



**TO:** Dr. Julie Martel, Area Superintendent  
**FROM:** W. Stephen Carr, Director, Office of Internal Audit *WSC*  
**DATE:** April 10, 2013  
**RE:** Mira Mesa High School Audit of Associated Student Body Funds

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Jaime Buensuceso, Operations Auditor has completed the attached audit of the Mira Mesa High School Associated Student Body Funds. The audit report contains information regarding the scope, the audit findings and recommendations.

Enclosed is a copy of the audit report and the principal's response.

The Office of Internal Audit takes a necessary action to rebut several presentations in the principal's response to the audit report.

#### Finding 1

The principal wrongly appropriated \$10,596.69 of the transferred monies presented in this finding and deposited to his discretionary Campus Support Fund. These monies were not expended from the 'wrong accounts,' but monies the principal had no authority to use. These were monies that district procedure required to be deposited to the ASB General Fund where expenditure decision making is governed by and made under authority of the students.

#### Finding 3

The letter presented in support of qualifying as a donation dated February 23, 2011 states in part "thank Mira Mesa High School for its hospitality in extending its facilities for the use of fencing competitions here in the county of San Diego." Later states, "all past and future checks issued to MM HS on behalf of our organization are donated to MMH Hospitality for the purpose of the principal's discretion." A donation is not conditioned by rendering in exchange, a good or service.

#### Finding 4

The audit finding remains.

The principal basis his actions on an email response from legal to a specific example. A reading of the email produces an understanding that an explicit situation exists. This situation does not extend to cover the actions taken by the principal, being the renting of district facilities and provides no basis for presenting these actions as fund raisers.

The Office of Internal Audit rejects the principal's premise of "operating under an approved practice authorized by SDUSD district legal, rental and audit offices," based on having legal, audit and the rental's office approval of the referenced email correspondence with legal. Examination of the principal's email that is very specific in the example presented, does not provide approval by legal counsel nor audit for the inappropriate actions taken renting facilities

and presenting such actions as fund raisers based on this email's content. Audit interviewed the attorney who responded to the email. The attorney affirmed that his response and dialogues with the principal were to the specifics of the email and did not provide any basis for the principal to extend this interpretation to present his actions as fund raisers. Extending this example to all and any rentals as fund raisers does not qualify based on the specifics of the email nor does the email support the principal's logic for action taken.

The principal in his supporting email presents an event that is:

- Directed and administered by a district employee
- Involves district students under the governance of the district employee
- Has funds deposited to the group's ASB account.

The email does not present

- an external organization using district facilities for repetitive scheduled activities for the organization's particular use and benefit - thus being a facility rental.
- monies paid by an organization for use of district facilities being sent out of the district to an external entity.

The audit finding remains.

#### Finding 5

The audit finding remains.

Audit maintains the position that the monies derived from facilities rental, not fund raisers and rebuts the argument that the cited email from legal permitted this action (reference rebuttal #4). Also, the monies were deposited into ASB and then transferred to the district. The ASB deposited monies were then used to pay staff wages.

#### Finding 6

The audit finding remains.

Audit maintains the position that the monies derived from facilities rental, not fund raisers and rebuts the argument that the cited email from legal permitted this action (reference rebuttal #4).

#### Finding 7

The audit finding remains.

Audit maintains the position that the monies derived from facilities rental, not fund raisers and rebuts the argument that the cited email from legal permitted this action (reference rebuttal #4).

#### Finding 8

The audit finding remains.

Audit maintains the position that the monies derived from facilities rental, not fund raisers and rebuts the argument that the cited email from legal permitted this action (reference rebuttal #4).

#### Finding 10

The audit finding remains.

The response is a misstatement of facts.

Head coaches assign tasks at their discretion, assignment of earnings is based on extended day units designated for the position, not for individual tasks assigned within the position. Assignment of tasks is not the basis for determining and allocating pay.

Payroll records show payments for 2010 and 2011; the coach received payments of stipends from the district for both years.

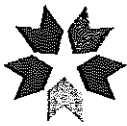
#### Finding 13

The audit finding remains.

