

Special Report on the

Goodwyn Middle School

Montgomery County, Alabama

June 1, 2017 through May 31, 2018

Filed: September 27, 2019



Department of Examiners of Public Accounts

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Rachel Laurie Riddle, Chief Examiner



State of Alabama
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Rachel Laurie Riddle
Chief Examiner

Honorable Rachel Laurie Riddle
Chief Examiner of Public Accounts
Montgomery, Alabama 36130

Dear Madam:

Under the authority of the *Code of Alabama 1975*, Section 41-5A-19, as added by Act Number 2018-129, I submit this special report on the results of the examination of the Goodwyn Middle School, Montgomery County, Alabama, for the period June 1, 2017 through May 31, 2018.

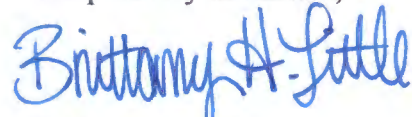
Sworn to and subscribed before me this
the 9th day of July, 2019.



Notary Public

rb

Respectfully submitted,



Brittany H. Little
Examiner of Public Accounts

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Department of
Examiners of Public Accounts

SUMMARY

**Special Report on the Goodwyn Middle School
Montgomery County, Alabama
June 1, 2017 through May 31, 2018**

Goodwyn Middle School, Montgomery County, Alabama, (hereinafter referred to as the “School”) is an educational facility teaching students from 6th grade through 8th grade. The Montgomery County Board of Education (the “Board”) is governed by a seven-member body elected by the citizens of Montgomery County. The Board is the governmental agency that provides general administration and supervision for Montgomery County Public Schools, preschool through high school, with the exception of the Pike Road School System. The Board members and administrative personnel of the Board are listed on Exhibit 1.

This report presents the results of a special examination of Goodwyn Middle School, Montgomery County, Alabama, for compliance with applicable laws and regulations of the State of Alabama in accordance with the requirements of the Department of Examiners of Public Accounts under the authority of the *Code of Alabama 1975*, Section 41-5A-12, as added by Act Number 2018-129. The primary objective of this examination was to determine whether the disposition of revenues collected in support of school activities was performed in accordance with applicable laws and regulations.

Findings are numbered and reported by the examination period in which the finding originally occurred.

The following instances of noncompliance with state and local laws and regulations and other matters were found during the examination, as shown on the Schedule of State and Local Compliance and Other Findings and they are summarized below.

CURRENT FINDINGS

- ◆ 2018-001 relates to the Bookkeeper cashing personal checks from School funds. The Bookkeeper’s personal bank account did not contain sufficient funds to cover the personal checks written to the School.
- ◆ 2018-002 relates to the Bookkeeper failing to submit required monthly financial information to the Central Office.

- ◆ 2018-003 relates to improper receipting procedures, and the failure to make deposits of teacher receipts timely and intact.
- ◆ 2018-004 relates to the failure to provide ticket sales reports, and the failure to receipt and deposit athletic events gate receipts.
- ◆ 2018-005 relates to the failure to redeposit into the school bank account change cash from ticket sales for athletic events.
- ◆ 2018-006 relates to the failure to receipt all money received for student activity fees and the failure to accurately post the related transactions.
- ◆ 2018-007 relates to the failure to record and deposit money received from the sale of concession items.
- ◆ 2018-008 relates to the failure to account for gift cards purchased as a reward for student academic achievement.
- ◆ 2018-009 relates to the use of school funds to purchase items of a personal nature.

As reflected on Exhibit 2, charges against former school personnel totaling \$17,340.01 resulted from a lack of internal controls over the receipting, custody and disbursement of school funds. Letters were sent to the former employees requesting repayments totaling \$17,340.01. At a meeting with the Chief Examiner, the former Athletic Director failed to show just cause why amounts charged to him should not be paid, and the former Bookkeeper failed to appear and show just cause as to why the amounts charged to her should not be repaid; therefore, relief was denied, as evidenced by Orders of the Chief Examiner. The charges remain due and unpaid and, as a result, this report will be certified to the Attorney General for collection. The former Principal appeared at a meeting before the Chief Examiner and showed just cause as to why amounts charged to him should not be repaid; therefore, relief was granted as evidenced by the Order of the Chief Examiner.

