

Treasurer:  
Fiscal Year 2013: Yvonne Small  
During Audit: Yvonne Small

Cash and Investments

Checking	\$ 34,879.89
Investments	
	\$ 34,879.89

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 2,419.47	\$ 5,015.98	\$ 4,724.39	\$ 0.07	\$ 0.07	\$ 2,711.06
Music	120.57	2,256.50	2,236.08	556.00	556.00	140.99
Classes	5,327.12	12,963.10	11,698.18	4,909.12	4,909.12	6,592.04
Clubs	704.92	5,198.41	3,854.48	2,158.17	2,158.17	2,048.85
Departments	2,945.14	5,430.00	5,156.89	1,449.81	1,449.81	3,218.25
Trusts	19,698.78	27,838.84	30,278.68	875.00	2,695.03	15,438.91
General	3,996.37	1,755.12	2,841.73	1,875.03	55.00	4,729.79
	\$ 35,212.37	\$ 60,457.95	\$ 60,790.43	\$ 11,823.20	\$ 11,823.20	\$ 34,879.89



## DOCUMENTATION FOR FUNDRAISERS

### Finding

The Science Board Fundraiser (Account #5-2100.01) had a total sales revenue of \$381 deposited into the Internal Funds. Our examination of the school's purchasing records, *Sales Item Inventory Report*, and physical inventory during the audit found that the school purchased 288 science boards for sale at \$3 each. This fundraiser should generate a total revenue of \$864. As a result, \$483 (or 56%) of the estimated revenue was unaccounted for. Moreover, the *Sales Item Inventory Report* was not completed with the required information; it did not indicate the number of science boards purchased for resale.

### Recommendation

*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 between the estimated revenue and actual receipt should be investigated and resolved accordingly.

### Management's Response

*Concur. The fundraiser was conducted under another principal's administration. Per the treasurer, there were some discrepancies in communication regarding the proper procedures to take.*

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

Disbursement #2564 (for \$200) was for payment of professional service provided by a consultant. However, the *School District Consultant Agreement* (PBSD 1420) for this service was not signed by the consultant and approved by the Principal until 11 and nine days, respectively, after the service was provided by the consultant.

### Recommendation

To protect the best interests of the school 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 consultants, who will perform services on school campus, have passed the required background and clearance check as required by *Florida Statutes §1012.465*.

### Management's Response

*Concur. Consultant agreement was signed after the event.*

Congress Middle School  
Management Letter  
Year Ended June 30, 2013

***Additional comments:** Under the current administration, a yearly Finance 101 workshop is conducted for faculty and staff. During the 2014-15 school year monthly office meetings, a school based audit will occur between the treasurer and principal.*

**Conniston Middle School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 3630 Parker Avenue  
West Palm Beach, FL 33405

Principal:  
Fiscal Year 2013: Oscar Otero  
During Audit: Oscar Otero

Treasurer:  
Fiscal Year 2013: Adriana Valladares  
During Audit: Adriana Valladares

Cash and Investments

Checking	\$ 44,944.68
Investments	
	\$ 44,944.68

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 1,441.98	\$ 22,524.17	\$ 16,474.23	\$ 10,169.72	\$ 9,899.72	\$ 7,761.92
Music	1,491.91	1,370.00	747.48	0.00	0.00	2,114.43
Classes	0.00	16,360.00	15,419.38	461.09	1,401.71	0.00
Clubs	7,243.95	5,064.34	7,221.84	743.73	1,661.73	4,168.45
Departments	11,744.08	16,642.41	16,754.24	4,726.55	5,685.41	10,673.39
Trusts	6,491.61	24,608.60	21,741.09	307.05	755.75	8,910.42
General	13,793.25	20,503.21	25,976.57	5,927.12	2,930.94	11,316.07
	\$ 42,206.78	\$ 107,072.73	\$ 104,334.83	\$ 22,335.26	\$ 22,335.26	\$ 44,944.68

## DOCUMENTATION FOR FUNDRAISERS

### **Finding**

The 8<sup>th</sup> Grade Dance (#4-4810.06) had a total revenue collection of \$3,650. However, the school did not use prenumbered tickets for the admission as required for school events with sales revenue in excess of \$1,000. Consequently, the required *Ticket Sellers Report* was also not completed.

### **Recommendation**

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; and any significant discrepancies between the estimated revenue and actual receipt should be investigated and disposed of accordingly in a timely manner.

### **Management’s Response**

*Concur. Conference with bookkeeper and sponsor for future events.*

**Crestwood Middle School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 64 Sparrow Drive  
Royal Palm Beach, FL 33411

Principal:  
Fiscal Year 2013: Stephanie Nance  
During Audit: Stephanie Nance

Treasurer:  
Fiscal Year 2013: Carrie Richardson  
During Audit: Carrie Richardson

Cash and Investments

Checking	\$ 45,251.63
Investments	
	\$ 45,251.63

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 3,539.57	\$ 13,608.10	\$ 10,624.00	\$ 6,403.50	\$ 6,703.50	\$ 6,223.67
Music	6,342.55	23,221.93	27,145.64	3,655.27	3,669.44	2,404.67
Classes	14,638.28	1,565.38	5,007.29	880.20	10,410.19	1,666.38
Clubs	3,565.11	1,605.82	2,667.34	500.38	1,548.50	1,455.47
Departments	25,836.42	67,032.18	69,168.33	34,624.10	26,155.04	32,169.33
Trusts	2,311.37	53,939.75	54,819.58	6,194.80	5,405.11	2,221.23
General	1,038.80	13,700.60	17,262.05	12,561.37	10,927.84	( 889.12)
	\$ 57,272.10	\$ 174,673.76	\$ 186,694.23	\$ 64,819.62	\$ 64,819.62	\$ 45,251.63

## DEFICIT ACCOUNT

### Finding

The General Activities Account (#7-0100.00) had deficit balance during 86% (i.e. 313 days) of the year, ranging from \$106.83 to \$7,692.79. To resolve the deficit issue, between June 17 and 28, 2013, the school transferred (Transfer #s 550, 551, 555, 556, 561, and 562) a total of \$7,338.58 from various accounts to the General Activities Account. As of June 30, 2013, the General Activities Account had a total of \$889.12 in year-end deficit.

### Recommendation

To ensure fiscal accountability and self-sufficiency, the school should monitor each activity account closely so that total expenditures would not exceed total revenues.

### Management's Response

*Concur. The Principal and treasurer have met to discuss this finding. The school treasurer will closely monitor receipts and disbursements and will immediately notify the Principal of all declining account balances.*

## DEPOSIT OF MONIES

### Finding

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

- \$1,524.08 recorded on four MCRs (#s 301-41, 307-2, 318-20, and 353-8) were retained by the sponsors for one to six working days before the monies were put into the drop-safe for deposit.
- The yellow copy of the MCRs for January through June 2013, were missing. Moreover, some of the sponsors did not turn in the yellow copy of the MCRs to the school secretary for record retention at year-end.

### Recommendation

Money collections should be administered in accordance with District guidelines and *DOE Rules (Chapter 8 of the 2012 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 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 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. The Principal and treasurer have reviewed money collection procedures & use of MCR's with all staff. The Principal and 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 Physical Education Uniforms (Account #5-1900.01) and Band Car Wash Fundraisers (Account #2-1000.07) did not have the required *Fundraising Application/Recap Forms*.
- The Physical Education Uniforms (Account #5-1900.01) and the Band Polo Shirt (Account #2-1000.04) did not have the required *Sales Item Inventory Reports*. Without documentation for sales information such as selling prices, quantities sold, and inventory counts, there is assurance that 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,

- 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 and treasurer have met with all sponsors to review SB Policy 2.16 and specifically, all required fundraising documents. The Principal and treasurer will continue to monitor all fundraising to ensure guidelines are being adhered to per SB policy.*

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

The review of sample disbursements and P-Card documentation found that Disbursements #10436 (for \$1,618.74) and #10079 (for \$1,200) both exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *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.

### Management's Response

*Concur. The Principal has met with the school treasurer and appropriate staff to review purchase order procedures.*

## LEASING OF SCHOOL FACILITIES

### Finding

The review of school facility leasing records found that:

- Leases #1002 and #1006 had a total contract amount of \$7,327.60. According to staff, these two leases were cancelled after the leasing arrangements information was entered into the Tririga System. However, the cancellations were not recorded in the Tririga System. As a result, leasing income was overstated by \$7,327.60.
- The monthly leasing charges for Leases #1005 and #1008 were not always collected prior to the use of facilities, with delays ranging from 31 to 92 days.

### Recommendation

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

- 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. The Principal has met with the treasurer and school leasing contact to review leasing procedures. The treasurer and school leasing contact have also attended Distract training on leasing procedures.*

**SAFE SCHOOL PROGRAM**

**Finding**

The Safe School records indicated that 105 students attended the program during the year. However, the *Registration Forms* and *Records of Payment Forms* were missing for 15 students.

**Recommendation**

Safe School Program should be administered in accordance with District's guidelines. Specifically,

- *Registration Forms* for students in the Safe School Program should be completed with the needed information and signed by their parents/guardians.
- 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.
- All student records, including *Registration Forms* and *Records of Payment Forms* should be retained for a time-period consistent with the District's ***Records Retention Schedule***.

***Management's Response***

*Concur. The Principal, treasurer and afterschool director met to review the Safe Schools Program guidelines. Fees are currently being recorded on the appropriate record of payment form and returned student registrations forms are being reviewed for needed information and parent signatures.*

**Don Estridge High Tech Middle School**  
**Internal Fund Accounts**  
**Combining Statement of Changes in Cash and Investments – Cash Basis**  
**Year Ended June 30, 2013**

Address: 1798 N.W. Spanish River Boulevard  
 Boca Raton, FL 33431

Principal:  
 Fiscal Year 2013: David Benson (May 2013)  
 During Audit: Laura Riopelle

Treasurer:  
 Fiscal Year 2013: Pam Utrecht  
 During Audit: Pam Utrecht

Cash and Investments

Checking	\$ 138,991.54
Investments	
	\$ 138,991.54

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 13,566.64	\$ 33,261.51	\$ 29,614.71	\$ 8,969.87	\$ 8,969.87	\$ 17,213.44
Music	6,022.70	57,457.61	60,775.47	28,855.65	27,592.40	3,968.09
Classes	0.00	0.00	0.00	0.00	0.00	0.00
Clubs	5,036.07	14,026.03	12,746.98	2,024.63	1,949.38	6,390.37
Departments	29,674.52	75,308.91	72,286.93	24,892.61	24,229.67	33,359.44
Trusts	76,672.44	154,492.48	162,103.34	6,035.92	6,463.60	68,633.90
General	9,655.38	35,224.99	33,880.31	6,523.11	8,096.87	9,426.30
	\$ 140,627.75	\$ 369,771.53	\$ 371,407.74	\$ 77,301.79	\$ 77,301.79	\$ 138,991.54

## DEPOSIT OF MONIES

### Finding

The review of sample *Monies Collected Reports* (MCRs) found that MCR #395-5 was for fees collected for the 8<sup>th</sup> grade field trip to the Boca Raton Airport. However, the *Field Trip/Activity Planning Report and Approval Request* form was not approved by the principal.

### Recommendation

*Field Trip/Activity Planning Report and Approval Request* should include all the required information and be approved by the Principal in accordance with ***School Board Policy 2.40***.

### Management's Response

*Concur. Although I was not the principal at this time, I have worked with staff to correct this situation. In this case, the previous principal was unavailable to sign the form. In the future, field trip forms will be approved only by me.*

## SAFE SCHOOL PROGRAM

### Finding

The review of records for Safe School Program found that:

- Student attendance and payment records indicated that 80 students attended the Safe School Program during the year. However, the *Registration Forms* were missing for six students.
- The school did not maintain the *Record of Payment Form* for 10 students to account for fees collected from the Safe School Program. Also, some *Classroom Receipts* used for collecting program fees were missing.
- Due to the lack of complete fee collection records, there is no assurance that all fees for the Safe School Program were properly accounted for. Based on the attendance records and the available payment records, the program should have collected \$16,460 in total estimated revenue; but only \$10,500 in Safe School Program fees was deposited into the Internal Funds (Account #6-9900.00). As a result, \$5,960 in estimated revenue was unaccounted for.

### Recommendation

Safe School Program should be administered in accordance with ***Middle School Afterschool Program Handbook*** and other District guidelines. Specifically,

- To ensure the safety of students, (1) *Registration Forms* for students in the Safe School Program should be completed with the needed information and signed by their parents/guardians, and (2) *Student*

Don Estridge High Tech Middle School  
Management Letter  
Year Ended June 30, 2013

*Attendance and Parent Sign-out Sheets* should be completed with the needed information, including the attendance dates.

- To ensure proper fiscal accountability, payment history should be recorded on *Record of Payment Form* (PBSD 1652) for each student; and *Classroom Receipts* should be issued for fee collections.
- 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. Although I was not the principal during this period, I have worked with the staff to correct this situation. The above referenced recommendations are in place and an additional staff person has been hired to handle this.*

**Eagles Landing Middle School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 19500 Coral Ridge Drive  
Boca Raton, FL 33498

Principal:  
Fiscal Year 2013: Cynthia Chiapetta  
During Audit: Cynthia Chiapetta

Treasurer:  
Fiscal Year 2013: Jennifer Seidenstucker  
During Audit: Jennifer Seidenstucker

Cash and Investments

Checking	\$ 33,091.18
Investments	
	\$ 33,091.18

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 5,403.25	\$ 5,553.05	\$ 5,747.58	\$ 2,720.81	\$ 3,920.81	\$ 4,008.72
Music	2,513.53	40,153.72	38,647.52	10,759.01	10,807.98	3,970.76
Classes	4.65	50,558.15	49,678.99	2,939.63	3,816.05	7.39
Clubs	2,994.01	860.19	1,325.50	434.18	708.81	2,254.07
Departments	12,559.17	60,368.73	58,979.12	9,696.25	19,288.51	4,356.52
Trusts	7,667.29	44,027.77	45,768.86	259.78	124.67	6,061.31
General	13,072.46	7,778.48	20,275.70	16,517.91	4,660.74	12,432.41
	\$ 44,214.36	\$ 209,300.09	\$ 220,423.27	\$ 43,327.57	\$ 43,327.57	\$ 33,091.18

Eagles Landing Middle School  
Management Letter  
Year Ended June 30, 2013

This audit revealed no material instances of noncompliance.

**Emerald Cove Middle School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 9950 Stribling Way  
Wellington, FL 33414

Principal:  
Fiscal Year 2013: Nancy Lucas  
During Audit: Nancy Lucas

Treasurer:  
Fiscal Year 2013: Virginia Garceau  
During Audit: Virginia Garceau

Cash and Investments

Checking	\$ 49,500.64
Investments	
	\$ 49,500.64

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 481.66	\$ 15,176.00	\$ 11,595.42	\$ 8,003.46	\$ 8,003.46	\$ 4,062.24
Music	6,307.85	32,391.70	29,124.07	12,578.90	12,578.90	9,575.48
Classes	1,711.49	51,503.00	49,105.39	2,929.58	6,429.58	609.10
Clubs	5,403.23	4,222.99	6,270.94	0.50	235.69	3,120.09
Departments	17,058.44	46,594.48	43,392.68	9,787.21	13,287.21	16,760.24
Trusts	10,760.59	73,866.41	75,001.82	7,025.23	7,000.00	9,650.41
General	12,003.04	15,191.14	28,681.06	12,710.49	5,500.53	5,723.08
	\$ 53,726.30	\$ 238,945.72	\$ 243,171.38	\$ 53,035.37	\$ 53,035.37	\$ 49,500.64

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of fundraiser documentation found that there were no *Sales Item Inventory Reports* for two fundraisers: (1) FFEA T-Shirts (Account #4-2200.00) and (2) Think Pink Kids Bracelets (Account #4-0695.01).

### Recommendation

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. Significant discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.

### Management's Response

*Concur. Staff will be retrained during Preschool on proper fundraising procedures.*

## LEASING OF SCHOOL FACILITIES

### Finding

The review of leases found the following:

- Four *Lease Agreements* (#1003, #1009, #1034 and #1035, with the same lessee) were not signed by the lessees, witnesses, and the Principal until two to 15 days after leasehold periods began.
- The *Certificates of Insurance* for Lease #1007 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,

- To ensure *Lease Agreements* are legally enforceable, *Lease Agreements* should be 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.



Emerald Cove Middle School  
Management Letter  
Year Ended June 30, 2013

***Management's Response***

*Concur. The lease designee will receive training in proper procedures and ensure leases are signed in proper timing.*

**Howell L. Watkins Middle School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 9480 MacArthur Boulevard  
Palm Beach Gardens, FL 33403

Principal:  
Fiscal Year 2013: Don Hoffman  
During Audit: Don Hoffman

Treasurer:  
Fiscal Year 2013: Luz-Mery Morrissey  
During Audit: Luz-Mery Morrissey

Cash and Investments

Checking	\$ 31,970.69
Investments	
	\$ 31,970.69

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 788.06	\$ 10,563.89	\$ 7,858.62	\$ 9,897.16	\$ 9,897.16	\$ 3,493.33
Music	0.00	1,703.85	1,131.38	1,259.20	834.20	997.47
Classes	3,761.50	20,592.88	21,781.80	5,645.41	6,717.99	1,500.00
Clubs	4,478.63	1,841.99	2,435.69	1,019.38	2,243.27	2,661.04
Departments	14,241.37	81,962.02	84,065.73	24,342.59	23,136.52	13,343.73
Trusts	5,415.19	18,783.17	18,500.00	2,584.37	2,541.97	5,740.76
General	( 7.27)	14,490.39	10,871.76	9,871.54	9,248.54	4,234.36
	\$ 28,677.48	\$ 149,938.19	\$ 146,644.98	\$ 54,619.65	\$ 54,619.65	\$ 31,970.69

## 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, the 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.
- Monies collected were not always turned in for deposit in a timely manner. For example, \$407 collected through two MCRs (#344-02 and #278-16) was retained by the sponsors for one to seven working days before it was turned in for deposit.

### Recommendation

Money collections should be administered in accordance with District guidelines and *DOE Rules (Chapter 8 of the 2012 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 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 sponsors and result in potential irregularities.

### Management's Response

*Concur. All funds will be dropped daily and proper documentation wil be kept and turned in at the end of the year.*

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of sample fundraiser records revealed that:

- The Robotics Shirt Sales (Account #5-2400.10) did not have the required Principal's approved *Fundraiser Application/Reap Form*. The school purchased 69 shirts for resale, which should have generated a total estimated revenue of \$1,104. As indicated by the sponsor on the *Sales Item Inventory Report*, 28 shirts were given-away free-of-charge. These give-away items had a total resale value of \$448, which represented 41% of total estimated revenue. However, no documentation was maintained for the purposes and the recipients of these give-away items.

Howell L. Watkins Middle School  
Management Letter  
Year Ended June 30, 2013

- As of June 30, 2013, the Yearbook Account had a year-end fund balance of \$142.47, and a total unpaid bill of \$3,994.06 payable to the printing company. As a result, the Yearbook Account had a net deficit balance of \$3,851.59.

**Recommendation**

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

- 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*.
- 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 the recipients.
- To ensure fiscal accountability and self-sufficiency, the school should monitor closely the revenues and expenditures for the Yearbook Account. Specifically, the school should consider adjusting the selling prices for the yearbook and charges for advertisement. The school should also monitor the number of yearbooks to be printed so that this activity will not incur a deficit.

***Management's Response***

*Concur. Principal will review fundraising procedures and provide guidelines on proper protocol on the fundraising process. All accounts will be closely monitored.*

**Independence Middle School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 4001 Greenway Drive  
Jupiter, FL 33458

Principal:  
Fiscal Year 2013: Lori Bonino  
During Audit: Kathryn Koerner

Treasurer:  
Fiscal Year 2013: Marlene Taylor  
During Audit: Marlene Taylor

Cash and Investments

Checking	\$ 151,108.26
Investments	
	\$ 151,108.26

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 7,384.65	\$ 8,985.00	\$ 6,361.80	\$ 2,603.63	\$ 2,603.63	\$ 10,007.85
Music	43,986.94	154,155.80	162,111.91	67,474.57	67,474.57	36,030.83
Classes	2,771.05	45,622.03	43,780.94	1,784.49	1,975.59	4,421.04
Clubs	3,446.96	9,969.28	11,043.88	1,148.32	1,278.12	2,242.56
Departments	55,415.57	185,051.72	173,966.79	29,697.32	29,288.76	66,909.06
Trusts	36,919.26	61,700.71	69,179.32	1,213.94	1,773.14	28,881.45
General	4,771.69	17,106.98	19,734.74	6,729.19	6,257.65	2,615.47
	\$ 154,696.12	\$ 482,591.52	\$ 486,179.38	\$ 110,651.46	\$ 110,651.46	\$ 151,108.26

## SEGREGATION OF DUTIES

### **Finding**

We noted that incoming mails were sorted and distributed by someone other than the bookkeeper, but those mails addressed to the bookkeeper were given to her for opening and processing.

### **Recommendation**

To safeguard school assets through proper segregation of duties, incoming mails should be received and opened by a different staff member. 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***

*Already corrected. Mail will not be opened by or handled by the School Treasurer.*

## DOCUMENTATION FOR DISBURSEMENTS

### **Finding**

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

The school paid a total of \$8,256 to a consultant through 13 disbursements for professional services offered at science classes during the year. However, the *School District Consultant Agreements* (PBSD 1420) were not approved by the superintendent, as required by ***School Board Policy 6.14***.

### **Recommendation**

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.”

### ***Management's Response***

*At the time of the transactions, the School Treasurer was informed by the Purchasing Department that as long as no one teacher went over \$2,500 per contract it was permissible.*

**Jeaga Middle School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 3777 North Jog Road  
West Palm Beach, FL 33411

Principal:  
Fiscal Year 2013: Kevin Gatlin  
During Audit: Kevin Gatlin

Treasurer:  
Fiscal Year 2013: Joan Davis  
During Audit: Shelita Andrews

Cash and Investments

Checking	\$ 20,998.36
Investments	
	\$ 20,998.36

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 2,128.95	\$ 25,209.45	\$ 26,833.36	\$ 11,031.77	\$ 11,031.77	\$ 505.04
Music	1,048.53	5,699.80	6,200.34	2,265.17	2,265.17	547.99
Classes	1,062.53	41,260.10	39,905.73	3,769.87	4,599.33	1,587.44
Clubs	857.48	3,631.64	3,769.41	1,686.25	2,252.37	153.59
Departments	6,421.10	17,254.31	22,553.12	2,160.55	( 320.59)	3,603.43
Trusts	9,849.80	29,120.88	25,652.44	9,994.60	10,557.97	12,754.87
General	2,718.98	3,181.81	3,532.60	1,977.81	2,500.00	1,846.00
	\$ 24,087.37	\$ 125,357.99	\$ 128,447.00	\$ 32,886.02	\$ 32,886.02	\$ 20,998.36

## 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 with all the required information. Specifically, *Section 2* of the *Log* was not always signed by the bookkeeper when monies and checks deposited were removed from the safe for processing.
- Monies collected were not always deposited timely into the bank. For example, \$3,048.25 recorded on MCRs #318-0256 and #327-0457 was not timely processed by the bookkeeper after the sponsors put the collection in the drop safe. As a result, the monies were not deposited into the bank until seven to eight working days after the collection.
- MCR #306-0001 (for \$479.75) was for collection of leasing revenue, without the needed leasing documentation. Missing documentation included *Lease Agreement* and proof of liability insurance coverage.

### Recommendation

Money collections should be administered in accordance with District guidelines and *DOE Rules (Chapter 8 of the 2012 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*. Specifically,

- 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, the bookkeeper should complete *Section 2* of the *Log* after removing the deposits from the safe for processing.
- *DOE Rules* requires that monies collected be deposited into the bank within five working days after the collections.
- 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

*Concur. Both the new bookkeeper and the new Assistant Principal have been training on the course of action needed to take place.*



## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of sample fundraiser records found that:

- The *Fundraising Application/Recap Forms* for five fundraisers were not approved by the Principal until five to 117 working days after the fundraising activities had begun. These fundraisers included: (1) Athletics Cooperative Food Sales (Account #1-0010.01), (2) Athletics Ticket Sales (Account # 1-0010.00), (3) Athletics Concession Sales (Account # 1-0010.00), (4) PE T-shirts (Account #5-1900.01), and (5) PTO Shirt Sales (Account 6-3300.03).
- The Athletic Concessions (Account #1-0010.00) and PTO Shirts Fundraisers (Account #6-3300.03) did not have the required *Sales Item Inventory Forms*.
- Some of the financials for three fundraisers were recorded in their primary accounts, instead of the decimalized accounts for the fundraisers: (1) Athletic Concession Sales, (2) Athletic Ticket Sales, and (3) PTO Shirt 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 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.
- 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. Our current bookkeeper will ensure that our Athletic Director and PTO Sponsor are in compliance with our fundraiser guidelines.*

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

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

- The school processed 34 disbursements, totaling \$21,760.42, during June 2013. However, all the documents for these disbursements were missing. Missing documents included *Check Requisition Forms* and supporting documentation such as invoices and receipts.
- Four *Check Requisitions* (#5502, #5545, #5549, and #5556, totaling \$1,771.06) were not signed and approved by the Principal.
- Disbursements #5385 and #5474 (totaling \$700) were for payments of consultants for providing DJ and Science Demo services respectively. These payments were not supported by a *School District Consultant Agreements*.
- Disbursements #5434 and #5436, totaling \$1,015.26, included \$898.29 for payments of PE uniforms. However, these \$898.29 PE uniforms purchases did not have supporting documentation for the expenses.
- The school purchased 50 \$10 gift-cards, totaling \$500, on December 20, 2012, with the school's P-Card. However, there was no documentation for the recipients of these gift-cards.
- Seven P-Card transactions, totaling \$2,990.72, did not have adequate documentation for the expenses:
  - Three P-Card transactions, totaling \$364.71, occurred in February 2013, did not have any supporting documents for the purchases.
  - A \$807.61 P-Card transaction occurred on August 8, 2012, was supported by a packing list that did not have the prices and dollar amounts of the purchase.
  - Two P-Card transactions, totaling \$1,499.40, occurred on December 3, 2012, and February 22, 2013, were supported by vendor's account statements, instead of individual itemized invoices.
  - A \$319 P-Card transaction occurred on February 20, 2013, was for payment of two staff's conference registration fees, without the required TDEs.

### Recommendation

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

- Disbursements should be adequately documented with the *Check Requisitions*, approved by the Principal. Moreover, all disbursements and P-Card transactions should be 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 school should ensure that the consultant has passed the required background and clearance check as required by *Florida Statutes §1012.465*.
- 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”.
- 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. Our previous bookkeeper retired and our current bookkeeper was unable to locate supporting documents. However, our current bookkeeper will ensure that the consultant has passed the required background and clearance check as required by Florida Statutes 1012.465.*

**SAFE SCHOOL PROGRAM**

**Finding**

The review of Safe School records found that four *Student Registration Forms* were not signed by the parents or legal guardians.

**Recommendation**

Safe School Program should be administered in accordance with *Middle School Afterschool Program Handbook* and other District’s guidelines. Specifically, to ensure the safety of students, *Student Registration Forms* should be completed with the required information and signed by their parents/guardians.

***Management’s Response***

*Concur. Safe school will ensure the safety of students and that the registration forms will be completed with the required information and signed by their parents/guardians.*

**John F. Kennedy Middle School**  
**Internal Fund Accounts**  
**Combining Statement of Changes in Cash and Investments – Cash Basis**  
**Year Ended June 30, 2013**

Address: 1901 Avenue "S"  
Riviera Beach, FL 33404

Principal:  
Fiscal Year 2013: Corey Brooks  
During Audit: Corey Brooks

Treasurer:  
Fiscal Year 2013: Cynthia Williams  
During Audit: Cynthia Williams

Cash and Investments

Checking	\$ 21,655.86
Investments	
	\$ 21,655.86

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 0.67	\$ 11,683.46	\$ 10,110.31	\$ 174.00	\$ 1,569.28	\$ 178.54
Music	213.94	12,775.27	10,916.67	320.00	320.00	2,072.54
Classes	0.00	35,532.48	30,353.59	13,344.07	18,382.96	140.00
Clubs	804.45	3,435.25	3,149.41	1,781.69	1,605.22	1,266.76
Departments	2,801.93	1,507.66	3,421.14	40.67	297.40	631.72
Trusts	13,117.00	35,078.56	39,849.34	13,691.39	14,147.77	7,889.84
General	3,281.79	18,478.05	19,254.19	12,865.56	5,894.75	9,476.46
	\$ 20,219.78	\$ 118,490.73	\$ 117,054.65	\$ 42,217.38	\$ 42,217.38	\$ 21,655.86

## 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 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. Process for year-end filing:*

- *The treasurer will notify all faculty and staff of the closeout procedures for MCR's via email and "hard copy" handouts that will be placed in all mailboxes by mid-April.*
- *Treasurer will follow-up with all account sponsors to make sure that all documents are submitted by the due date.*

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

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

- Disbursement #18262 (for \$1,400) did not have adequate supporting documentation for the expenses, such as invoices and receipts were missing. Moreover, the related *Check Requisition*, signed by the Principal, was a blank *Check Requisition* form that did not have the required information, including requisition date, payee name, dollar amount, purpose of the disbursement, funding source, and signature of the account sponsor.
- Disbursement #18282 (for \$808.25) did not have the Principal's approved *Check Requisition*.
- Disbursement #18268 (for \$4,153.25) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*.
- Supporting documents were not always defaced (stamped "PAID") after payment. Defacing supporting document should help prevent potential duplicate payments. For example, the supporting documents for six sample disbursements (#s 18175, 18262, 18265, 18267, 18268 and 18282, totaling \$9,917.37) 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 ensure proper fiscal accountability, the Principal should not pre-sign and pre-approve *Check Requisition* until the form has been completed with all the needed supporting information.
- *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.
- To prevent potential duplicate payments, supporting documentation for disbursement should be defaced (stamped "PAID") after payment.

### ***Management's Response***

*Concur. For all check requests:*

- *The treasurer will make sure that each form is fully completed (name, purpose, amount, account number, signature, etc.)*
- *Supporting documentation is attached (invoices, receipts, etc.)*
- *Treasurer will review all financial documents with school secretary for principal's approval.*
- *Principal's signature approval*
- *Approved check requisitions – check(s) printed and disbursed.*
- *All check requisitions and supporting documents will be stamped "paid" and filed.*
- *All purchases exceeding \$1000 will be processed with an approved (principal) completed purchase order that will include the funding source.*

## **DOCUMENTATION FOR FUNDRAISERS**

### **Finding**

The review of records for fundraisers found that:

- Four fundraisers did not have the required *Fundraiser Application /Recap Forms, Sales Item Inventory Reports* and *Ticket Sellers Reports*: (1) General Activities Concession (Account #7-0100.02), (2) Clear Backpack Sales (Account #7-0100.02), (3) General Athletics Basketball (Account #1-0010.00), and (4) Cheerleaders Lollipops (Account #4-0850.02). Three other fundraisers did not have the required *Sales Item Inventory Reports*: School Wide Candy Sales (Account #7-0100.08), P.E Uniforms (Account #5-1900.03), and P.E Locks Sales (Account #5-1900.03). Without sales information and inventory records, which is to be included in the *Reports*, there is no assurance that all revenues are properly accounted for.

