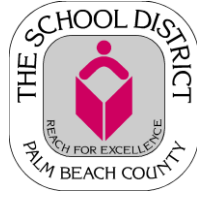


Special Review of
Pierce Hammock Elementary School's
Parent Teacher Organization

October 30, 2015

Report #2015-15



MISSION STATEMENT

The School Board 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.

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**Special Review of
Pierce Hammock Elementary School's
Parent Teacher Organization**

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**Special Review of
Pierce Hammock Elementary School's
Parent Teacher Organization**

Executive Summary

Pursuant to the *Office of Inspector General (OIG) 2014-15 Work Plan* and in response to the requests of the Principal and Parent Teacher Organization (PTO) of Pierce Hammock Elementary, we have performed a review of the PTO's financial records and board member election process. The primary objectives of this special review were to determine (1) whether all fundraising revenues were accounted for, (2) the appropriateness of expenditures, and (3) the extent of compliance with the Bylaws for PTO's board members election. This special review produced the following major conclusions.

1. PTO Dissolved

During the fieldwork, OIG discussed the preliminary conclusions and recommendations with the Principal and the PTO's officers. Subsequently, the PTO dissolved and donated its \$7,290.35 in remaining cash balance, equipment, and unsold fundraiser inventory to the school.

2. Fundraising Activities

The PTO conducted 26 fundraisers with a total revenue of \$82,882.24. The review of seven sample fundraisers with a total revenue of \$42,849.08 (52% of total fundraising revenues) concluded that estimated revenues were accounted for.

3. Disbursements

The PTO issued 132 checks, totaling \$79,185.14 during July 1, 2014, through April 10, 2015. The review of these 132 disbursements revealed that (1) the checks were signed by the PTO's president and treasurer, but there was no documentation of approval from the PTO's executive board as required by its Bylaws, and (2) \$1,266.62 of the \$4,119.13 in expenses for nine disbursements had no supporting documentation.

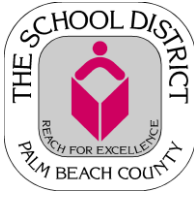
4. 2014-15 Board Officers Elections

The review of records for the 2014-15 PTO's Board Officers Election conducted during September 2014, revealed no noncompliance with the PTO's Bylaws.

Management's Response from the Principal: Concur. (Please see page 5 for details.)

Management's Response from the Chief Operating Officer: Concur. (Please see page 6 for details.)

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THE SCHOOL DISTRICT OF
PALM BEACH COUNTY, FLORIDA

OFFICE OF INSPECTOR GENERAL
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LUNG CHIU, CIG, CPA
INSPECTOR GENERAL

SCHOOL BOARD
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MEMORANDUM

TO: Honorable Chair and Members of the School Board
Robert M. Avossa, Ed.D., Superintendent of Schools
Chair and Members of the Audit Committee

FROM: Lung Chiu, Inspector General

DATE: October 30, 2015

SUBJECT: Special Review of Pierce Hammock Elementary School's
Parent Teacher Organization

PURPOSE AND AUTHORITY

Pursuant to the *Office of Inspector General (OIG) 2014-15 Work Plan* and in response to the requests of the Principal and Parent Teacher Organization (PTO) of Pierce Hammock Elementary, we have performed a review of the PTO's financial records and board member election process. The primary objectives of this special review were to determine (1) whether all fundraising revenues were accounted for, (2) the appropriateness of expenditures, and (3) the extent of compliance with the Bylaws for PTO's board members election.

SCOPE AND METHODOLOGY

The review covered the period July 1, 2014, through April 21, 2015; and included:

- Interviewing PTO officers.
- Reviewing the PTO's bank statements and general ledgers.
- Reviewing revenue and expenditure records.
- Reviewing board member election records.

Draft findings were sent to the PTO's officers and the school Principal for review and comments. Management responses are included in the Appendices. We appreciate the courtesy and cooperation extended to us by District staff and volunteers of the PTO during the review. The final draft report was presented to the Audit Committee at its October 30, 2015, meeting.