Board members and administrative personnel, as reflected on Exhibit 1, were invited to discuss the results of this report at an exit conference at the Board's Central Office. Individuals in attendance were: Dr. Ann Roy Moore, Superintendent; and Board Members: Mary Briers and Arica Smith. Also in attendance were representatives from the Department of Examiners of Public Accounts: Teresa Dekle, Audit Manager; and Brittany Little, Examiner.

*Schedule of State and Local
Compliance and Other Findings*

Schedule of State and Local Compliance and Other Findings
June 1, 2017 through May 31, 2018

Ref. No.	Finding/Noncompliance
2018-001	<p><u>Finding:</u> The Alabama State Department of Education’s <i>Financial Procedures for Local Schools</i> prohibits cashing checks with school funds. The Goodwyn Middle School’s (the “School”) Bookkeeper cashed her personal checks totaling \$6,995.00 using the School’s monies. However, the Bookkeeper’s checks were returned by the bank for nonsufficient funds, and the School was charged fees totaling \$72.00 for these returned items. Internal controls were not in place to ensure that personal checks were not cashed using School funds. As a result, the School incurred monetary loss of \$7,067.00. This amount is reflected as a charge against an individual, as reported on Exhibit 2.</p> <p><u>Recommendation:</u> Internal controls should be implemented to ensure that personal checks are not cashed using school funds.</p>
2018-002	<p><u>Finding:</u> The Montgomery County Board of Education (the “Board”) requires all local schools to submit monthly financial information to the Board’s Central Office Local School Accounting Department, including a requirement that local school bookkeepers submit the monthly bank statements and bank reconcilements of their respective schools. The bank statements submitted to the Board for March 2018 and April 2018 differed from statements subsequently obtained from the bank. Additionally, the Goodwyn Middle School’s (the “School”) Bookkeeper did not submit the January 2018 bank statement to the Board. Internal controls were not in place at the School to ensure that accurate financial information was submitted to the Board. As a result, the School provided inaccurate financial information to the Board.</p> <p><u>Recommendation:</u> Internal controls should be implemented to ensure compliance with rules established by the Montgomery County Board of Education.</p>

Schedule of State and Local Compliance and Other Findings
June 1, 2017 through May 31, 2018

Ref. No.	Finding/Noncompliance
2018-003	<p><u>Finding:</u> The Alabama State Department of Education’s <i>Financial Procedures for Local Schools</i> requires money collected, along with the teacher receipt books, to be taken to the office daily, and the teacher is to be issued a Master Receipt from the School Bookkeeper. Additionally, the schools are to make deposits timely and intact. Deposits were not always made timely and intact by the Bookkeeper. Monies totaling at least \$3,074.00 received from teachers and receipted by the Bookkeeper were not deposited into the Goodwyn Middle School’s (the “School”) bank account. Internal controls were not in place to ensure that all money received was deposited timely and intact. As a result, the School incurred the loss of at least \$3,074.00. This amount is included as a charge against an individual, as reflected on Exhibit 2.</p> <p><u>Recommendation:</u> Internal controls should be implemented to ensure that all money collected is deposited timely and intact.</p>
2018-004	<p><u>Finding:</u> The Alabama State Department of Education’s <i>Financial Procedures for Local Schools</i> requires tickets to be sold at all events where admission is charged. Admission events include football, basketball, baseball, softball, volleyball, soccer, wrestling, track, and other events where admission is charged. A report of ticket sales form must be issued for each individual selling the tickets at the time the tickets are provided to them for the event. Additionally, the Bookkeeper is to issue a master receipt for the cash collected from ticket sales to each individual responsible for selling tickets, and all money collected is to be deposited intact. The Goodwyn Middle School (the “School”) Bookkeeper failed to provide documentation that a report of ticket sales form was properly prepared and retained for each event, and that the money collected was deposited. A report of ticket sales form was not provided for one football game, one volleyball match, six basketball games and eight wrestling matches, and no money was deposited for tickets sales related to these events. Additionally, documented ticket sales of \$675.00 from two other events were not deposited into the School’s bank account. Internal controls were not in place to ensure the proper receipt and deposit of money collected from ticket sales at events. As a result, an indeterminate amount of money generated from ticket sales was not recorded in the accounting records and was not deposited into the School’s bank account; additionally, documented proceeds from ticket sales of \$675.00 were not deposited into the School’s bank account. This amount is included as a charge against an individual, as reflected on Exhibit 2.</p>

Schedule of State and Local Compliance and Other Findings
June 1, 2017 through May 31, 2018