- Based on the school's purchasing records for the School Wide Candy Sales (Account #7-0100.08), this fundraiser should have generated an estimated total of \$5,130 in sales revenue. However, only \$4,484.65 in sales revenue was deposited into the Internal Funds. Consequently, \$645.35 (or 13%) 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 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, *Ticket Sellers Report* should be prepared in order for staff to reconcile revenues with the number of tickets sold.
- Significant discrepancy, if any, between the estimated revenue and actual receipt should be investigated and resolved accordingly.

### **Management's Response**

*Concur. For all approved fundraisers:*

- *The treasurer will make sure that the sponsor has the complete fundraiser packet; and explain each document (application/recap, sales item inventory report, ticket sellers report, etc.)*
- *Treasurer will review each document for completeness and accuracy.*
- *Treasurer will document dates and follow-up with sponsors to make sure that all necessary documents are complete, all items/funds are documented and accounted for, and all accounts are closed-out according to fundraiser request and/or in a timely manner.*

## **LEASING OF SCHOOL FACILITIES**

### **Finding**

The review of records for school facility leasing found that:

- The school had a total of 30 leasing arrangements recorded in the Tririga System during the year. However, 17 of them did not have the required leasing documentation for the leasing arrangements, including the hard copy of the executed *Lease Agreements* and proof of liability insurance coverage.
- *Lease Agreements* #1003 and #1009 did not have all the required signatures. They were neither signed by the Principal nor a witness.

John F. Kennedy Middle School  
 Management Letter  
Year Ended June 30, 2013

- Three leases (#1003, #1005, and #1009) did not have proof of liability insurance coverage.
- A comparison of the Internal Funds deposit records and the Tririga’s leasing records found that a total of \$8,421.50 in leasing charges had not been collected for nine leases as of June 30, 2013.

<u>Lease #</u>	<u>Unpaid Rentals</u>
1001	\$1,012.50
1002	370.50
1003	1,462.50
1010	991.00
1015	1,785.00
1017	180.00
1018	1155.20
1019	722.00
1027	742.80
<b>Total</b>	<b><u>\$8,421.50</u></b>

- Leasing charges were not always collected in a timely manner. For example, Lease #1005 was for the weekly use of facilities during July and August 2012; however, the \$2,658 rental was not collected until November 26, 2012.
- \$1,332.49 in leasing charges for one commercial lease was inadvertently recorded in the General Activities Account (#7-0100). As a result, the required utility fee and sales tax 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, a hard copy of the **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 potential liabilities, all lessees must provide proof of adequate liability insurance or purchase the insurance coverage through the District insurance pool.
- As required by **School Board Policy 7.18**, “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 \$8,421.50 in unpaid rentals for the nine leases.
- 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). The portion of utility fees should be transmitted to the Central Office in accordance with the District’s approved *Rate Schedule*.



***Management's Response***

*Concur. Leasing of school facilities*

- *Treasurer will notify and discuss with school secretary, all facility lease requests and submitted documents (non-profit, insurance, etc. (approved and unapproved)*
- *Treasurer will make sure that all leasing documents are filled in completely, and all necessary supporting documents are attached prior to the Principal's approval.*
- *Treasurer will adhere to the district's 48 hours approval/payment policy for all requests.*
- *Treasurer will complete district "utilities" transmittals twice each year (December & June)*
- *In an effort to collect the unpaid funds for the Lease Agreements listed, the treasurer will gather all leasing documents, prepare and seek lessees for payment.*

***Additional comments:*** *All findings and recommendations have been discussed with the school treasurer, and all actions will be taken to make sure that all district policies are being followed.*

**Jupiter Middle School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 15245 North Military Trail  
Jupiter, FL 33458

Principal:  
Fiscal Year 2013: Faith Ann Cheek/Colleen Iannitti  
During Audit: Colleen Iannitti

Treasurer:  
Fiscal Year 2013: Dee Elkins/Marianela Bennett  
During Audit: Marianela Bennett

Cash and Investments

Checking	\$ 154,159.12
Investments	
	\$ 154,159.12

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 8,142.57	\$ 12,318.85	\$ 14,341.12	\$ 1,698.00	\$ 1,641.00	\$ 6,177.30
Music	24,085.41	175,093.50	175,410.22	43,534.75	43,534.75	23,768.69
Classes	14,478.92	62,944.06	63,482.65	2,174.89	4,129.96	11,985.26
Clubs	7,921.67	12,216.52	9,403.32	5,414.11	5,489.11	10,659.87
Departments	59,296.65	61,288.53	80,161.75	6,044.59	6,571.85	39,896.17
Trusts	23,437.39	83,190.40	47,446.01	2,166.87	4,234.22	57,114.43
General	7,762.99	2,677.16	10,450.43	5,806.67	1,238.99	4,557.40
	\$ 145,125.60	\$ 409,729.02	\$ 400,695.50	\$ 66,839.88	\$ 66,839.88	\$ 154,159.12

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The school purchased 75 coupon books for resale for the Basketball Program (Account #1-0750.01), which should have generated a total estimated revenue of \$1,500. As indicated by the sponsor on the *Sales Item Inventory Report*, 10 coupon books were given-away free-of-charge. These give-away items had a total resale value of \$200, or 13% of the total estimated revenue. However, no documentation was maintained for the purposes and the recipients of these give-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 be adequately documented. Records should include the purposes and the names of the recipients for the items.

### Management's Response

*Concur.*

## LEASING OF SCHOOL FACILITIES

### Finding

The review of school facility leasing records found that:

- *Lease Agreement* #1006 was not signed by the lessee.
- Leasing charges were not always allocated and recorded in the respective accounts in accordance with District's guidelines. As a result, the school under-allocated and under-transmitted to the Central Office a total of \$617.50 in utility fee and \$40.20 in sales tax.

### 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 facilitate timely and accurate transmission of utility and other leasing related revenues 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.*

**SAFE SCHOOL PROGRAM**

**Finding**

The attendance records indicated that 40 students attended the Safe School Program. However, the *Registration Forms* for seven students and the *Records of Payment Forms* for 22 students were missing.

**Recommendation**

Safe School Program should be administered in accordance with ***Middle School Afterschool Program Handbook*** and other District's guidelines. All records, including *Registration Forms* and *Records of Payment Forms* should be maintained for all students, and retained for a time period consistent with District's ***Record Retention Schedule***.

***Management's Response***

*Concur.*

**Lake Shore Middle School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 425 West Canal Street North  
Belle Glade, FL 33430

Principal:  
Fiscal Year 2013: Shundra Dowers  
During Audit: Shundra Dowers

Treasurer:  
Fiscal Year 2013: Mary Rolle  
During Audit: Itcelina Smith

Cash and Investments

Checking	\$ 26,400.42
Investments	
	\$ 26,400.42

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 1,953.64	\$ 7,734.09	\$ 5,869.88	\$0.00	\$0.00	\$ 3,817.85
Music	1,639.48	5,405.00	4,723.21	971.00	971.00	2,321.27
Classes	711.68	19,077.68	16,252.56	1,546.03	1,546.03	3,536.80
Clubs	558.57	3,141.60	3,399.47	0.00	0.00	300.70
Departments	2,883.53	7,564.15	5,358.70	2,245.45	2,245.45	5,088.98
Trusts	3,476.46	35,259.66	29,934.54	0.00	175.16	8,626.42
General	126.25	9,714.95	7,307.96	2,120.80	1,945.64	2,708.40
	\$ 11,349.61	\$ 87,897.13	\$ 72,846.32	\$ 6,883.28	\$ 6,883.28	\$ 26,400.42

## ACCOUNTS PAYABLE

### Finding

As of June 30, 2013, the school owed the Central Office a total of \$1,895.19 in unpaid bills, including \$1,416.54 in expenses incurred during School Year 2008.

Moreover, financial reports submitted to the Central Office indicated that the school had no unpaid invoices payable to vendors. However, our review of the school's financial records revealed that the school had a total of unpaid invoices of \$1,672.50 payable to the Yearbook vendor as of June 30, 2013.

### Recommendation

To ensure proper fiscal accountability, the school should develop a payment plan to pay the debts. The school should also ensure that financial reports submitted to the Central Office contain accurate financial information.

### Management's Response

*Concur. Conference with the current bookkeeper regarding the submission of accurate financial information for the upcoming school year. The previous bookkeeper retired June 2014.*

## 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, \$636 in collections recorded on three MCRs (#255-4, #268-1, and #305-5) was retained by the sponsors for one to three working days before the monies were put into the drop-safe.
- According to staff, the yellow copies of the MCRs, along with the computerized receipts, were turned in at year-end by sponsors to the bookkeeper instead of the school secretary. Moreover, all the yellow copies of MCRs for School Year 2013 were missing.

### Recommendations

Money collections should be administered in accordance with District guidelines and *DOE Rules (Chapter 8 of the 2012 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 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. Conference with the school secretary and bookkeeper regarding submission of MCR receipts to the secretary. The bookkeeper will send an email to all teachers as a reminder of the procedures for the Monies Collected Form.*

## **DOCUMENTATION FOR FUNDRAISERS**

### **Finding**

The review of sample fundraiser records found that:

- The Homecoming Jeans Day (MCR #265-4), School T-shirt Sales (MCR #255-4), School Locker Rentals (MCR #256-1), and Valentine Dance Benefit (MCR #287-6) fundraisers did not have the Principal's approved *Fundraising Application/Recap Forms*.
- The *Sales Item Inventory Reports* were not maintained for the School T-shirt Sales (Account #7-0100.09), School Locker Rentals (Account #7-0100.01), NJHS School Store (Account #4-3700.00), and 7<sup>th</sup> Grade Snack Sales (Account #3-3700.00). Without documentation for sales information such as selling prices, quantities sold, and inventory counts, there was no assurance that all the sales revenues were properly accounted for.
- The 8<sup>th</sup> Grade Prom Admission Sales (Account #7-0100.07) and the Valentine Dance Benefit (Account #6-0900.01) did not have the required *Ticket Sellers Report*.
- Sales revenues for both the NJHS School Store (Account #4-3700) and 7<sup>th</sup> Grade Snack Sales (Account #3-3700) were recorded in the activities' primary accounts, instead of decimalized account for the fundraisers.

### **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. 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.*” Moreover, *Ticket Sellers Report* should be prepared in order for staff to reconcile revenues with the number of tickets sold.
- 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 relevant to the fundraiser.

### ***Management’s Response***

*Concur. Reviewed the information with the current bookkeeper and principal will pre-approve all fundraisers.*

## **DOCUMENTATION FOR DISBURSEMENTS**

### **Finding**

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

- Two disbursements (#10156 for \$1,006.50; and #10186 for \$175) were for payments to consultants for entertainment services. However, these disbursements did not have the required *School District Consultant Agreements (PBSD 1420)*.
- The school purchased a \$154.90 zoom lens for a digital camera, and a \$94.99 portable hard drive with the P-Card on April 26 and 27, 2013, respectively. However, these items could not be located on school campus for our inspection during the audit.

### **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 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 consultants, who work on school campus, have passed the required background and clearance check as required by ***Florida Statutes §1012.465***.
- School property should be accounted for at all time. School property temporary removed from campus should be documented on *Off-Premises Property Transfer Forms (PBSD 1279)* and approved by the Principal accordingly.

### ***Management’s Response***

*Concur. Principal will request and verify items are on campus and conference with staff member regarding submitting an off-premise property transfer form to be approved by the principal.*



## LEASING OF SCHOOL FACILITIES

### Finding

The review of school facility leasing records found that:

- The *Certificate of Insurance* for Lease #1001 did not include the School Board as an additional insured party for liability insurance coverage.
- The rental for Lease #1011 was not collected from the lessee until seven 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, ***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 ensure the School Board is well protected.
- “*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. Review the protocol with bookkeeper. Principal signature required on lease form and approval from the district before indicating to the lessee that the lease has been approved.*

## PRENUMBERED DOCUMENTS

### Finding

The review of controls of prenumbered documents found that the school did not maintain the *Prenumbered Document Inventory Register (PBSD 0160)* for prenumbered tickets.

### Recommendation

As required by ***Chapter 27 of the Internal Accounts Manual***, prenumbered documents should be periodical inventory in accordance with the inventory schedule, and documented on the *Prenumbered Document Inventory Register (PBSD 0160)*.

### Management’s Response

*Concur. Conference with the bookkeeper regarding reviewing and maintaining the PBSD 0160 form.*

**Lake Worth Middle School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 1300 Barnett Drive  
Lake Worth, FL 33461

Principal:  
Fiscal Year 2013: Tanya Daniel  
During Audit: Tanya Daniel

Treasurer:  
Fiscal Year 2013: Silvia Torres  
During Audit: Silvia Torres

Cash and Investments

Checking	\$ 33,265.44
Investments	
	\$ 33,265.44

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 645.92	\$ 11,656.58	\$ 9,052.72	\$ 6,475.55	\$ 6,475.55	\$ 3,249.78
Music	164.22	1,366.00	1,268.17	531.00	531.00	262.05
Classes	3,712.05	7,699.40	9,846.49	2,320.18	1,576.91	2,308.23
Clubs	2,610.85	2,456.05	3,300.27	1,461.43	853.89	2,374.17
Departments	5,512.09	12,654.17	10,379.24	6,216.69	6,256.53	7,747.18
Trusts	9,787.18	22,006.69	28,821.17	161.79	19.63	3,114.86
General	15,947.05	24,403.93	24,688.68	8,833.99	10,287.12	14,209.17
	\$ 38,379.36	\$ 82,242.82	\$ 87,356.74	\$ 26,000.63	\$ 26,000.63	\$ 33,265.44

## SAFEGUARDING OF SCHOOL ASSETS

### **Finding**

During the audit, we noted that the school's blank checks (#7393-7494) were stored in an unlocked drawer in the bookkeeper's office and the office door was also unlocked while the bookkeeper was away from her office.

### **Recommendation**

To ensure school assets are safeguarded properly, school checks should be kept in a secure location such as a locked cabinet or the drop safe.

### ***Management's Response***

*Concur. School checks are maintained in a locked cabinet. The school treasurer was reminded to always secure the school checks.*

## PRENUMBERED DOCUMENTS

### **Finding**

Although a document custodian was assigned to maintain the prenumbered *Drop-safe Log*, the school did not maintain the *Prenumbered Document Inventory Register* (PBSD 0160) for this prenumbered form.

### **Recommendation**

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

### ***Management's Response***

*Concur. The document custodian will maintain and review the drop-safe log monthly and record the results on the Prenumbered Document Register (PBSD 0160).*

**Lantana Middle School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 1225 West Drew Street  
Lantana, FL 33462

Principal:  
Fiscal Year 2013: Edward Burke  
During Audit: Edward Burke

Treasurer:  
Fiscal Year 2013: Leona Burgess-Dotson  
During Audit: Leona Burgess-Dotson

Community School Director:  
Fiscal Year 2013: Christine Osin  
During Audit: Christine Osin

Cash and Investments

Checking	\$ 45,164.20
Investments	
	\$ 45,164.20

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 4,105.44	\$ 9,859.65	\$ 12,404.21	\$ 7,226.03	\$ 7,152.66	\$ 1,634.25
Music	211.37	18,987.96	19,716.08	5,942.69	5,008.69	417.25
Classes	363.28	19,933.15	21,215.24	6,948.15	5,800.70	228.64
Clubs	1,778.57	7,736.57	6,067.52	3,855.94	5,014.18	2,289.38
Departments	14,969.94	52,541.95	49,660.47	18,583.06	20,343.86	16,090.62
Trusts	16,655.64	87,120.20	87,359.80	2,473.45	2,010.62	16,878.87
General	2,039.03	31,049.86	25,765.09	9,095.27	8,793.88	7,625.19
	\$ 40,123.27	\$ 227,229.34	\$ 222,188.41	\$ 54,124.59	\$ 54,124.59	\$ 45,164.20

## DOCUMENTATION FOR FUNDRAISERS

### **Finding**

The school purchased 240 T-shirts for the 8<sup>th</sup> Grade T-shirt Sale (Account #3-3801.03), which should have generated a total estimated revenue of \$2,400 at \$10 each. As indicated by the sponsor on the *Sales Item Inventory Report*, 31 T-shirts were given-away free-of-charge, without documentation as to the purposes and the recipients for the give-away items. The give-away items had an estimated resale value of \$310, or 13% of the estimated total revenue.

### **Recommendation**

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 the recipients.

### **Management's Response**

*Concur. Suggested actions have been implemented to ensure that future documentation will comply with district protocols.*

## LEASING OF SCHOOL FACILITIES

### **Finding**

The *Certificate of Insurance for Lease Agreement #1009* listed the School Board as the certificate holder, but did not include it as an additional insured party for liability insurance coverage.

### **Recommendation**

*School Board Policy 7.18*, requires that lessees must “provide a copy of liability insurance policy in the amount of \$1,000,000.00, naming the School Board of Palm Beach County as a certificate holder and as an additional insured, with the Lease Agreement or purchase liability insurance from the School District.”

### **Management's Response**

*Concur. Community school staff now understands the expected protocol and will ensure that it is followed in the future.*

**L.C. Swain Middle School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 5332 Lake Worth Road  
Greenacres, FL 33463

Principal:  
Fiscal Year 2013: Edward Harris  
During Audit: James Thomas

Treasurer:  
Fiscal Year 2013: Della Bostwick / Carmen Keeling  
During Audit: Carmen Keeling

Cash and Investments

Checking	\$ 83,035.20
Investments	
	\$ 83,035.20

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 6,809.97	\$ 10,805.65	\$ 10,544.56	\$ 9,033.39	\$ 9,033.39	\$ 7,071.06
Music	4,369.56	6,724.55	8,318.28	2,149.00	2,149.00	2,775.83
Classes	729.50	12,370.00	12,924.06	781.04	945.64	10.84
Clubs	4,364.33	10,376.95	11,174.58	3,098.46	3,168.46	3,496.70
Departments	19,096.60	12,941.40	13,431.10	5,863.13	8,477.03	15,993.00
Trusts	64,168.72	63,988.93	76,061.49	( 17,382.50)	( 13,919.95)	48,633.61
General	223.23	26,398.44	27,878.56	7,324.80	1,013.75	5,054.16
	\$ 99,761.91	\$ 143,605.92	\$ 160,332.63	\$ 10,867.32	\$ 10,867.32	\$ 83,035.20

## DEPOSIT OF MONIES

### Finding

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

- One page (#11-44200) of the *Drop Safe Log* was missing.
- \$100 collected for a fundraiser and entered on the *Drop Safe Log* on December 10, 2012 was given back to the sponsor because the proper documentation was not submitted for approval by the principal. However, the money was not on the *Drop Safe Log* the next day.

### Recommendation

Money collections should be administered in accordance with District guidelines and *DOE Rules (Chapter 8 of the 2012 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*. Specifically,

- 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."
- Field trips should be pre-approved by the Principal with adequate documentation in accordance with *School Board Policy 2.40*.

### Management's Response

*Concur. Drop-safe Logs will be filed sequentially in numerical order.*

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of fundraiser documentation found that:

- The General Activities Shirt Sales (Account # 7-0100.02) did not have the required *Fundraising Application/Recap Form* and *Sales Item Inventory Report*.
- The Band Candy Sales (Account #2-1000.07) had a total of \$2,545 in sales revenue 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 \$3,980. As a result, \$1,435 (or 36%) in estimated revenue was unaccounted for.
- \$2,268 in sales revenue was deposited into the Band R.C. Fundraising Candy Sales Account (#2-1000.02) during the year. Based on the school's purchasing records and *Sales Item Inventory Report*, this fundraiser should have generated a total estimated revenue of \$5,800. As a result, \$3,532 (or 61%) in estimated revenue was unaccounted for.

- The General Athletics Concession Sales (Account #1-0010.01) had a total of \$6,211.05 in sales revenue was deposited into the Internal Funds during the year. As indicated by the sponsor on the *Sales Item Inventory Report*, a total of \$445 (or 7% of the total estimated revenue) in resale items given-away free-of-charge. However, no documentation was maintained 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 related District guidelines. Specifically,

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.

- 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 and ensure proper fiscal accountability, *Sales Item Inventory Reports* should be completed accurately with all the needed information. Accurate *Sales Item Inventory Reports* should assist staff in (1) reconciling sales revenues and (2) tracking items purchased, given-away, or remaining in inventory. Significant discrepancy between the estimated revenue and actual receipts should be investigated and resolved accordingly.

### **Management's Response**

*Concur. More concrete fundraising procedures established.*

## **DOCUMENTATION FOR DISBURSEMENTS**

### **Finding**

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

- Disbursement #10261 (for \$2,444.64) was not supported by itemized invoices. Instead, it was supported by a vendor's statement, which did not have the details of the purchases. Moreover, the statement balance was \$2,568.59, which (1) included \$33.07 in late payment fee, and (2) the payment amount was less than the statement balance by \$123.95.
- An April 11, 2013, P-Card transaction was for purchase of 11 entertainment-electronic items, totaling \$349.02, for student tutorial incentives. However, no documentation was maintained for the recipients for these items.



- Disbursement #10368 (for \$3,640) was for charter bus for an out-of-county fieldtrip. However, the related charter bus contract was signed by the sponsor, instead of the Principal.

### **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 avoid late payment fees and in compliance with *Florida Prompt Payment Act*, the school should timely process payments for all invoices.
- Pursuant to *Bulletin #P-14050-S/CFO*, "... gift purchases must be fully documented with a vendor invoice or itemized receipt. along with the name of the recipient and the reason for the gift...".
- Contractual agreements should be signed by the Principal as required by *District Administrative Directive D-6.03*. The directive provides that "*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.

## **LEASING OF SCHOOL FACILITIES**

### **Finding**

The review of school facility leasing records found that:

- *Lease Agreements* were not always properly executed with all the signatures in a timely manner. Six *Agreements* (#s 1002, 1010, 1011, 1033, 1034, and 1035) were not signed by the lessees, witness, and the Principal until after the leasehold periods had begun, with delays ranging from eight to 100 days.
- Leasing charges for nine (#1002, 1004, 1008, 1010, 1011, 1014, 1033, 1034 and 1035) leases were not always collected prior to the use of facilities, with delays ranging from 12 to 106 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 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. Fees will be paid at least 48 hours prior to use of a facility.*

**FIELD TRIPS**

**Finding**

Two sample field trips did not have adequate field trip documentation:

- The 6<sup>th</sup> and 7<sup>th</sup> Grades End-of-Year field trip did not have any field trip documentation.
- The *Field Trip/Activity Planning Report and Approval Request Form* for the May 3, 2013, field trip to Tampa was not approved by the Area Superintendent.

**Recommendation**

Field trips should be administered in accordance with ***School Board Policy 2.40***. Specifically, (1) field trips should be pre-approved by the Principal with adequate documentation, (2) in-county field trips should be approved by the Principal, and (3) out-of-county field trips should be approved by the Principal and Area Superintendent.

***Management's Response***

*Concur. All field trips will adhere to school board policy.*

**Loggers' Run Middle School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 11584 West Palmetto Park Road  
Boca Raton, FL 33428

Principal:  
Fiscal Year 2013: Francis Giblin  
During Audit: Francis Giblin

Treasurer:  
Fiscal Year 2013: Mary Terese Ott  
During Audit: Mary Terese Ott

Cash and Investments

Checking	\$ 430,329.83
Investments	
	\$ 430,329.83

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 11,567.00	\$ 4,162.50	\$ 7,105.25	\$ 2,600.00	\$ 2,600.00	\$ 8,624.25
Music	8,252.13	55,734.36	56,122.05	16,955.96	16,955.96	7,864.44
Classes	0.00	0.00	0.00	0.00	0.00	0.00
Clubs	8,657.69	10,417.20	9,588.26	3,678.41	3,419.41	9,745.63
Departments	41,340.37	30,862.45	29,733.92	22,703.99	20,548.21	44,624.68
Trusts	262,269.26	109,808.94	100,228.48	325.00	2,704.78	269,469.94
General	91,042.71	10,996.33	12,003.15	4,586.85	4,621.85	90,000.89
	\$ 423,129.16	\$ 221,981.78	\$ 214,781.11	\$ 50,850.21	\$ 50,850.21	\$ 430,329.83

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of fundraiser documentation revealed that:

- The ESE-Yard Sale Fundraiser (Account #5-7300.02) did not have the required *Fundraising Application/Recap Form* and *Sales Item Inventory Report*.
- The Band Dinner Concert Fundraiser (Account #2-1000.01) did not have a *Sales Item Inventory Report* to account for the estimated \$3,029 revenue from the silent auction 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 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

*The ESE yard sale was actually a field trip, the account was labeled incorrectly. \$5.00 was collected from each student. I have attached a copy of the transaction report. We were not aware that a Sales Item Inventory Report was necessary on the donated items. We will have one in the future.*

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

The review of sample disbursements and P-Card records found that Disbursement #26593 (for \$1,422.01) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *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. All purchases should be pre-approved by the Principal.

***Management's Response***

*Concur. This disbursement was for a holiday party which we did not know the price in advance. In the future I will obtain a written quote and the required purchase order.*

**LEASING OF SCHOOL FACILITIES**

**Finding**

The review of school facility leasing records found that the *Certificates of Insurance* for Leases #1005 and 1032 did not include the School Board as an additional insured party for liability insurance coverage. Moreover, the *Certificate of Insurance* for Lease #1016 listed the School District, instead of the School Board, as the additional insured party.

**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. These two leases had been issued prior to my attending a meeting where I was informed of the change. The insurance is issued for a year and was not corrected. All future leases will have the correction.*

**Odyssey Middle School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 6161 Woolbright Road  
Boynton Beach, FL 33437

Principal:  
Fiscal Year 2013: Bonnie Fox  
During Audit: Bonnie Fox

Treasurer:  
Fiscal Year 2013: Tara Bryant-Lowe  
During Audit: Joan Mullaney

Cash and Investments

Checking	\$ 31,103.80
Investments	
	\$ 31,103.80

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 3,661.80	\$ 9,348.00	\$ 9,882.83	\$ 9,327.81	\$ 9,327.81	\$ 3,126.97
Music	348.04	4,504.00	4,239.94	0.00	0.00	612.10
Classes	2.25	17,374.35	15,892.11	3,482.22	3,482.22	1,484.49
Clubs	1,850.77	3,282.31	2,191.55	2,168.34	2,453.23	2,656.64
Departments	133.70	22,946.23	8,991.53	19,961.40	29,154.75	4,895.05
Trusts	8,760.68	59,094.73	61,187.89	2,759.15	2,827.51	6,599.16
General	2,631.72	11,933.93	12,382.86	11,847.35	2,300.75	11,729.39
	\$ 17,388.96	\$ 128,483.55	\$ 114,768.71	\$ 49,546.27	\$ 49,546.27	\$ 31,103.80

## 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 turned in for deposit in a timely manner. For example, \$214 of the \$276 recorded on two sample MCRs (#219 and #227) was retained by the sponsors for one to six working days before it was turned in for deposit.
- The school received a total of \$2,705 in donations from two donors (MCRs #194, #200, #209, #249, #251, and #254) which were deposited into the Administrative Courtesy Account (#6-0200.00), in absence of letters from the donors indicating the purpose of the donation.

### Recommendation

Money collections should be administered in accordance with related District guidelines and *DOE Rules (Chapter 8 of the 2011 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*. Specifically,

- 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 collections and depositing the monies into the bank could result in potential irregularities.
- Donation received by the school should be deposited into the General Activities Account unless the donation is designated for specific purposes by the donor.

### Management's Response

*Concur. The treasurer began October 2014. Will adhere to proper procedures.*

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

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

- A \$4,610 P-Card transaction (occurred on August 20, 2012) exceeded the \$1,000 per vendor daily limit, without obtaining prior approval from the Purchasing Department.
- In addition to maintaining the Internal Funds records, the bookkeeper also prepared some *Check Requisitions* and *Purchase Orders* on behalf of the activity sponsors.

### **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 from the Purchasing Department.
- To ensure fiscal accountability and prevent potential irregularities, segregation of duties should be enforced at the school. Specifically, certain functions should be performed by the activity sponsors, such as preparing *Check Requisitions* and *Purchase Orders*.

### **Management's Response**

*Concur. Proper procedures are in place.*

## **LEASING OF SCHOOL FACILITIES**

### **Finding**

The review of records for leasing of school facilities found that *Lease Agreements* were not always executed with all the required signatures. Specifically,

- Six *Agreements* (#1001, #1002, 1003, #1004, #1007, and #1013) were neither signed by the lessees, witnesses, nor the Principal.
- *Agreement* #1025 was neither signed by the lessee nor the Principal.
- *Agreement* #1034 was not signed by the lessee
- *Agreement* #1005 was not signed by the Principal.

### **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. Proper procedures are in place.*



**Okecheelee Middle School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 2200 Pinehurst Drive  
Greenacres, FL 33463

Principal:  
Fiscal Year 2013: David Samore  
During Audit: David Samore

Treasurer:  
Fiscal Year 2013: Marilyn Dulin  
During Audit: Sandra Hernandez

Cash and Investments

Checking	\$ 120,026.40
Investments	
	\$ 120,026.40

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 1,709.69	\$ 19,603.54	\$ 16,048.01	\$ 10,251.44	\$ 10,251.44	\$ 5,265.22
Music	4,450.80	14,442.85	14,895.65	4,866.24	4,817.24	4,047.00
Classes	12,539.69	64,713.90	60,962.93	9,022.30	10,751.97	14,560.99
Clubs	13,189.35	24,159.64	24,598.01	9,601.08	8,624.35	13,727.71
Departments	54,322.81	57,116.43	52,679.44	15,502.74	14,172.15	60,090.39
Trusts	32,043.73	54,700.36	64,056.72	940.59	1,311.97	22,315.99
General	5,316.45	15,447.17	20,489.25	1,299.48	1,554.75	19.10
	\$ 123,572.52	\$ 250,183.89	\$ 253,730.01	\$ 51,483.87	\$ 51,483.87	\$ 120,026.40

## 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 some of the *Monies Collected Reports* (MCRs) for other staff members to sign as remitters.
- Prepared some of the *Check Requisitions* for the account sponsors to sign as requestors.
- Completed the *Drop-safe Log* and signed on behalf of other staff members as remitters.

Although incoming mails were sorted and distributed by someone other than the bookkeeper, mails addressed to the bookkeeper were given to her for opening and processing.

### Recommendation

To ensure fiscal accountability and prevent potential irregularities, segregation of duties should be enforced at the school. Specifically,

- Preparation of *Check Requisitions*, MCRs, and recording deposit information on the *Drop-Safe Log* should be handled by the activity sponsors.
- Incoming mails should be received and opened by different staff members. Payments 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. This has already been addressed and corrected.*

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of sample fundraiser records found that the Science Candy Sales Fundraiser (Account #5-2100.02) and Yearbook Sales (Account #5-0450.00) did not have the required *Sales Item Inventory Reports*. Due to lack of documentation for sales and inventory counts, there was no basis to determine if all sales revenues were properly accounted for.

### Recommendation

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. This has already been addressed and corrected.*

**LEASING OF SCHOOL FACILITIES**

**Finding**

The review of school facility leasing records found that *Lease Agreements* #1007 and #1005 were not approved by the Principal until 31 and 70 days, respectively, after the leasehold periods began. Moreover, *Agreement* #1001 did not have a witness' signature.