BACKGROUND

On April 2, 2015, the Office of Inspector General (OIG) received an email from a parent expressing concerns about the PTO's financials and its process in electing board members. The PTO maintained a separate bank account outside the school. Because the PTO is an outside organization, the OIG does not have the authority to audit the PTO's financial records without the consent of the PTO Board. On April 9, 2015, the Principal forwarded the OIG with a request from the PTO Board for a review of its financial records.

CONCLUSIONS

1. PTO Dissolved

As part of our review, we discussed our preliminary conclusions and recommendations with the Principal and the PTO's Officers. Subsequently, the PTO dissolved and donated its \$7,290.35 in remaining cash balance, equipment, and unsold fundraiser inventory to the school. The school established a PTO Trust Account (#6-3300) in its Internal Funds, and the money was deposited into this account on June 11, 2015.

2. Fundraising Activities

According to the PTO's April 6, 2015, Financial Statement, the PTO conducted 26 fundraiser events which generated a total of \$82,882.24 in revenues.

List of PTO's Fundraisers

Fundraisers	Revenues
* Enjoy the City (Safety Patrol-Coupon Books)	\$18,200.00
Great American Fundraiser (Schoolwide Catalog)	17,004.89
* Uniform/Spirit Shirts (Schoolwide)	12,551.00
* Holiday Shoppe (Schoolwide)	7,266.08
Popcorn (Teacher Fundraiser)	4,341.50
Safety Patrol Chocolate Sales	3,543.00
* Walk-a-thon	2,641.00
Safety Patrol Valentine Dance	2,062.00
Shirt Days	1,770.00
Safety Patrol Smencils	1,588.55
School Cart	1,418.61
Box Tops for Education	1,390.10
5th Grade Farewell-Valentine Gram	1,360.00
Holiday Show Ticket Sales (Music Program)	1,151.00
* PTO Dance	1,092.00
PTO Silence Auction	990.00
Science Fair Board Kits (Science Program)	895.00

Fundraisers	Revenues
Safety Patrol Dominos Cards	630.00
* PTO Family Dinner	590.00
Communication Folders (Teachers/5th Grade Farewell)	538.00
* Pink Shirt Sales (Komen Fundraiser)	509.00
Safety Patrol Boo Grams	470.00
Holiday Show Sweet Treats	460.00
Safety Patrol Chic Fil A Spirit Night	320.51
Safety Patrol Ice Cream	100.00
Total	\$82,882.24

* Samples selected for detail review.

We randomly sampled seven fundraisers with a total revenues of \$42,849.08 (52% of total fundraising revenues) for review. Based on PTO's purchasing records and other related fundraising records, we concluded that the estimated revenues for the seven sample fundraisers were accounted for.

3. Disbursements

According to the PTO's *Check Register* and bank statements, the PTO bank account had a total of 140 withdrawals, totaling \$79,424.14, during July 1, 2014, through April 10, 2015. These withdrawals included \$79,185.14 in 132 checks and \$239 in bank charges.

The *PTO Bylaws, Article IV, Section 1.d.*, states that,

"the Treasurer shall receive all funds of the organization, keep an accurate record of receipts and expenditures, and pay out funds in accordance with the approval of the executive board."

Our review of disbursement records found that:

- The checks were signed by the PTO president and treasurer. However, there was no documentation indicating that the disbursements were approved by the PTO's executive board as required by the Bylaws.
- Of the 132 disbursement, nine of them did not have adequate supporting documentation. Specifically, \$1,266.62 of the \$4,119.13 in expenses for nine disbursements had no supporting documentation.