Ref. No.	Finding/Noncompliance
	<p><u>Recommendation:</u> Internal controls should be implemented to ensure that a report of ticket sales form is completed for every event for which admission is charged. Proceeds from tickets sales should be receipted and deposited into the School's bank account.</p>
2018-005	<p><u>Finding:</u> The Alabama State Department of Education's <i>Financial Procedures for Local Schools</i> requires local schools to issue separate master receipts for the return of change cash after an athletic event. All money received is to be appropriately receipted and is to be deposited timely and intact. To provide change cash for athletic events, the Goodwyn Middle School (the "School") Bookkeeper issued checks totaling \$4,500.00 to the Athletic Director. Of that amount, the Bookkeeper redeposited cash totaling \$2,100.00 into the School's bank account. Internal controls were not in place to ensure the redeposit of change cash after athletic events. As a result, change cash in the amount of \$2,400.00 was not redeposited into the School's bank account. This amount is included as a charge against an individual, as reflected on Exhibit 2.</p> <p><u>Recommendation:</u> Controls should be implemented to ensure that all money paid out for change cash is properly returned, receipted and deposited.</p>
2018-006	<p><u>Finding:</u> The Alabama State Department of Education's <i>Financial Procedures for Local Schools</i> requires local schools to issue separate master receipts for all money received. The master receipt must identify the school activity which is to receive the money, and the school accounting records are to be posted from the master receipt. Testing during the examination revealed that \$600.00 received for student activity fees was not receipted with a master receipt, but was posted to the accounting records by the Bookkeeper as change cash for athletic events. Controls were not in place to ensure that all money received was receipted and properly posted. As a result, inaccuracies existed in the accounting records and activities were not properly credited with all available funds.</p> <p><u>Recommendation:</u> Controls should be implemented to ensure that all money received is properly coded and that the accounting records are accurately posted.</p>

Schedule of State and Local Compliance and Other Findings
June 1, 2017 through May 31, 2018

Ref. No.	Finding/Noncompliance
2018-007	<p><u>Finding:</u> The Alabama State Department of Education’s <i>Financial Procedures for Local Schools</i> establishes certain guidelines for sales of concessions, including a requirement that money collected is to be receipted and deposited timely. At Goodwyn Middle School (the “School”), the Bookkeeper made purchases of snack items for resale totaling \$907.55. During the examination period, the Bookkeeper operated concession activities during the school day. However, the School’s accounting records do not reflect receipts for in-school concession sales, and no deposits into the School bank account were noted for these activities. Controls were not in place to ensure that money received from the sale of concessions was properly recorded and deposited. As a result, money collected from the in-school sale of concessions was not receipted or recorded in the accounting records, and the money was not deposited into the School’s bank account. As a result, the School lost \$907.55 from the purchase of concession items and an indeterminate amount of profit. A charge against an individual of \$907.55 is reflected on Exhibit 2.</p> <p><u>Recommendation:</u> Internal controls should be implemented to ensure that all proceeds from the sale of concessions are properly recorded and deposited into the School’s bank account.</p>
2018-008	<p><u>Finding:</u> Amendment 558 of the Alabama Constitution, 1901, permits the use of public funds to promote educational excellence by students. The Alabama State Department of Education’s (the “SDE”) <i>Financial Procedures for Local Schools</i> states “Students may receive food items (but not foods of minimal nutritional value), school supplies, admissions, T-shirts publicizing school academic accomplishments, and other tangible incentives for attendance, honor rolls, test scores, and other academic achievements,” and, “Academic incentives, whether purchased with school funds or donated by other entities or private sources, should be secured until provided to the incentive recipients.” Additionally, the SDE requires the student receiving the incentive to sign a form documenting the student’s receipt of the academic incentive.</p> <p>During the examination period, \$1,212.68 was expended to purchase twenty-four gift cards to distribute to students to recognize academic achievements. Documentation was not provided regarding the disposition of gift cards totaling \$700.00. Internal controls were not in place to ensure the security and proper distribution of academic incentives. As a result, gift cards totaling \$700.00 were not accounted for at Goodwyn Middle School. This amount is included as a charge against an individual, as reflected on Exhibit 2.</p>

Schedule of State and Local Compliance and Other Findings
June 1, 2017 through May 31, 2018