**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***

*These were paid, as far as I know, in a timely manner. The former bookkeeper delayed in submitting them in a timely manner. In any case, this has been resolved.*

**Omni Middle School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 5775 Jog Road  
Boca Raton, FL 33496

Principal:  
Fiscal Year 2013: Gerald Riopelle  
During Audit: Gerald Riopelle

Treasurer:  
Fiscal Year 2013: Mirtha Valencia Mohammadzadeh  
During Audit: Mirtha Valencia Mohammadzadeh

Cash and Investments

Checking	\$ 77,060.51
Investments	
	\$ 77,060.51

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 6,240.85	\$ 13,292.25	\$ 13,095.17	\$ 969.00	\$ 969.00	\$ 6,437.93
Music	4,264.63	68,632.00	69,437.28	27,264.59	27,436.85	3,287.09
Classes	0.00	58,190.07	57,476.96	713.11	713.11	713.11
Clubs	11,986.07	53,138.00	50,769.31	14,069.17	14,069.17	14,354.76
Departments	34,857.76	156,190.25	159,374.12	18,105.54	17,629.41	32,150.02
Trusts	16,853.75	53,748.03	60,016.79	403.26	231.41	10,756.84
General	14,820.93	20,153.67	25,138.12	5,565.28	6,041.00	9,360.76
	\$ 89,023.99	\$ 423,344.27	\$ 435,307.75	\$ 67,089.95	\$ 67,089.95	\$ 77,060.51

## LEASING OF SCHOOL FACILITIES

### **Finding**

The *Certificate of Insurance* for Lease #1007 indicated that the lessee had \$300,000 liability insurance coverage, which was lower than the District's required amount of \$1,000,000.

### **Recommendation**

To ensure the School District is well protected from potential claims and liabilities, 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."

### **Management's Response**

*Concur. New school Lease Coordinator in place and has received training and a systems check is in place to verify appropriate liability coverage and paperwork are accurate.*

## SAFE SCHOOL PROGRAM

### **Finding**

The review of records for the Safe School program found that the *Registration Form* for one student was missing, and the *Registration Form* for another student was not signed by the parent/guardian.

### **Recommendation**

To protect the welfare and safety of students, Safe School Program should be administered in accordance with *Middle School Afterschool Program Handbook* and other District's guidelines. Specifically, *Registration Forms* for students in the Safe School Program should be completed with the required information and signed by their parents/guardians. Moreover, all program records, including *Registration Forms*, should be retained for a time-period consistent with the District's *Records Retention Schedule*.

### **Management's Response**

*Concur. A meeting was held with current Afterschool Coordinator to discuss a plan for double checking all forms for appropriate information and signatures.*

**Osceola Creek Middle School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 6775 180th Avenue North  
Loxahatchee, FL 33470

Principal:  
Fiscal Year 2013: Daniel Frank  
During Audit: Nicole Daly

Treasurer:  
Fiscal Year 2013: Dawn Hollandsworth  
During Audit: Dawn Hollandsworth

Cash and Investments

Checking	\$ 46,357.49
Investments	
	\$ 46,357.49

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 5,318.74	\$ 8,764.50	\$ 8,581.35	\$ 3,385.39	\$ 3,385.39	\$ 5,501.89
Music	9,414.56	15,341.60	14,831.01	3,258.00	3,037.00	10,146.15
Classes	452.98	30,148.31	30,769.31	4,491.06	2,320.53	2,002.51
Clubs	5,013.45	2,966.20	4,857.41	537.90	530.07	3,130.07
Departments	10,416.56	50,152.15	48,042.67	25,049.19	23,539.96	14,035.27
Trusts	2,087.23	30,220.32	30,874.57	258.44	294.56	1,396.86
General	13,779.33	44,107.52	43,869.64	19,619.77	23,492.24	10,144.74
	\$ 46,482.85	\$ 181,700.60	\$ 181,825.96	\$ 56,599.75	\$ 56,599.75	\$ 46,357.49

Osceola Creek Middle School  
Management Letter  
Year Ended June 30, 2013

This audit revealed no material instances of noncompliance.

**Palm Springs Middle School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 1560 Kirk Road  
Palm Springs, FL 33461

Principal:  
Fiscal Year 2013: Sandra Jinks  
During Audit: Sandra Jinks

Treasurer:  
Fiscal Year 2013: Lori Cayea  
During Audit: Lori Cayea

Community School Director:  
Fiscal Year 2013: Sean Ashworth  
During Audit: Sean Ashworth

Cash and Investments

Checking	\$ 181,006.68
Investments	
	\$ 181,006.68

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 6,265.63	\$ 18,016.97	\$ 14,908.10	\$ 7,601.81	\$ 7,740.59	\$ 9,235.72
Music	12,922.71	14,494.40	14,677.28	9,931.27	8,173.61	14,497.49
Classes	5,287.96	35,910.31	30,241.72	3,005.62	9,959.05	4,003.12
Clubs	33,736.45	61,530.46	60,600.80	22,557.93	22,566.23	34,657.81
Departments	27,741.52	46,227.15	50,426.86	29,350.21	21,006.16	31,885.86
Trusts	62,092.43	128,058.81	130,454.04	5,780.19	5,728.86	59,748.53
General	34,017.49	132,485.33	136,472.14	36,779.83	39,832.36	26,978.15
	\$ 182,064.19	\$ 436,723.43	\$ 437,780.94	\$ 115,006.86	\$ 115,006.86	\$ 181,006.68



## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of fundraiser documentation revealed that the school contracted with a vendor for the Rita's Ice Sales (Account #7-0100.08) fundraiser, without the required *School District Consultant Agreements* (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 school should ensure that the consultant's background check has been cleared as required by *Florida Statutes §1012.465*.

### Management's Response

*Concur. We are no longer in an arrangement with Rita's Ice. We will ensure that Consultant Agreements are completed for all consultants and vendors in the future.*

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

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

- A \$99.95 P-Card purchase on September 3, 2012, did not have any supporting documentation.
- A \$12.88 P-Cared purchase on March 22, 2013, was for purchase of insecticide, which is prohibited by District purchasing guidelines.
- A \$184.64 P-Card purchase on March 26, 2013, included \$8.59 in sales tax.
- Disbursement #10359 (for \$1,640) was for payment of a December 20, 2012, purchase. However, the *Purchase Order* was not prepared by the sponsor and approved by the Principal until January 7, 2013.
- Three P-Card transactions, totaling \$1,516, were for payments of conference registrations for four staff member, without the required TDE forms for the staff.
- Disbursement 10622 (for \$1,167.60) was for payment of an out-of-state field trip for the Academic Games National Tournament. However, the field trip did not have the required *Field Trip Request Form*.
- Disbursement #10247 (for \$12,691) was for purchase of the theme park's admission tickets for the November 13, 2012, out-of-county field trip. However, this field trip did not have the required approved *Field Trip Request Form*; and none of the 12 staff's TDE Forms was approved by the Area Superintendent.

### **Recommendation**

Disbursement procedures 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 is no assurance that the expenses were appropriate.
- P-Card should not be used for purchase of items disallowed by the *Purchasing Manual*. Moreover, to protect the safety and health of students and staff, chemical items such as custodial supplies should be ordered from the District's warehouse or procured through the Purchasing Department.
- *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.
- 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." Moreover, 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 conferences and going to field trips.

### **Management's Response**

*Concur. Future purchases will be monitored more closely and all appropriate documentation will be attached. Field trips will not be allowed unless documentation is complete 48 hours in advance.*

## **ADULT EDUCATION AND COMMUNITY SCHOOL PROGRAMS**

### **Finding**

The review of the 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, the Adult Education fees collected during six of the 10 months were not timely transmitted to the Central Office, with delays ranging from 10 to 41 working days.
- The payroll records and the *Adult and Community School Teacher Roster and Assigned Hours Reports* indicated that eight teachers received course preparation time, ranging from 30 to 60 minutes per day. However, there was no documentation for the purposes of the preparation time allowance.

### **Recommendation**

Adult Education and Community School Programs should be administered in accordance with the District's guidelines. Specifically,

- In order to provide immediate available funding 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.
- To ensure proper fiscal accountability, allowance for preparation time for Adult and Community Education part-time instructors should be adequately documented and approved by the Principal.

### ***Management's Response***

*Concur. School treasurer will submit transmittals in accordance with the district transmittal schedule. Assistant Principal will provide additional documentation in justification for prep time to part time instructors for Community Education.*

## **PRENUMBERED DOCUMENTS**

### **Finding**

The review of controls for prenumbered documents at the school found that:

- The community school assistant principal was the document custodian for *Adult and Community Education Receipts*, although the same staff also used the prenumbered tickets for fee collections.
- The *Prenumbered Document Inventory Register* was not maintained for the Rita's Ice prenumbered tickets.

### **Recommendation**

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

- *"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."*
- Prenumbered documents should be periodical inventory in accordance with the inventory schedule, and the inventory checks should be documented on the *Prenumbered Document Inventory Register (PBSD 0160)*.

### ***Management's Response***

*We have chosen the head secretary to be the document custodian for Adult and Community Education receipts. We are no longer having Rita's Ice Sales.*

**Polo Park Middle School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 11901 Lake Worth Road  
Lake Worth, FL 33467

Principal:  
Fiscal Year 2013: Ann Clark  
During Audit: Ann Clark

Treasurer:  
Fiscal Year 2013: Beth Bauer  
During Audit: Elisa Delvecchio

Cash and Investments

Checking	\$ 62,820.28
Investments	
	\$ 62,820.28

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 14,600.62	\$ 26,238.10	\$ 31,110.83	\$ 15,423.77	\$ 15,323.77	\$ 9,827.89
Music	6,307.68	1,581.00	3,125.79	0.00	2,268.41	2,494.48
Classes	454.40	19,299.00	17,564.02	2,105.29	2,105.29	2,189.38
Clubs	2,565.58	14,388.47	13,307.92	4,196.68	4,501.25	3,341.56
Departments	21,163.42	56,136.22	60,143.44	23,825.78	22,825.78	18,156.20
Trusts	8,219.15	75,117.88	63,252.42	5,129.92	4,812.57	20,401.96
General	3,000.34	8,897.64	6,644.80	12,112.26	10,956.63	6,408.81
	\$ 56,311.19	\$ 201,658.31	\$ 195,149.22	\$ 62,793.70	\$ 62,793.70	\$ 62,820.28

## ACCOUNTS PAYABLE

### Finding

The school's June 30, 2013, financial records submitted to the Central Office indicated that the school had a total unpaid debts of \$23,166.25 payable to the Central Office. The unpaid debts were cumulative expenses including \$21,993.29 incurred during School Year 2008 and \$1,172.96 incurred in School Year 2009.

### Recommendation

The school should develop a payment plan to address the unpaid debts.

### *Management's Response*

*Current Polo Park students should not be responsible for previous principal's fiscal mismanagement.*

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of sample fundraiser records found that:

- The Yearbook Sales (Account #5-0450.00) did not have the required *Fundraising Application/Recap Form* and *Sales Item Inventory Report*.
- The Athletics T-shirt Sales (Account #1-0010.03) had a total sales revenue of \$2,640 deposited into the Internal Funds. As indicated by the sponsor on the *Sales Item Inventory Report*, 32 shirts were given-away free-of-charge. The give-away items had an estimated resale value of \$640 (or 20%) of the total estimated revenue ( $\$2,640 + \$640 = \$3,280$ ) for this fundraiser. However, no documentation was maintained for the purposes and recipients of these give-away items.

### 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 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.

- 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 should include the purposes and the names of the recipients.

***Management's Response***

*Concur. Fundraising procedures were reviewed with staff at the first faculty meeting.*

**DOCUMENTATION FOR DISBURSEMENTS**

**Finding**

The review of sample disbursements and P-Card purchases found that the P-Card *Monthly Billing Statements* for three cardholders were neither reviewed nor approved by the Principal. Specifically, our review of eight statements for four months (September 2012, November 2012, December 2012 and February 2013) revealed that these eight monthly statements were approved by the bookkeeper, instead of the Principal.

**Recommendation**

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 20<sup>th</sup> 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. Monthly statements will be reviewed by principal, not bookkeeper. New bookkeeper is aware of the proper procedures.*

**LEASING OF SCHOOL FACILITIES**

**Finding**

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

- The Tririga System indicated that the school had 26 leasing arrangements during Fiscal Year 2013. However, three of the leases (#1001, #1008, and #1026) did not have a hard copy of the *Lease Agreements*.
- The school executed a manual *Lease Agreement* (#1019) for the use of facilities by the lessee on April 13, 2013. However, this *Lease Agreement* was not entered into Tririga System as required by the District's leasing guidelines.

**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. Moreover, all leasing of school facilities should be recorded and processed by the Tririga System.

***Management's Response***

*Concur. Leasing procedures will be reviewed. Hard copies of Lease Agreements will be kept. All leases will be entered into the Tririga System.*

**SAFE SCHOOL PROGRAM**

**Finding**

Students who were on the free and reduce lunch program were eligible to attend the Safe School Program free-of-charge. Our review of the Safe School Program records found that the school had no record of the fee-waiver for two students who attended the Safe School Program without paying the fees. These students were not on the free-and-reduced lunch program list.

**Recommendation**

Fee waiver for Safe School Program should be adequately documented and approved by the Principal.

***Management's Response***

*Concur. Procedures to be followed will be reviewed with afterschool director.*

**Roosevelt Middle School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 1900 North Australian Avenue  
West Palm Beach, FL 33407

Principal:  
Fiscal Year 2013: Jo Anne Rogers  
During Audit: Jeff Pollard

Treasurer:  
Fiscal Year 2013: Dawnette Smith  
During Audit: Dawnette Smith

Community School Director:  
Fiscal Year 2013: Alexandra Deveroux  
During Audit: MaryLisa Stemler

Cash and Investments

Checking	\$ 108,146.35
Investments	
	\$ 108,146.35

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 13,666.42	\$ 21,695.69	\$ 24,289.62	\$ 2,734.80	\$ 2,734.80	\$ 11,072.49
Music	4,176.09	18,005.08	18,114.79	1,770.57	1,770.57	4,066.38
Classes	4,158.26	28,904.00	30,298.21	2,475.00	3,606.47	1,632.58
Clubs	9,371.05	65,966.17	62,940.07	13,899.48	15,229.01	11,067.62
Departments	41,373.80	26,227.94	37,462.95	10,552.22	8,739.08	31,951.93
Trusts	29,929.87	113,503.24	106,564.40	2,482.06	5,026.13	34,324.64
General	19,789.14	45,818.84	54,769.20	26,502.54	23,310.61	14,030.71
	\$ 122,464.63	\$ 320,120.96	\$ 334,439.24	\$ 60,416.67	\$ 60,416.67	\$ 108,146.35



## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of fundraiser records at the school found that the school purchased 2,480 P.E. Uniform items (1,151 shirts and 1,329 shorts) for the P.E. Uniform Sales Fundraiser (Account #5-1900.01). As indicated by the sponsor on the *Sales Item Inventory Report*, 591 items or 24% (298 shirts and 293 shorts) were given-away or missing. However, documentation was maintained for only 16 items which were given to eight students for financial hardship. According to staff, two cases or approximately 200 pieces of uniform were damaged due to rodent infestation at the school. Consequently, 375 (591- 200 -16) given-away items, with a total resale value of \$4,500, did not have documentation for as to who received these 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 be adequately documented. Records should include the purposes and the names of the recipients for the gifts.

### Management's Response

*[Former Principal] Concur. Gym area rodent infestation confirmed. However, the matter of ruined shirts was not brought to the attention of the former administration. Corrective actions should include current administration meeting with appropriate staff establishing procedures for damaged inventory and hardship. Also, recommend procedures to be reviewed with staff and placed in handbook each year.*

## LEASING OF SCHOOL FACILITIES

### Finding

The review of sample leases for use of school facilities found that:

- The *Certificates of Insurance* for Leases #1008 and #1015 listed the School Board as the certificate holder; however, the School Board was not included as an additional insured party for liability coverage.
- *Lease Agreements* were not always properly executed with all the required signatures in a timely manner. *Agreement #1008* was not signed by the lessee until 12 days after the leasehold period had begun, and it was not signed off by the Principal. *Agreement #1016* was not signed off by the Principal until seven days after the leasehold period had begun.
- Lease #1008 was for the use of facilities by the lessee between August 5, and 12, 2012. However, the leasing charges were not collected from the lessee until August 17, 2012; i.e. 12 days after the leasehold period had begun and five days after the contract ended.

### **Recommendation**

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

- As required by ***Board Policy***, the 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 protected from unwarranted liabilities.
- To protect the best interest of the School District and ensure *Lease Agreements* are legally enforceable, all *Lease Agreements* should be properly executed with all the required signatures prior to the use of facilities by lessees.
- As required by ***School Board Policy 7.18***, leasing charges should be collected from lessees prior to their use of school facilities.

### ***Management’s Response***

*[Former principal] Concur. Review with notes, and require “re-training” for staff handling leases and also, the right school administrator to be included in the training.*

## **ADULT AND COMMUNITY SCHOOL PROGRAMS**

### **Finding**

The review of the Adult Education and Community School Programs found that:

- The *Adult and Community School Teacher Roster and Assigned Hours Report* (PBSD 2244) was not completed for the Fall 2012 and Spring 2013 terms.
- *Student Attendance Rosters* for the Adult Education Program were not maintained for all three terms during the year at the three satellite locations.
- District procedures require that community school fees be transmitted to the Central Office within 42 days after the classes begin. However, the school did not transmit the fees for the Winter 2013 term timely to the Central Office, with a delay of 10 days.

### **Recommendation**

Adult Education and Community School Programs should be administered in accordance with the District’s guidelines. Specifically,

- An *Adult and Community School Teacher Roster and Assigned Hours Report* should be completed for every school term; and the roster should indicate any authorized preparation hours, as well as the reason for the authorization.

Roosevelt Middle School  
Management Letter  
Year Ended June 30, 2013

- *Student Attendance Rosters* should be completed and retained for a time-period consistent with the District's ***Record Retention Schedule***.
- In accordance with District's guidelines, all Community School tuition fees should be transmitted to the Central Office within six weeks (42 days) in order to provide funding for Community School personnel and other related expenses.

***Management's Response***

*[Former Principal] Concur. Review with appropriate staff for full implementation of all procedures noted.*

***Additional comments:*** *Thanking the audit department for guidance and support throughout the school year.*

**Tradewinds Middle School**  
**Internal Fund Accounts**  
**Combining Statement of Changes in Cash and Investments – Cash Basis**  
**Year Ended June 30, 2013**

Address: 5090 South Haverhill Road  
Greenacres, FL 33463

Principal:  
Fiscal Year 2013: Rebecca Subin  
During Audit: Rebecca Subin

Treasurer:  
Fiscal Year 2013: Lorraine Baker  
During Audit: Lorraine Baker

Cash and Investments

Checking	\$ 54,775.07
Investments	
	\$ 54,775.07

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 2,739.88	\$ 11,026.92	\$ 10,837.17	\$ 4,067.81	\$ 4,014.24	\$ 2,983.20
Music	5,540.12	13,844.55	10,179.86	4,924.79	6,165.83	7,963.77
Classes	5,580.14	91,403.25	90,529.74	20,600.95	19,209.95	7,844.65
Clubs	1,252.79	5,749.03	5,405.38	1,795.76	1,908.26	1,483.94
Departments	11,506.93	32,153.12	27,843.26	10,229.52	8,596.83	17,449.48
Trusts	17,597.09	57,259.91	66,281.18	9,040.36	8,582.20	9,033.98
General	13,654.97	25,254.98	28,712.02	12,238.82	14,420.70	8,016.05
	\$ 57,871.92	\$ 236,691.76	\$ 239,788.61	\$ 62,898.01	\$ 62,898.01	\$ 54,775.07

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of fundraiser records found that:

- Tickets sales for the 8<sup>th</sup> Grade Graduation Dance (Account #3.3800.03) did not have the required *Ticket Sellers Reports*. Without documentation for sales information, there is no assurance that all revenues were properly accounted for.
- The *Sales Item Inventory Report* for the P.E. Uniform Sales (Account #5.1900.01) indicated that 196 uniform items, with a resale value of \$1,960, were given away free-of-charge. According to the sponsor, uniforms were donated to needy students; however, records were maintained for only 20 students.
- The *Sales Item Inventory Report* for the 8<sup>th</sup> Grade T-Shirts Sale (Account #3.3800.06) indicated that 98 T-Shirts, with a resale value of \$1,960, were given away free-of-charge without maintaining the records as to who received the T-Shirts. According to the sponsor, uniforms were donated to dress code violators.

### Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. To ensure proper fiscal accountability,

- *Ticket Sellers Report* should be prepared in order for staff to reconcile revenues with the number of tickets sold.
- Merchandises purchased with school funds and provided free-of-charge to students, staff members or the community should be adequately documented. Records for give-away should include the purposes and the names of the recipients.

### Management's Response

*Concur. Ticket Sellers Reports for 8<sup>th</sup> Grade Dance was an oversight. Principal will speak to both P.E. Department and Office Staff who oversee T-shirts to keep a flowwign log of names of students whom receive free-of-charge items from TMS.*

## LEASING OF SCHOOL FACILITIES

### Finding

The review of records for school facility leasing found that leasing charges were not always collected in a timely manner. For example, \$1,728 in leasing charges was not collected from the lessee until five days after the leasehold period had begun.

Tradewinds Middle School  
Management Letter  
Year Ended June 30, 2013

**Recommendation**

To protect the best interests of the school, leasing of school facilities should be administered in accordance with *School Board Policy 7.18, Bulletin #P-11435-FM/RES*, and related District guidelines. Specifically, lease payments should be collected 48 hours prior to the leasehold starting date.

***Management's Response***

*Concur. Oversight by the administrator who oversees leasing. Person is aware of this audit finding.*

**Watson B. Duncan Middle School**  
**Internal Fund Accounts**  
**Combining Statement of Changes in Cash and Investments – Cash Basis**  
**Year Ended June 30, 2013**

Address: 5150 117th Court North  
Palm Beach Gardens, FL 33418

Principal:  
Fiscal Year 2013: Adrian Ocampo  
During Audit: Adrian Ocampo

Treasurer:  
Fiscal Year 2013: Janice Hardy  
During Audit: Vacant

Cash and Investments

Checking	\$ 146,675.35
Investments	
	\$ 146,675.35

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 6,182.06	\$ 29,936.00	\$ 30,474.76	\$ 3,131.14	\$ 3,136.14	\$ 5,638.30
Music	8,565.90	47,983.70	49,234.24	13,653.99	13,553.99	7,415.36
Classes	330.20	127.50	394.18	42.50	66.00	40.02
Clubs	9,765.26	36,626.44	39,329.21	13,318.25	9,716.12	10,664.62
Departments	79,972.64	158,683.72	145,016.33	45,047.59	50,169.69	88,517.93
Trusts	47,593.57	111,085.84	127,129.91	18,823.40	18,835.02	31,537.88
General	396.34	6,808.33	5,803.52	2,690.88	1,230.79	2,861.24
	\$ 152,805.97	\$ 391,251.53	\$ 397,382.15	\$ 96,707.75	\$ 96,707.75	\$ 146,675.35

**DEPOSIT OF MONIES**

**Finding**

The review of sample *Monies Collected Reports* (MCRs) and the money collection process at the school found that MCR #553-1 (for \$438.44) was for fees collected for a field trip to Tampa. However, the related *Field Trip Request Form* was not approved by the Area Superintendent.

**Recommendation**

Field trips should be administered in accordance with *School Board Policy 2.40*. Specifically, (1) field trips should be pre-approved by the Principal with adequate documentation, (2) in-county field trips should be approved by the Principal, and (3) out-of-county field trips should be approved by the Principal and Area Superintendent.

**Management's Response**

*Concur.*

**DOCUMENTATION FOR FUNDRAISERS**

**Finding**

The review of the school's fundraiser records noted that the Yearbook Sales (Account #5-0450.00) had a total of \$7,690 in sales revenue deposited into the Internal Funds. However, based on the school's purchasing records and *Sales Item Inventory Report*, this fundraiser should have generated a total estimated revenue of \$11,840. As a result, \$4,150 in estimated revenue was unaccounted for.

Quantity					Selling Price	Revenues
Purchases <sup>(1)</sup>	Units Sold via Publisher's Website <sup>(2)</sup>	Items Given Away <sup>(2)</sup>	Inventory On Hand <sup>(3)</sup>	Units Sold		
583	268	62	15	234	\$50	\$11,700
				4	\$35	\$140
Total Estimated Revenues						\$11,840
Total \$ Deposited into Internal Funds						\$7,690
<b>Estimated Revenues Unaccounted For</b>						<b>\$4,150</b>

(1) Based on purchasing records during July 1, 2012, and June 30, 2013.

(2) Based on Sales Item Inventory Report.

Moreover, as indicated by the sponsor on the *Sales Item Inventory Report*, 62 Yearbooks with an estimated total resale value of \$3,100 were given-away free-of-charge. However, no documentation was maintained as to who received these give-away items.

**Recommendation**

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. To protect the school's best interest and ensure proper fiscal accountability,



- *Sales Item Inventory Report* should be completed with accurate information, which will 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.
- 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 should include the purposes and the names of the recipients.

***Management's Response***

*Concur. There are 62 books leftover in Room 10-103.*

**DOCUMENTATION FOR DISBURSEMENTS**

**Finding**

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

- Disbursement #10586 (for \$6,188) for payment of the 8<sup>th</sup> Grade Dance venue exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*.
- Disbursement #10407 (for \$650) was for DJ services; however, the payment was not supported with a *School District Consultant Agreement (PBSD 1420)*.

**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,

- *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.
- To protect the best interests of the school, the *School District Consultant Agreement (PBSD 1420)* should be properly executed prior to the consultant performing the services. Moreover, to protect the safety and welfare of students, the school should ensure that consultants who work on school campus have passed the required background and clearance check as required by ***Florida Statutes §1012.465***.

***Management's Response***

*Concur.*

## LEASING OF SCHOOL FACILITIES

### Finding

The review of sample leases for use of school facilities found that:

- Five leases (#1001, #1003, #1004, #1005 and #1006) did not have the proof of insurance.
- Leases #1003, #1004 and #1005 were charged non-profit rates, without proof of non-profit status or tax-exempt status.
- \$115.20 in sales tax was not collected for Commercial Lease #1001.
- *Lease Agreements* were not always executed with all the required signatures in a timely manner. Two *Agreements* (#1006 and #1003) were not signed off by the Principal until the leasehold periods had begun, with delays ranging from seven to 14 days. Moreover, leasing charges for Lease #1003 were not collected until four days after the use of the facility by the 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 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.
- To qualify for the non-profit rates, proof of non-profit or tax-exempt status should be provided by lessee and documented in file.
- 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. Leasing charges should be collected from lessees prior to their use of school facilities.

### Management’s Response

*Concur.*

***Additional comments:*** *I was not the Principal during these dates.*

**Wellington Landings Middle School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 1100 Aero Club Drive  
Wellington, FL 33414

Principal:  
Fiscal Year 2013: Blake Bennett  
During Audit: Blake Bennett

Treasurer:  
Fiscal Year 2013: Capella Flaherty  
During Audit: Capella Flaherty

Cash and Investments

Checking	\$ 126,421.19
Investments	
	\$ 126,421.19

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 13,830.35	\$ 15,931.43	\$ 19,259.44	\$ 4,843.53	\$ 5,115.95	\$ 10,229.92
Music	14,677.58	29,633.50	34,132.75	3,637.01	3,487.01	10,328.33
Classes	4,408.95	59,167.25	57,445.27	3,663.47	3,663.47	6,130.93
Clubs	6,028.81	13,343.34	13,238.64	2,573.07	3,941.07	4,765.51
Departments	56,512.47	54,086.95	64,976.60	12,019.63	9,427.88	48,214.57
Trusts	37,703.17	117,076.93	116,974.96	19,150.70	24,362.79	32,593.05
General	1,862.82	17,164.39	8,979.09	14,415.64	10,304.88	14,158.88
	\$ 135,024.15	\$ 306,403.79	\$ 315,006.75	\$ 60,303.05	\$ 60,303.05	\$ 126,421.19

## 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, \$980 collected through MCR #417-17 was retained by the sponsor for four to seven working days before it was put into the drop-safe for deposit. Moreover, a total of \$2,248.50 in collections that were recorded on MCR#s 366-1, 372-6, 372-12, 407-6, and 417-17 were not timely processed and deposited into the bank by the bookkeeper, with delays ranging from six to 20 working days after collection.

### Recommendation

*DOE Rules (Chapter 8 of the 2012 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 sponsors and result in potential irregularities.

### Management's Response

*Concur. Ensure that teachers and staff know how to make timely deposits.*

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of sample fundraiser documentation found that:

- The Chorus Polo Shirt Sales (Account #2-1500.02) and Travel Twirling Team Jacket Sales (Account #2-2502.00) did not have the required *Sales Item Inventory Reports*.
- The *Sales Item Inventory Report* for Boys Soccer T-shirt Sales (Account # 1-5010.01) was not completed with all the needed information. The missing information included beginning inventory, quantity sold, ending inventory, selling price, and sales revenue. There was \$260 sales revenue deposited into the Internal Funds. However, based on the school's purchasing records, this fundraiser should have generated a total estimated revenue of \$600. As a result, \$340 (or 57%) of the estimated revenue was unaccounted for.

### Recommendation

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. Teachers and staff have been informed that Sales Item Inventory Reports must be completed accurately and will be monitored.*

**DOCUMENTATION FOR DISBURSEMENTS**

**Finding**

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

- The school paid a total of \$11,232 to a consultant through seven disbursements (#s 10211, 10262, 10320, 10373, 10384, 10700, and 10711) for professional services offered at science classes during the month of October 2012, November 2012, and May 2013. The school entered into 12 *School District Consultant Agreements* (PBSD 1420) with the same consultant for a total maximum contract amount of \$12,270. However, all 12 *Agreements* were signed only by the consultant, without the Principal signature and approval of the School Board, as required by ***School Board Policy 6.14***.
- Supporting documentation such as invoices/receipts were not defaced (stamped "PAID") after payment in order to 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,

- Pursuant to ***School Board Policy 6.14*** and the instructions on the *School District Consultant Agreement (PBSD 1420)*, "All consultant contracts over \$10,001 must be approved by the Legal Department before going to the Board. The Board Chairman will sign the contract after Board Approval."
- To avoid potential duplicate payments, supporting documentation should be defaced (stamped "PAID") after payment.

***Management's Response***

*Concur. An accurate consultant contract will be signed by all parties and submitted to the School Board.*

**LEASING OF SCHOOL FACILITIES**

**Finding**

The review of school facility leasing records that the leasing charges for Leases #1003 and #1004 were recorded in the rental income account in its entirety, without allocating and recording the required amounts of utility fee and sales tax into respective accounts. Consequently, the school under-allocated and under-transmitted \$1,332 in utility fees and \$237.60 in sales tax to the Central Office.