1/7/2011 Mira Mesa staff inclusive of the principal, financial clerk and ASB advisor signed certifying that they had reviewed the ASB Top Ten Things You Should Know video. In this video during the presentation on limitations (slide 2), the video presents that student body funds are not to be expended on faculty and staff. MMHS authorized 6 of the 12 expenditures after the associated staff had signed the statement stating that they had reviewed this video.

c: Members. Board of Education  
W. Kowba  
C. Marten  
N. Meyer  
J. Martel  
L. Schoenke

e-mail report:  
Members, Audit Committee



## MIRA MESA HIGH SCHOOL

### Associated Student Body Audit Report

April 10, 2013

#### Introduction

The Office of Internal Audit performed an audit of the Associated Student Body (ASB) at Mira Mesa High School for the period July 1, 2009 through June 30, 2012.

Student body funds are funds that have been earned or received by the students as a group. These funds are held in the name of the student body organization for the benefit of the student body as a whole. The Superintendent shall have the responsibility and authority to implement all policies and regulations pertaining to the supervision and administration of student activity funds in accordance with established policies and regulations of the Board of Education. The Principal, as trustee, is directly responsible for the conduct of student financial activities. The ASB Advisor, under the Principal's direction is responsible for all student activities, clubs, fund-raisers and specific additional duties outlined in district procedures. The Financial Clerk, under the Principal's direction and supervision, is responsible for all handling of cash in connection with these activities.

The Mira Mesa High School ASB checking and other asset accounts as of June 30, 2012, had a balance of \$151,672.62. The ASB General Fund constitutes a balance of \$70,800.00 of this total. Approximately \$962,900.00 was deposited and \$950,100.00 was withdrawn between July 1, 2011 and June 30, 2012, through the Mira Mesa High School ASB accounts.

#### **Audit Scope**

We performed the audit of ASB financial records from July 1, 2009 through June 30, 2012 at Mira Mesa High School. We examined the procedures being followed, and transactions for cash receipts and disbursements of the ASB funds,

#### **Audit Objectives**

- To ensure adequate internal controls are in force.
- To determine if ASB accounts and activities are in accordance with district procedures.
- To determine that expenditures have adequate supporting documentation.
- To determine that record keeping is sufficient to assure efficient and accurate accounting.

## Audit Findings Summary

1. The principal inappropriately held and expended \$15,495.41 that belonged to various ASB accounts from account 2319 – Campus Support (principal's discretionary account in ASB) and \$20,687.78 required to be abated to the site's district discretionary account and there expended, not to have been expended through this ASB account.
2. District funds held by the principal in the ASB trust accounts under his discretion were used to pay for office furniture totaling \$41,666.07 without approval of the Board Of Education.
3. District funds held by the principal in the ASB trust accounts under his discretion were used for prohibited expenditures totaling \$5,081.89.
4. School facilities were rented to non-district organizations without a permit, and rent income from October 2009 to October 2011, totaling \$76,115.84 was deposited in the ASB instead of depositing it through the district.

The district rental office confirmed that this practice ceased as of October 2011 and MMHS is now compliant with district procedure.

5. Part of the rent income from school facilities inappropriately deposited in the ASB was used to pay \$12,136.70 for extended day payments of the Athletic Director and the coaching assignment of his son.

The district rental office confirmed that the practice cited in findings 6 – 8, ceased as of October 2011 and MMHS is now compliant with district procedure.

6. Rental for the Mira Mesa High School football field by So Cal Scorpions Women Football in the amount of \$8,000.00 in 2010 was deposited in the Marauder Football Booster Club account becoming a gift of public funds, thus a violation of California Constitution Article 16.
7. Rental for the Mira Mesa High School football field by San Diego Surge in the amount of \$14,000.00 in 2011 was deposited in the Marauder Football Booster Club account becoming a gift of public funds, thus a violation of California Constitution Article 16.
8. Rental for the Mira Mesa High School football field and the school lot by non-district organizations totaling \$18,000.00 was deposited to the Marauder Football Booster Club account becoming a gift of public funds, thus a violation of California Constitution Article 16.
9. The Marauder Football Booster Club paid four football coaches for coaching services without the approval of the Board of Education.
10. The payment of coach's salary by the Marauder Football Booster Club (Finding #9) resulted in the duplicate payment of coaching services to two football coaches.
11. Salaries of two employees were paid directly to the employees instead of processing the payments through Time and Labor.