Disbursements With Inadequate Supporting Documentation

Check #	Check Amount	Supporting Documentation for Expenses	
		Yes	No
2802	\$488.00	-	\$488.00
2770	\$375.00	\$75.00	\$300.00
2822	\$274.28	-	\$274.28
2803	\$100.00	-	\$100.00

Check #	Check Amount	Supporting Documentation for Expenses	
		Yes	No
2840	\$1,952.85	\$1,877.85	\$75.00
2831	\$95.00	\$83.00	\$12.00
2811	\$10.00	-	\$10.00
2775	\$640.00	\$632.95	\$7.05
2792	\$184.00	\$183.71	\$0.29
Total	\$4,119.13	\$2,852.51	\$1,266.62

4. 2014-15 Board Officers Elections

No Nomination Received in August 2014. According to the Minutes of the August 29, 2014 PTO Organizational Meeting,

- In May 2014, the PTO sent a Board Officer Election/Nomination Form to the parents. Because there were no responses received, the existing serving officers retained their positions.
- Interested members were instructed to complete the Board Officer Nomination/Election forms prior to the September 10, 2014, meeting.

Board Member Officer Election Completed in September 2014. Subsequent to the August 2014 PTO Organizational Meeting, 100 ballots were sent to members and 64 completed ballots were received by the PTO. The election results were announced at the PTO's October 10, 2014, Meeting.

It appeared that the September 2014, election was conducted in compliance with the PTO's Bylaws.

Management's Response from the Principal: *The School Based Management concurs with findings of the Office of the Inspector General. The funds from the PTO were appropriately placed in the school's PTO Trust Account, 6-3300.00. The Officers of the former PTO were involved in all aspects of the special review. (Please see page 5.)*

Management's Response from the Chief Operating Officer: *Management concurs with the findings of the Office of Inspector General. The Accounting Department confirms that on June 11, 2015, Pierce Hammock Elementary deposited a check from the PTO into their internal bank account in the amount of \$7,920.35. Those funds were appropriately placed in the 6-3300.00 PTO Trust Account. The PTO was dissolved; no corrective actions needed. (Please see page 6.)*

– End of Report –

Management's Response
Principal of Pierce Hammock Elementary School

Pierce Hammock Elementary

Dr. John Carvelli
Principal

14255 Hamlin Boulevard
Loxahatchee, Florida 33470
Phone: (561) 633-4500
Fax: (561) 633-4550

Dr. Edwina Mooney
Assistant Principal

To: Mr. Lung Chiu, Inspector General
From: Dr. John Carvelli, Principal *John Carvelli*
Date: September 14, 2015
Subject: Special Review of Pierce Hammock Elementary Schools Parent
Teacher Organization

The School Based Management concurs with findings of the Office of The Inspector General. The funds from the PTO were appropriately placed in the school's PTO Trust Account, 6-3300.00.

The Officers of the former PTO were involved in all aspects of the special review.

Thank you. If you have any questions, please contact me at 561-633-4504.

RECEIVED
SEP 14 2015

INSPECTOR GENERAL

M

Management's Response
Chief Operating Officer



THE SCHOOL DISTRICT OF
PALM BEACH COUNTY, FL

MICHAEL J. BURKE
CHIEF OPERATING OFFICER

ROBERT M. AVOSSA, Ed.D.
SUPERINTENDENT

CHIEF OPERATING OFFICE
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WEST PALM BEACH, FL 33406

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MEMORANDUM

RECEIVED
JUL 30 2015
INSPECTOR GENERAL

TO: Lung Chiu
Inspector General

FROM: Michael J. Burke *MJB*
Chief Operating Officer

DATE: July 30, 2015

**SUBJECT: SPECIAL REVIEW OF PIERCE HAMMOCK ELEMENTARY SCHOOL'S PARENT
TEACHER ORGANIZATION**

Management concurs with the findings of the Office of Inspector General. The Accounting Department confirms that on June 11, 2015, Pierce Hammock Elementary deposited a check from the PTO into their internal bank account in the amount of \$7,920.35. Those funds were appropriately placed in the 6-3300.00 PTO Trust Account. The PTO was dissolved; no corrective actions needed.

An electronic version of management's response will also be emailed to your attention.

If you should have any questions or require additional information, please do not hesitate to contact me at PX48584.

MJB/ac

M