**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 allocated and 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. Percentages owed to the district will be sent bi-annually.*

**Western Pines Middle School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 5949 140 Avenue North  
Royal Palm Beach, FL 33411

Principal:  
Fiscal Year 2013: Robert Hatcher  
During Audit: Robert Hatcher

Treasurer:  
Fiscal Year 2013: Tammi LeBlanc  
During Audit: Tammi LeBlanc

Cash and Investments

Checking	\$ 127,429.51
Investments	
	\$ 127,429.51

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 4,142.93	\$ 17,424.20	\$ 12,913.24	\$ 14,869.57	\$ 15,063.75	\$ 8,459.71
Music	2,579.27	6,623.00	7,995.55	3,134.48	3,134.48	1,206.72
Classes	1,039.03	31,163.92	24,838.07	4,085.61	5,200.50	6,249.99
Clubs	2,681.36	11,018.42	9,258.03	5,424.92	5,424.92	4,441.75
Departments	51,176.13	73,994.17	74,018.92	37,375.40	31,737.50	56,789.28
Trusts	45,115.29	71,011.74	73,839.23	11,894.49	10,810.23	43,372.06
General	4,944.86	26,877.52	19,499.29	11,277.33	16,690.42	6,910.00
	\$ 111,678.87	\$ 238,112.97	\$ 222,362.33	\$ 88,061.80	\$ 88,061.80	\$ 127,429.51

## LEASING OF SCHOOL FACILITIES

### **Finding**

The review of records for school facility leasing found that *Lease Agreement #1002* was not signed by the lessee, witness, and the Principal until six days after leasehold period began.

### **Recommendation**

To protect the best interest of the School District and ensure *Lease Agreements* are legally enforceable, they should be executed with all the required signatures prior to the use of facilities by lessees.

### ***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, 2013**

Address: 5200 Lyons Road  
Lake Worth, FL 33467

Principal:  
Fiscal Year 2013: Jeffrey Eassa  
During Audit: Jeffrey Eassa

Treasurer:  
Fiscal Year 2013: Vilma Fedor  
During Audit: Vilma Fedor

Cash and Investments

Checking	\$ 138,352.89
Investments	
	\$ 138,352.89

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 2,766.47	\$ 11,291.60	\$ 7,159.91	\$ 6,451.01	\$ 6,701.73	\$ 6,647.44
Music	12,672.54	78,499.35	80,196.07	19,742.95	19,657.95	11,060.82
Classes	5,770.18	23,578.70	24,947.89	5,792.11	7,268.85	2,924.25
Clubs	5,945.03	3,730.66	4,807.68	610.75	1,060.23	4,418.53
Departments	64,148.63	73,387.98	59,892.47	18,561.22	18,407.08	77,798.28
Trusts	35,419.85	64,710.97	66,646.79	2,383.59	2,840.07	33,027.55
General	1,419.51	1,313.66	2,651.43	2,394.28	0.00	2,476.02
	\$ 128,142.21	\$ 256,512.92	\$ 246,302.24	\$ 55,935.91	\$ 55,935.91	\$ 138,352.89

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The P.E. Uniform Sales (Account #5-1900.03) had a total of \$5,545 in sales revenue deposited into the Internal Funds during the year. As indicated by the sponsor on the *Sales Item Inventory Report*, 75 shirts and 50 shorts were given-away free-of-charge. The give-away items had an estimated total resale value of \$1,250, or 18% of the estimated sales revenue (\$5,545 + \$1,250) for this fundraiser. However, no documentation was maintained for the purposes and who received the give-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 be adequately documented. Records for give-away items should include the purposes and the names of the recipients.

### Management's Response

*Concur. Will document items provided to students free of charge.*

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

The review of sample disbursements and P-Card documentation found that supporting documents were not always defaced (stamped "PAID") after payments. Specifically, the supporting documents for three sample disbursements (#14856, #14934, and #14940, totaling \$21,416.63) were not defaced after payments.

### Recommendation

Defacing the supporting documentation after payments should help prevent potential duplicate payments.

### Management's Response

*Concur. Will begin defacing all necessary documents.*

## LEASING OF SCHOOL FACILITIES

### Finding

The review of the school facility leasing records found that:

- Hard copy of the signed *Lease Agreement* was generated by Tririga system before it was approved by the Central Office, and had the word "DRAFT" printed across the entire document.

- All five sample *Lease Agreements* (#1001, #1002, #1003, #1005, and #1006) were approved by the Assistant Principal, instead of the Principal. Moreover, four of them (#1001, #1002, #1003, and #1006) were not signed by a witness.
- The *Certificate of Insurance* for Lease #1003 did not include the School Board as the 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,

- To ensure that *Lease Agreements* are legally enforceable, *Lease Agreement* (without the word “Draft”) should be properly executed with all the required signatures, prior to the use of facilities by lessees. Moreover, ***School Board Policy 7.18, Section 3.a.***, states that “*Only the school Principal may execute a lease agreement.*”
- 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. Will begin documentation of all leases and proper lease procedures.*

## **SAFE SCHOOL PROGRAM**

### **Finding**

According to the Safe School Program Guidelines, fees may be waived if the students are eligible for the free or reduce lunch program, or the parents are experiencing financial hardship. The review of fee collection records for the school’s Safe School Program found that:

- A student was approved with a fee waiver because the parent is an employee of the program.
- The school maintained two attendance rosters for the After-School Program: (1) *After-School Attendance (F/R)*, and (2) *After-School Attendance (Non F/R)*. Students who were on the free and reduced-cost lunch program were listed on *After-School Attendance (F/R) Roster* and were eligible to attend the program free-of-charge. However, six of the students on the February 2013 *After-School Attendance (F/R) Roster*, but were not on the free and reduced-cost lunch program. As a result, these six students attended the program without paying the fees.

**Recommendation**

Safe School Program should be administered in accordance with *Middle School Afterschool Program Handbook* and other District guidelines. Specifically, fee waivers should be adequately documented and approved by the Principal. Moreover, children of District employees should not receive fee waivers because their parents are employed by the School District.

***Management's Response***

*Concur. Will document all afterschool fees waived.*

# 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, 2013**

Address: 501 South Sapodilla Avenue  
West Palm Beach, FL 33401

Principal:  
Fiscal Year 2013: Susan Atherley  
During Audit: Susan Atherley

Treasurer:  
Fiscal Year 2013: Sandra Bullock  
During Audit: Sandra Bullock

Cash and Investments

Checking	\$ 483,018.66
Investments	
	\$ 483,018.66

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 4,322.14	\$ 19,068.57	\$ 18,150.40	\$ 4,692.44	\$ 4,272.44	\$ 5,660.31
Music	70,574.11	318,921.94	321,077.37	61,017.34	57,679.97	71,756.05
Classes	19,822.66	115,985.80	103,096.82	23,890.41	23,706.91	32,895.14
Clubs	32,280.01	47,402.23	32,033.71	19,138.46	22,870.27	43,916.72
Departments	157,192.36	409,644.86	422,923.47	171,282.77	175,853.02	139,343.50
Trusts	103,875.60	357,705.62	364,783.96	9,293.74	9,462.02	96,628.98
General	120,955.30	40,394.83	73,061.64	31,927.92	27,398.45	92,817.96
	\$ 509,022.18	\$1,309,123.85	\$1,335,127.37	\$ 321,243.08	\$ 321,243.08	\$ 483,018.66

## DEPOSIT OF MONIES

### Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process at the school found that some of the school staff did not turned 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

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. This year we are putting reminders on all deposits/receipts.*

## DOCUMENTATION FOR FUNDRAISER

### Finding

The P.E. Uniform Sales (Account #5-1902.01) collected \$1,776 in sales revenue which was deposited into the Internal Funds. As indicated by the sponsor on the *Sales Item Inventory Report*, 55 items, with an estimated resale value of \$390 (or 22% of sales revenue), was given-away free-of-charge without records documenting the purposes and the recipients of the give-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 be adequately documented. Records should include the purposes and the names of the recipients for the gifts.

### Management's Response

*Concur. Teacher is no longer at Dreyfoos. We have a new sponsor.*

## LEASING OF SCHOOL FACILITIES

### Finding

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

Alexander W. Dreyfoos School of the Arts  
Management Letter  
Year Ended June 30, 2013

- Although the leasing information for Lease #1003 was recorded in the Tririga System, the school did not have a hard copy of the *Lease Agreement* that was executed with all the required signatures. Moreover, *Lease Agreement* #1010 was not signed by the lessee, a witness, and the Principal.
- The *Certificates of Insurance* for three leases (#1009, #1011 and #1014) did not include the School Board as an additional insured party for liability insurance coverage.
- Leasing charges were not always allocated and transmitted to the Central Office as required. For example, \$108 in insurance premium and \$30 in sales tax collected from Lease #1003 were incorrectly allocated and recorded in the Rental Income Account (#6-3800) and Utilities Account (#6-5500). As a result, the school under-transmitted \$30 in sales tax and \$108 in insurance premium 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 that *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.
- The portion of insurance and sales tax should be recorded in the Rental Facilities Event Insurance (#6-1850) and Florida Sales Tax Payable (#6-1800). These fees should be periodically transmitted to the Central Office in accordance with the District’s approved *Rate Schedule*.

### **Management’s Response**

*Concur. We have a new leasing coordinator.*

**Atlantic High School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 2455 West Atlantic Avenue  
Delray Beach, FL 33445

Principal:  
Fiscal Year 2013: Anthony Lockhart  
During Audit: Anthony Lockhart

Treasurer:  
Fiscal Year 2013: Ashley Hatchett  
During Audit: Mary Stacey

Community School Director:  
Fiscal Year 2013: Mary Powers  
During Audit: Mary Powers

Cash and Investments

Checking	\$ 504,696.22
Investments	
	\$ 504,696.22

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 22,613.45	\$ 182,583.62	\$ 150,385.95	\$ 64,916.99	\$ 49,411.00	\$ 70,317.11
Music	32,756.60	128,825.16	98,789.86	39,547.50	39,843.76	62,495.64
Classes	1,198.57	39,432.75	29,567.39	10,032.86	10,032.86	11,063.93
Clubs	41,745.73	91,054.10	83,045.39	63,344.67	65,375.17	47,723.94
Departments	63,228.15	85,451.14	90,796.69	18,296.74	18,122.74	58,056.60
Trusts	268,883.19	266,875.13	263,311.07	15,998.68	42,124.67	246,321.26
General	13,591.96	4,387.49	22,034.47	20,000.00	7,227.24	8,717.74
	\$ 444,017.65	\$ 798,609.39	\$ 737,930.82	\$ 232,137.44	\$ 232,137.44	\$ 504,696.22

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

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

- 16 P-Card transactions, totaling \$6,047.93, were payments for conference registration, travel, and lodging expenses. However, these expenditures were not supported by conference agendas and *TDE Forms* for the staff who attended the event.
- Disbursement #11209 (for \$1,115) exceeded the \$1,000 *Purchase Order (PO)* threshold, but did not have the required PO's.
- The PO for Disbursement #11044 (for \$7,530.64) indicated total expenditure for this purchase was \$5,700, which was \$2,030.64 less than the actual payment. Moreover, the PO was not approved by the Principal.
- Disbursement #11195 (for \$693) was for payment of expenses for the Flag Football State Tournament Field Trip, but did not have the required *Field Trip/Activity Planning Report and Approval Request Form*.

### 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 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 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.
- Field trips should be administered in accordance with *School Board Policy 2.40*. Specifically, (1) field trips should be pre-approved by the Principal with adequate documentation, (2) in-county field trips should be approved by the Principal, and (3) out-of-county field trips should be approved by the Principal and Area Superintendent.

### Management's Response

*The required items were not made available at the time the P-Card statement submission to the District. The documentation was made available after the submission. [Disbursement #11209] was for Teachers' Appreciation. We will continue to monitor costs to ensure that purchases that exceed \$1,000 will be*

*accompanied with the appropriate documentation. In the future, we will make every effort to make sure that all purchase orders are signed by the principal. The field trip was approved by the principal and the area superintendent.*

## **LEASING OF SCHOOL FACILITIES**

### **Finding**

The review of leases found that Lease Agreement #1024 was not signed by the lessee and a witness.

### **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.

### ***Management's Response***

*Concur. Several attempts were made to get signed lease from ACT. Payment was received but never a signed lease.*

## **ADULT EDUCATION AND COMMUNITY SCHOOL PROGRAMS**

### **Finding**

The review of the Adult Education and Community School Programs' records found that:

- The Adult Education tuition and GED special testing fees collections were not timely transmitted to the Central Office on a monthly basis, with delays ranging from 13 to 19 days.
- The Spring 2013 Community School fees were not transmitted to the Central Office until 58 days after the classes had started; i.e. 16 days later than the District's guidelines.

### **Recommendation**

In order to provide immediate available funding 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:

- 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. Going online with community registration should reduce time. The current system in place does not permit us time to process and mail refunds before the 42 day period. Once we have completed the process we submit information.*

**Boca Raton High School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 1501 N.W. 15th Court  
Boca Raton, FL 33486

Principal:  
Fiscal Year 2013: Geoffrey McKee  
During Audit: Geoffrey McKee

Treasurer:  
Fiscal Year 2013: Lisa Rivera  
During Audit: Lisa Rivera

Community School Director:  
Fiscal Year 2013: Cheryl Lombard  
During Audit: Cheryl Lombard / Deborah Nash-Utterback

Cash and Investments

Checking	\$ 544,534.94
Investments	
	\$ 544,534.94

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 68,354.82	\$ 312,199.76	\$ 352,973.95	\$ 67,355.33	\$ 42,883.94	\$ 52,052.02
Music	3,681.95	68,403.77	55,706.14	7,382.77	7,172.77	16,589.58
Classes	20,854.41	118,347.00	154,048.69	102,389.50	65,341.25	22,200.97
Clubs	104,292.58	261,987.75	271,472.38	117,072.23	135,052.49	76,827.69
Departments	120,511.74	268,233.27	200,351.44	57,592.69	102,746.18	143,240.08
Trusts	267,986.78	481,961.09	539,189.19	86,795.38	74,570.97	222,983.09
General	15,693.65	111,485.36	105,717.20	80,933.18	91,753.48	10,641.51
	\$ 601,375.93	\$1,622,618.00	\$1,679,458.99	\$ 519,521.08	\$ 519,521.08	\$ 544,534.94



## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of the school's fundraiser records found that:

- The Athletic Girls Cross Country Coupon Sales (Account #1-1010.01) 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 \$2,000. However, only \$1,040 in sales revenues was deposited into the Internal Funds during July 1, 2012, and June 30, 2013. As a result, \$960 in estimated revenue was unaccounted for.
- The Athletic Girls Go Pink T-shirt Sales (Account #1-5030.04) did not have the required *Sales Item Inventory Report*.
- According to staff, some of the cash collected from the NJROTC Snack Sales (Account #5-1975.03) was not deposited into the Internal Funds. Instead, the money was used to purchase merchandises to replenish the inventory.
- The *Sales Item Inventory Reports* for the P.E. Uniforms Sales (Account #5-1900.01) and the P.E. Nike Fundraiser (Account #5-1900.03) indicated that uniforms and shirts given-away free-of-charge had a total resale values of \$1,560 and \$300, respectively. However, documentation was not maintained as to who received the give-away items.

### Recommendation

Fundraisers should be administered in accordance with ***School Board Policy 2.16*** and related District guidelines. To protect the school's best interest and ensure proper fiscal accountability,

- *Sales Item Inventory Report* should be accurately completed with all needed information. Accurate *Sales Item Inventory Report* should assist staff in (1) reconciling sales revenues and (2) tracking of items purchased, given away, or remaining in inventory. Significant discrepancy between the estimated revenue and actual receipts should be investigated and resolved accordingly.
- As required by ***DOE Rules (Chapter 8 of the 2012 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools), Section 4.4(e)***, "Collections for all school-sponsored fundraising activities must be deposited in the internal fund, and all transactions in connection with the activity must be conducted in accordance with school board rules." All revenues and expenditures should be accounted for through the Internal Funds accounting system.
- 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 should include the purposes and the names of the recipients of the gifts.

***Management's Response***

*Concur. All of the findings and needed corrections have been reviewed with the involved staff members. Some of the cross country fundraising revenue was deposited into the team's primary account. All related district procedures were presented to coaches and sponsors at a pre-school meeting.*

**ADULT EDUCATION AND COMMUNITY SCHOOL PROGRAMS**

**Finding**

The review of the Adult Education and Community School Programs noted the following:

- The school did not always transmit the GED Special Testing and Adult General Education fees to the Central Office in a timely manner. Delays ranged from one to 46 working days. District procedures require that such fees be transmitted to the Central Office within five working days after the month-end and at the close of the school year.
- The *Adult and Community School Teacher Roster and Assigned Hours Reports (PBSD 2244)* were not maintained for 15 of 42 sample classes during the year.

**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 timely transmitted to the Central Office in accordance with the District's requirement.
- All records, including *Adult and Community School Teacher Roster and Assigned Hour Report* and *Student Registration Forms* should be completed and retained for a time-period consistent with the District's ***Record Retention Schedule*** and related guidelines.

***Management's Response***

*Concur. A new Community School AP and new secretary have corrected these findings. They are aware of district policies and are complying.*

**DOCUMENTATION FOR DISBURSEMENTS**

**Finding**

The review of sample disbursements and P-Card transaction records found that the school did not always process payments to vendors in a timely manner. For example,

Boca Raton High School  
Management Letter  
Year Ended June 30, 2013

- Disbursement #50829 (for \$4,130.05) was processed on September 21, 2012, for payment of seven invoices dated between April 30, 2012, and June 21, 2012. Delay in processing the payments ranged from three to five months after the purchases.
- Disbursement #51727 (for \$1,906.78) was processed on December 12, 2012, for payment of five invoices dated between September 5, 2012, and November 2, 2012. Delay in processing the payments ranged from one to three months.

**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 ensure accurate financial reporting and compliance with *Florida Prompt Payment Act*, the school should timely process payments for all invoices.

***Management's Response***

*Concur. These delays have been addressed. The involved coaches and the bookkeeper have a communication plan to comply with district standards and process payments in a timely manner.*

**Boynton Beach High School**  
**Internal Fund Accounts**  
**Combining Statement of Changes in Cash and Investments – Cash Basis**  
**Year Ended June 30, 2013**

Address: 4975 Park Ridge Boulevard  
Boynton Beach, FL 33426

Principal:  
Fiscal Year 2013: Karen Whetsell  
During Audit: Fred Barch

Treasurer:  
Fiscal Year 2013: Deborah Hotchkiss  
During Audit: Beth Bauer

Community School Director:  
Fiscal Year 2013: Gary Groover  
During Audit: Gary Groover

Cash and Investments

Checking	\$ 156,194.04
Investments	
	\$ 156,194.04

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 1,774.94	\$ 124,965.44	\$ 88,943.54	\$ 74,176.07	\$ 92,756.07	\$ 19,216.84
Music	( 2,349.62)	46,928.33	55,016.49	17,280.62	15,330.62	( 8,487.78)
Classes	( 1,832.94)	32,773.75	24,422.42	9,701.96	11,920.55	4,299.80
Clubs	11,551.24	45,804.37	40,941.52	22,492.02	23,084.15	15,821.96
Departments	21,949.02	118,255.02	112,461.97	59,932.77	52,132.05	35,542.79
Trusts	53,462.17	296,214.19	272,986.14	99,117.96	86,110.23	89,697.95
General	2,109.25	5,528.00	6,167.04	472.27	1,840.00	102.48
	\$ 86,664.06	\$ 670,469.10	\$ 600,939.12	\$ 283,173.67	\$ 283,173.67	\$ 156,194.04

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of records for sample fundraisers found that:

- Three fundraisers did not have the required *Sales Item Inventory Reports* or *Ticket Sellers Reports*: (1) Student Council Talent Show (Account #4-4810.08), (2) Girls Basketball Concessions (Account #1-0850.04), and (3) Prom Tickets Sales (Account #3-2014.03).
- The *Fundraiser Application/Recap Form* for the Class of 2014 Prom Fundraiser (Account #3-2014.03) was not approved by the Principal.

### 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 all the needed information. Accurate *Ticket Sellers Report* and *Sales Item Inventory Report* should assist staff in the following: (1) sales revenues reconciliation and (2) tracking of 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.
- 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*.

### Management's Response

*Concur.*

## DOCUMENTATION OF DISBURSEMENTS

### Finding

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

- Disbursement #9023 (for \$4,228) did not have any supporting documentation for the expense. Missing documentation included the *Check Requisition*, invoice, and receipt.
- Disbursement #9748 (for \$1,022.16) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*.
- A \$1,495.23 purchase was split into two smaller dollar purchases (\$777.60 and \$717.63), which were paid with the school's P-Card on January 25, 2013. Splitting a purchase that exceeded the \$1,000 per day per vendor limit into multiple purchases is disallowed by the *Purchasing Card Procedures*.

- Disbursement #9628 (for \$7,531.92) was for payment for theme park admission tickets for an out-of-county field trip. However, the *Field Trip Request Form* was missing.

### **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, especially those with large dollar amount, 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 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.
- 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.
- 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.

### **Management’s Response**

*Concur.*

## **LEASING OF SCHOOL FACILITIES**

### **Finding**

The review of school facility leasing records found that:

- *Lease Agreements* #1013, #1037 and #1081 were not signed by the lessees.
- The *Certificate of Insurance* for Lease #1024 did not include the school Board as additional insured party for liability insurance coverage. Moreover, the *Certificate of Insurance* for Lease #1081 listed the school, instead of the School Board, as the certificate holder and additional insured party.
- Leasing charges for five sample leases (#1013, #1024, #1037, #1067 and #1081) were not always collected in a timely manner. Delays ranged from one to 150 days after the lessees 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 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***, the School Board should be listed as the additional insured party on the lessee's certificate of insurance.
- ***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.*

## **ADULT EDUCATION AND COMMUNITY SCHOOL PROGRAMS**

### **Finding**

The review of records for the Adult Education and Community School Programs found that:

- As of June 30, 2013, the school's Community School Program had a \$13,926 year-end deficit.
- The school did not maintain the *Adult and Community School Teacher Roster and Assigned Hours Reports (PBSD 2244)* as required by the Adult and Community Education Procedures.
- Seven Community School teachers and one Adult Education teacher were paid a total of 77.5 hours more than their scheduled work hours without explanation and justification.
- One employee worked two positions: (1) temporary instructor adult community education and (2) temporary security. However, the employee was paid under the job code for *Teacher Adult Education Temporary (#54600)* for the entire fiscal year. As a result, the employee was overpaid by \$1,377.18.
- 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. The school did not timely transmit the fees to the Central Office, with delays ranging from eight to 63 working days.

Boynton Beach High School  
Management Letter  
Year Ended June 30, 2013

- District procedures require that community school fees be transmitted to the Central Office within 42 days after the classes begin. The school did not transmit the fees timely to the Central Office, with delays ranging from 21 to 78 days.

**Recommendation**

Adult Education and Community School Programs should be administered in accordance with the District's guidelines. Specifically,

- The school should monitor closely the program's financial condition, so that expenditures will not exceed revenues.
- Adult and Community Education procedures require that an *Adult and Community School Teacher Roster and Assigned Hours Report* be prepared for each term, listing Community Education teachers and their assignments.
- To ensure proper fiscal accountability, the school should comply with ***Bulletin #P-13115-CAO/COO***, which states "*employees must report and punch in and out only for their scheduled time*" and "*employees that fail to utilize the TCD, adhere to their approved schedule, or repeatedly miss punches should be counseled by their supervisor and subjected to progressive disciplinary action if necessary.*"
- To ensure employees are correctly compensated, employees' work hour should be recorded under the proper job codes.
- In order to provide immediate available funding 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.*



**Forest Hill High School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 6901 Parker Avenue  
West Palm Beach, FL 33405

Principal:  
Fiscal Year 2013: Mary Stratos  
During Audit: Mary Stratos

Treasurer:  
Fiscal Year 2013: Connie Rider  
During Audit: Connie Rider

Community School Director:  
Fiscal Year 2013: Jay Darr  
During Audit: Jay Darr

Cash and Investments

Checking	\$ 141,132.37
Investments	
	\$ 141,132.37

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 1,702.01	\$ 59,579.75	\$ 50,267.40	\$ 18,968.31	\$ 19,622.92	\$ 10,359.75
Music	3,726.54	38,558.08	37,842.24	11,020.49	10,620.49	4,842.38
Classes	10,322.34	92,454.30	95,833.96	18,811.22	22,361.22	3,392.68
Clubs	16,306.19	56,756.10	52,393.77	11,891.86	11,791.86	20,768.52
Departments	27,692.21	59,518.21	59,461.90	7,960.20	5,988.20	29,720.52
Trusts	73,126.66	321,055.25	325,119.99	51,610.71	50,640.10	70,032.53
General	1,617.61	7,230.79	7,594.41	762.00	0.00	2,015.99
	\$ 134,493.56	\$ 635,152.48	\$ 628,513.67	\$ 121,024.79	\$ 121,024.79	\$ 141,132.37

## 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 the deposit information on the *Drop-safe Log* before dropping off the monies into the safe. For example, the deposit information for 16 sample collections, totaling \$5,945.56, was recorded on the *Log* (page #s 11-40091, 11-40074, 11-40109, and 11-40178) by the bookkeeper, instead of the sponsors. According to staff, some sponsors turned in the monies directly to the bookkeeper, instead of putting the collections into the safe. The bookkeeper then recorded the information for those collections on the *Drop-safe Log*.
- Monies collected were not always deposited in a timely manner. For example, \$6,901.50 collected through eight MCRs (#s 0341, 0391, 0606, 0611, 0705, 1094, 1565, and 1680) was retained by the sponsors, ranging from one to 10 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 2012 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*. Specifically,

- 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.
- *DOE Rules* 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 sponsors and result in potential irregularities.

### Management's Response

*Concur. Notification to all employees with procedures set in place to ensure that all monies collected are logged in and placed in the drop safe. Administration will be notified of those who are non-compliance. School board practices and procedures will be adhered to.*

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

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

- In February 2013, the school received \$6,978 in donation designated for purchase of six iMac computers. Six iMac computers were purchased in March 2013 through two disbursements (#42298 and #42119). However, the school could not locate these six computers for our inspection during the audit.
- Disbursement #42226 (for \$1,790) was for renting entertainment equipment (waterslide and inflatables with attendants) during a Senior Picnic event. However, this procurement did not have the required *School District Consultant Agreement* (PBSD 1420) and proof of liability insurance from the vendor.
- The *Purchase Order* (PO) for Disbursement #41742 (for \$6,555.46) was not approved by the Principal. Moreover, a February 25, 2013, P-Card transaction for \$1,128.88, exceeded the \$1,000 per vendor per day limit, but was neither supported by a PO nor obtained prior approval from the Purchasing Department.
- Five P-Card transactions (occurred during September 2012, January 2013, and February 2013) for purchases of books and office supplies included the payments of \$40.28 in sales tax.
- Ten P-Card transactions, totaling \$4,799.40, occurred during August 2012 through February 2013, were for payments of expenses for staff attending various training conferences. However, these expenses did not have adequate supporting documentation, such as conference agendas and staff's TDEs.
- Disbursement #41590 (for \$257) was for payment of lodging expenses for an Orlando fieldtrip that did not have the required *Field Trip Request Form*.

### Recommendation

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

- School's tangible personal property should be accounted for at all time. School property temporary removed from campus should be documented on *Off-Premises Property Transfer Forms* (PBSD 1279) and approved by the Principal accordingly.
- 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 consultants, who will perform services on school campus, have passed the required background and clearance check as required by *Florida Statutes §1012.465*.

- To protect the School District from unwarranted liability, rental of waterslide and inflatable entertainment equipment should follow the same 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.”
- *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, P-Card purchase in excess of \$1,000 requires prior approval of the Purchasing Department.
- The School District is a tax-exempt governmental entity, and should not pay sales tax for eligible purchases
- 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.
- Field trips should be conducted in accordance with *School Board Policy 2.40* and related District guidelines. Specifically, *Field Trip/Activity Planning Report and Approval Request* and TDE must be completed and approved for each field trip.

### ***Management’s Response***

*Concur. P-Card users and administrator have reviewed the findings and will follow district policy and procedures. Computers were purchased in FY 13 and stolen in FY 14 some were not retrieved. The Athletic Director will assist with securing required forms for new coaches in accordance with district practices.*

## **COMMUNITY SCHOOL AND ADULT EDUCATION**

### **Finding**

The review of records for the Adult Education and Community School Programs found that:

- The Community School fees were not transmitted to the Central Office until 51 to 58 days after the classes began, nine to 16 days more than the District’s guideline.
- The school did not transmit the Adult Education fees to the Central Office monthly; instead, the fees were transmitted to Central Office in November 2012, March 2013, and June 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. Specifically,

- Community School fees should be transmitted to Central Office within 42 days after classes begin.
- 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 Education staff have been informed and will follow all district policies and procedures for leases, insurance, deposits and transmittals. Training and updating of practice is ongoing.*

## **LEASING OF SCHOOL FACILITIES**

### **Finding**

The review of school facility leasing records found that:

- The *Certificates of Insurance* for Leases #1007 and 1009 did not include the School Board as an additional insured party for liability insurance coverage.
- Leasing charges for five leases (#s 1007, 1009, 1017, 1032, and 1033) were not always collected prior to the use of facilities, with delays ranging from one to 16 days.
- The Tririga system was not always updated after a *Lease Agreement* was canceled or amended with new terms and conditions. Specifically, (1) Lease #1002 was amended to increase the insurance premium by \$31, (2) Lease #1032 was amended to increase the custodial fee by \$249, and (3) Lease #1033 was amended to reduce the number of classrooms used by the lessee resulting in a reduction of rental by \$450. As a result, financial information in the Tririga System was not accurate that the revenues were overstated by a net amount of \$170. Although the above amendments were noted on the individual *Lease Agreements*, they were neither initialed/signed by the lessees nor approved the Principal to confirm the changes.

### **Recommendation**

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

- 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***, states “*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.*”

- 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.

***Management's Response***

*Concur. The Tririga system is an ongoing learning process that is monitored and updated prelease. School board policy and district procedures have been reviewed with staff that are responsible to ensure this does not happen again.*

***Additional comments:*** *P-Card transactions were located and have been scanned and sent with this response. Responsible staff were informed that all practices and procedures must be adhered to regarding school funds. School practices have been put in place to prevent future findings and to ensure that school board policy is met. Administration will monitor and review for adherence.*

**Glades Central High School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 1001 SW Avenue "M"  
Belle Glade, FL 33430

Principal:  
Fiscal Year 2013: Anthony Anderson  
During Audit: Angela Avery-Moore

Treasurer:  
Fiscal Year 2013: Karen Orsenigo  
During Audit: Karen Orsenigo

Community School Director:  
Fiscal Year 2013: Cindy McDade  
During Audit: Cindy McDade

Cash and Investments

Checking	\$ 102,435.64
Investments	
	\$ 102,435.64

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 9,359.51	\$ 131,267.03	\$ 181,510.98	\$ 117,342.11	\$ 56,902.89	\$ 19,554.78
Music	6,798.69	27,082.28	30,782.37	15,508.82	14,069.82	4,537.60
Classes	2,803.75	60,693.99	66,727.29	15,877.69	11,941.90	706.24
Clubs	2,785.00	31,031.79	47,880.45	19,898.81	5,534.63	300.52
Departments	7,257.58	13,274.18	14,095.13	5,178.54	5,754.47	5,860.70
Trusts	114,464.93	217,798.14	78,092.09	12,260.14	195,002.63	71,428.49
General	0.00	7,023.03	110,115.95	146,388.99	43,248.76	47.31
	\$ 143,469.46	\$ 488,170.44	\$ 529,204.26	\$ 332,455.10	\$ 332,455.10	\$ 102,435.64

## ACCOUNTS PAYABLE

### Finding

As of June 30, 2013, the school owed the Central Office a total of \$34,250 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*

*I was not the Principal of this school during this time. I will work with teachers, sponsors, bookkeeper and others to ensure that a system is in place to track books and other instructional/other resources. The cost of transportation for our students to participate in required athletic events and the negative community activities that often causes an extra presence of officers at school sponsored events (sports, club and parent events) causes us to incur additional debts that other schools may not experience.*

## DEPOSIT OF MONIES

### Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process found that monies collected were not always deposited in a timely manner. For example, \$207 of the \$400 in collections recorded on MCRs #242-4 and #353-25 were retained by the sponsors for two to four working days before the monies were put into the school's drop-safe for deposit.

