

Monroe County School District Financial Statement and  
Audit Report of Internal Funds  
June 30, 2011

Ken Gentile  
MCSD Internal Audit  
January 31, 2012

## Internal Audit Report

We audited the accompanying statement of fiduciary net assets – cash basis of Monroe County Public Schools' Internal Funds for the eleven schools listed in Exhibit A to the financial statement as of and for the year ended June 30, 2011. The financial statement is the responsibility of management of the Monroe County Public Schools. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. 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 defined in Florida statute 6A-1.087 (3) the Monroe County School Board is responsible for the administration and control of the internal funds of the school district to include providing an annual audit. The audit was conducted by the District Internal Auditor in cooperation with Carr, Riggs and Ingram support staff.

As described in Note 1, the financial statement was prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. In our opinion, the financial statement referred to above presents fairly in all material respects, the financial position of Monroe County Public Schools' Internal Funds, for the eleven schools listed in Exhibit A within the financial statement, as of June 30 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated January 31, 2012 on our consideration of the Monroe County Public Schools Internal Funds internal control over financial reporting and on our tests of its compliance with certain provisions of laws and regulations and other matters. 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 and important for assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statement of Monroe County Public Schools' Internal Funds taken as a whole. The accompanying supplemental schedule of revenue, expenditures and changes in fund balance – cash basis by school for the year ended June 30, 2011 is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statement taken as a whole.

**MONROE COUNTY PUBLIC  
SCHOOLS – INTERNAL FUNDS  
STATEMENT OF FIDUCIARY  
NET ASSETS - CASH BASIS  
June 30, 2011**

	<b>2011</b>	<b>2010</b>
<b>ASSETS</b>		
<b>Cash and cash equivalents</b>	\$ 1,322,162	\$ 1,155,858
<b>LIABILITIES</b>		
<b>Internal Accounts Payable</b>	\$ 1,322,162	\$ 1,155,858

**MONROE COUNTY PUBLIC SCHOOLS - INTERNAL FUNDS**  
**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

<b>Revenue</b>	<b>CSHS</b>	<b>Gr Adms</b>	<b>Gly Arch</b>	<b>HOB</b>	<b>KLS</b>	<b>KWHS</b>	<b>MHS</b>	<b>PKS</b>	<b>Poin</b>	<b>SSE</b>	<b>SugarL</b>	<b>Total</b>
Athletics	201,062	0	0	1,571	980	213,260	124,838	6,380	0	0	4,628	552,719
Music	33,928	83,227	(195)	51,113	31,172	121,440	4,758	9,447	650	200	36,704	372,444
Classes	105,422	21,291	8,159	8,368	72,740	304,781	60,474	51,115	23,859	46,058	8,198	710,465
Clubs	50,967	389	211	22,924	67,584	66,680	19,561	6,049	20,724	500	15,460	271,049
Departments	2,431	11,365	4,416	7,694	654	855	47,237	12,113	25,363	86	23,803	136,017
Trust	11,267	3,132	737	17,914	40,194	53,149	71,480	37,355	2,960	15,865	7,915	261,968
General	12,415	59,025	13,483	8,945	14,710	26,629	16,424	36,155	15,887	19,459	38,833	261,965
<b>Total</b>	<b>417,492</b>	<b>178,429</b>	<b>26,811</b>	<b>118,529</b>	<b>228,034</b>	<b>786,794</b>	<b>344,772</b>	<b>158,614</b>	<b>89,443</b>	<b>82,168</b>	<b>135,541</b>	<b>2,566,627</b>
<b>Expenses</b>												
Athletics	144,248	0	0	1,499	3,031	216,383	108,031	4,673	0	0	4,784	482,649
Music	32,582	66,007	0	47,670	32,924	123,302	6,414	8,036	1,128	538	35,528	354,129
Classes	94,322	14,847	7,230	7,572	64,895	286,189	51,937	52,977	22,585	54,492	8,053	665,099
Clubs	60,270	718	606	21,173	54,918	56,615	15,598	8,421	19,231	500	14,533	252,583
Departments	1,899	11,368	9,359	4,770	1,300	720	47,446	12,829	24,329	609	22,481	137,110
Trust	6,597	3,734	710	16,584	40,167	42,988	71,140	34,263	1,897	9,432	7,440	234,952
General	6,278	52,180	16,114	7,198	13,946	35,998	18,205	44,831	16,792	17,446	38,788	267,776
<b>Total</b>	<b>346,196</b>	<b>148,854</b>	<b>34,019</b>	<b>106,466</b>	<b>211,181</b>	<b>762,195</b>	<b>318,771</b>	<b>166,030</b>	<b>85,962</b>	<b>83,017</b>	<b>131,607</b>	<b>2,394,298</b>
Excess of revenue over/(under)												
before other financing												
sources/(uses):	71,296	29,575	(7,208)	12,063	16,853	24,599	26,001	(7,416)	3,481	(849)	3,934	172,329
Other financing sources/(uses):												
Intra-Fund Transfers In	116,672	24,245	911	2,930	3,489	49,566	41,196	2,271	8,894	21,450	11,443	283,067
Intra-Fund Transfers Out	(116,672)	(24,245)	(911)	(2,930)	(3,489)	(49,566)	(41,196)	(2,271)	(8,894)	(21,450)	(11,443)	(283,067)
Excess of revenue over/(under)												
Expenditures	71,296	29,575	(7,208)	12,063	16,853	24,599	26,001	(7,416)	3,481	(849)	3,934	172,329
Fund Balance - July 1, 2010	100,707	39,916	18,881	75,657	127,993	380,976	180,116	104,942	22,599	38,596	59,451	1,149,834
Fund Balance - June 30, 2011	172,003	69,492	11,670	87,720	144,846	405,577	206,118	97,525	26,080	37,746	63,385	1,322,162