Ref. No.	Finding/Noncompliance
	<p><u>Recommendation:</u> Internal controls should be implemented to ensure that all items purchased for student academic achievement are properly inventoried, recorded and used for the appropriate purpose.</p>
2018-009	<p><u>Finding:</u> The Alabama State Department of Education’s <i>Financial Procedures for Local Schools</i> requires the Principal’s approval of all expenditures prior to purchase. A completed, pre-numbered purchase order is to be approved by the Principal before materials, supplies or equipment are purchased. Additionally, funds held in the School’s accounts, regardless of the funding source, are subject to the same legal requirements as the Board of Education’s funds, which are generally limited to public educational purposes. Finally, the Principal is directly responsible in the handling of monies received at the school and has the responsibility for collecting and disbursing all monies in a manner approved by the local board of education.</p> <p>Purchases were made at Goodwyn Middle School (the “School”) without first obtaining purchase orders approved by the Principal. These purchases included items of a personal nature such as groceries, diapers, clothing, household items, holiday decorations and other miscellaneous items. Internal controls were not in place to ensure that all purchases were made with approved purchase orders and that all expenditures were for public educational purposes. As a result, purchases of a personal nature were made using School funds. These purchases totaled at least \$2,516.46 and resulted in charges against individuals, as reflected on Exhibit 2.</p> <p><u>Recommendation:</u> Internal controls should be implemented to ensure all purchases are made by approved purchase orders and that all purchases are for public educational purposes.</p>

Board Members and Administrative Personnel
June 1, 2017 through May 31, 2018

Board Members		Term Expires
Hon. Robert Porterfield	President	November 2018
Hon. Lesa Keith, Ed.D.	Vice-President	November 2018
Hon. Melissa Snowden	Member	November 2018
Hon. Durden Dean	Member	November 2018
Hon. Eleanor Dawkins	Member	November 2018
Hon. Mary Briers	Member	November 2020
Hon. Arica Smith	Member	November 2020
 <u>Administrative Personnel</u>		
Dr. Ann Roy Moore	Superintendent	June 30, 2020
Margaret Allen	Superintendent	July 31, 2017
Curtis Black	Goodwyn Middle School Principal	June 30, 2019

Schedule of Charges
June 1, 2017 through May 31, 2018

Person/Official Charged	Date	Amount Charged
<u>Directly Charged to:</u>		
Tiffany Franklin, Former Bookkeeper		
<u>Paid to:</u>		
Goodwyn Middle School	06/01/2017-05/31/2018	\$ 7,067.00
Goodwyn Middle School	06/01/2017-05/31/2018	3,074.00
Goodwyn Middle School	06/01/2017-05/31/2018	675.00
Walmart/Sam's	06/01/2017-05/31/2018	907.55
Walmart/Sam's	06/01/2017-05/31/2018	148.26
Total Direct Charges Tiffany Franklin		<u>11,871.81</u>
Sub-Total Forward		\$ 11,871.81

Amount Paid	Amount Relieved By Chief Examiner	Amount Unpaid	Description of Charges
\$	\$	\$ 7,067.00	The Bookkeeper cashed her personal checks totaling \$6,995.00 using the School's monies. However, the Bookkeeper's checks were returned by the bank for nonsufficient funds. Additionally, the bank charged the School nonsufficient funds fees totaling \$72.00. As a result, the School incurred monetary loss of \$7,067.00.
		3,074.00	The Bookkeeper received monies from teachers totaling at least \$3,074.00 which were not deposited into the School's bank account.
		675.00	The Bookkeeper failed to deposit into the School's bank account proceeds from ticket sales of at least \$675.00.
		907.55	Money collected from in-school sales of concessions was not deposited into the School's bank account.
		148.26	The Bookkeeper made purchases of items of a personal nature totaling at least \$148.26.
<hr/>			
		11,871.81	
<hr/>			
\$	\$	\$ 11,871.81	

Schedule of Charges
June 1, 2017 through May 31, 2018

Person/Official Charged	Date	Amount Charged
Sub-Total Brought Forward		\$ 11,871.81
<u>Directly Charged to:</u>		
Curtis Black, Former Principal		
<u>Paid to:</u>		
Walmart	06/01/2017-05/31/2018	700.00
Walmart/Sam's	06/01/2017-05/31/2018	2,368.20
Total Direct Charges Curtis Black		<u>3,068.20</u>
Sub-Total Forward		\$ 14,940.01