### Recommendation

***DOE Rules (Chapter 8 of the 2012 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 sponsors and result in potential irregularities.

### *Management's Response*

*Concur. A follow up email will be sent to all sponsors collecting money when it has not been dropped in a timely manner. I will work with the bookkeeper to ensure these practices are being followed.*



## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of fundraiser records found that:

- The Criminal Justice Academy Uniforms (Account #5-9988.01) did not have the *Sales Item Inventory Report*. Without this report, sales information such as selling prices, quantities sold, and inventory counts would not be available and consequently, there was no assurance that all sales revenues were properly accounted for.
- The Class 2013 Yearbook Sales (Account #3-2013.03) had a total revenue of \$3,285.80 and total disbursements of \$9,423.60, resulting in a deficit of \$6,137.80. The printing cost of the yearbook was approximately \$75 each, while the selling prices were between \$30 and \$50 each.

### 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 completed with accurate information so that the sales revenue can be reconciled, and purchased items, give-away items, and ending inventory can be accounted for. 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 the revenues and expenditures for the Yearbook Account. Specifically, the school should increase the selling prices for the yearbook to at least cover the cost, and make sure this activity will not incur a deficit.

### Management's Response

Concur. I will meet with the bookkeeper at least once a month to review accounts to ensure that proper district policies are being followed.

## DOCUMENTATION OF DISBURSEMENTS

### Finding

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

- The school did not always process and pay bills in a timely manner. For example, Disbursement #10021 (for \$17,979) included a \$200 late payment fee; and a July 26, 2012, P-Card transaction (for \$1,298.75) was for paying to a debt collection company for two invoices dated December 30, 2011 (for \$299.75), and April 24, 2012 (\$999).

- Three disbursements (#10007 for \$8,705; #10660 for \$6,201 and #10672 for \$25,371) for payments of out-of-county field trip expenditures. However, (1) Disbursement #10007 did not have the required *Field Trip Request Form*, and (2) the *Field Trip Request Forms* for the other two field trips (Disbursements #10660 and #10672) were not approved by the Area Superintendent.

### **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 avoid incurring late charges and in compliance *Florida Prompt Payment Act*, unpaid bill issue, the school should timely process payments for all invoices after receipt.
- 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.

### **Management's Response**

*Concur. I will meet with the bookkeeper at least once to ensure that district policies and procedures are being followed.*

## **LEASING OF SCHOOL FACILITIES**

### **Finding**

The review of records for school facility leasing found that:

- *Lease Agreements* were not always signed by the lessees prior to the use of facilities. Lease #1026 was not signed by the lessee; and Leases #1002 and #1001 were not signed by the lessee until one and 23 days, respectively, after the leasehold periods began.
- The leasing information for Lease #1008 was recorded in the Tririga System. However, the school did not have a hard copy of the *Lease Agreement* that was executed with all the required signatures.

### **Recommendation**

To protect the best interest of the School District and ensure *Lease Agreements* are legally enforceable, a hard copy of the *Agreements* should be properly executed with all the required signatures, prior to the use of facilities by lessees.

### **Management's Response**

*Concur. I will work with the bookkeeper and the Confidential Secretary to ensure that district policies and procedures are being followed.*

Glades Central High School  
Management Letter  
Year Ended June 30, 2013

***Additional comments:** I welcome any feedback that you could provide to assist us with this issue.*

**John I. Leonard High School**  
**Internal Fund Accounts**  
**Combining Statement of Changes in Cash and Investments – Cash Basis**  
**Year Ended June 30, 2013**

Address: 4701 10th Avenue North  
Greenacres, FL 33463

Principal:  
Fiscal Year 2013: Terry Costa / Edward Tierney  
During Audit: Edward Tierney

Treasurer:  
Fiscal Year 2013: Maria Luna  
During Audit: Maria Luna

Cash and Investments

Checking	\$ 153,059.47
Investments	
	\$ 153,059.47

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 16,962.92	\$ 121,525.38	\$ 131,525.34	\$ 42,122.11	\$ 33,658.07	\$ 15,427.00
Music	3,134.90	106,812.24	106,187.56	33,616.02	33,636.02	3,739.58
Classes	15,057.95	39,648.55	33,484.25	9,717.77	13,350.10	17,589.92
Clubs	14,765.50	91,281.31	89,242.90	33,849.75	38,615.58	12,038.08
Departments	43,684.78	95,677.84	87,384.46	44,610.80	38,855.89	57,733.07
Trusts	66,151.91	142,206.32	160,415.95	32,274.71	33,685.17	46,531.82
General	2,894.46	15,427.92	13,932.05	6,446.96	10,837.29	0.00
	\$ 162,652.42	\$ 612,579.56	\$ 622,172.51	\$ 202,638.12	\$ 202,638.12	\$ 153,059.47

## DEPOSIT OF MONIES

### Finding

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

- Two pages (#11-44778 and #11-44779) of the *Drop Safe Log* were missing.
- Monies collected were not always deposited in a timely manner. For example, \$695 collected through two MCRs (#446-3 and #555-7) was retained by sponsors for one to three working days before it was put into the drop-safe for deposit.
- MCRs were not always completed with all the required information. For example, MCR #496-26 (for \$265) did not include the source of \$95 in cash collected; MCR #555-7 (for \$70) did not include the bookkeeper's initials, *Official Receipt* number or *Official Receipt* date; and none of the 17 attached *Classroom Receipts* with MCR #503-4 (for \$150) had the completion dates.
- MCR #534-3 (for \$1,100) was for five donations. However, there were no "Thank You" letters on file for the donations.

### Recommendation

Money collections should be administered in accordance with related District guidelines and *DOE Rules (Chapter 8 of the 2012 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*. Specifically,

- 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."
- 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.
- To ensure proper fiscal accountability, MCRs and *Classroom Receipts* should be completed with the needed information.
- As required by *School Board Policy 6.04*, "1. Donations to the school system of funds, materials, or equipment having a value of \$1,000 or less shall be acknowledged in writing by the principal or department head."

### Management's Response

*Concur. The sponsors will be reminded to drop their money daily and to make sure they complete all information on MCR. The bookkeeper will remind the sponsors to make sure the Classroom receipts match the MCR deposits.*

## DOCUMENTATION FOR FUNDRAISER

### Finding

The review of fundraiser records found that:

- The *Fundraising Application/Recap Forms* for PE Uniforms (Account #5-1900.01), PE Lockers (Account #5-1900.02) and Family and Consumer Snacks (Account #5-1201.01) were not approved by the Principal until two working days after the fundraising activities had begun.
- Although a *Sales Item Inventory Report* for the Family and Consumer Snacks (Account #5-1201.01) was prepared and signed by the sponsor, none of the fundraiser information was recorded on the *Report*. Missing information included (1) beginning and ending inventories, (2) quantities of items purchased, sold, and given-away, and (3) selling prices and revenues.

### Recommendation

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

- To protect the school's best interest and 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*.
- The *Sales Item Inventory Report* should be properly maintained for all fundraisers. To ensure proper fiscal accountability, *Sales Item Inventory Reports* should be completed with all the accurate information. Accurate *Sales Item Inventory Reports* should assist staff in (1) reconciling sales revenues and (2) tracking items purchased, given-away, or remaining in inventory. Significant discrepancy between the estimated revenue and actual receipts should be investigated and resolved accordingly.

### Management's Response

Concur. The sponsors will be reminded that they can't start the fundraiser until the principal's signature is on the fundraiser before the start date.

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

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

- 20 P-Card transactions, totaling \$1,581.60, did not have adequate supporting documentation. Two transactions occurred on May 23, 2013, totaling \$887.60, for airline travel were supported by itineraries, and 18 transactions totaling \$694 for testing fees occurred from April 30 through May 23, 2013, were supported by copies of students' admission tickets.

- The *Purchase Order* for Disbursement #268188 (in the amount of \$6,264.10) for the purchase of football items was not approved by the Principal until 45 and 47 days after the invoice dates.
- The *Purchase Order* for Disbursement #268665 (for \$7,518.50) for the purchase of baseball items was signed by the Principal on January 11, 2013. However, all nine invoices supporting the disbursement were undated. Thus, we were unable to determine if the Principal preapproved this disbursement.
- The school did not always process payments for purchases in a timely manner. For example, two invoices for entry fees and memberships totaling \$700 occurred during November 2011, but were not processed for payment (Disbursement #267907) until August 23, 2012, nine months delay. Moreover, the invoices included membership fees of \$475; however the file did not include documentation of review by the District's Accounts Payable office.
- A \$175.62 P-Card transaction included a \$98.87 purchase of paint, which is prohibited by the District's *Purchasing Manual*.

### **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 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 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.
- To ensure accurate financial reporting and compliance with the *Florida Prompt Payment Act*, the school should timely process payments for all invoices. Also, pursuant to *Internal Accounts Manual, Chapter 4*, "payments for dues and memberships must be reviewed by the district's Accounts payable office for compliance with state statute 191.012 prior to payment."
- P-Card should not be used for purchase of items and services disallowed by the Purchasing Manual. Moreover, to ensure the safety of students and staff, chemical items such as paint and custodial supplies, should be ordered from the District's warehouse or procured through the Purchasing Department.

### **Management's Response**

*Concur. We will remind P-Card holders that they can't buy chemical items. We will also remind the sponsor that they can't purchase items before the principal approves.*

## LEASING OF SCHOOL FACILITIES

### Finding

The review of sample leases for use of school facilities found that:

- *Lease Agreements* were not always properly executed with all the signatures in a timely manner. Two *Agreements* (#s 1003 and 1005) were not signed off by the Principal until after the leasehold periods had begun, a delay of 39 and 38 days, respectively.
- Leasing charges for three leases (#1003, #1005 and #1011) were not always collected prior to the use of facilities, with delays ranging from one to 86 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 lessees' use of facilities.
- As required by *School Board Policy 7.18*, "*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 person over the leasing is going to be reminded that the Lessees will pay in a timely manner.*

## PRENUMBERED DOCUMENT INVENTORY REGISTERS NOT PREPARED

### Finding

The *Internal Accounts Manual* requires prenumbered tickets be inventoried and recorded on the *Prenumbered Document Inventory Register*. However, the *Prenumbered Document Inventory Register* was not maintained for the Band Winter Percussion Show prenumbered wrist bands.

### Recommendation

To ensure proper fiscal accountabilities and as required by *Chapter 27 of the Internal Accounts Manual*, the custodian for prenumbered forms should be someone who is not involved in the day-to-day use of the form; and each assigned document custodian shall use the *Prenumbered Document Inventory Register* (PBSD 0160) to confirm the periodic inventory of the prenumbered forms.



John I. Leonard High School  
Management Letter  
Year End June 30, 2013

***Management's Response***

*Concur. Will remember the next time to do the prenumbered document on wrist bands.*

**Jupiter High School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 500 North Military Trail  
Jupiter, FL 33458

Principal:  
Fiscal Year 2013: Cheryl Alligood  
During Audit: Daniel Frank

Treasurer:  
Fiscal Year 2013: Peggy Groh  
During Audit: Peggy Groh

Community School Director:  
Fiscal Year 2013: Mark Mellone  
During Audit: Mark Mellone

Cash and Investments

Checking	\$ 556,728.55
Investments	
	\$ 556,728.55

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 84,615.80	\$ 289,367.95	\$ 367,591.93	\$ 156,017.51	\$ 82,120.02	\$ 80,289.31
Music	8,387.14	35,408.00	37,707.89	10,617.21	9,527.21	7,177.25
Classes	59,027.23	168,579.05	137,044.83	42,859.42	65,300.56	68,120.31
Clubs	55,538.15	212,797.54	232,236.56	121,945.58	107,511.04	50,533.67
Departments	139,271.90	315,552.07	326,064.73	66,479.90	77,645.59	117,593.55
Trusts	178,343.96	709,293.57	636,685.15	147,085.59	207,768.81	190,269.16
General	63,962.37	53,033.56	79,118.65	53,684.10	48,816.08	42,745.30
	\$ 589,146.55	\$1,784,031.74	\$1,816,449.74	\$ 598,689.31	\$ 598,689.31	\$ 556,728.55

**DOCUMENTATION FOR FUNDRAISERS**

**Finding**

The review of fundraiser records revealed that:

- The Football Discount Cards (Account #1-2020.05) fundraiser collected a total of \$20,311 in sales revenues, which was deposited into the Internal Funds during the period of July 1, 2012, through June 30, 2013. However, based on the school’s purchasing records and our examination of physical inventory during the audit, this fundraiser should have total estimated revenue of \$21,400. As a result, \$1,089 in estimated revenue was unaccounted for.

Item	Quantity					Selling Price	Revenues
	Beginning Inventory	Purchases <sup>(1)</sup>	Items Given Away	Inventory On Hand <sup>(2)</sup>	Units Sold		
Discount Cards	-	1,096	-	26	1,070	\$20	\$21,400
Total Estimated Revenues							\$21,400
Total \$ Deposited into Internal Funds							\$20,311
<b><i>Estimated Revenues Unaccounted For</i></b>							<b><u>\$1,089</u></b>

(1) Based on purchasing records during July 1, 2012, through June 30, 2013.

(2) Based on our examination of physical inventory on July 18, 2013.

- A total of \$6,064 in sales revenue was recorded in the Internal Funds for tickets sold for the Chorus Variety Show (Account #2-1500.04) event. However, the *Ticket Sellers Report* indicated \$4,711 for the total ticket sales, and that *Ticket Sellers Reports* were not maintained for all event ticket sales.

**Recommendation**

Fundraisers should be administered in accordance with ***School Board Policy 2.16*** and related District guidelines. To protect the school’s financial interest,

- *Sales Item Inventory Reports* should be accurately completed with all required information. Accurate *Sales Item Inventory Reports* should assist staff in (1) reconciling sales revenues and (2) tracking of items purchased, given away, or remaining in inventory. Significant discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.
- *Ticket Sellers Report* should be prepared in order for staff to reconcile revenues with the number of tickets sold. Significant discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.

***Management’s Response***

*Concur. Will follow guidelines per District.*

## ADULT AND COMMUNITY SCHOOL PROGRAMS

### **Finding**

The review of the Adult and Community School Programs noted that transmittal of Adult Education fees to the Central Office were not made within five business days after the close of each month. Delays ranged from four to 55 days during 11 of the 12 month periods.

### **Recommendation**

Community School programs should be administered in accordance with *Community School Procedures Manual* and other related guidelines. Specifically, all Community School tuition fees should be transmitted to the Central Office within six weeks (42 days) in order to provide timely funding for Community School personnel and other related expenses.

### **Management's Response**

*Concur.*

## COMMUNITY SCHOOL PAYROLL

### **Finding**

The review of Community School payroll records revealed that one employee was paid a total of 96.25 hours in excess of the work hours documented on the *Adult and Community School Teacher Roster and Assigned Hours Report (PBSD 2244)*. This resulted in overpayment of \$1,828.75 (96.25 hours at \$19 per hour) to the employee. According to the school, the discrepancy was due to the employee working other special projects, such as, building cabinets, signs, and counter tops for classes, rather than teaching the assigned class.

### **Recommendation**

Community School teachers should only be paid for the teaching hours scheduled and actually performed in the classroom based on the *Adult and Community School Teacher Roster and Assigned Hours Report (PBSD 2244)*.

### **Management's Response**

*Concur.*

**Lake Worth High School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 1701 Lake Worth Avenue  
Lake Worth, FL 33460

Principal:  
Fiscal Year 2013: George Lockhart  
During Audit: George Lockhart

Treasurer:  
Fiscal Year 2013: Tawanda Hopkins  
During Audit: Tawanda Hopkins

Community School Director:  
Fiscal Year 2013: Peter Didonato  
During Audit: Peter Didonato

Cash and Investments

Checking	\$ 351,737.92
Investments	
	\$ 351,737.92

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 6,164.77	\$ 65,164.81	\$ 85,498.61	\$ 53,070.25	\$ 24,811.16	\$ 14,090.06
Music	18,242.98	64,960.99	76,300.27	12,376.72	12,311.72	6,968.70
Classes	6,576.41	52,167.25	43,475.15	18,446.64	17,316.05	16,399.10
Clubs	26,312.28	42,796.70	44,432.50	26,307.30	40,519.66	10,464.12
Departments	66,749.75	94,769.72	98,945.94	95,857.10	58,644.34	99,786.29
Trusts	304,317.75	484,921.41	536,465.18	131,465.07	183,397.28	200,841.77
General	7,150.60	9,714.96	13,154.81	3,963.63	4,486.50	3,187.88
	\$ 435,514.54	\$ 814,495.84	\$ 898,272.46	\$ 341,486.71	\$ 341,486.71	\$ 351,737.92

**DOCUMENTATION FOR FUNDRAISERS**

**Finding**

The review of fundraiser records found that:

- The school purchased 500 fundraising cards for the Football Cards Sales Fundraiser (Account #1-2020.02). According to the activity sponsor, about 300 cards were sold at \$10 each and about 200 unsold cards remained in the inventory before he was transferred to another school at year-end.

Based on the information provided by the sponsor, this fundraiser should have generated a total estimated revenue of \$3,000 (300 x \$10). However, the accounting records indicated that only \$1,060 in sales revenues was deposited into the Internal Funds. The other \$1,940 in estimated revenue was unaccounted for. Moreover, the school was unable to locate the 200 unsold fundraising cards for our inspection during the audit. The unsold cards had a total estimated resale value of \$2,000. Consequently, a total of \$3,940 was unaccounted for in this fundraiser.

- A total of \$1,462.50 in sales revenues was deposited into the Student Uniform Shirts Sales Account (#7-0100.05) during the period July 1, 2012, through October 9, 2013. Based on the school’s purchasing records, the *Sales Item Inventory Report* for School Year 2013, and our examination of physical inventory, this fundraiser should have generated a total estimated revenue of \$3,180. As a result, \$1,717.50 in estimated revenue was unaccounted for.

Item	Quantity					Selling Price	Revenues
	Beginning Inventory <sup>(1)</sup>	Purchases <sup>(2)</sup>	Items Given Away <sup>(1)</sup>	Inventory On Hand <sup>(3)</sup>	Units Sold		
Shirts	-	675	20	443	212	\$15	\$3,180.00
Total Estimate Revenues							\$3,180.00
Total Deposits into Internal Funds							\$1,462.50
<b>Estimated Revenues Unaccounted For</b>							<b><u>\$1,717.50</u></b>

(1) Based on *FY13 Sales Item Inventory Report*.

(2) Based on purchasing records during July 1, 2012, through October 9, 2013.

(3) Based on our examination of physical inventory on September 26, 2013.

- The SGA Homecoming Dance (Account #4-4810.01) had total revenue of \$5,270 and total expenditures of \$7,849.10, resulting in \$2,579.10 deficit. In addition, the required fundraising documentation was not accurately maintained: (1) it did not have the required *Fundraising Application/Recap Form*, (2) total revenue recorded on the *Master Ticket Seller Report* did not agree with the general ledger, and (3) the *Ticket Seller’s Report* did not have the number of tickets sold and the ticket prices.

**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 and ensure proper fiscal accountability, *Sales Item Inventory Report*, *Master Ticket Seller Report*, and *Ticket Sellers Report* 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 receipt should be investigated and resolved accordingly.

### **Management's Response**

*Concur. Comply with suggestions.*

## **DOCUMENTATION FOR DISBURSEMENTS**

### **Finding**

Disbursement #10374 (for \$6,986.38) was for payment of postage meter service. This payment included a total \$282.07 in late fees, finance charges, and over-limit fees.

### **Recommendation**

The school should timely process all invoices received to avoid unnecessary late charges and ensure compliance with the *Florida Prompt Payment Act*.

### **Management's Response**

*Concur. Comply with suggestions.*

## **COMMUNITY SCHOOL PAYROLL**

### **Finding**

The review of community school payroll revealed that three employees were paid a total of 24 hours (or \$456 in wages) in excess of their work hours documented on the *Adult and Community School Teacher Roster and Assigned Hours Report (PBSD 2244)* during the year. The discrepancies were due to the employees' inconsistent clocking-in and clocking-out in accordance with their scheduled work hours.

### **Recommendation**

As required by School District *Bulletin #P-13115-CAO/COO*, "employees must report and punch in and out only for their scheduled time" and "employees that fail to utilize the TCD, adhere to their approved schedule, or repeatedly miss punches should be counseled by their supervisor and subjected to progressive disciplinary action if necessary." The school should enforce this provision to ensure proper fiscal accountability and comply with *Bulletin #P-13115-CAO/COO* regarding appropriate personnel actions.

***Management's Response***

*Concur. Comply with suggestions.*

**ADULT 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 close of the accounting period. The review of community school's accounting records found that the school did not timely transmit the fees to the Central Office, with delays ranging from five to 42 working days.

**Recommendation**

In order to provide 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. Comply with suggestions.*

**LEASING OF SCHOOL FACILITIES**

**Finding**

The review of school facility leasing records found that:

- Lease #1001 was for the use of facilities by lessee during July 2012. Although the leasing information was recorded in the Tririga System, the school did not have the *Lease Agreement* that was properly executed with all the required signatures. Moreover, the leasing record was not entered into the Tririga system until after the leasehold period had ended.
- Three *Lease Agreements* did not have all the required signatures: (1) #1004 did not have the Principal's signature, (2) #1014 did not have a witness's signature, and (3) #1028 did not have the lessee's and a witness's signatures.
- Although the utilities fees appeared to have been transmitted to the Central Office, utilities fees were recorded in the Facilities Rental Income Account (#6-3800.00) instead of the Utilities Account (#6-5500.00). Utilities fees should be recorded in the Utilities Account at the time of receipt in order to ensure all appropriate utilities fees are 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. Moreover, all leasing of school facilities should be recorded and processed by the Tririga System.
- 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. Comply with suggestions.*

**Olympic Heights High School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 20101 Lyons Road  
Boca Raton, FL 33434

Principal:  
Fiscal Year 2013: Dave Clark  
During Audit: Dave Clark

Treasurer:  
Fiscal Year 2013: Bertha Beltran  
During Audit: Bertha Beltran

Community School Director:  
Fiscal Year 2013: Carolyn Stanley  
During Audit: Stacey Belton

Cash and Investments

Checking	\$ 364,947.48
Investments	
	\$ 364,947.48

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 12,691.60	\$ 127,148.08	\$ 120,982.10	\$ 59,321.04	\$ 59,450.33	\$ 18,728.29
Music	13,159.90	51,525.85	55,769.92	19,744.13	20,138.09	8,521.87
Classes	19,407.62	71,387.80	71,657.58	18,959.33	8,605.36	29,491.81
Clubs	32,119.61	111,463.94	109,084.20	20,252.06	22,406.40	32,345.01
Departments	107,832.63	145,611.74	145,205.70	57,274.64	47,898.74	117,614.57
Trusts	177,237.32	657,543.81	674,243.94	148,794.26	156,472.37	152,859.08
General	933.85	26,845.60	13,018.43	11,571.30	20,945.47	5,386.85
	\$ 363,382.53	\$1,191,526.82	\$1,189,961.87	\$ 335,916.76	\$ 335,916.76	\$ 364,947.48

## DOCUMENTATION FOR DISBURSEMENTS

### **Finding**

The review of sample disbursements and P-Card records found that the school executed two *School District Consultant Agreements (PBSD 1420)* with a consultant for providing services to the school's marching band. The two *Agreements* have a total maximum contract amount of \$5,985. However, the school paid a total of \$8,767.50 to the consultant through 10 disbursements during the year. As a result, total payment to this consultant exceeded the maximum contract amount by \$2,782.50.

### **Recommendation**

The amount of payments to consultant should be consistent with the agreement. Addendum to the existing agreement should be executed for procuring additional service beyond the contract amount.

### **Management's Response**

*Concur. Addendum will be filed in a timely manner.*

## LEASING OF SCHOOL FACILITIES

### **Finding**

The *Certificates of Insurance* for Leases #1001 and #1037 did not include the School Board as an additional insured party for liability insurance coverage. Also, the *Certificate of Insurance* for Lease #1090 indicated the School District, instead of the School Board, as the certificate holder and additional insured party.

### **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. Proof of insurance will be provided on all leases.*

## PRE-KINDERGARTEN PROGRAM

### Finding

The review of the school's Pre-Kindergarten (Pre-K) Program records revealed that:

- Three students who were on the class attendance sheets, but were not entered into TERMS for the Class Roll Report for Pre-K students.
- One student was granted a fee waiver, totaling \$900, during the school year. However, this waiver was approved by the Pre-K director, instead of the Principal.
- Inconsistent program fees were collected from parents. Specifically,
  - The *Parent Handbook* states that registration fee is \$100; however, the collection records indicated that some students were charged \$50. According to the Pre-K director, students who attended the program in the previous year were charged \$50 in registration fee.
  - The *Parent Handbook* states that the tuition includes a snack fee. However, the school charged morning-session students a \$75 lunch fee.

### Recommendation

The school's Pre-K Program should be administered in accordance with the Pre-K Handbook and related District guidelines. Specifically,

- Student records should be accurately recorded in the TERMS System.
- Fee waivers should be adequately documented and approved by the Principal.
- Program fees should be collected in accordance with the District's approved fee schedule.

### *Management's Response*

*Concur. Accurate records will be kept in TERMS. All fee waivers will be approved by the principal. District fee schedule will be followed.*

**Pahokee Middle / Senior High School**  
**Internal Fund Accounts**  
**Combining Statement of Changes in Cash and Investments – Cash Basis**  
**Year Ended June 30, 2013**

Address: 900 Larrimore Road  
Pahokee, FL 33476

Principal:  
Fiscal Year 2013: Ariel Alejo (High School) /  
Lavoise Smith (Middle School)  
During Audit: Adrian Ocampo (High School) /  
Michael Aronson (Middle School)

Treasurer:  
Fiscal Year 2013: Michelle Gallardo  
During Audit: Kimberly Walkes

Cash and Investments

Checking	\$ 87,063.07
Investments	
	\$ 87,063.07

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 1,556.06	\$ 63,964.07	\$ 50,102.09	\$ 11,701.68	\$ 17,995.20	\$ 9,124.52
Music	170.30	90.00	0.00	90.00	90.00	260.30
Classes	2,808.76	39,463.46	29,154.92	1,603.80	2,472.33	12,248.77
Clubs	2,277.37	19,413.39	17,782.63	7,013.86	6,183.00	4,738.99
Departments	3,641.58	9,327.17	7,472.76	3,031.25	1,288.00	7,239.24
Trusts	28,750.65	110,924.38	84,713.58	16,874.31	25,527.48	46,308.28
General	0.00	38,639.58	44,737.72	21,133.36	7,892.25	7,142.97
	\$ 39,204.72	\$ 281,822.05	\$ 233,963.70	\$ 61,448.26	\$ 61,448.26	\$ 87,063.07

## DEPOSIT OF MONIES

### Finding

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

- One page of the *Drop-safe Log* was missing (#11-08931).
- 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 the school secretary, but did not attach the computerized *Official Receipts* to the yellow copies of the MCRs.
- Monies collected were not always deposited in a timely manner. For example, \$9,681 collected through six MCRs was retained by the sponsor for one to 37 working days before it was put into the drop-safe for deposit; and another five MCRs (totaling \$9,636) were not timely processed by the bookkeeper and were not deposited into the bank until six to 44 working days after the monies were collected.
- Tickets were sold at four Varsity Football (Account #1-2020.00) events. These four games had total ticket sales revenue of \$14,855. However, (1) *Ticket Sellers Reports* were not maintained for two of these events, (2) the second page of the *Ticket Sellers Report* for one event was missing, and (3) the ticket numbers listed on the *Ticket Sellers Reports* for another event did not agree with the physical ticket stubs attached on one of the *Ticket Sellers Reports*.

### Recommendation

Money collections should be administered in accordance with District guidelines and *DOE Rules (Chapter 8 of the 2012 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*, "Completed Drop Safes Logs must be filed sequentially in numerical order in a binder and retained for five years," and "Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary..."
- 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 sponsors and result in potential irregularities.
- *Ticket Sellers Report* should be prepared with accurate information in order for staff to reconcile revenues with the number of tickets sold. Significant discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.

**Management's Response**

*Concur. Principal's secretary will monitor drop safe log, weekly.*

**DOCUMENTATION FOR FUNDRAISERS**

**Finding**

The review of fundraiser documentation revealed that:

- Three fundraisers did not have the required Principal's approved *Fundraising Application/Recap Form*: (1) Cheerleading Apparel Sales (Account #4-0870.00), (2) Band Booster Concessions (Account #6-0650.01), and (3) Yearbook DVD Sales (Account #7-0100.00).
- Four fundraisers did not have the *Sales Item Inventory Report*: (1) Cheerleading Apparel Sales (Account #4-0870.00), (2) Band Booster Concessions (Account #6-0650.01), (3) PE Uniform Sales (Account #5-1900.01), and (4) Yearbook DVD Sales (Account #7-0100.00).
- The PE Uniform Sales had a total of \$7,225 in sales revenue which was deposited into the Internal Funds during July 1, 2012, and February 14, 2014. Based on the school's purchasing records, this fundraiser should have generated a total estimated revenue of \$8,360. As a result, \$1,135 (or 14%) in estimated revenue was unaccounted for.

Item	Quantity				Revenues
	Purchases <sup>(1)</sup>	Inventory on Hand <sup>(2)</sup>	Units Sold	Selling Price	
Old Sets	360	15	345	\$15	\$5,175
Old Shirts	60	22	38	10	380
New Sets	300	119	181	15	2,715
New Shirts	125	116	9	10	90
Total Estimated Revenue					\$8,360
Total \$ Deposited into Internal Funds					\$7,225
Estimated Revenues Unaccounted For					<u>\$1,135</u>

(1) Based on purchasing records during July 1, 2012, and February 14, 2014.

(2) Based on our examination of physical inventory on February 14, 2014.

(3) This fundraiser did not have the required *Sales Item Inventory Report*.

- The financials for the Cheerleading Apparel Sales, 8<sup>th</sup> Grade T-shirt Sales, and Yearbook DVD Sales were recorded in activities' primary accounts, instead of separate decimalized accounts for the fundraisers.

**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 Reports* should be accurately completed with all the needed information. Accurate *Sales Item Inventory Reports* should assist staff in (1) reconciling sales revenues and (2) tracking of items purchased, given away, or remaining in inventory. Significant discrepancy between the estimated revenue and actual receipts 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.