**MONROE COUNTY PUBLIC SCHOOLS – INTERNAL FUNDS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**1. Nature of operations and significant accounting policies:**

**Nature of operations:**

Monroe County Public Schools (“the School Board”) Internal Funds are comprised of individual student activity account balances of the public schools located within the geographical boundaries of the Monroe County District School District (the “Schools” or the “District”). This financial statement includes the internal funds of the eleven schools listed in Exhibit A.

The Monroe County District School Board is the governing body of the Schools, and is composed of five elected members. The Superintendent of Schools is the executive officer of the Board. The Monroe County District School Board is part of the State of Florida System of public education under the general direction and control of the State Board of Education.

The Schools’ internal funds are included as agency funds in the School Board’s consolidated annual financial report.

**Basis of Accounting:**

In accordance with Florida Statutes, the School Board accounts for its student activity accounts as an agency fund. This fund is organized into sub-funds to account for each school in the District. The operations of each sub-fund are accounted for with a separate set of self-balancing accounts that comprise each of the school’s assets, fund balance, revenues and expenditures. Each sub-fund is divided into seven student activity/project classifications. These classifications are athletics, music, classes, clubs, departments, trust and general.

The financial statements of the Schools’ Internal Funds have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**Cash and cash equivalents:**

Cash and cash equivalents consist of deposits and other highly liquid cash equivalents held by qualified public depositories under the laws of the State of Florida. All deposits are collateralized by securities held in Florida’s multiple financial institution collateral pool required by Sections 280.07 and 280.08, Florida Statutes. Certain deposits are also insured by the Federal Deposit Insurance Corporation.

**Use of estimates:**

The preparation of financial statements on the cash basis requires management to make estimates and assumptions that affect certain amounts and disclosures. Actual results could differ from those estimates.

**Subsequent events:**

The School Board has evaluated subsequent events through January 2012, which represents the date the financial statement was issued.