Amount Paid	Amount Relieved By Chief Examiner	Amount Unpaid	Description of Charges
\$	\$	\$ 11,871.81	
	700.00		Goodwyn Middle School purchased gift cards totaling \$1,212.68 to distribute as academic incentives to students. Documentation was not provided regarding the disposition of gift cards totaling \$700.00. The Alabama State Department of Education's <i>Financial Procedures for Local Schools</i> states that, "The Principal is directly responsible in the handling of monies received at the school. It is the ultimate responsibility of the Principal for any shortages resulting from the failure to follow, or to require others to follow, the financial procedures for the handling of school monies." We were unable to determine the individual(s) responsible for the security and distribution of gift cards totaling \$700.00. As a result, the Principal is deemed responsible for the missing gift cards.
	2,368.20		Goodwyn Middle School made purchases totaling \$2,516.46 of items of a personal nature, such as groceries, clothing, household items, holiday decorations and other miscellaneous items. The Alabama State Department of Education's <i>Financial Procedures for Local Schools</i> states that "The Principal is directly responsible in the handling of monies received at the school. It is the ultimate responsibility of the Principal for any shortages resulting from the failure to follow, or to require others to follow, the financial procedures for the handling of school monies." We were unable to determine the individual(s) responsible for \$2,368.30 of these purchases. As a result, the Principal is deemed responsible for these unallowable purchases.
	3,068.20		
\$	\$ 3,068.20	\$ 11,871.81	

Schedule of Charges
June 1, 2017 through May 31, 2018

Person/Official Charged	Date	Amount Charged
Sub-Total Brought Forward		\$ 14,940.01
<u>Directly Charged to:</u>		
Herman Dudley, Former Athletic Director	06/01/2017-05/31/2018	2,400.00
Total Direct Charges Herman Dudley		<u>2,400.00</u>
Total Direct Charges		<u><u>\$ 17,340.01</u></u>

Amount Paid	Amount Relieved By Chief Examiner	Amount Unpaid	Description of Charge
\$	\$ 3,068.20	\$ 11,871.81	
		2,400.00	In order to provide change funds for ticket sales for athletic events, the Bookkeeper issued checks totaling \$4,500.00 to the Athletic Director. Of that amount, the Bookkeeper redeposited \$2,100.00 into the School's bank account. Change cash in the amount of \$2,400.00 was not redeposited into the School's bank account.
		2,400.00	
\$	\$ 3,068.20	\$ 14,271.81	

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Orders of the Chief Examiner

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**Rachel Laurie Riddle
Chief Examiner**

ORDER OF THE CHIEF EXAMINER

**RE: GOODWYN MIDDLE SCHOOL
MONTGOMERY COUNTY, ALABAMA
JUNE 1, 2017 THROUGH MAY 31, 2018**

This matter of amounts due from the former Bookkeeper was brought before me on the 28th day of August 2019, pursuant to the provisions of the *Code of Alabama 1975*, Section 41-5A-20. The former Bookkeeper failed to appear before me on that date; therefore, I am of the opinion that the former Bookkeeper has failed to show just cause why the amounts due should not be paid. Therefore, relief is denied.

Entered this the 11th day of September 2019.

Rachel Laurie Riddle
Chief Examiner

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ORDER OF THE CHIEF EXAMINER

**RE: GOODWYN MIDDLE SCHOOL
MONTGOMERY COUNTY, ALABAMA
JUNE 1, 2017 THROUGH MAY 31, 2018**

This matter of amounts due from the former Principal was brought before me on the 10th day of September 2019, pursuant to the provisions of the *Code of Alabama 1975*, Section 41-5A-20. The former Principal appeared before me on that date, and I am of the opinion that the former Principal has provided evidence to constitute just cause for relieving charges in the amount of \$3,068.20. Therefore, relief from these charges is accordingly granted.

Entered this the 11th day of September 2019.

Rachel Laurie Riddle
Chief Examiner

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Chief Examiner**

ORDER OF THE CHIEF EXAMINER

**RE: GOODWYN MIDDLE SCHOOL
MONTGOMERY COUNTY, ALABAMA
JUNE 1, 2017 THROUGH MAY 31, 2018**

This matter of amounts due from the former Athletic Director was brought before me on the 28th day of August 2019, pursuant to the provisions of the *Code of Alabama 1975*, Section 41-5A-20. The former Athletic Director appeared before me on that date, and I am of the opinion that the former Athletic Director did not provide sufficient additional evidence that the amounts due should not be paid. Therefore, relief is denied.

Entered this the 11th day of September 2019.

Rachel Laurie Riddle
Chief Examiner