12. Graduation tickets sales totaling \$20,785.00 were misappropriated from the student body and deposited in the principal's discretionary account "Account no. 2319 – Campus Support" instead of the ASB general fund.
13. The basketball coach and the cross country coach, in violation of district procedure, inappropriately used the Basketball Boys Club account and Cross Country Club in the amount of \$2,805.11 and \$253.26, respectively for personal gain.
14. Student body funds were used to pay for expenses that benefited the faculty in violation of District procedure no. 2225 that prohibits this category of expenditure.
15. The principal purchased various equipment totaling \$37,079.37 using the ASB general fund without the approval of the Area Superintendent.
16. The school conducted a raffle in violation of Penal Code 319 and District Procedure 2265.
17. High risk activities were conducted at the School site in violation of District Procedure No. 5153.
18. There are 9 inactive trust/club accounts as of June 30, 2012 having balances totaling \$3,067.57 that require review by the Principal and the student council to determine their need for incorporation into the ASB General Fund, as required by district procedure.
19. Nine ASB consultant forms were not prepared as required by district procedure.
20. Competitive bids were not solicited for purchases of \$1,500 or more in violation of District Administrative Procedure No. 2435.
21. The "Request for Organization of a School Club" forms were not completed.
22. Unused student body tickets were discarded without authorization of the district auditor.

### **Conclusion**

The Principal, as trustee, has unsatisfactorily administered the ASB operations. Based on the audit scope and results of tests performed, the ASB operations at Mira Mesa High School disclosed very serious exceptions to administration; these exceptions showed a failure to comply to district policy and procedure designed to protect the interests of the students and the integrity of the ASB. The School committed significant actions that violated the Education Code, district policy, procedures and the Ethics Code.

The principal instructed the financial clerk to transfer funds from ASB accounts not for principal discretionary use and funds requiring abatement to the district to an account that he established under the ASB and used as his discretionary fund. As a result, ASB funds were misspent and district oversight for monies not abated was negated and an accounting of expenditures not visible.

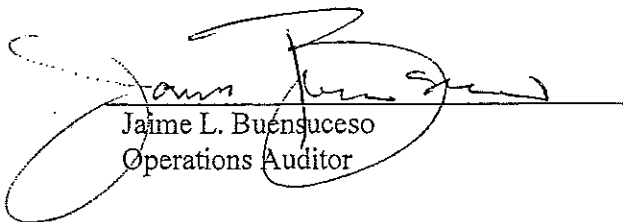
... effected the inappropriate rental of Mira Mesa High School facilities to non-district organizations without a permit from October 2009 through October 2011. This totaled \$76,115.84. Administration commingled this income in the ASB. As a result, the District was not able to put to effective use the \$76,115.84, proceeds from rental of the school facilities.

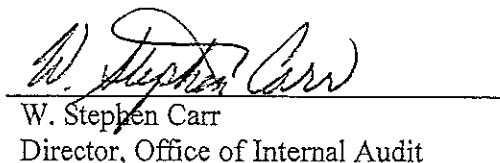
The district rental office confirmed that this practice ceased as of October 2011 and MMHS is now compliant with district procedure.

In addition to \$76,115.84 rent income that was not remitted to the district, the school administration also allowed a non-district organization, the Marauder Football Booster Club, to receive rent for the use of school facilities totaling \$40,000.00. As a result, the District was not able to put to effective use the \$40,000.00, rental income processed through this non-district organization, thus becoming a gift of public funds constituting a violation of California Constitution Article 16.

The district rental office confirmed that this practice ceased as of October 2011 and MMHS is now compliant with district procedure.

The above inappropriate holding of funds in his discretionary account enabled the principal to use the funds to pay for expenses without proper approval and authorization from higher management and for expenditures such as \$41,666.07 office furniture, and prohibited expenditures of \$4,141.89 - staff breakfast and luncheon, \$840 - dinner for staff and guests, and \$200.00 - in gift cards for employees.

  
Jaime L. Buensuceso  
Operations Auditor

  
W. Stephen Carr  
Director, Office of Internal Audit

## Audit Findings and Recommendations

1. The principal inappropriately held and expended \$15,495.41 that belonged to various ASB accounts from account 2319 – Campus Support (principal’s discretionary account in ASB) and \$20,687.78 required to be abated to the site’s district discretionary account and there expended, not to have been expended through this ASB account.

In the ASB books there is a clearing account (Account no. 2520 – District Deposits) used to temporarily hold funds that require remittance to the district. Periodically or at least at the end of the school year, the school is to remit the accumulated funds from Account no. 2520 – District Deposits to the district for abatement to the appropriate site district budgets.