**MONROE COUNTY PUBLIC SCHOOLS**

**LIST OF SCHOOLS AUDITED**

**EXHIBIT A**

<b>CSHS</b>	<b>Coral Shores high School</b>
<b>Gr Adms</b>	<b>Gerald Adams Elementary School</b>
<b>Gly Arch</b>	<b>Glynn Archer Elementary School</b>
<b>HOB</b>	<b>Horace O'Bryant Middle School</b>
<b>KLS</b>	<b>Key Largo School</b>
<b>KWHS</b>	<b>Key West High School</b>
<b>MHS</b>	<b>Marathon High School</b>
<b>PKS</b>	<b>Plantation Key School</b>
<b>Poin</b>	<b>Poinciana Elementary School</b>
<b>SSE</b>	<b>Stanley Switlik Elementary School</b>
<b>SugarL</b>	<b>Sugarloaf School</b>

**Report on Internal Controls over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

We have audited the financial Statements of Monroe County Public Schools (the School Board) Internal Funds, for the twelve schools listed in Exhibit A to the financial statement, as of and for the year ended June 30 2011, and have issued a report thereon dated January 31, 2012. We conducted our audit in accordance with auditing standards generally accepting in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards<sup>“.....”</sup>, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing the audit, we considered the School Board’s internal control over financial reporting for Internal Funds as a basis for designing our auditing procedures for the purpose of expressing our opinion on the Internal Funds financial statement, but not for the purpose of expressing our opinion on the effectiveness of the School Board’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Board’s internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the School Board’s ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the School Board’s Internal Funds financial statement is more than inconsequential will not be prevented or detected by the School Board’s internal control.

A material weakness is a significant deficiency, or combination or significant deficiencies that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the School Board’s internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above. However, we noted other matters involving internal control over financial reporting, which we have reported to manage of Monroe County Public Schools in accompanying Summary of Recommendations for Improvements in Internal controls Over Financial Reporting and Compliance with Certain Laws and Regulations dated January 31, 2012. We reported our general observations and recommendations to all schools under the management of Monroe County Public Schools in a separate memorandum to Schools and Administration.



### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School Board's Internal Funds financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and 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 or other matters that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of noncompliance, which we have reported to management in the accompanying Summary of Recommendations for Improvements in Internal Controls over Financial Reporting and Compliance with Certain Laws and Regulations, dated January, 31 2012.

## **Summary of Recommendations for Improvements in Internal controls over Financial Reporting and Compliance with Certain Laws and Regulations**

During the course of our audit we noted several compliance issues that had an immaterial effect on the financial statements.

### Purchasing and Contracts

During the course of our audit we noted that there were purchases over \$1,000, or in aggregate totaling more than \$1,000, that were not authorized by the Superintendent, or were approved after the purchase. We also noted that commission contracts (contracts that generate commission payments back to schools) lacked sufficient reconciliation to ensure proper commission amounts were being paid. Although these instances were limited and our sampling was not extensive nor created to determine compliance with all transactions, we recommend that the Principals and administrative staff be reminded as to the importance of internal controls and compliance with School Board Policies and procedures. It has also been recommended that an Internal Funds manual be developed and updated to detail procedures.

### Fund Raising

Fund raising projects are an important part of the Schools fiscal stability. During our audit we noted several instances where the documentation regarding ticket inventory and certification reports for in-house tickets were missing or not prepared. We also found several instances where fund raising project reports were incomplete or not signed by the principal. Finally, we noted that collections of cash were not turned into the bookkeeper within 24 hours. Because of the high frequency of occurrence and increased reliance on fund raising for Schools we recommend the principals work with the District Administration to strengthen and review the procedures with staff to re-emphasize the need for compliance and consequences for noncompliance (e.g. employee corrective action).

### Sales tax

During the course of our audit we noted that sales tax for resale items were not collected and remitted to the Department of Revenue for all required sales. Sales tax is computed on gross taxable sales and should be remitted to the Department of Revenue quarterly. We recommend that training be conducted by Finance specifically to review the process and procedure for the collection and remittance of sales tax revenues.