### ***Management's Response***

*Concur. Bookkeeper and new Assistant AD have had additional training.*

## **DOCUMENTATION FOR DISBURSEMENTS**

### **Finding**

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

- The school issued 460 checks for payments during the year. We found that 27 (for a total of \$9,602.86) of them did not have supporting documentation, such as invoices and receipts; and three (#10432, #10483, and #10500, totaling \$3,329.27) of these 27 disbursements also did not have the required *Check Requisition Forms*. The *Check Requisition Forms* for another three disbursements (#10008, #10307, and #10397, totaling \$2,929.02) did not have the Principal's signature.
- Seven disbursements (#10001, #10154, #10199, #10254, #10298, #10363, and #10364, totaling \$20,258.67) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Orders*. The *Purchase Order* for Disbursement #10094 (for \$2,019) was not approved by the Principal until three days after the invoice date.
- Disbursement #10307 (for \$100) was for paying a DJ for the Homecoming Coronation. The disbursement was not supported by a *School District Consultant Agreement (PBSD 1420)*.
- Supporting documentation such as invoices and receipts were not defaced (stamped "PAID") after payment in order to prevent potential duplicate 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.



- *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.
- 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 consultants, who work on school campus, have passed the required background and clearance check as required by **Florida Statutes §1012.465**.
- To avoid potential duplicate payments, supporting documentation should be defaced (stamped "PAID") after payment.

#### ***Management's Response***

*Concur. Principal and bookkeeper will make sure that District Policies are followed. Last year was the bookkeeper's first year.*

## **LEASING OF SCHOOL FACILITIES**

### **Finding**

The review of leasing of school facilities found that:

- The school did not always have the required leasing documentation for the use of facilities by lessees. For example, MCR #366 included \$678.40 in leasing revenues, but did not have any leasing documentation including *Lease Agreement* and proof of liability insurance coverage. Lease #1016 was supported by an unsigned copy of the "Draft" *Lease Agreement*.
- *Lease Agreements* were not always executed with all the required signatures in a timely manner. *Agreement* #1007 did not have the signatures of the Principal and a witness. *Agreement* #1005 did have the signature of a witness, and it was not signed by the lessee and the Principal until 22 and 134 days respectively after the leasehold period began.
- Three leases (#1005, #1012, and #1016, with the same lessee) did not have the proof of liability insurance coverage.
- Leasing charges for Lease #1005 were not collected from the lessee until 85 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,

Pahokee Middle / Senior High School  
Management Letter  
Year Ended June 30, 2013

- To protect the best interest of the School District and ensure *Lease Agreements* are legally enforceable, *Lease Agreements* (without the word “Draft”) should be 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.
- As required by **School Board Policy 7.18**, “*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. Bookkeeper will make sure leases are executed properly. Last year was the bookkeeper’s first year.*

**Palm Beach Central High School**  
**Internal Fund Accounts**  
**Combining Statement of Changes in Cash and Investments – Cash Basis**  
**Year Ended June 30, 2013**

Address: 8499 West Forest Hill Boulevard  
Wellington, FL 33411

Principal:  
Fiscal Year 2013: Burley Mondy  
During Audit: Darren Edgecomb

Treasurer:  
Fiscal Year 2013: Norma Flores  
During Audit: Norma Flores

Community School Director:  
Fiscal Year 2013: Jerry Fogarty  
During Audit: Jerry Fogarty

Cash and Investments

Checking	\$ 309,364.80
Investments	
	\$ 309,364.80

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 30,616.61	\$ 279,963.57	\$ 256,075.66	\$ 137,059.40	\$ 123,734.13	\$ 67,829.79
Music	9,766.91	48,728.77	43,353.20	14,984.26	17,737.01	12,389.73
Classes	10,593.31	94,739.24	96,171.36	24,732.39	25,633.07	8,260.51
Clubs	24,219.10	190,240.32	177,088.82	62,006.41	66,823.13	32,553.88
Departments	55,022.58	124,720.01	140,982.12	20,935.03	22,404.46	37,291.04
Trusts	101,896.78	425,316.66	388,211.85	35,027.25	39,416.47	134,612.37
General	2,618.08	55,719.88	42,914.01	53,202.71	52,199.18	16,427.48
	\$ 234,733.37	\$1,219,428.45	\$1,144,797.02	\$ 347,947.45	\$ 347,947.45	\$ 309,364.80

## CHANGE FUND

### Finding

During the audit, we noted that \$300 in change fund provided to the Community School secretary was kept in an unlocked cabinet in the Community School office. The door to the office was also unlocked while the Community School secretary was away from the office.

### Recommendation

To protect the best interests of the school, school assets should be properly safeguarded at all times.

### *Management's Response*

*Concur. Moving forward all change funds will be placed in the school's safe.*

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

The review of sample disbursements and P-Card documentation found that three sample P-Card transactions did not have adequate documentation:

- Two transactions, \$896.87, paid to a vendor was not supported by itemized invoices; instead, they were accompanied by an account statement that did not indicate the items purchased.
- The January 27, 2013, purchase of \$49.02 in gasoline did not indicate the purpose for the purchase.

### Recommendation

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

### *Management's Response*

*Concur. Moving forward, all vendor transactions will be supported with itemized invoices. All P-Card purchases will have supporting documentation.*

## LEASING OF SCHOOL FACILITIES

### Finding

The review of facility leasing records found that:

- Although the leasing arrangement for Lease #1072 was recorded in the Tririga System, the school did not have a hard copy of the *Lease Agreement* that was executed with all the required signatures.
- The Tririga system was not always updated after a *Lease Agreement* was canceled or amended with new terms and conditions. Specifically, (1) Lease #1036 (with contracted leasing fee of \$2,298.50) was cancelled after the leasing arrangement was entered into the Tririga System, and (2) Lease #1009 initially included 16 hours of police services, which was subsequently cancelled and total leasing charge was reduced from \$5,704 to \$4,904. However, the changes not updated in the Tririga System. As a result, the Tririga System over-stated the leasing income by \$3,098.50.
- The monthly leasing charges for five leases (#1009, #1024, #1029, #1061 and #1071) were not always collected prior to the use of facilities, with delays ranging from one to 11 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.
- 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. Moving forward, all leases will be administered in accordance to School Board Policy 7.18.*

## ADULT AND COMMUNITY SCHOOL PROGRAMS

### Finding

The review of the Adult Education and Community School documentation found that the school did not always transmit program fees to the Central Office in a timely manner. Specifically, the GED and Adult Education fees collected during eight of the 10 months were not timely transmitted to the Central Office, with delays ranging from four to 49 working days.

**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.

***Management's Response***

*Concur. Moving forward, all GED Special Testing and Adult General Education Fees will be transmitted to the Central Office within five working days after the end of each month.*

**Palm Beach Gardens High School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 4245 Holly Drive  
Palm Beach Gardens, FL 33410

Principal:  
Fiscal Year 2013: Larry Clawson  
During Audit: Larry Clawson

Treasurer:  
Fiscal Year 2013: Terri Matthews  
During Audit: Terri Matthews

Community School Director:  
Fiscal Year 2013: Arty Falk  
During Audit: Arty Falk

Cash and Investments

Checking	\$ 337,224.05
Investments	
	\$ 337,224.05

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 53,080.00	\$ 234,971.61	\$ 211,719.72	\$ 116,735.56	\$ 116,897.30	\$ 76,170.15
Music	25,134.11	105,873.74	107,052.90	32,274.54	28,059.54	28,169.95
Classes	15,798.29	80,967.85	59,018.53	27,672.95	31,541.93	33,878.63
Clubs	34,237.44	189,636.86	202,006.90	51,331.43	39,573.21	33,625.62
Departments	39,449.73	179,808.40	170,729.52	37,352.64	36,720.64	49,160.61
Trusts	104,785.26	425,339.33	409,303.04	19,691.49	26,330.45	114,182.59
General	1,984.48	294,727.52	288,739.96	0.00	5,935.54	2,036.50
	\$ 274,469.31	\$1,511,325.31	\$1,448,570.57	\$ 285,058.61	\$ 285,058.61	\$ 337,224.05

## 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 completed *Monies Collected Reports* (MCRs) for checks received in the mail.
- The athletic director and the community school secretary were the assigned custodians for prenumbered tickets and Adult Community Education receipts respectively, although both of them also used the prenumbered documents for fee collections.

### Recommendation

To (1) ensure fiscal accountability and (2) prevent and detect potential irregularities, segregation of duties should be enforced at the school. Specifically,

- 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.
- *Chapter 27 of the Internal Accounts Manual*, requires that the custodian for prenumbered form be someone who is not involved in the day-to-day use of the form.

### Management's Response

*Concur. The bookkeeper was given the check to research the vendor and account for the one refund check and chose to deposit the check instead of returning it to another party. It will not happen again. The prenumbered document custodians were changed but not corrected on the report.*

## 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, \$5,642.25 in total collections recorded on 12 MCRs (#473-33, #489-2, #529-15, #539-1, #539-9, #539-10, #539-14, #542-4, #542-5, #542-22, #542-23, and #569-15) were retained by the sponsors for one to 14 working days before the monies were put into the drop-safe for deposit.



## Recommendations

**DOE Rules (Chapter 8 of the 2012 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 sponsors and result in potential irregularities.

### *Management's Response*

*Concur. We have many sponsors/teachers who find it hard to adhere to this policy due to their hectic busy workday. They have all been counseled and will strive to make a more concerted effort to follow the deposit guidelines.*

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of fundraiser records found that the Class of 2013 Powder Puff Uniform Sales (Account #3-2013) did not have the required *Fundraising Application/Recap Form* and *Sales Item Inventory Report*, and the Yearbook Sales (Account #5-0450) did not have the required *Sales Item Inventory Report*. Due to the lack of documentation and inventory count, there was no basis to determine if all revenues were properly accounted for.

### 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. Significant discrepancy, if any, between the estimated revenue and actual receipt should be investigated and resolved accordingly.

### *Management's Response*

*Concur. The senior class sponsor communicated to the bookkeeper that she was selling the uniforms at cost not for profit. We have been advised that all purchases must be recorded on a sales item inventory report. Both sponsors are no longer involved.*

## DOCUMENTATION FOR DISBURSEMENTS

### **Finding**

The review of sample disbursements and P-Card records found that three P-card purchases (totaling \$1,610.49) occurred during January and February 2013 did not have adequate documentation for the expenses. These three transactions were for payments to the same vendor, supported by account statements and credit card transaction receipts that did not have the details for the purchases.

### **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. These purchases were made for the FBLA magnet cookie sales. The itemized invoices have been received. Closer attention will be paid to all P-Card documentation.*

## LEASING OF SCHOOL FACILITIES

### **Finding**

The review of school facility leasing records found that leasing charges for three leases (#1008, #1011, and #1034) were not collected until after the lessees had begun using the facilities, with delays ranging from two to 10 days.

### **Recommendation**

Leasing of school facilities should be administered in accordance with ***School Board Policy 7.18*** and related District guidelines. Specifically, ***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. Continued efforts will be made to collect and deposit lease payments within the prescribed 48 hour window prior to the lease's start.*

## ADULT EDUCATION AND COMMUNITY SCHOOL

### **Finding**

The review of the Adult Education and Community School records revealed that:

Palm Beach Gardens High School  
 Management Letter  
Year Ended June 30, 2013

- The *Registration Forms* for 26 (23%) of the 111 persons who attended the Substitute Training Classes were missing.
- During the audit, we found a \$20 check, dated August 29, 2012, was attached to a MCR dated August 30, 2012. The MCR indicated that a total of \$60 (\$20 check and \$40 cash) was collected from three students for the August 2012 Substitute Training class. However, there were no related *Community Education Registration Forms* for the \$40 cash collected from two students. Moreover, our review of the registration records found that \$20 cash was collected from another student that was supported by a September 5, 2012, *Community Education Registration Form*. However, these \$80 collections (\$20 check and \$60 cash) could not be traced to any Internal Funds deposits. Consequently, \$60 in fee collection was missing.

Date	Supporting Documentation	Amount	Type	Status
08/30/2012	<i>MCR &amp; Registration Form</i>	\$ 20	Check	
08/30/2012	<i>MCR</i>	20	Cash	Missing
08/30/2012	<i>MCR</i>	20	Cash	Missing
09/05/2012	<i>Registration Form</i>	20	Cash	Missing

**Recommendation**

Adult Education and Community School Programs should be administered in accordance with the District’s guidelines. Specifically,

- Student registration records should be retained in accordance with the District’s ***Record Retention Schedule***.
- 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 sponsors and result in potential irregularities. Moreover, receipts should be issued for fee collections.

***Management’s Response***

*Concur. Improved efforts and procedures to maintain proper record keeping in adherence to the District’s Record Retention Schedule and in adhering to Bulletin P-14051-S/CFO will be made.*

***Additional comments:*** *In my five years as principal at PBGHS, we have stressed to be in compliance with all rules and regulations. We will continue all efforts and hopefully someday achieve a perfect audit.*

**Palm Beach Lakes High School**  
**Internal Fund Accounts**  
**Combining Statement of Changes in Cash and Investments – Cash Basis**  
**Year Ended June 30, 2013**

Address: 3505 Shiloh Drive  
 West Palm Beach, FL 33407

Principal:  
 Fiscal Year 2013: Anthony Hamlet  
 During Audit: Cheryl McKeever

Treasurer:  
 Fiscal Year 2013: Melissa Turkovich  
 During Audit: Melissa Turkovich

Community School Director:  
 Fiscal Year 2013: Robin Johnson  
 During Audit: Robin Johnson

Cash and Investments

Checking	\$ 55,485.74
Investments	
	\$ 55,485.74

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 10,929.17	\$ 210,847.78	\$ 192,154.83	\$ 79,353.28	\$ 99,012.77	\$ 9,962.63
Music	794.96	5,751.25	5,289.56	6,125.45	6,125.45	1,256.65
Classes	1,120.00	66,744.14	74,238.63	23,280.42	15,552.93	1,353.00
Clubs	4,914.55	23,010.58	29,583.25	17,514.55	12,698.72	3,157.71
Departments	23,520.89	46,131.13	65,437.00	47,073.50	42,369.21	8,919.31
Trusts	31,012.79	250,551.83	252,389.77	54,621.77	52,960.18	30,836.44
General	( 480.57)	892.70	883.42	3,336.27	2,864.98	0.00
	\$ 71,811.79	\$ 603,929.41	\$ 619,976.46	\$ 231,305.24	\$ 231,584.24	\$ 55,485.74

**ACCOUNTS PAYABLE**

**Finding**

As of June 30, 2013, the school had a balance of \$55,486 in its checking account. However, the school had a total unpaid debt of \$90,142: \$70,267 owed to the Central Office and \$19,875 owed to three vendors. Moreover, \$17,492 of the \$70,267 owed to the Central Office was incurred during Fiscal Years 2010 through 2013.

**Unpaid Debts Payable to the Central Office**  
**As of June 30, 2013**

	<b><u>Bus-Related</u></b>	<b><u>P-Card</u></b>	<b><u>Purchasing</u></b>	<b><u>Labor</u></b>	<b><u>Total</u></b>
<b>FY 2010</b>	\$4,278.72	\$1,924.20	-	-	\$6,202.92
<b>FY 2011</b>	\$4,089.35	\$1,687.45	-	-	\$5,776.80
<b>FY 2012</b>	\$5,512.54	-	-	-	\$5,512.54
<b>FY 2013</b>	<u>\$4,486.01</u>	<u>\$24,201.73</u>	<u>\$2,000.00</u>	<u>\$22,086.64</u>	<u>\$52,774.38</u>
<b>Total</b>	<u>\$18,366.62</u>	<u>\$27,813.38</u>	<u>\$2,000.00</u>	<u>\$22,086.64</u>	<u>\$70,266.64</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 the money collection process found that monies were not always deposited in a timely manner. For example,

- \$1,190 collected through three MCRs (#432-1338, #446-1721, and #448-1791) was retained by the sponsors for three to five days before it was deposited into the drop safe.
- \$4,267.45 collected through 10 sample MCRs (#402-87, #402-91, #413-603, #413-611, #420-856, #424-997, #424-1020, #431-1296, #432-1338, and #437-1440) was not timely processed by the bookkeeper until six to 18 days after the monies were put into the drop-safe by sponsors.

### **Recommendation**

**DOE Rules (Chapter 8 of the 2012 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 sponsors and result in potential irregularities.

### **Management's Response**

[Former Principal] Concur.

## **DOCUMENTATION FOR FUNDRAISERS**

### **Finding**

The review of fundraiser records found that:

- The Aquarian Yearbook Sales Account (#5-0450.00) did not have the required *Sales Item Inventory Report*. A total of \$2,250 in sales revenue was deposited into the Internal Funds. Based on the school's purchasing records and our examination of the physical inventory during the audit, this fundraiser should have generated a total estimated revenue of \$4,200. As a result, \$1,950 (or 46%) in estimated revenue was unaccounted for.
- The Magnet Shirts Sales (Account #5-1585.01) did not have the required *Sales Item Inventory Report*. The school purchased 135 Polo Shirts and 16 Shirts for resale at \$20 and \$15 each respectively, which should have generated a total estimated revenue of \$2,940. The accounting records indicated that \$2,574 in sales revenue was deposited into the Internal Funds. As a result, \$366 (12%) in estimated revenue was unaccounted for.
- The Junior/Senior Prom (Account #3-2015-01) had a total revenue of \$20,115 and a total expenditures of \$30,018.40, resulting in a net deficit of \$9,903.40.
- The Homecoming Dance Ticket Sales (Account #4-4810.01) did not have the required *Ticket Sellers Report*.

### **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. 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 each fundraising activity account closely 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:

- Disbursement #95863 (for \$2,781) dated May 24, 2013, was for payment of an October 9, 2012, invoice. However, this payment had the following exceptions:
  - It was not supported by an invoice; instead, it was supported by a vendor statement that did not have the details for the purchase.
  - Due the late processing of payment by the school, the statement included a total of \$170.33 in finance charges.
  - The statement indicated that the total outstanding balance, including the finance charge, was \$2,291.13. As a result, the school over-paid the vendor by \$489.87.
- A total of \$7,350 in payments through three disbursements (#95743 for \$910, #95746 for \$5,840, and #95753 for \$600) did not have any supporting documentation for the expenditures.
- Two disbursements (#95007 for \$1,500, and #95752 for \$1,805) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Orders*.
- Disbursement #95007 (for \$1,500) was for payment to a staff for filming football games and practices. Payments to employees in this nature should have been processed through the District's payroll system.

### **Recommendation**

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

- All payments 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 avoid incurring unnecessary finance charges and in compliance with *Florida Prompt Payment Act*, all invoices should be processed timely for payments.
- The school should recoup the \$489.87 in overpayment from the vendor for Disbursement #95863.
- *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.
- To ensure proper adherence to IRS Rules and tax withholding, employee compensation should be processed through the District's payroll system.

***Management's Response***

*[Former Principal] Concur.*

**LEASING OF SCHOOL FACILITIES**

**Finding**

The review of school facility leasing record found that:

- *Lease Agreements* #1058 and #1060 were not signed by the lessees and witnesses until 70 and 62 days respectively, after the leasehold periods began.
- Lease #1058 did not have proof of liability insurance coverage. The *Certificates of Insurance* for another two leases (#1009 and #1022) did not include the School Board as an additional insured party for liability insurance coverage.
- Lease #1058 had a contracted leasing fee of \$375, which included \$150 in rental and \$225 in labor charges. However, the school collected only the \$150 in rental; but did not collect the \$225 in labor charge from the lessee,
- The leasing fees for Leases #1001, #1058, and #1060 were not collected prior to the use of facilities by the lessees, with delays ranging from 16 to 39 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 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.**” The school should recoup the \$225 in labor charge from the lessee for Lease #1058.

**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**.

**Management’s Response**

[Former Principal] Concur.

**Additional comments:** [Current Principal] Procedures will be implemented in FY2015 to avoid a repeat of the previous years findings.

**Park Vista High School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 7900 Jog Road  
Lake Worth, FL 33467

Principal:  
Fiscal Year 2013: Reginald Myers  
During Audit: Reginald Myers

Treasurer:  
Fiscal Year 2013: Leigh Katusak  
During Audit: Leigh Katusak

Community School Director:  
Fiscal Year 2013: Hal Videtto  
During Audit: Hal Videtto

Cash and Investments

Checking	\$ 440,813.46
Investments	
	\$ 440,813.46

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 53,710.85	\$ 445,295.64	\$ 421,013.06	\$ 195,102.22	\$ 198,643.64	\$ 74,452.01
Music	14,254.39	589,606.06	574,049.48	163,686.76	167,209.68	26,288.05
Classes	22,750.42	89,210.64	82,144.36	22,554.40	34,084.82	18,286.28
Clubs	29,272.67	117,786.42	111,662.40	27,847.49	28,370.24	34,873.94
Departments	97,214.72	187,390.87	180,693.75	75,250.89	74,111.19	105,051.54
Trusts	108,823.45	307,732.37	307,552.64	20,603.27	6,111.04	123,495.41
General	41,896.65	171,481.90	157,497.90	45,676.78	43,191.20	58,366.23
	\$ 367,923.15	\$1,908,503.90	\$1,834,613.59	\$ 550,721.81	\$ 551,721.81	\$ 440,813.46

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

The review of sample disbursements and P-Card records found that four checks, totaling \$1,101.54, were signed by one authorized signer only. Specifically, checks #26613 (for \$78) and #28147 (for \$9.52) were issued with only the bookkeeper's signature; and checks #27322 (for \$500) and #27719 (for \$514.02) were issued with only the Principal's signature.

### Recommendation

*DOE Rules (Chapter 8 of the 2012 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools), Section III (1.3), requires that "Each account shall have at least two authorized check signers, one of whom must be the principal."*

### Management's Response

*Concur. This was an oversight. However considering the amount of checks signed throughout the year I can assure you that this is not a common practice at Park Vista. I am really surprised the bank cashed these checks.*

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The P.E. Uniform Sales (Account #5-1900.01) had \$21,095 in sales revenue deposited into the Internal Funds during the year. As indicated by the sponsor on the *Sales Item Inventory Report*, 147 uniform items were given-away free-of-charge. The give-away items had an estimated resale value of \$1,470, or 6.5% of the total estimated revenue ( $\$21,095 + \$1,470 = \$22,565$ ) of this fundraiser. However, no documentation was maintained for the purposes and recipients of these give-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 be adequately documented. Records for give-away should include the purposes and the recipients for the give-away items.

### Management's Response

*Concur. The school has addressed this issue with the parties involved as well as the faculty and staff. All organizations/groups will provide accurate documentation for all donated items.*

## CHANGE FUND NOT ADEQUATELY SAFEGUARDED

### Finding

The school issued a total of \$4,000 in Change Funds during the year. During the audit, we examined the change funds and the \$4,000 cash was accounted for. However, only \$1,580 of the change funds was kept in the safe, the other \$2,420 issued to 18 sponsors was kept in the sponsors' classrooms when not in use. According to staff, the change funds issued during the year were retained by the sponsors and would be returned to the bookkeeper for deposit at the end of the year.

### Recommendation

*Internal Accounts Manual, Chapter 10, Change Funds*, requires that "When not in use, change funds must be secured in the safe."

### Management's Response

*Management has established procedures and safeguards for securing change funds in the safe daily.*

## CONTROL OF PRENUMBERED DOCUMENTS

### Finding

The community school secretary was the assigned custodian for *Adult Community Education Fee Receipts*, although the staff also used the prenumbered 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. Corrective actions have already occurred. Therefore this no longer an issue.*

## ADULT EDUCATION AND COMMUNITY SCHOOL PROGRAMS

### Finding

The review of records for the Adult Education and Community School Programs found that:

- Seven Community School teachers were paid a total of 19 hours more than their scheduled work hours without explanation and justification.

Park Vista High School  
Management Letter  
Year Ended June 30, 2013

- The school did not maintain the *Adult and Community School Teacher Roster and Assigned Hours Report (PBSD 2244)* for the 2013 Spring Term.
- 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 community school's accounting records found that the school did not transmit the fees timely to the Central Office, with delays ranging from two to 61 days (with an average of 25 days).

### **Recommendation**

Community School and Adult Education Programs should be administered in accordance with the District's guidelines. Specifically,

- To ensure proper fiscal accountability, the school should comply with **Bulletin #P-13115-CAO/COO**, which states "*employees must report and punch in and out only for their scheduled time*" and "*employees that fail to utilize the TCD, adhere to their approved schedule, or repeatedly miss punches should be counseled by their supervisor and subjected to progressive disciplinary action if necessary.*"
- All records, including *Adult and Community School Teacher Roster and Assigned Hour Report* and *Student Registration Forms* should be completed and retained for a time-period consistent with the District's **Record Retention Schedule** and related guidelines.
- In order to provide 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. Management concurs with these findings associated with Adult/Community School Program and will make sure that all issues related to the TCD & Personnel is corrected, that all records are properly maintained for the required retention period, sand that all fees are transmitted within five business days.*

**Royal Palm Beach High School**  
**Internal Fund Accounts**  
**Combining Statement of Changes in Cash and Investments – Cash Basis**  
**Year Ended June 30, 2013**

Address: 10600 Okeechobee Boulevard  
 Royal Palm Beach, FL 33411

Principal:  
 Fiscal Year 2013: Jesus Armas  
 During Audit: Jesus Armas

Treasurer:  
 Fiscal Year 2013: Suzanne Ford  
 During Audit: JoAnne Hopkins

Community School Director:  
 Fiscal Year 2013: Deborah Nash-Utterback  
 During Audit: Alexandra Deveroux

Cash and Investments

Checking	\$ 100,160.80
Investments	
	\$ 100,160.80

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 7,269.75	\$ 136,414.84	\$ 143,308.94	\$ 73,634.01	\$ 74,080.01	(\$ 70.35)
Music	165.02	37,314.66	35,952.00	11,130.12	9,555.93	3,101.87
Classes	12,159.90	116,907.10	98,343.91	29,208.43	45,844.39	14,087.13
Clubs	40,573.15	386,089.30	449,517.49	148,454.96	86,756.10	38,843.82
Departments	35,772.13	92,111.38	112,477.14	27,627.94	17,839.71	25,194.60
Trusts	100,625.58	276,805.05	303,005.24	48,926.36	104,404.32	18,947.43
General	5.64	12,981.68	12,429.66	9,688.63	10,189.99	56.30
	\$ 196,571.17	\$1,058,624.01	\$1,155,034.38	\$ 348,670.45	\$ 348,670.45	\$ 100,160.80

## DEPOSIT OF MONIES

### Finding

Monies collected were not always deposited in a timely manner. For example, \$7,190 in collections recorded on two MCRs (#254-38 for \$850, and #254-41 for \$6,340) were retained by the sponsors for eight and seven working days respectively, before the monies were put into the drop-safe for deposit.

### Recommendation

Money collections should be administered in accordance with District guidelines and *DOE Rules DOE Rules (Chapter 8 of the 2012 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 sponsors and result in potential irregularities.

### Management's Response

*Concur. Principal will send email to the faculty reminding them of the policy. Bookkeeper will continue to monitor.*

## DOCUMENTATION OF DISBURSEMENTS

### Finding

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

- Disbursement #11461 (for \$747) was for per diem payment to students for attending an out-of-county track meet. The disbursement check was made payable to the activity sponsor. However, there was no documentation indicating that the students received the funds.
- A \$1,994.29 P-Card purchase occurred on April 16, 2013, exceeded the \$1,000 per vendor per day threshold, but did not have documentation of Purchasing's prior approval.

### Recommendation

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

- Students receiving meal allowances should be adequately documented. Without supporting documentation, there is no assurance that the students were properly reimbursed.
- P-Card purchase in excess of \$1,000 requires prior approval of the Purchasing Department.

***Management's Response***

*Concur. Bookkeeper will ensure that proper documentation for field trip expenditures is obtained.*



**Santaluces High School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 6880 Lawrence Road  
Lantana, FL 33462

Principal:  
Fiscal Year 2013: Kathleen Weigel  
During Audit: Kathleen Weigel

Treasurer:  
Fiscal Year 2013: Susan Diglio  
During Audit: Susan Diglio

Community School Director:  
Fiscal Year 2013: Jim Utterback  
During Audit: Jim Utterback

Cash and Investments

Checking	\$ 277,972.52
Investments	
	\$ 277,972.52

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 31,845.29	\$ 125,147.64	\$ 125,369.07	\$ 40,242.05	\$ 43,745.56	\$ 28,120.35
Music	37,940.94	221,396.70	225,717.48	83,780.60	87,174.60	30,226.16
Classes	9,015.78	52,228.00	47,564.10	13,011.51	14,627.20	12,063.99
Clubs	13,475.63	47,301.53	34,564.17	9,361.32	18,436.68	17,137.63
Departments	52,447.46	81,457.06	94,305.96	46,801.31	27,279.25	59,120.62
Trusts	139,935.59	354,655.42	373,906.97	22,430.89	26,168.85	116,946.08
General	28,849.43	14,603.00	30,899.20	11,831.84	10,027.38	14,357.69
	\$ 313,510.12	\$ 896,789.35	\$ 932,326.95	\$ 227,459.52	\$ 227,459.52	\$ 277,972.52

## COMMUNITY SCHOOL PAYROLL

### Finding

The review of Community School payroll records revealed that:

- One instructor for community school was overpaid \$99.75 (for 5.25 working hours) because the employee did not consistently clock-in and clock-out in accordance with the scheduled work hours.
- None of the 37 Adult Education instructors completed the *Adult and Community School Teacher Roster and Assigned Hours Report (PBSD 2244)* as required by School District guidelines.

### Recommendation

Adult Education and Community School Programs should be administered in accordance with the District's procedures. Specifically,

- *Bulletin #P-13115-CAO/COO* requires that “employees must report and punch in and out only for their scheduled time” and “employees that fail to utilize the TCD, adhere to their approved schedule, or repeatedly miss punches should be counseled by their supervisor and subjected to progressive disciplinary action if necessary.”
- An *Adult and Community School Teacher Roster and Assigned Hours Report* should be completed for every school term. The report should indicate any authorized preparation hours, as well as the reason for the authorization.

### Management's Response

*Concur. Community School secretary is tracking hours worked by adult education staff. Policies will be adhered to.*

## ADULT 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 community school's accounting records found that the school did not timely transmit the fees to the Central Office, with delays ranging from three to 55 days; and the delays occurred during eight of the 12 months.

### Recommendation

In order to ensure funding is available for Adult Education personnel and other related expenses, all tuition and GED Special Testing fees collected should be transmitted to the Central Office within five business days after the close of the accounting period.

***Management's Response***

*Concur. A calendar for transmittals is already in place. Bookkeeper also asked to remind community school about transmittals at the beginning of each month.*

**LEASING OF SCHOOL FACILITIES**

**Finding**

The review of sample leases for use of school facilities found that:

- The *Certificate of Insurance* for Lease #1019 listed the School Board as the certificate holder; however, the School Board was not included as an additional insured party for liability coverage.
- *Lease Agreement* #1046 was not signed by a witness.

**Recommendation**

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

- 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 protected from unwarranted liabilities.
- To ensure *Lease Agreements* are legally enforceable, they should be properly executed with all the required signatures prior to the use of school facilities by lessees.