The following funds were inappropriately transferred to the 2319 - Campus Support account for the period May 2009 to December 2011:

Donations without a letter of intent that require deposit to the ASB General Fund.

| Donor   | Amount     |
|---|------------|
| E Scrip Rebate                                | 3,254.67   |
| Kohl’s  | 1,000.00   |
| Fashion Institute of Design and Merchandising | 786.00     |
| Community of Change                           | 509.75     |
| Chase Bank                                    | 323.48     |
| American Youth Soccer Organization            | 250.00     |
| Motorola Rebate                               | 200.00     |
| Top Gun Tourney (Soccer)                      | 150.00     |
| Mission Federal Credit Union                  | 125.00     |
| Donation from employees                       | 52.00      |
| Super Valu Albertsons                         | 42.51      |
| Ralphs Rebate                                 | 14.23      |
| Total   | \$6,707.64 |

Certificated and classified walk on coaches charged to the following clubs.

| Club Account             | Amount     |
|--------------------------|------------|
| 2443 Soccer Club - Girls | \$2,074.18 |
| 2477 Soccer Club - Boys  | 1,395.69   |
| Total                    | \$3,469.87 |

Payment for security and supervision charged against the following accounts.

| Account                  | Amount     |
|--------------------------|------------|
| 2517 CIF Clearing        | \$344.86   |
| 2523 Basketball Clearing | 1,083.99   |
| Total                    | \$1,428.85 |

Trust accounts transferred and if inactive belong to the ASB General Fund.

| Trust Accounts                    | Amount   |
|-----------------------------------|----------|
| 2398 Finance Funding              | 2,407.77 |
| 2009 Campus Cleanup               | 297.23   |
| 2332 Custodial Vending Commission | 1,184.05 |



|       |            |
|-------|------------|
| Total | \$3,889.05 |
|-------|------------|

From October 2008 to January 2009, Account no. 2520 - District Deposits accumulated an amount of \$20,372.78. This money came from expenses by the student body clubs that were initially paid out of the district budget, expenses such as staff salaries during football games, dances, and transportation for field trips. The principal should have remitted the \$20,372.78 to the district by June 2009, end of the school year, depositing the funds back to the appropriate district budget(s). However, in May 2009, instead of remitting the \$20,372.78 to the district, the former financial clerk closed the Account no. 2520 – District Deposits per instruction of the principal, and transferred the funds to Account no. 2319 – Campus Support, a new account established by the principal in the ASB books and used as his discretionary fund.

Expenditures from the ASB account did not provide the required accountability and transparency provided by having expended the monies at the district level where such visibility exists and approvals are required.

**Recommendation**

These actions are a violation of managerial responsibility. Intervention against the staff members is needed and management of the involved staff is required to take action appropriate to the audit findings in accordance with performance evaluation. The Legal and Human Resources departments are available to provide support and guidance in this process.

We recommend restoring the donations and inactive accounts to the ASB General Fund and re-establishing the Finance Funding Trust. We require not using the principal’s discretionary account to maintain funds for the principal unless monies are specifically aligned with donations received by the school site for the discretion of the principal.

**2. District funds held by the principal in the ASB trust accounts under his discretion were used to pay for office furniture totaling \$41,666.07 without approval of the Board of Education.**

In school year 2009/2010, the principal used the funds he inappropriately held in “Account no, 2319 – Campus Support” to purchase office furniture totaling \$41,666.07 without the required approval of the Board of Education.

*District procedure no. 1570,*

**3. Power to Contract/Board of Education Approval**

*a.All district contracts must be approved by the Board of Education unless power to contract on behalf of the district has been delegated by the board to a district officer/employee.*

*b.School principals are authorized to expend funds from a school revolving cash fund for purchase of instructional materials, office supplies, custodial supplies, postage, and printing services. Each transaction may not exceed the balance in the school's revolving cash fund. All purchases must be made in accordance with Procedure No. 2310.*

*c. Effective Date of Contract. All contracts should be approved by the Board of Education prior-to effective date of the contract.*

section B.4. *"Affirmative Action. Purchases of services, equipment, supplies, and/or materials from one supplier, which are expected to exceed \$10,000 during any one fiscal year, are subject to the district's affirmative action policy. A district-approved affirmative action plan, or evidence of an approved affirmative action plan, must be on file with the district's Contract Compliance Coordinator prior to Board of Education approval of any district contract involving an expenditure in excess of \$10,000."*

This condition occurred because the principal was able to use the funds through the ASB without adhering to the normal purchasing processes and obtaining required board approval.