**Coral Shores High**  
**Audit Findings and MLC's**  
**June 30, 2011**

Comments repeated from prior report

1. Several principal's monthly reports were not completed in a timely manner. Complete reporting packages that include all required school documents must be completed, approved and submitted to the District Office prior to the 25<sup>th</sup> of the following month.
2. The Coke machine contract could not be located. All contracts are required to be completed and approved by the principal prior to inception. All signed contracts should be retained in the internal account records for auditing purposes.
3. A financial summary was not completed for the undergraduate picture contract. A reconciliation of the total items sold must be performed in order to determine if the correct amount of commission is being received from the vendor.
4. The purchase order for check number 14185 for an amount over \$1,000 was not approved by the school superintendent. All purchase orders over \$1,000 must be approved in advance by the school superintendent.
5. Several transfer and adjustments vouchers were not signed by the principal. All intrafund transfers and adjustments must be approved in advance by the principal and signed by the sponsor or bookkeeper.
6. Check numbers 14199 and 14185 did not agree with the supporting documentation. All disbursements should be properly supported by a vendor invoice or receipt.
7. A ticket sales report was not completed for Prom. A ticket sales report was also not signed by the ticket manager and bookkeeper. In addition, the ticket inventory reports did not include an ending inventory of tickets on hand. A ticket sales report should be completed for each admission event and be signed by the ticket manager and the bookkeeper. A ticket inventory report should be completed for all tickets held by the school.
8. The fund raising project report for the student council parking sticker fundraiser was approved by the principal after it began. In addition, a fund raising project report could not be located for the science club Halloween fundraiser. A fund raising project report should be prepared for all fund raising activities conducted by the school and must be approved by the principal prior to making any commitments.

CSHS Current year comments (continued)

9. Lost textbooks monies were not forwarded to the District Office as of June 30, 2011. For schools with textbooks purchased by the District, any balance in the Lost Textbooks account must be sent to the District Office at the end of the year.
  
10. The purchase order that corresponds with check numbers 13495, 13916, 14179, and 14185 were completed after the goods or services were purchased. A purchase order must be completed each time an individual requests to make a purchase and must be approved by the principal or designee prior to the purchase.

**Gerald Adams Elementary**  
**Audit Findings and MLC's**  
**June 30, 2011**

Comments repeated from prior report

1. The purchase order for check number 8397 for an amount over \$1,000 was not approved by the school superintendent. All purchase orders over \$1,000 must be approved in advance by the school superintendent.
  
2. A fund raising project report was not completed for the silent auction fund raiser. A fund raising project report should be prepared for all fund raising activities conducted by the school and must be approved by the principal prior to making any commitments.

Current year comments

3. Payment was made to a non-employee for compensation of services rendered, but a request for taxpayer identification number form was not completed. This request form must be completed and maintained by the school for all such payments for reporting purposes.
  
4. Ticket sales reports were not completed for admission events. In addition, a ticket inventory report was not completed for ticket sales. A ticket sales report should be completed for each admission event and be signed by the ticket manager and the bookkeeper. A ticket inventory report should be completed for all tickets held by the school.

**Glynn Archer Elementary School**  
**Audit Findings and MLC's**  
**June 30, 2011**

Comments repeated from prior report

1. The monies collected form that corresponds with official receipt number 32336 did not have any supporting documentation for a donation received. Supporting documentation, such as a remittance advice or a donor letter, should accompany all donations.
2. The gain or loss was not calculated on the Positive Behavior Support Candy fund raiser. The gain or loss for each sale activity should be calculated and properly documented on the fund raising project report after the event.
3. The principal's monthly reports for August 2010 and June 2011 were not completed in a timely manner. Complete reporting packages that include all required school documents must be completed, approved and submitted to the District Office prior to the 25<sup>th</sup> of the following month.

Current year comments

4. Several monies collected forms were not signed or dated by the teacher/sponsor. Dates that correspond to the amounts collected and deposited should be listed on the monies collected form and should be signed by the bookkeeper and teacher/sponsor to provide an accurate audit trail.
5. Intrafund transfer voucher numbers 803 and 823 could not be located. All intrafund transfers must be documented with an approved transfer voucher or voucher receipt.