***Management's Response***

*Concur. We will continue to monitor this issue.*

**Seminole Ridge High School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 4601 Seminole Pratt Whitney Road  
Loxahatchee, FL 33470

Principal:  
Fiscal Year 2013: James Campbell  
During Audit: James Campbell

Treasurer:  
Fiscal Year 2013: Sherry Permenter  
During Audit: Sherry Permenter

Community School Director:  
Fiscal Year 2013: David Carroll  
During Audit: David Carroll

Cash and Investments

Checking	\$ 528,720.91
Investments	
	\$ 528,720.91

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 72,300.93	\$ 310,157.31	\$ 296,104.05	\$ 131,271.09	\$ 134,910.63	\$ 82,714.65
Music	34,604.01	222,285.44	180,713.22	67,186.75	78,558.31	64,804.67
Classes	21,218.39	66,205.36	64,933.89	16,170.14	17,448.04	21,211.96
Clubs	28,127.22	159,116.01	156,606.18	41,208.47	43,408.88	28,436.64
Departments	90,230.18	184,820.60	193,791.69	62,032.08	59,275.79	84,015.38
Trusts	227,557.31	307,114.30	336,578.53	52,365.51	37,503.77	212,954.82
General	17,633.09	35,976.85	19,898.53	26,698.07	25,826.69	34,582.79
	\$ 491,671.13	\$1,285,675.87	\$1,248,626.09	\$ 396,932.11	\$ 396,932.11	\$ 528,720.91

## PRENUMBERED DOCUMENTS

### Finding

The review of controls for prenumbered documents found that:

- The athletic director and the community school secretary were the assigned custodians for prenumbered tickets and Adult Community Education receipts respectively. Both of them also used the prenumbered documents for fee collections.
- *Prenumbered Document Inventory Register (PBSD 0160)* was not used to account for prenumbered tickets.

### Recommendation

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

- “*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.*”
- Prenumbered documents should be periodical inventory in accordance with the inventory schedule, and documented on the *Prenumbered Document Inventory Register (PBSD 0160)*.

### Management’s Response

*The athletic director had the required documentation in his files which were not requested.*

## 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, \$11,842 in collections recorded on six MCRs (#646-3, #666-2, #675-5, #737-24, #752-26, and #757-3,) was retained by the sponsors for one to six working days before the monies were put into the drop-safe.

### Recommendations

*DOE Rules (Chapter 8 of the 2012 Department of Education’s Financial and Program Cost Accounting and Reporting for Florida Schools)* and District *Bulletin #P-14051-S/CF0* 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 sponsors and result in potential irregularities.

***Management's Response***

*Concur. We have stressed to staff the need to follow proper money collection procedures.*

**DOCUMENTATION FOR FUNDRAISERS**

**Finding**

The review of sample fundraiser records found that:

- The Band Hoodie Sales (MCR #675-5) did not have the required *Fundraising Application/Recap Form* and *Sales Item Inventory Report*. Moreover, sales revenues were recorded in the Band's primary account, instead of the decimalized account for the fundraiser.
- The Spirit Cup Sales (Account #4-0870.05) and Yearbook Sales (Account #7-0100.02) did not have the required *Sales Item Inventory Reports*.
- The Junior/Senior Prom Admission Sales (#3-2014.05) did not have the required *Ticket Sellers Report*.

Without accurate sales records and inventory counts, there was no basis to determine if all the revenues were properly accounted for.

**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* should be prepared in order for staff to reconcile revenues with the number of tickets sold; and *Sales Item Inventory Report* should be completed with accurate information for selling merchandises. 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.
- 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 relevant to the fundraiser.

***Management's Response***

*Concur. We agree that there was an error with the spirit cups. However, the band hoodies were not a fundraiser so an inventory is not required per purchasing guidelines.*

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

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

- A \$240.02 P-Card transaction made on February 9, 2013, did not have any supporting documentation.
- The school did not always process payments for purchases in a timely manner. For example, five invoices (totaling \$937.04) dated between April 6, 2011, and November 14, 2012, were not paid (with the school's P-Card) until January and February 2013, i.e. three to 22 months late.

Invoice Date	Amount	Payment Date	# of Months Late
April 05, 2011	\$59.90	January 30, 2013	22
July 06, 2011	48.99	January 30, 2013	19
October 19, 2012	78.86	January 31, 2013	4
November 13, 2012	13.34	January 31, 2013	3
November 14, 2012	722.00	February 20, 2013	3
Total	<u>\$937.04</u>		

- Disbursement #10492 (for \$1,450) was for payment of charter bus services for the October 6, 2012, out-of-county field trip. However, the related *Field Trip/Activity Planning Report and Approval Request Form* was not signed by the Area Superintendent.

### 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, including 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 ensure accurate financial reporting and compliance with the *Florida Prompt Payment Act*, the school should timely process payments for all invoices.
- Field trips should be administered in accordance with *School Board Policy 2.40*. Specifically, (1) field trips should be pre-approved by the Principal with adequate documentation and (2) out-of-county field trips should be approved by the Principal and Area Superintendent.

### Management's Response

*We will ensure that all required documentation is on file and that all invoices are paid in a timely manner.*

## ADULT EDUCATION AND COMMUNITY SCHOOL

### Finding

The Adult Education fees collected during six of the 10 months were not timely transmitted to the Central Office, with delays ranging from 12 to 41 working days.

### Recommendation

Community School and Adult Education 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*

GED fees will be sent in a timely manner.

## LEASING OF SCHOOL FACILITIES

### Finding

The review of school facility leasing records found that:

- The *Certificate of Insurance* for Lease #1017 did not include the School Board as an additional insured party for liability insurance coverage.
- *Lease Agreements* #1017 and #1029 were not approved by the Principal until eight and 31 days, respectively, after the leasehold periods began.
- Leasing charges for two leases (#1021 and #1017) were not collected until after the lessees had begun using the facilities for one and two days, respectively.

### 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.



Seminole Ridge High School  
Management Letter  
Year Ended June 30, 2013

- **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 ensure that leases are handled in the correct time frame.*

**Spanish River High School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 5100 Jog Road  
Boca Raton, FL 33496

Principal:  
Fiscal Year 2013: William Latson  
During Audit: William Latson

Treasurer:  
Fiscal Year 2013: Donna D'aria  
During Audit: Donna D'aria

Community School Director:  
Fiscal Year 2013: Todd Bolar  
During Audit: Todd Bolar

Cash and Investments

Checking	\$ 529,510.65
Investments	
	\$ 529,510.65

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 87,892.63	\$ 269,300.18	\$ 270,090.66	\$ 58,654.21	\$ 58,654.21	\$ 87,102.15
Music	47,270.20	129,952.56	142,639.73	19,109.46	18,785.00	34,907.49
Classes	20,160.46	109,982.09	104,269.39	17,613.37	24,572.66	18,913.87
Clubs	84,102.29	251,557.58	236,405.29	55,922.88	51,296.03	103,881.43
Departments	122,723.88	147,282.76	158,727.32	11,942.56	8,121.07	115,100.81
Trusts	146,974.81	489,501.59	480,984.58	43,992.61	52,997.54	146,486.89
General	18,208.71	28,573.27	30,855.39	30,021.11	22,829.69	23,118.01
	\$ 527,332.98	\$1,426,150.03	\$1,423,972.36	\$ 237,256.20	\$ 237,256.20	\$ 529,510.65

## DEPOSIT OF MONIES

### Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process found that at the year-end, none of the sponsors turned 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

*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..."

### Management's Response

*Concur. The procedure was not a part of the checkout process for teachers. It has been added for this school year and addressed in beginning of the year procedures so they know what is expected at the end of the year.*

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of sample fundraiser records found that:

- The General-Parking Decals (Account #7-0100.01) did not have the required *Fundraiser Application/Recap* form or *Sales Item Inventory Report*. The school purchased 958 student parking decals for resale, and 150 decals remained in inventory. The decals were sold at \$40 for full year parking and \$20 for partial year parking. Based on available information, this fundraiser should have generated a total estimated revenue between \$16,160 and \$32,320, with an average of \$24,240. A total of \$17,024 in sales revenue deposited into the Internal Funds. Due to the missing *Sales Item Inventory Report* and related sales information, there was no basis to determine whether all revenue was accounted for.
- The WSRH T-shirts (Account #5-0400.02) fundraiser did not have the required *Sales Item Inventory Report*. A total of \$1,465 in sales 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 \$1,845. As a result, \$380 (or 21%) in estimated revenue was unaccounted for.
- The *Fundraising Application/Recap Form* for the Spanish Club Burritos Sales (Account 4-4700.01) was not 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*.
- 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 parking tickets sales are not itemized by the company on their forms. We have explained our audit issue in hopes that they will modify their forms to assist us with record keeping. Burritos sale is an oversight by principal. T-shirt sale form discussed with sponsor for this year.*

## **DOCUMENTATION OF DISBURSEMENTS**

### **Finding**

The review of sample disbursements found that:

- Disbursement #32779 (for \$6,800) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*.
- The *Purchase Orders* for three disbursements (#32136 for \$4,250; #32648 for \$7,770; and #34271 for \$7,818) were not pre-approved by the Principal, with delays ranging from one to eight working days.
- The contract for the Homecoming Dance decorations (Disbursement #32260 for \$8,975) 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* should be issued and pre-approved by the Principal for purchases in excess of \$1,000. This will help ensure that funds are and will be available for the purchase.

- Contractual agreements should be signed by the Principal as required by **District Administrative Directive D-6.03**. This directive provides that “*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. Sponsors signed forms in previous contracts instead of principal. The new procedure was discussed with them prior to the years end and a new process put into place.*

**LEASING OF SCHOOL FACILITIES**

**Finding**

*Lease Agreements #1015 and #1033 were not signed by the lessee, witness, or principal until one and two 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 ensure *Lease Agreements* are legally enforceable, *Lease Agreements* should be properly executed with all the required signatures and dates prior to the use of facilities.

**Management’s Response**

*There are issues with leases and the directions provided to the school as all procedures are not standard across the district which causes a problem. We will follow our leasing guide as other schools do things that we have to negotiate which delays lease.*

**COMMUNITY SCHOOL PAYROLL**

**Finding**

The review of community school payroll found that an employee was paid a total of 554.75 hours under job code #62060 (Temporary Instructor Adult Community Education) for the entire fiscal year. However, this employee’s duty was campus security and should have been paid under the job code #36250, i.e. Temporary Security. The hourly rate for job code #62060 was \$19, and hourly rate for job code #36250 was \$10. As a result, the employee was overpaid by \$4,992.75 ( $\$9 \times 554.75 = \$4,992.75$ )

**Recommendation**

To ensure employees are correctly compensated, employees’ work hour should be recorded under the proper job codes.

***Management's Response***

*Concur. We are working on rectifying this situation as the previous employee in the position had been getting paid in the same manner for over 6 years. We are trying to find an appropriate code and position for the job as there is more to it than just security.*

***Additional comments:*** *These audit findings are simple mistakes or oversights made by staff working to do the right thing. Mistakes will be made with the volume of activity. We are constantly working to be in compliance with the audit but at no point does myself or staff seek to violate a policy or procedure.*

**Suncoast High School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 1717 Avenue "S"  
Riviera Beach, FL 33404

Principal:  
Fiscal Year 2013: Linda Cartlidge  
During Audit: Linda Cartlidge

Treasurer:  
Fiscal Year 2013: Lynn Gold  
During Audit: Lynn Gold

Cash and Investments

Checking	\$ 301,279.67
Investments	
	\$ 301,279.67

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 50,496.30	\$ 224,118.93	\$ 215,331.18	\$ 68,070.39	\$ 64,977.16	\$ 62,377.28
Music	6,552.05	64,192.09	59,216.32	8,496.55	8,386.55	11,637.82
Classes	35,091.05	94,758.06	62,797.42	5,082.20	24,324.82	47,809.07
Clubs	36,856.20	181,921.51	181,791.55	35,767.68	29,265.02	43,488.82
Departments	68,606.63	171,610.15	167,220.97	9,788.74	6,219.90	76,564.65
Trusts	88,260.67	196,677.70	216,324.81	7,486.53	20,419.80	55,680.29
General	6,727.02	52,507.34	74,413.78	49,837.38	30,936.22	3,721.74
	\$ 292,589.92	\$ 985,785.78	\$ 977,096.03	\$ 184,529.47	\$ 184,529.47	\$ 301,279.67

## DEPOSIT OF MONIES

### Finding

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

- Collections were not always deposited in a timely manner. For example, \$8,969.95 in collections recorded on seven MCRs (#526-19, #512-8, #505-4, #558-4, #581-2, #506-5, and #594-24) was not deposited into the bank until six to 18 working days after collection. That exceeded the Department of Education's five-working-day rule for deposit. The delays were due to (1) some collections were not turned in by the sponsors daily, and (2) the bookkeeper did not process the collections in a timely manner after the monies were put into the safe by the sponsors.
- Generic receipts, instead of the District's prenumbered *Classroom Receipts*, were used for collecting fees for the Baseball program.

### Recommendation

Money collections should be administered in accordance with District guidelines and *DOE Rules (Chapter 8 of the 2012 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*. Specifically,

- 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 sponsors and result in potential irregularities.
- Only the District's standardized and approved receipts, such as *Classroom Receipts*, are to be used for receipting monies.

### Management's Response

*Concur. As per my request, the bookkeeper contacted JHS to get some ideas so she can be timely in making deposits. It was suggested to remove additional responsibilities from the bookkeeper. We removed the responsibility of preparing cash boxes for games to another non-instructional staff member.*

*The baseball coach was utilizing an old receipt book when baseball boosters had a non-profit. He has been utilizing the district's pre-numbered Classroom Receipts since that point in time.*

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of fundraiser records found that:



Suncoast High School  
Management Letter  
Year Ended June 30, 2013

- The Yearbook Sales and Yearbook Advertising Sales 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 revenues were properly accounted for.
- The Chargerette Dance Show (Account #2-2001) had total ticket sales revenue of \$8,010. However, *Ticket Sellers Report* was not maintained for this ticket selling event.
- The Homecoming Dance Event (4-4810.01) had a total of \$20,012 in revenue deposited into the Internal Funds. The school's records indicated the event had 460 participants. The admission fee for this event was \$50 each, which should have generated a total estimated revenue of \$23,000. As a result, \$2,988 in estimated revenue was unaccounted for. According to the sponsor, SGA members and homecoming committee members received free admissions; however, a listing of the free-ticket recipients was not maintained.

### **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.*” *Ticket Sellers Report* should be prepared in order for staff to reconcile revenues with the number of tickets sold.
- To ensure proper fiscal accountability, *Ticket Sellers Report* and *Sales Item Inventory Report* should be completed with accurate information so that sales revenue can be reconciled; and purchased items, give-away items, and ending inventory can be accounted for. Significant discrepancy, if any, between the estimated revenue and actual receipt should be investigated and resolved accordingly.

### **Management's Response**

*Concur. The reason the yearbook Sales and Yearbook Advertising Sales did not have the Fundraiser Application/Recap Form and Sales Item Inventory Report is because it is not a fundraiser. The sponsor had a list of the yearbook sales for both the yearbooks and advertising. They were pre-sold.*

*I informed the sponsor that he needs to maintain the Ticket Sellers Report so that staff can reconcile revenues with the number of tickets sold. He stated that he will make sure to complete the form in the future.*

*The class sponsor did not list the comp tickets for the Homecoming Dance which resulted in the unaccounted for revenue. All SGA members and homecoming committee members received free admissions.*

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

Disbursement #11122 for purchase of \$2,076.38 in miscellaneous expenses for the Robotic Club exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*.

### Recommendation

*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.

### Management's Response

*Concur. The Robotics Club is sponsored by an individual, not a school district employee, and was not aware of the requirement to have the principal approve a Purchase Order in excess of \$1,000.*

## LEASING OF SCHOOL FACILITIES

### Finding

The review of school facility leasing records found that:

- The *Certificate of Insurance* for Lease #1047 did not include the School Board as an additional insured party for liability insurance coverage.
- Although the leasing arrangements for Leases #1061 and #1017 were recorded in the Tririga System, the school did not have a hard copy of the *Lease Agreements* that were executed with all the required signatures.
- The entire rental for Lease #1006 was inadvertently allocated at the non-profit rate. As a result, the school over-transmitted \$205.20 in utility fees and under-transmitted \$72 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 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.

Suncoast High School  
Management Letter  
Year Ended June 30, 2013

- 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 portion of sales tax, insurance, and utility fees should be allocated in accordance with the District's approved *Rate Schedule*.

***Management's Response***

*Concur. I addressed the leasing audit findings with the assistant principal that oversees leasing of the school facilities. However, the confidential secretary was handling the review of the documents and inputting the rates. She was non-reappointed a year and half ago I could not address it with her. However, I brought it to the attention of the current confidential secretary who is very efficient in her role and follows district procedures exactly.*

**Wellington High School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 2101 Greenview Shores Boulevard  
Wellington, FL 33414

Principal:  
Fiscal Year 2013: Mario Crocetti  
During Audit: Mario Crocetti

Treasurer:  
Fiscal Year 2013: Dottie Billie  
During Audit: Dottie Billie

Community School Director:  
Fiscal Year 2013: Chris Romano  
During Audit: Chris Romano

Cash and Investments

Checking	\$ 583,381.75
Investments	
	\$ 583,381.75

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 148,272.18	\$ 334,979.01	\$ 326,203.06	\$ 113,670.51	\$ 148,380.51	\$ 122,338.13
Music	9,807.58	58,123.90	42,863.19	4,553.23	15,039.74	14,581.78
Classes	2,900.83	16,321.61	22,996.20	16,595.48	8,538.44	4,283.28
Clubs	80,587.10	333,123.11	314,321.01	68,802.90	78,520.33	89,671.77
Departments	67,870.76	223,126.11	223,849.03	32,687.68	23,969.32	75,866.20
Trusts	166,624.67	424,366.48	432,225.30	55,943.71	26,963.07	187,746.49
General	65,493.00	47,197.29	32,954.09	44,199.07	35,041.17	88,894.10
	\$ 541,556.12	\$1,437,237.51	\$1,395,411.88	\$ 336,452.58	\$ 336,452.58	\$ 583,381.75

## 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 in a timely manner. For example, \$2,989 collected through three sample MCRs (#972-19, #821-64, and #821-65) were retained by the sponsors for three to four working days before they were put into the school's drop-safe for deposit.
- The instructions on the *Drop-safe Log*, require that (1) *Section 2* of the *Log* be completed by the bookkeeper after removing the deposits from the safe for processing, and (2) *Section 3* of the *Log* be completed by an independent staff after the bookkeeper entered the deposit information into the school's accounting system. However, the review of the *Drop-safe Logs* revealed that *Section 2* was completed by an independent staff instead of the bookkeeper; and *Section 3* was completed by the bookkeeper instead of an independent staff.

### Recommendation

Money collections should be administered in accordance with related District guidelines and *DOE Rules (Chapter 8 of the 2011 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*. Specifically,

- 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 collections. Delay in turning in the monies for deposit could result in potential irregularities.
- To ensure proper fiscal accountability, 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. Responsible staff reviewed district guidelines.*

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of fundraiser documentation revealed that:

- The Athletic Season Pass Sales (Account #1-0010.02) did not have the required *Ticket Sellers Report*. The school purchased 500 season passes for resale. Based on the available supporting documentation, 317 season passes were sold and one replacement pass was issued. However, the remaining 182 unsold season passes were not available for inspection during the audit. According to the sponsor, there were some unsold passes which were destroyed at the end of the school year, but no documentation was maintained.
- The school purchased 1,000 parking decals for the Student Parking Decal Sales (Account #7-0100.01). The *Sales Item Inventory Report* indicated that 468 decals were sold for a total of \$24,602, which was deposited into the Internal Funds. The decals were sold at a price between \$35 and \$60 each, with an average selling price of \$52.57. The 532 (1,000 – 468) unsold decals had an estimated resale value between 18,620 and \$31,920, with an average of \$27,967. However, no remaining inventory was available during our inspection. According to the sponsor, the unsold parking decals were destroyed at the end of the school year, but no documentation was maintained.

### **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* should be prepared in order for staff to reconcile revenues with the number of tickets sold. Significant discrepancies, if any, between the estimated revenue and actual receipt should be investigated and resolved accordingly.
- Remaining inventory should not be discarded until the applicable audit has been completed, and approved by the Principal.

### **Management's Response**

*Concur. All documentation will be retained until audit has been completed and approved by Principal.*

## **DOCUMENTATION FOR DISBURSEMENTS**

### **Finding**

Disbursement #10233 (for \$1,898.30) was for payment to a consultant for providing “competitive cheer choreography” service between September 15 and 17, 2012. However, the *School District Consultant Agreement* was not signed by the consultant until September 17, 2012.

### **Recommendation**

To protect the safety and welfare of students, the following steps should be completed prior to the consultant begins providing services to the school:

- The *School District Consultant Agreement (PBSD 1420)* should be properly executed with all the required signatures before the delivery of services.

- The school should ensure that consultants who work on school campus have completed the required background and clearance check pursuant to *Florida Statutes §1012.465*.

***Management's Response***

*Concur. Staff informed of corrective steps.*

**ADULT AND COMMUNITY SCHOOL PROGRAMS**

**Finding**

According to the available *Adult General Education Student Registrations* and *Registration Receipts*, the school should have collected a total of \$18,660 in GED testing and ESOL fees. However, a total of \$20,790 in GED testing and ESOL fees was deposited into the Internal Funds during the year. As a result, either some of the student registration records and receipts were missing or receipts were not issued to some students for payments. Due to the lack of accurate and complete records, we were unable to ascertain if all revenues were accounted for.

**Recommendation**

To ensure proper fiscal accountability, receipts should be issued for fee collections. Moreover, Adult and Community School records, including student registration and payment records, should be retained for a time period consistent with the District's *Records Retention Schedule*.

***Management's Response***

*Concur. Adult and Community School employees will retain registration and payment records according to Record Retention Schedule.*

**LEASING OF SCHOOL FACILITIES**

**Finding**

The review of school facility leasing records found that:

- The *Certificate of Insurance* for Lease #1059 did not include the School Board as an additional insured party for liability insurance coverage.
- Leasing charges were not collected timely. For example, the leasing charges for five leases (#1019, #1031, #1047, #1059, and #1088) were not collected until two to 45 days after the lessees had begun using the facilities.

Wellington High School  
Management Letter  
Year Ended June 30, 2013

- According to the school records, the school issued \$1,062.50 credits to four *Lease Agreements* (#1019, #1031, #1046, #1047, and #1080), without documenting the justifications and approval of the Principal. According to the lease coordinator, the actual numbers of hours used by the lessees were less than those listed on the *Agreements*.

<u>Lease #</u>	<u>Type</u>	<u>Amount</u>
1019	Credit	\$ 70.00
1031	Credit	315.00
1046	Credit	140.00
1047	Credit	140.00
1088	Credit	397.50
<b>Total Credit</b>		<b><u><u>\$ 1,062.50</u></u></b>

### **Recommendation**

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

- 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.
- As required by ***School Board Policy 7.18***, “*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.*”
- Credit adjustments to the leasing charges should be adequately documented and approved by the Principal.

### ***Management’s Response***

*Concur. Employee in charge of leasing informed of School Board Policy 7.18.*



**West Boca Raton High School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 12811 Glades Road  
Boca Raton, FL 33498

Principal:  
Fiscal Year 2013: Mark Stenner  
During Audit: Mark Stenner

Treasurer:  
Fiscal Year 2013: Linda Scharrer  
During Audit: Linda Scharrer

Community School Director:  
Fiscal Year 2013: Lyle Agnew  
During Audit: Lyle Agnew

Cash and Investments

Checking	\$ 642,822.15
Investments	
	\$ 642,822.15

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 173,309.54	\$ 238,383.28	\$ 262,603.06	\$ 95,244.00	\$ 89,600.26	\$ 154,733.50
Music	1,305.81	17,816.16	13,579.96	4,526.81	6,506.02	3,562.80
Classes	20,206.04	71,464.00	61,596.60	16,632.92	29,889.96	16,816.40
Clubs	41,274.04	164,214.29	141,220.22	22,699.44	28,823.63	58,143.92
Departments	99,379.64	253,236.55	285,640.49	97,906.49	82,211.04	82,671.15
Trusts	177,304.37	510,612.05	432,602.83	94,259.64	109,268.80	240,304.43
General	56,647.47	46,690.52	31,778.45	61,713.15	46,682.74	86,589.95
	\$ 569,426.91	\$1,302,416.85	\$1,229,021.61	\$ 392,982.45	\$ 392,982.45	\$ 642,822.15

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of fundraiser records found that:

- Three culinary accounts had deficits at year-end:

Account	Revenue	Expenditure	Deficit
Culinary Uniforms (#5-8950.01)	\$1,619.00	\$2712.72	(\$1,093.72)
Calaloo Café (#5-8950.03)	9,398.91	10,255.91	(\$857.00)
Catering (#5-8950.04)	22,761.41	23,553.85	(\$792.44)
		<b>Total Deficit</b>	<b>(\$2,743.16)</b>

- The *Sales Item Inventory Report* for the Culinary Uniforms Sales (Account #5-8950.01) was not completed with all the required information. Missing information included selling prices, sales revenues, and quantities of items in beginning inventory, purchased, sold, and ending inventory. The school spent a total of \$2,712.72 to purchase uniforms, while a total of \$1,619 in sales revenue was deposited into the Internal Funds. As a result, this fundraiser incurred a total deficit of \$1,093.72. Moreover, due to the lack of sales information, there was no basis to determine whether all revenues were properly accounted for.

### Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. To ensure proper fiscal accountability,

- The school should monitor closely each fundraiser activity so that total expenditures would not exceed total revenues.
- *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. I have communicated the importance of accurate record keeping with the Teacher responsible. We have hired a second chef to assist with the program, thereby alleviating some of the burden of running this program. We are looking into the possibility of getting a cash register for the Calaloo Café, hoping to solve that issue.*

## DOCUMENTATION OF DISBURSEMENTS

### Finding

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

- Disbursement #20402 (for \$1,749.32) was for payment to a consultant for the Drama Spring Musical without the required *School District Consultant Agreement (PBSD 1420)*.
- A \$20.46 P-Card purchase, occurred in November 2012, included the purchase of insect spray. Purchase of chemicals and custodial supplies with a P-Card is disallowed by the School District.

### 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 best interests of the school, the *School District Consultant Agreement (PBSD 1420)* should be properly executed prior to the consultant's performing services at the school. Moreover, to protect the safety and welfare of students, the school should ensure that consultants, who will perform services on school campus, have passed the required background and clearance check as required by *Florida Statutes §1012.465*.
- To protect the safety and health of students and staff, chemical items such as custodial supplies and insecticide should be ordered from the District's warehouse or procured through the Purchasing Department.

### Management's Response

*Concur. The Drama teacher has been informed that he needs to complete the Consultant's Contract in the future. Since it was to install the stage rigging and the person was not going to have any contact with students, he didn't think he needed one, P-Card purchase was discussed with the P-Card holder.*

## LEASING OF SCHOOL FACILITIES

### Finding

The *Certificate of Insurance* for Lease #1040 did not include the School Board as an additional insured party for 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

West Boca Raton High School  
Management Letter  
Year Ended June 30, 2013

*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***

*The lease coordinator was made aware of the mistake and will ensure that the School Board is protected in the future.*

**William T. Dwyer High School**  
**Internal Fund Accounts**  
**Combining Statement of Changes in Cash and Investments – Cash Basis**  
**Year Ended June 30, 2013**

Address: 13601 North Military Trail  
Palm Beach Gardens, FL 33418

Principal:  
Fiscal Year 2013: Glenda Sheffield  
During Audit: Glenda Sheffield

Treasurer:  
Fiscal Year 2013: Connie Hodgdon  
During Audit: Connie Hodgdon

Cash and Investments

Checking	\$ 385,062.89
Investments	
	\$ 385,062.89

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 57,720.62	\$ 194,363.79	\$ 202,505.01	\$ 36,479.86	\$ 45,508.34	\$ 40,550.92
Music	11,297.04	69,446.40	76,171.00	11,731.86	11,731.86	4,572.44
Classes	66,515.20	119,485.50	84,651.35	34,397.44	37,386.65	98,360.14
Clubs	55,770.60	140,992.84	141,139.65	43,578.92	46,552.76	52,649.95
Departments	97,548.59	128,328.58	127,616.28	47,223.73	97,209.45	48,275.17
Trusts	99,427.77	237,872.81	263,943.67	84,550.42	29,763.69	128,143.64
General	5,188.87	439.80	3,308.56	10,270.52	80.00	12,510.63
	\$ 393,468.69	\$ 890,929.72	\$ 899,335.52	\$ 268,232.75	\$ 268,232.75	\$ 385,062.89

## 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 in a timely manner. For example, \$9,280.36 collected through four MCRs (#250-45, #310-02, #249-13, and #291-24) was retained by the sponsors for two to seven working days before it was put into the drop-safe for deposit.

### Recommendation

As required by *DOE Rules (Chapter 8 of the 2012 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)* 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 sponsors and result in potential irregularities.

### Management's Response

*Concur. Principal will review findings with faculty and staff and remind them of policies and procedures for collections and daily depositing of funds.*

## LEASING OF SCHOOL FACILITIES

### Finding

The *Certificate of Insurance* for Lease #1004 mistakenly listed the School District, instead of the School Board, as the additional insured party.

### Recommendation

Leasing of school facilities should be administered in accordance with School Board Policy 7.18 and related District guidelines. Specifically, the 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 protected from unwarranted liabilities.

### Management's Response

*Concur. Principal will meet with Leasing Coordinator to remind him/her of proper wording for Certificate of Insurance.*

# 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, 2013**

Address: 2161 North Military Trail  
West Palm Beach, FL 33409

Principal:  
Fiscal Year 2013: Rick Swearingen  
During Audit: Rick Swearingen

Treasurer:  
Fiscal Year 2013: Carolyn Jefferson  
During Audit: Carolyn Jefferson

Cash and Investments

Checking	\$ 56,905.87
Investments	
	\$ 56,905.87

	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	5.25	6.95	0.00	0.00	0.00	12.20
Trusts	13,303.78	457,064.40	446,337.24	1,563.40	1,158.40	24,435.94
General	24,342.22	9,191.14	670.63	479.81	884.81	32,457.73
	\$ 37,651.25	\$ 466,262.49	\$ 447,007.87	\$ 2,043.21	\$ 2,043.21	\$ 56,905.87

## ADULT EDUCATION AND COMMUNITY SCHOOL PROGRAMS

### Finding

The review of the Adult Education and Community School Programs found that:

- The school did not timely transmit to the Central Office all the Adult Education Fees collected during November and December 2012, and March and June 2013. The school transmitted \$2,070 of the \$24,716 collected during these four months in a timely manner. The remaining funds, however, were not transmitted to the Central Office until after one to two months. District procedures require that Adult General Education Fees be transmitted to the Central Office on a monthly basis.
- One of five sample Adult Education students charged with the Florida resident rate did not have the proof of Florida residency. Consequently, the student was potentially undercharged for a total of \$90 in program fees: Florida resident pays \$30, while non-Florida resident pays \$120.

### Recommendation

Adult Education and Community School Programs should be administered in accordance with the District's guidelines. Specifically,

- *Internal Accounts Manual, Chapter 14*, requires that Adult General Education Fees be transmitted to the Central Office on a monthly basis.
- 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.