**Recommendation**

These actions are a violation of managerial responsibility. Intervention against the staff members is needed and management of the involved staff is required to take action appropriate to the audit findings in accordance with performance evaluation.

We require that the principal's discretionary account not be used to maintain funds for the principal unless monies are specifically aligned with donations received by the school site for the discretion of the principal.

**3. District funds held by the principal in the ASB trust accounts under his discretion were used for prohibited expenditures totaling \$5,081.89.**

The funds improperly deposited in the two ASB trust accounts under the discretion of the principal were inappropriately used as follows.

| Account                     | Amount   | Items Purchased               |
|-----------------------------|----------|-------------------------------|
| (a) 2493 – Site Hospitality | 2,514.05 | Staff breakfast and luncheon  |
| (a) 2319 – Campus Support   | 1,627.84 | Staff breakfast and luncheon  |
| (b) 2319 – Campus Support   | 840.00   | Dinner – Educator of the Year |
| (c) 2319 – Campus Support   | 100.00   | Gift Cards                    |
| Total                       | 5,081.89 |                               |

(a) From July 2009 to April 2012, the principal used the funds in his two discretionary accounts for staff breakfast and luncheon totaling \$4,141.89.

(b) On December 15, 2009, a teacher from Mira Mesa High School was one of the ten finalists at "2009 Educator of the Year". A dinner was held in their honor at Admiral Kid Club in San Diego. The principal used the Account no. 2319 – Campus Support to pay for the cost of the dinner for 21 guests totaling \$840.00.

(c) On June 1, 2010, the principal used the Account no. 2319 – Campus Support to pay for gift cards for Classified Employees of the Year totaling \$100.00.

*District procedure no. 2518, section C.6. states, "Expenses for the following are prohibited and will not be reimbursed. The approving manager will be held personally responsible for expenses.*

*a. Activities identified in C.4. without prior approval of appropriate site/department head.*

b. *Dinner for activities and/or meetings that involve district employees only.....*

f. *Awards, flowers, or gifts for employees, including gift cards or gift certificates.*

*District procedure no. 2225 Administration of Student Body Funds, section 6.e. states, Under no conditions shall student body money be expended for the benefit of faculty.*

### **Recommendation**

These actions are a violation of managerial responsibility. Intervention against the staff members is needed and management of the involved staff is required to take action appropriate to the audit findings in accordance with performance evaluation.

We require that the principal reimburse \$5,081.89 to the district for prohibited expenditures that he approved and per district procedure he is personally liable.

We require that the principal's discretionary account not be used to maintain funds for the principal unless monies are specifically aligned with donations received by the school site for the discretion of the principal.

4. School facilities were rented to non-district organizations without a permit, and rent income from October 2009 to October 2011, totaling \$76,115.84 was deposited in the ASB instead of depositing it through the district.

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In August 2008, the principal was assigned to Mira Mesa High School. The principal [REDACTED] renting school facilities to non-district organizations without a permit in violation of district procedures and allowed the inappropriate renting of Mira Mesa High School facilities to non-district organizations without a permit from October 2009 to October 2011 collecting income totaling \$76,115.84 as follows.

The district rental office confirmed that this practice ceased as of October 2011 and MMHS is now compliant with district procedure.

| Organization                  | Amount    | ASB Account               |
|-------------------------------|-----------|---------------------------|
| VAVI Sport and Social Club    | 52,372.09 | 2488 – Athletic Field Use |
| VAVI Sport and Social Club    | 1,293.75  | 2487 – Athletic Funds     |
| San Diego Sol                 | 8,875.00  | 2434 – Basketball Boys    |
| San Diego Sol                 | 2,675.00  | 2466 – Basketball Girls   |
| Barona Casino                 | 5,000.00  | 2488 – Athletic Field Use |
| SD Div US Fencing Association | 4,000.00  | 2493 – Site Hospitality   |
| SD Div US Fencing Association | 500.00    | 2319 – Campus Support     |
| San Diego Baseball League     | 500.00    | 2449 – Baseball Club      |
| San Diego Baseball League     | 400.00    | 2488 – Athletic Field Use |
| Royal Star Promotions         | 500.00    | 2488 – Athletic Field Use |
| Total                         | 76,115.84 |                           |

*District Administrative Procedure No. 9229, states "Non-district organizations wishing to use district fields must submit a Rental Request Form for such use and receive an approved Civic Center Use Permit. Fees, if applicable, will be charged in accordance with the current board-adopted Civic Center Rate Schedule for free use, direct cost recovery use, fair rental value use or commercial use."*

As a result, the District was not able to put to effective use the \$76,115.84 rental income that should have been abated to the district budget.