**Horace O'Bryant Middle School**  
**Audit Findings and MLC's**  
**June 30, 2011**

Comments repeated from prior report

None noted.

Current year comments

1. Sales tax for pizza sales was not collected and remitted to the Department of Revenue. Sales tax is computed on gross taxable sales and should be remitted to the Florida Department of Revenue quarterly.
  
2. Check number 7853 was an improper expenditure made from the General account for a meal donation to a deceased teacher's family. All expenditures from the General account should be for the benefit of the entire student body.

**Key Largo School**  
**Audit Findings and MLC's**  
**June 30, 2011**

Comments repeated from prior report

None Noted.

Current year comments

1. A certification statement was not completed for the tickets produced in-house. The sponsor of the event and the principal must sign a certification statement indicating the series and price of the tickets produced in-house.



**Key West High School**  
**Audit Findings and MLC's**  
**June 30, 2011**

Comments repeated from prior report

1. Several purchase orders for amounts over \$1,000 were not approved by the school superintendent. All purchase orders over \$1,000 must be approved in advance by the school superintendent.
2. A financial summary was not completed for the undergraduate picture contract. A reconciliation of the total items sold must be performed in order to determine if the correct amount of commission is being received from the vendor.
3. Ticket sales reports were not completed for several admission events. In addition, a ticket inventory report was not completed for several admission events. A ticket sales report should be completed for each admission event and be signed by the ticket manager and the bookkeeper. A ticket inventory report should be completed for all tickets held by the school.
4. Several monies collected forms did not have any supporting documentation for donations received. Supporting documentation, such as a remittance advice or a donor letter should accompany all donations.
5. Sales tax for resale items was not collected and remitted to the Department of Revenue. Sales tax is computed on gross taxable sales and should be remitted to the Florida Department of Revenue quarterly.

Current year comments

6. It was noted in several instances where expenditures for amounts over \$1,000 were broken into multiple purchase orders and checks. All purchase orders over \$1,000 must be approved in advance by the school superintendent.
7. Check numbers 3897 and 3898 were improper expenditures made from the General account for faculty shirts. All expenditures from the General account should be for the benefit of the entire student body.
8. Several purchase orders were completed after the goods or services were purchased. A purchase order must be completed each time an individual requests to make a purchase and must be approved by the principal or designee prior to the purchase.

KWHS Current year comments (continued)

9. The contract for underclass pictures, panoramic pictures, graduation paraphernalia, and event pictures was signed by someone other than the principal. In addition an up to date Coca Cola contract could not be located. All contracts are required to be completed and approved by the principal prior to inception.
10. A fund raising project report was not completed for the Art for Haiti car wash fund raiser. A fund raising project report should be prepared for all fund raising activities conducted by the school and must be approved by the principal prior to making any commitments.

**Marathon High**  
**Audit Findings and MLC's**  
**June 30, 2011**

Comments repeated from prior report

1. Monies collected from outside the main office are not being turned in to the school bookkeeper on the day collected. All external collections should be turned in to the bookkeeper by the end of the day, regardless of amount.
2. A ticket inventory report was not completed for several admission events. A ticket inventory report should be completed for all admission events held by the school.
3. Ticket sales reports for several admission events could not be located. A ticket sales report should be completed for each admission event and be signed by the ticket manager and the bookkeeper.
4. Sales tax for resale items was not collected and remitted to the Department of Revenue. Sales tax is computed on gross taxable sales and should be remitted to the Florida Department of Revenue quarterly.

Current year comments

5. The monthly bank reconciliations were not signed by the principal. School Board policy requires that the principal sign the bank reconciliation each month.
6. The purchase order for check number 3195 for an amount over \$1,000 was not approved by the school superintendent. All purchase orders over \$1,000 must be approved in advance by the school superintendent.
7. The deposit for monies collected form number 71485 was not made in a timely manner. School Board policy requires deposits to be made within 24 hours of receipt.