### Management's Response

*Concur. Transmittals – I have met with treasurer to discuss appropriate dates of transmittals. A calendar has been set up for transmittals to be done in a timely manner. Proof of Residency – this is a non-issue due to change in state law. All tuition for residents and non-residents is now \$30.*

**Crossroads Academy  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 225 S.W. 12th Street  
Belle Glade, FL 33430

Principal:  
Fiscal Year 2013: Diane Howard  
During Audit: Diane Howard

Treasurer:  
Fiscal Year 2013: Isabel Garcia  
During Audit: Isabel Garcia

Cash and Investments

Checking	\$ 2,496.11
Investments	
	\$ 2,496.11

	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	15.50	2,553.82	2,410.99	78.00	53.00	183.33
Clubs	44.34	663.94	640.94	0.00	25.63	41.71
Departments	0.00	0.00	0.00	0.00	0.00	0.00
Trusts	939.68	11,899.87	11,566.58	0.00	0.00	1,272.97
General	574.05	4,777.08	4,353.66	891.51	890.88	998.10
	\$ 1,573.57	\$ 19,894.71	\$ 18,972.17	\$ 969.51	\$ 969.51	\$ 2,496.11

## DEPOSIT OF MONIES

### Finding

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

- Six pages (#17458, #17459, #17462, #17472, #17477, and #18332) of the *Drop Safe Log (DSL)* were missing.
- Some staff members did not always record the deposit information on the *Drop-safe Log* before dropping off the monies into the safe. For example, the information for the collections of \$435 (on April 2 and 24, 2013) were not recorded on the *Drop-Safe Log*.
- 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.
- Some sponsors did not attach the *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.

### Recommendations

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the 2011 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)* and related District guidelines. Specifically,

- To ensure proper fiscal accountability and as required by *Bulletin #P-14D51-S/CFO*, deposit information should be properly recorded on the *Drop-safe Log*, and “*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 as required by *Bulletin #P-14D51-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.
- 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 sample fundraiser records found that:

- Not all sales and expenses for Jaguar Snack fundraiser (Account #7-0100.10) were recorded in the Internal Funds accounting system. The sponsor used some of the sales revenues to purchase more items for resale and for student incentives. There was no record as to the items purchased for resale and the total actual sales collection. Due to the lack of documentation, there was no basis for us to determine whether all revenue was accounted for.
- The Student Council's Candy Bar Sales (MCR #257-1), Valentine's Gram Sales (MCR #296-1), Teacher Appreciation Sales (MCR #366-1), and Graduation Gift Sales (MCR #381-1) revenues were recorded in the activities' primary account (#4-4810.00), instead of decimalized accounts for each of the fundraisers.

### Recommendation

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

- All Internal Funds financial activities should be recorded in the Internal Funds accounting system. Moreover, *DOE Rules* requires that all collections must be deposited intact into the school bank account and accounted for in the Internal Funds system.
- To assist the school in evaluating and monitoring the performance of individual fundraiser, a separate decimalized account should be established for each fundraiser.

### Management's Response

*Concur.*

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

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

- Disbursement #2372 (for \$300) was for payment to the photographer for yearbook's school pictures. However, this arrangement did not have the required *School District Consultant Agreement (PBSD 1420)*.
- The school purchased a total of \$1,011.09 in classroom supplies on November 7, 2012. Apparently, this purchase was split into four transactions (\$105.96, \$120.88, \$425.55, and \$252.79) in order to comply with the \$1,000 per vendor per day limit. These purchases were subsequently paid with the school's P-Card on November 7 and 8, 2012. Splitting a purchase that exceeded the \$1,000 limit into multiple purchases is disallowed by the *Purchasing Card Procedures*.

- Three p-card transactions totaling \$469.97 for office and classroom supplies included a total of \$26.60 in sales tax.

### **Recommendation**

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

- The *School District Consultant Agreement (PBSD 1420)* should be executed for procurement of professional services. Moreover, to protect the safety and welfare of students, the school should ensure that consultants who work on school campus have completed the required background and clearance check as required by *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 large purchase.*
- The School District is a tax-exempt governmental entity, and should not pay sales tax for eligible purchases.

### **Management's Response**

*Concur.*

## **LEASING OF SCHOOL FACILITIES**

### **Finding**

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

- *Lease Agreement #1001* was not approved by the Principal until 27 days after the leasehold period began.
- \$5,088 in leasing charge for Commercial Lease #1003 was not collected until three days after the lessee had begun using the facilities. Moreover, the school used the non-profit rate to allocate the utility fees, resulting in over-allocated and over-transmitted \$720 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 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 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.*

***Additional comments:*** *Thank you. This process has assisted the school treasurer with job duties and requirements.*

**Delray Full Service Center  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 301 S.W. 14th Avenue  
Delray Beach, FL 33444

Principal:  
Fiscal Year 2013: Sandra Caruso, Admin.  
During Audit: Sandra Caruso, Admin.

Treasurer:  
Fiscal Year 2013: Yolanda Campbell  
During Audit: Yolanda Campbell

Cash and Investments

Checking	\$ 3,231.86
Investments	
	\$ 3,231.86

	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	1,984.18	36,237.17	35,395.21	118.33	118.33	2,826.14
General	93.66	785.00	472.94	390.00	390.00	405.72
	\$ 2,077.84	\$ 37,022.17	\$ 35,868.15	\$ 508.33	\$ 508.33	\$ 3,231.86

## 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 in a timely manner. For example, \$2,945.75 collected through four MCRs (#119-5, #133-3, #132-7, and #130-12) was not deposited into the bank until six to 23 working days after collection. The delays were due to (1) some sponsors did not turn in the collections daily, and (2) the bookkeeper did not always process the collections in a timely manner after the monies were dropped into the safe.

### Recommendation

As required by *DOE Rules (Chapter 8 of the 2011 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)* 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. Administrator will discuss with bookkeeper School district accounting policies and procedures. In addition, staff member responsible for deposits will be directed to complete the e-Learning Bookkeeper Orientation course and attend the monthly bookkeepers' training in order to keep abreast of current policies and procedures.*

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of sample fundraiser records found that:

- The Spring Fling Dance (Account #7-0100.04) fundraiser did not have the required *Fundraising Application/Recap Form*.
- The *Fundraiser Application/Recap Form* for the Cheetah Café Fundraiser (Account #7-0100.05) was not signed and approved by the Principal.
- The General Flower Sales (Account#7-0100.03) fundraiser 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 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. Responsible personnel was advised of negligence to deface paid invoices and was directed to complete e-Learning Bookkeeper training in order to keep abreast of School District policies and procedures and ensure school fiscal compliance.*

## **ADULT EDUCATION AND COMMUNITY SCHOOL PROGRAMS**

### **Finding**

The review of Adult Education and Community School Programs found that:

- A total of \$150 Adult Education program fees were missing and could not be traced to any deposits in the Internal Funds:
  - \$120 in ESOL fee collected on January 8, 2013, through *Adult and Community Education Fee Receipt #25918*.
  - \$30 in collection recorded on an *Adult Education Registration Form* dated January 28, 2013.
- 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 eight of the ten months were not timely transmitted to the Central Office, with delays ranging from nine to 61 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 Winter 2012 and Spring 2013 were not timely transmitted to the Central Office, with delays of 23 and 44 days respectively.

### **Recommendation**

Community School and Adult Education Programs should be administered in accordance with the District's guidelines. Specifically,

- School assets should be properly safeguarded at all times. Monies collected should be accurately accounted for and put into the school's drop-safe daily for deposit into the bank account.

- 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. Prior to any fundraising activities, staff members responsible for fundraising will be directed to complete e-Learning "Fundraising for Teacher/Sponsor" training in order to ensure that proper School District policies are observed.*

**DOCUMENTATION FOR DISBURSEMENTS**

**Finding**

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

- The *Check Requisition Form* for Disbursement #10088 (for \$75) was missing.
- None of the supporting documentation for 10 sample disbursements was defaced (stamped "PAID") after payments.

**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.
- To avoid potential duplicate payments, supporting documentation should be defaced (stamped "PAID") after payment.

***Management's Response***

*Concur. Responsible personnel will be directed to complete e-Learning bookkeeping training and attend monthly bookkeeper meetings in order to ensure accurate reporting of school accounting and that School District policies and procedures are observed.*

***Additional comments:*** *Please acknowledge that the on-site Administrator was only for the academic program at Delray Full Service Center during the SY 2013. Financial responsibilities were not in the scope of my duties. I did not have control, nor authorization to manage the school's internal financial account. Nor was I present during the audit findings. However, I discussed the findings with Ms. Campbell and recommended the preceding corrective actions. This report was completed by the school site administrator for the academic program during SY 2013.*

**Gold Coast Community School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 4260 Westgate Avenue  
West Palm Beach, FL 33409

Principal:  
Fiscal Year 2013: Willie Jo Young  
During Audit: Willie Jo Young

Treasurer:  
Fiscal Year 2013: Blanca Figueroa  
During Audit: Blanca Figueroa

Cash and Investments

Checking	\$ 4,303.72
Investments	
	\$ 4,303.72

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 223.71	\$ 686.20	\$ 631.54	\$ 586.20	\$ 586.20	\$ 278.37
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	161.55	71.00	0.00	0.00	45.00	187.55
Trusts	3,245.12	18,487.77	18,013.64	45.00	0.00	3,764.25
General	545.46	3,917.95	4,402.67	1,053.75	1,053.75	60.74
	\$ 4,188.65	\$ 23,162.92	\$ 23,047.85	\$ 1,684.95	\$ 1,684.95	\$ 4,303.72

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

The review of sample disbursements and P-Card purchases found that a December 19, 2012, P-Card transaction (for \$43.70) included the purchase of bleach and other cleaning supplies, which are disallowed by the District's purchasing guidelines.

### Recommendation

P-Card should not be used for purchase of items disallowed by the *Purchasing Manual*. Moreover, to protect the safety and health of students and staff, chemical items such as custodial supplies should be ordered from the District's warehouse or procured through the Purchasing Department.

### Management's Response

*Concur. In the future, the P-Card will be used for the purchase of items allowed by the Purchasing Manual of the PBCSD.*

## LEASING OF SCHOOL FACILITIES

### Finding

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

- *Lease Agreements* were not always executed with all the required signatures prior to the use of facilities by lessees. For example, *Lease Agreements* #1004 and #1009 were neither signed by the lessee, the witness, nor approved by the Principal until one and two days, respectively, after the leasehold periods began. Also, *Lease Agreement* #1011 was not approved by the Principal until three days after the leasehold period began.
- Rental charges were not always collected prior to the use of facilities by lessees. Specifically, \$1,714.65 collected through MCR (#301-0062) was for payment of leasing charges for the use school facilities by a lessee during Fiscal Year 2010-2011 (i.e. two years ago).

### 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 executed with all the required signatures prior to the use of facilities by lessees.
- As required by *School Board Policy 7.18*, leasing charges should be collected from lessees prior to their use of school facilities.

Gold Coast Community School  
Management Letter  
Year Ended June 30, 2013

***Management's Response***

*Concur. Leasing of Gold Coast facilities will be administered in accordance with School Board Policy 7.18 and related guidelines.*



**Indian Ridge School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 1955 Golden Lakes Boulevard  
West Palm Beach, FL 33411

Principal:  
Fiscal Year 2013: Edward Tierney / Laura Lougee  
During Audit: Laura Lougee

Treasurer:  
Fiscal Year 2013: Ana Moya  
During Audit: Ana Moya

Cash and Investments

Checking	\$ 90,153.70
Investments	
	\$ 90,153.70

	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	2,905.63	2,798.00	13,998.16	18,405.29	7,589.05	2,521.71
Clubs	724.52	1,184.12	2,770.02	3,222.43	1,122.43	1,238.62
Departments	2,546.44	20,744.35	30,714.23	10,519.29	1,551.36	1,544.49
Trusts	117,396.31	15,992.87	27,254.43	12,391.71	45,978.80	72,547.66
General	1,544.18	1,701.74	2,647.62	14,716.84	3,013.92	12,301.22
	\$ 125,117.08	\$ 42,421.08	\$ 77,384.46	\$ 59,255.56	\$ 59,255.56	\$ 90,153.70

## DEPOSIT OF MONIES

### Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process at the school found that some of the school staff did not turn in the yellow copies of the MCRs 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*, "Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary..."

### Management's Response

*Concur. Staff will complete the Train U requirement for record retention requirements as described in the above mentioned bulletin. The bookkeeper will provide follow up with staff who are collecting money for fundraising.*

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of records for sample fundraisers found that:

- The Campus Yearbook Sales (Account #5-0450.00) did not have the required *Fundraising Application/Recap Form*. Moreover, the *Fundraising Application/Recap Form* for the Bookfair Sales (Account #4-0475.01) was not approved by the Principal.
- The TV Production Simple Pons Sales (Account #3-902.04) and Culinary Café Sales (Account #5-1200.00) did not have the required *Sales Item Inventory Reports*.

### 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 and 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. Significant discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.

***Management's Response***

*Concur. Staff will complete the Train U and accounts will be monitored through monthly meetings with the Bookkeeper.*

**DOCUMENTATION OF DISBURSEMENTS**

**Finding**

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

- Disbursements #10101 (for \$1,801.20) and #10118 (for \$3,064) did not have the *Check Requisitions* approved by the Principal.
- All sample invoices reviewed during the audit were not defaced (stamped "Paid") after payment to avoid potential duplicate payment.

**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 avoid potential duplicate payments, supporting documentation should be defaced (stamped "PAID") after payment.

***Management's Response***

*Concur. The Internal Accounts Manual , Purchasing Card Procedures will be reviewed with the bookkeeper and monitored through monthly meetings. A "paid" stamp was purchased.*

**LEASING OF SCHOOL FACILITIES**

**Finding**

The review of records for school facility leasing found that:

- The school did not always have the required leasing documentation for leasing of school facilities. For example, a total of \$5,618.60 in rentals collected through seven collections (#222, #229, #246, #249, #257, #258, and #266) did not have *Lease Agreements* and proof of liability insurance coverage provided by the lessees.

Indian Ridge School  
Management Letter  
Year Ended June 30, 2013

- *Lease Agreement* #1001 was for the use of facilities during January 6, and March 31, 2013. However, the *Agreement* was not signed by the lessee and a witness until February 19, 2013; i.e. 44 days after the leasehold period began. Moreover, pages two and three of the *Agreement* were missing. These two pages should contain the dates, times, locations, and rentals for the use of facilities.
- Based on the school's records and according to the leasing coordinator, two Churches had leasing arrangements (*Lease Agreements* #1001 and #1002) for the use of the school's music room and cafeteria every Sunday during July 2012, through June 2013. Total estimated leasing charges were \$5,300 (\$1,590 in rentals and \$3,710 in labor) and \$4,505 (\$2,650 in rentals and \$1,855 in labor), respectively. However, the school's accounting records indicated that the school collected only \$3,636.60 and \$3,760 respectively from the lessees. As a result, the school undercharged the lessees an estimated total of \$2,408 (\$1,663.40 for #1001 and \$745 for #1002) in leasing charges.

### **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. A new *Lease Agreement* or an addendum to the existing *Agreement* should be executed in order to incorporate the additional use of facilities by the lessee.
- 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 District is well protected.
- As required by ***School Board Policy 7.18***, "Fees are to be paid by check or credit card at least forty-eight (48) hours prior to use of a facility." The school should recoup the \$2,408 in undercharged rentals and labor costs from the Churches.

### ***Management's Response***

*Concur. The School Board Policies will be reviewed with the bookkeeper and she will need to attend additional training. This process will be monitored through monthly meetings with the bookkeeper.*

## **DEFICIT ACCOUNTS**

### **Finding**

The review of the Internal Funds' General Ledger revealed that the Culinary Account (#5-1200.00) had \$2,519.91 in deficit at the end of the year. The School District's ***Internal Funds Procedures*** requires that all activity account deficits be resolved before the close of the fiscal year. In order to resolve the deficit, \$2,519.91 was transferred from the General Activities Account (#7-0100.00) to the Culinary Account.

**Recommendation**

To ensure fiscal accountability and self-sufficiency, the school should monitor each activity account closely so that total expenditures would not exceed total revenues.

***Management's Response***

*Concur. The culinary account will be closely monitored by the teacher. He will keep a ledger of all account expenditures so as not to exceed total revenues.*

***Additional comments:*** *Monthly meetings will be conducted with the bookkeeper to closely monitor all purchases. This included both budget and internal accounts. Additional training and caching will be provided by the district staff for leasing and internal accounts, as well as direct support for purchasing. The bookkeeper will be responsible for reviewing all purchasing, leasing, and internal accounts school board policies, as well as all bulletins referencing those areas dealing with purchasing, leasing, and internal accounts.*

**Palm Beach Virtual School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 1310 North Congress Avenue  
West Palm Beach, FL 33409

Principal:  
Fiscal Year 2013: Debra Johnson  
During Audit: Debra Johnson

Treasurer:  
Fiscal Year 2013: Lorraine Fortney  
During Audit: Aida Sterling

Cash and Investments

Checking	\$ 289.78
Investments	
	\$ 289.78

	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	138.75	0.00	42.43	0.00	0.00	96.32
Departments	0.000	500.00	500.00	0.00	0.00	0.00
Trusts	44.77	1,441.00	1,416.00	0.00	0.00	69.77
General	313.73	242.00	432.04	0.00	0.00	123.69
	\$ 497.25	\$ 2,183.00	\$ 2,390.47	\$ 0.00	\$ 0.00	\$ 289.78

**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 August 21, 2013. However, as of May 29, 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**

*Concur. Bank resolution letter and a copy of the bank signature card are currently on file.*

**DOCUMENTATION FOR FUNDRAISER**

**Finding**

The Lanyard Sales (Account #7-0100.04) did not have the required *Fundraising Application/ Recap Form* and *Sales Item Inventory Report*. Based on the school’s purchasing records and our examination of physical inventory during the audit, this fundraiser should have generated a total estimated revenue of \$755; however, only \$80 in sales revenue was deposited into the Internal Funds. As a result, \$675 (or 89%) in estimated sale revenue was unaccounted for. According to staff, lanyards were given away at the 2013 Showcase of Schools.

Item	Quantity					Selling Price	Revenues
	Beginning Inventory <sup>(1)</sup>	Purchases <sup>(2)</sup>	Items Given Away <sup>(3)</sup>	Inventory On Hand <sup>(4)</sup>	Units Sold		
Lanyards	0	500	0	349	151	\$5	\$755
Total Estimated Revenues							\$755
Total \$ Deposited into Internal Funds from 7/1/2012 until May 29, 2014							\$80
<b>Estimated Revenues Unaccounted For</b>							<b><u>\$675</u></b>

- (1) No *FY13 Sales Item Inventory Report*.
- (2) Based on purchasing records during July 1, 2012, and May 29, 2014.
- (3) No *Sales Item Inventory Report* and no supporting documentation maintained for given away items.
- (4) Based on our examination of physical inventory performed on May 29, 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*.
- *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.

### ***Management's Response***

*Concur. In the future, Fundraising Application/Recap Form will be approved and completed prior to the start of each fundraiser. In addition, the Sales Item Inventory Report will be approved and completed.*

## **DOCUMENTATION FOR DISBURSEMENTS**

### **Finding**

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

- Reimbursement #10020 (for \$113.14 dated June 20, 2013), included \$67.63 in purchases that took place three years ago during February 2010 through August 2010. Moreover, the receipts were not defaced (stamped "PAID") after payment.
- Receipts and invoices were not always defaced (stamped "PAID") after the payments were made. For example, the supporting documentation for three sample disbursements (\$10014, #10017, and #10020) were not defaced after payments.

### **Recommendation**

To ensure accurate financial reporting and compliance with *Florida Prompt Payment Act*, the school should timely process payments for all purchases, including reimbursements to staff for school purchases.

Moreover, to avoid potential duplicate payments, supporting documentation should be defaced (stamped "PAID") after payment.

### ***Management's Response***

*Concur. In the future all receipts and invoices will be stamped "PAID" after payment is made.*

***Additional comments:*** *Our office has improved its education of fundraiser processes for any employee involved in the fundraiser processes.*



**Riviera Beach Preparatory and Achievement Academy**  
**Internal Fund Accounts**  
**Combining Statement of Changes in Cash and Investments – Cash Basis**  
**Year Ended June 30, 2013**

Address: 7071 Gardens Road  
Riviera Beach, FL 33404

Principal:  
Fiscal Year 2013: William J. Pollard  
During Audit: Glenda Garrett

Treasurer:  
Fiscal Year 2013: Princess Pugh  
During Audit: Princess Pugh

Cash and Investments

Checking	\$ 52,335.83
Investments	
	\$ 52,335.83

	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	424.07	13,769.60	13,126.27	4,474.19	4,474.19	1,067.40
Clubs	249.64	125.00	0.00	0.00	0.00	374.64
Departments	0.00	0.00	0.00	0.00	0.00	0.00
Trusts	27,857.26	62,639.83	40,345.70	2,005.75	1,881.75	50,275.39
General	172.26	907.27	590.13	0.00	124.00	365.40
	\$ 28,956.23	\$ 77,441.70	\$ 54,062.10	\$ 6,479.94	\$ 6,479.94	\$ 52,335.83

## 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, \$399 collected through three MCRs (#115-1, #128-3, and #137-1) were not timely processed by the bookkeeper with delays ranging from six to 10 working days after the collections.
- MCR#132-2 (for \$415) was supported by six *Classroom Receipts* (#s 13-065502, 13-065503, 13-065504, 13-065506, 13-065507, and #13-065508); however, *Classroom Receipt* #13-065505, was missing from the numeric sequence. A review of the *Classroom Receipt Book* found that all three copies of the receipt were torn from the book.

### Recommendation

Money collections should be administered in accordance with related District guidelines and *DOE Rules (Chapter 8 of the 2012 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*. Specifically,

- 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 sponsors and result in potential irregularities.
- All pre-numbered District documents, such as *Classroom Receipts*, should be properly accounted for. All copies of voided *Classroom Receipts* must be retained in the *Classroom Receipts Book*.

### Management's Response

*Concur. The administration conducted mandatory training for the stakeholders. As required by DOE rules and District policy, we agree to adhere to policies, guidelines and procedures for collecting and depositing in a timely manner. Please note that we only have one official pickup per week by Brinks which saves the District and Budget Department money.*

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of fundraiser records at the school found that the Senior Concession Stand Sales (Account #3-2014.01) was conducted during September 24, 2012, through June 25, 2013. However, the *Fundraiser Application/Recap Form* for this fundraiser was not approved by the Principal until after the completion of the fundraiser on June 26, 2013. Moreover, the recap section of the form was not verified by the bookkeeper.

### **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*.

### **Management's Response**

*Concur. The administration conducted a mandatory training for all stakeholders to attend prior to any fundraising activities. Each participant signed, in, received an agenda and a copy of all documents related to School Board Policy 2.16. signatures with employee ID numbers verified the attendance.*

## **LEASING OF SCHOOL FACILITIES**

### **Finding**

The review of sample leases for use of school facilities found that:

- *Lease Agreements* were not always executed with all the required signatures in a timely manner. Four *Agreements* (#1001, #1002, #1003 and #1004) were not signed by the Principal until after the leasehold period had begun. Delays ranged from 35 to 104 days. Also, Lease #1001 did not have the date for the lessee's signature.
- Although the *Certificates of Insurance* for four leases (#1001, #1004, #1006, and #1008) showed the School Board as the certificate holder, they did not include the School Board as an additional insured party for liability insurance coverage.
- Leasing charges for five leases (#1001, #1002, #1003, #1004 and #1008) were not always collected prior to the use of facilities by the lessees, with delays ranging from 44 to 105 days. Moreover, as of June 30, 2013, leasing charges totaling \$4,951.74 from two leases (#1009 for \$858.40 and #1010 for \$4,093.34) 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, *Lease Agreements* should be properly executed with all the required signatures prior to the use of facilities.
- As required by **School Board Policy 7.18**, the 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 protected from unwarranted liabilities.

Riviera Beach Preparatory & Achievement Academy  
Management Letter  
Year Ended June 30, 2013

- Leasing charges should be collected from lessees prior to their use of school facilities. The school should recoup the \$4,951.74 in unpaid leasing charges from the two lessees (#1009 and #1010)

***Management's Response***

*Concur. The administration conducted mandatory training that included all staff assigned to leasing contracts. Professional Development included all leasing documents plus online training via Train U. All employees signed and agreed to adhere to policy and procedures in accordance with School Board Policy 7.18*

***Additional comments:*** *Riviera Beach Prep is under new administration for FY14.*

**Royal Palm School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 6650 Lawrence Road  
Lantana, FL 33462

Principal:  
Fiscal Year 2013: Bradley S.L. Henry  
During Audit: Bradley S.L. Henry

Treasurer:  
Fiscal Year 2013: Kristen Casagni  
During Audit: Kristen Casagni

Afterschool Site Director:  
Fiscal Year 2013: Anita Holmes/Beverly Meg Davis  
During Audit: Beverly Meg Davis

Cash and Investments

Checking	\$ 28,574.46
Investments	
	\$ 28,574.46

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	411.08	92.50	220.85	571.50	0.00	854.23
Classes	0.00	899.00	899.00	0.00	0.00	0.00
Clubs	4,498.33	2,579.15	1,977.83	1,408.26	1,408.26	5,099.65
Departments	7,674.53	8,246.49	8,176.20	2,585.83	1,773.92	8,556.73
Trusts	9,896.82	26,596.31	26,235.11	0.00	2,081.84	8,176.18
General	4,354.99	6,058.27	5,224.02	1,803.93	1,105.50	5,887.67
	\$ 26,835.75	\$ 44,471.72	\$ 42,733.01	\$ 6,369.52	\$ 6,369.52	\$ 28,574.46

## LEASING OF SCHOOL FACILITIES

### Finding

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

- *Lease Agreement* #1001 was for the use of facilities during August 20, and December 21, 2012; however, the *Agreement* was not signed by the lessee, a witness, and the Principal until September 19, 2013; i.e. 30 days after the leasehold period began.
- The *Certificate of Insurance* for Lease #1001 did not include the School Board as an additional insured party, although the School Board was listed as the certificate holder.

### 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

*Concur. The above recommendations will be followed.*

**South Intensive Transition School  
Internal Fund Accounts  
Combining Statement of Changes in Cash and Investments – Cash Basis  
Year Ended June 30, 2013**

Address: 1509 Barton Road  
Lake Worth, FL 33460

Principal:  
Fiscal Year 2013: Voncia Haywood  
During Audit: Voncia Haywood

Treasurer:  
Fiscal Year 2013: Debbie Douglas  
During Audit: Debbie Douglas

Cash and Investments

Checking	\$ 8,182.52
Investments	
	\$ 8,182.52

	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	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	7,602.53	3,826.02	6,167.72	964.91	964.91	5,260.83
General	4,250.56	5,799.91	7,128.78	1,065.03	1,065.03	2,921.69
	\$ 11,853.09	\$ 9,625.93	\$ 13,296.50	\$ 2,029.94	\$ 2,029.94	\$ 8,182.52

South Intensive Transition School  
Management Letter  
Year Ended June 30, 2013

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, 2013**

Address: 1950 Benoist Farms Road  
West Palm Beach, FL 33411

Principal:  
Fiscal Year 2013: Anthony Allen  
During Audit: Anthony Allen

Treasurer:  
Fiscal Year 2013: Alberta Spann  
During Audit: Alberta Spann

Cash and Investments

Checking	\$ 2,506.72
Investments	
	\$ 2,506.72

	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	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	258.46	5,308.82	5,045.91	0.00	30.81	490.56
General	2,235.90	4,783.52	5,034.07	679.69	648.88	2,016.16
	\$ 2,494.36	\$ 10,092.34	\$ 10,079.98	\$ 679.69	\$ 679.69	\$ 2,506.72

## DOCUMENTATION FOR DISBURSEMENTS

### **Finding**

The review of sample disbursements and P-Card documentation found that four P-Card purchases, totaling \$489.74, did not have any supporting documentation for the expenses. Three of the purchases occurred in November 2012, and one occurred in May 2013.

### **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 is no assurance that the expenses were appropriate.

### ***Management's Response***

*Concur.*

**Village Academy on the Art & Sara Jo Kobacker Campus**  
**Internal Fund Accounts**  
**Combining Statement of Changes in Cash and Investments – Cash Basis**  
**Year Ended June 30, 2013**

Address: 400 SW 12th Avenue  
 Delray Beach, FL 33444

Principal:  
 Fiscal Year 2013: Guarn Sims  
 During Audit: Guarn Sims

Treasurer:  
 Fiscal Year 2013: Dawne Girtman  
 During Audit: Dawne Girtman

Cash and Investments

Checking	\$ 15,707.29
Investments	
	\$ 15,707.29

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 44.00	\$ 33,788.22	\$ 29,560.97	\$ 11,345.04	\$ 11,118.70	\$ 4,497.59
Music	0.00	440.00	573.75	153.75	20.00	0.00
Classes	1,310.80	26,130.26	26,434.13	7,159.63	6,987.49	1,179.07
Clubs	1,406.98	6,680.80	6,617.16	2,514.82	2,623.48	1,361.96
Departments	164.24	5,861.61	5,306.04	2,512.85	2,019.30	1,213.36
Trusts	14,948.01	145,171.04	158,118.12	8,134.54	3,539.68	6,595.79
General	208.43	56,348.94	50,185.87	2,003.42	7,515.40	859.52
	\$ 18,082.46	\$ 274,420.87	\$ 276,796.04	\$ 33,824.05	\$ 33,824.05	\$ 15,707.29

## DEPOSIT OF MONIES

### Finding

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

- The *Drop-Safe Log* was not always available for sponsors to record the deposit information before their dropping off the monies in the safe. Specifically, the information for 26 deposits, totaling \$7,114.58, collected during February and April 2013, were recorded on some copying papers instead of the prenumbered *Drop-Safe Log*.
- Some sponsors did not turn in the yellow copies of the MCRs to the school secretary at the year-end for future referencing. Also, 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.
- Monies collected were not always turned in for deposit in a timely manner. For example, \$4,370 collected through eight sample MCRs was retained by the sponsors for one to 24 working days before it was turned in for deposit.

### Recommendation

Money collections should be administered in accordance with District guidelines and *DOE Rules (Chapter 8 of the 2012 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*. Specifically,

- To ensure proper fiscal accountability and comply with *Bulletin #P-14051-S/CFO*, responsible staff should properly complete the prenumbered *Drop-safe Log* with all the required information.
- 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..."
- 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 sponsors and result in potential irregularities.

### Management's Response

*Concur. Pre-service training was conducted with all staff regarding procedures.*

## DOCUMENTATION FOR FUNDRAISERS

### Finding

The review of fundraising records found that:

- The Field Day T-Shirt Sales (Account #7-0100.09) and Village Academy Uniform Sales (Account # 7-0100.01) did not have the required *Sales Item Inventory Reports*.
- The Campus Yearbooks did not have the required *Fundraiser Application 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 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

*Concur. Pre-service training was conducted with all staff regarding procedures.*

## DOCUMENTATION FOR DISBURSEMENTS

### Finding

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

- Three *Check Requisitions* (#10202 for \$5,385, #10328 for \$605.72 and #10500 for \$300) were not signed by the sponsors to confirm the receipt of goods and services.
- Disbursement #10328 (for \$605.72) was for reimbursing travel expenses to an employee for attending a conference in December 2011. Although this reimbursement already included the expense for the mileage, an additional reimbursement of \$37.17 was paid to the employee for fuel purchase. Consequently, the school over-reimbursed the employee by \$37.17.
- Disbursement #10506 (for \$425) was for payment of a bounce house rental for the May 2, 2013, Field Day event. However, the school did not obtain the proof of liability insurance coverage from the vendor.

### **Recommendation**

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

- *Check Requisitions* should be signed by the sponsors to confirm the receipt of goods and services.
- Employee travel expenses should be reimbursed in accordance with District guidelines. The school should recoup the \$37.17 overpayment from the employee for Disbursement #10328.
- To protect the School District from unwarranted liability, rental of bounce house should follow the same 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. Procedures addressed with School Treasurer, head Secretary, and all department heads.*