The district rental office confirmed that this practice ceased as of October 2011 and MMHS is now compliant with district procedure.

### Recommendation

These actions are a violation of managerial responsibility. Intervention against the staff members is needed and management of the involved staff is required to take action appropriate to the audit findings in accordance with performance evaluation.

Non-district organizations wishing to use district fields must have an approved Civic Center Use Permit and all fees for field use must be deposited in the district.

**5. Part of the rent income from school facilities inappropriately deposited in the ASB was used to pay \$12,136.70 for extended day payments of the Athletic Director and the coaching assignment of his son.**

Rental from facilities from October 2009 to October 2011, totaling \$58,272.09 that should have been remitted to the district were illegally deposited in account 2488 – Athletic Field Use.

From December 2009 to June 2011, the Athletic Director moved \$12,136.70 to the district to have the funds available for his pay in the amount of \$1,160.18 and that of his son in the amount of \$10,976.52.

From May 2010 to June 2012, the Athletic Director received a total of \$2,458.13, and from October 2009 to June 2012, the Athletic Director's son received a total of \$15,329.16 as "Field Manager" from the budget funded by football field rental income.

This action constituted a violation of district procedure in using the rental income, in transferring

the amounts to the district to enable his pay and a violation of the district's Ethics Code.

The payments were for being "Field Managers." A conflict exists when these monies were illegally deposited and moved to an account under the discretion of the Athletic Director and then used to pay for extended-day pay units of the Athletic Director and his son.

### Recommendation

We require an evaluation of this practice by the school site's administrative management to determine the propriety of these actions and the need for administrative action.

We require that the employee of the school district must not make decisions if there is a potential for the personal interests of the employee to conflict with his fiduciary duties.

**6. Rental for the Mira Mesa High School football field by So Cal Scorpions Women Football in the amount of \$8,000.00 in 2010 was deposited in the Marauder Football Booster Club account becoming a gift of public funds, thus a violation of California Constitution Article 16.**

In 2010, So Cal Scorpions Women Football paid \$8,000.00 to the Marauder Football Booster Club as rental for the use of Mira Mesa High School football field. The \$8,000.00 was deposited in the Marauder Football Booster Club account instead of the district fund account.

Further inquiry revealed that the Football Head Coach and Athletic Director acting for the Marauder Football Booster Club entered into an agreement with the So Cal Scorpions Women Football to use the football field and pay rent in the amount of \$8,000.00. This contract was illegally signed by the football team Head Coach who had no authority to contract for the district nor have the rental income awarded to a non-district organization.

*District Administrative Procedure No. 9229, states "Non-district organizations wishing to use district fields must submit a Rental Request Form for such use and receive an approved Civic Center Use Permit. Fees, if applicable, will be charged in accordance with the current board-adopted Civic Center Rate Schedule for free use, direct cost recovery use, fair rental value use or commercial use."*

The principal, under his administration's giving of district monies to the Marauder Football Booster Club, was responsible for a gift of public funds being made and in this act violated the restriction existing in the California Constitution Article 16.

As a result, the District was not able to put to effective use the \$8,000.00 that should have been abated to the district budget.

The district rental office confirmed that this practice ceased as of October 2011 and MMHS is now compliant with district procedure.

### Recommendation

These actions are a violation of managerial responsibility. Intervention against the staff members is needed and management of the involved staff is required to take action appropriate to the audit findings in accordance with performance evaluation.

We require that the Marauder Football Booster Club reimburse \$8,000.00 to the district for football field rental deposited in their account.

**7. Rental for the Mira Mesa High School football field by San Diego Surge in the amount of \$14,000.00 in 2011 was deposited in the Marauder Football Booster Club account becoming a gift of public funds, thus a violation of California Constitution Article 16.**

In 2011, San Diego Surge paid \$14,000.00 to Marauder Football Booster Club as rental for the use of the Mira Mesa High School football field. The \$14,000.00 was deposited in the Marauder Football Booster Club account instead of the district fund account.

On an 8/8/12, contact with the San Diego Surge's owner, the owner stated no formal agreement was completed and that the Head Coach of Mira Mesa High School football team verbally approved their use of the Mira Mesa High School football field and in return they paid \$14,000.00 to the Marauder Football Booster Club.