**Plantation Key School  
Audit Findings and MLC's  
June 30, 2011**

Comments repeated from prior report

1. A purchase order was completed after the goods or services were purchased for check #107362 for \$6,645. A purchase order must be completed each time an individual requests to make a purchase and must be approved by the principal or designee prior to the purchase.
2. Several monies collected forms did not have any supporting documentation for donations received. Supporting documentation, such as a remittance advice or a donor letter, should accompany all donations.

Current Year Comments

3. Lost library book and textbook monies were not forwarded to the District Office as of June 30, 2011. Any balance in the Lost Textbooks and Lost Library Books accounts must be sent to the district office at the end of the year for schools with textbooks purchased by the district.
4. A property form was not completed for the purchase of the school sign. A property form must be completed for each asset purchased over \$1,000 and the form must be sent to the district office.
5. A ticket inventory report was not completed for any ticket event. A ticket inventory report should be completed for all tickets held by the school.
6. The principal and the project sponsor did not sign the summary for the yo-yo fundraiser. The gain or loss for each sales activity should be calculated and properly documented on the fund raising project report after the event.
7. The ticket sales report for the magic show and bake sale were not signed by the principal. A ticket sales report should be completed for each admission event and be signed by the ticket manager and the principal.

**Poinciana School  
Audit Findings and MLC's  
June 30, 2011**

Comments repeated from prior report

None noted.

Current year comments

- 1.** The purchase order for check number 1255 for an amount over \$1,000 was not approved in advance by the school superintendent. All purchase orders over \$1,000 must be approved in advance by the school superintendent.

**Stanley Switlik Elementary**  
**Audit Findings and MLC's**  
**June 30, 2011**

Comments repeated from prior report

None Noted.

Current year comments

1. The principal's monthly report for August was not dated by the Principal. Complete reporting packages that include all required school documents must be completed, approved and submitted to the District Office prior to the 25<sup>th</sup> of the following month.
2. The purchase order that corresponds with check number 6883 was completed after the goods or services were purchased. A purchase order must be completed each time an individual requests to make a purchase and must be approved by the principal or designee prior to the purchase.
3. The ticket sales reports for the Valentines dance was not signed by the bookkeeper or ticket manager. A ticket sales report should be completed for each admission event and be signed by the ticket manager and the bookkeeper.
4. The fund raising project report for the school art fundraiser was approved by the principal after it began. A fund raising project report should be prepared for all fund raising activities conducted by the school and must be approved by the principal prior to making any commitments.
5. Check number 6863 was not supported by a vendor invoice or vendor receipt. In addition the check requisition was approved by the principal after the check date. All check requests should be approved by the principal prior to the check date. Vendor invoices and vendor receipts should be retained in the internal account records for auditing purposes.
6. The school book fair contract for the Fall 2010 and Spring 2011 book fairs could not be located. All contracts are required to be completed and approved by the principal prior to inception. All signed contracts should be retained in the internal account records for auditing purposes.

**Sugarloaf School**  
**Audit Findings and MLC's**  
**June 30, 2011**

Comments repeated from prior report

1. A ticket sales report was not completed for the eighth grade dance. In addition, a ticket inventory report was not completed for the eighth grade dance or the yearbook dance. A ticket sales report should be completed for each admission event and be signed by the ticket manager and the bookkeeper. A ticket inventory report should be completed for all tickets held by the school.
  
2. The purchase orders that correspond with check numbers 7036, 7098, 7138, and 7233 for amounts over \$1,000 were not approved by the school superintendent. All purchase orders over \$1,000 must be approved in advance by the school superintendent.
  
3. Monies collected from outside the main office are not being turned in to the school bookkeeper on the day collected. All external collections should be turned in to the bookkeeper by the end of the day, regardless of amount.

Current year comments

4. The National Junior Honor Society account had a deficit balance of approximately \$1,700 at June 30, 2011. Section 2.4 of the Financial and Program Cost Accounting and Reporting for Florida Schools (the Redbook) specifically prohibits deficit spending for trust accounts. Expenditures should not exceed revenues except when purchasing items for resale.