On 10/16/12, the Head Coach and the Athletic Director confirmed that they and the principal in the site governance approval process, approved the San Diego Surge use of the football field.

The school administration and staff had no authority to rent the property of the school district to non-district organizations and have the rental income awarded to a non-district organization.

*District Administrative Procedure No. 9229, states "Non-district organizations wishing to use district fields must submit a Rental Request Form for such use and receive an approved Civic Center Use Permit. Fees, if applicable, will be charged in accordance with the current board-adopted Civic Center Rate Schedule for free use, direct cost recovery use, fair rental value use or commercial use."*

The principal, under his administration's giving of district monies to the Marauder Football Booster Club, was responsible for a gift of public funds being made and in this act violated the restriction existing in the California Constitution Article 16.

As a result, the District was not able to put to effective use the \$14,000.00 that should have been abated to the district budget.

The district rental office confirmed that this practice ceased as of October 2011 and MMHS is now compliant with district procedure.

### **Recommendation**

These actions are a violation of managerial responsibility. Intervention against staff members is needed and management of the involved staff is required to take action appropriate to the audit findings in accordance with performance evaluation.

We require that the Marauder Football Booster Club reimburse \$14,000.00 to the district for football field rental monies deposited in their account.

**8. Rental for the Mira Mesa High School football field and the school lot by non-district organizations totaling \$18,000.00 was deposited to the Marauder Football Booster Club**

account becoming a gift of public funds, thus a violation of California Constitution Article 16.

In August 2011, we noted that the Principal, Head Football Coach and Athletic Director allowed three (3) non-district organizations that made payments totaling \$18,000.00 to the Marauder Football Booster Club the use school properties, as follows.

| <u>Non-district organization</u> | <u>School Property</u> | <u>Amount</u>      |
|----------------------------------|------------------------|--------------------|
| a. Youth Football                | Football field         | \$10,000.00        |
| b. Seasonal Adventures, Inc.     | School lot             | 5,000.00           |
| c. State Farm                    | Football field         | <u>3,000.00</u>    |
| Total                            |                        | <u>\$18,000.00</u> |

*District Administrative Procedure No. 9229, states "Non-district organizations wishing to use district fields must submit a Rental Request Form for such use and receive an approved Civic Center Use Permit. Fees, if applicable, will be charged in accordance with the current board-adopted Civic Center Rate Schedule for free use, direct cost recovery use, fair rental value use or commercial use."*

The principal, under his administration's giving of district monies to the Marauder Football Booster Club, was responsible for a gift of public funds being made and in this act violated the restriction existing in the California Constitution Article 16.

As a result, the District was not able to put to effective use the \$18,000.00 that should have been abated to the district budget.

The district rental office confirmed that this practice ceased as of October 2011 and MMHS is now compliant with district procedure.

### **Recommendation**

These actions are a violation of managerial responsibility. Intervention against the staff members is needed and management of the involved staff is required to take action appropriate to the audit findings in accordance with performance evaluation.

We require that the Marauder Football Booster Club reimburse \$18,000.00 to the district for football field rental deposited in their account.

### **9. The Marauder Football Booster Club paid four football coaches for coaching services without the approval of the Board of Education.**

The Marauder Football Booster Club directly paid four football coaches for coaching services without the approval of the school board in violation of the California Interscholastic Federation (CIF) rules that prohibit payment of coaching services by outside organization other than the school district without the approval of the Board of Education.

*CIF bylaws states,*

*"A coach shall not be reimbursed for coaching services from any source other than the school funds without the approval of the school's governing board, nor be subject to any bonus arrangement dependent upon the success of the school's team."*

*"Any team, coached by any person receiving any part of the salary for coaching from other than the school funds without the approval of the school's board, is ineligible."*

### **Recommendation**

We recommend that the school administration comply with district and CIF requirements that mandate the Marauder Football Booster Club and other booster clubs obtain prior approval of the Board of Education for coaches' salaries directly paid by the booster club.

We require that administration have the Director of PE, Health Education and Interscholastic Athletics report this finding to the CIF.

### **10. The payment of coach's salary by the Marauder Football Booster Club (Finding #9) resulted in the duplicate payment of coaching services to two football coaches.**

On 12/20/10, a football coach (certificated) submitted a claim to the Marauder Football Booster Club in the amount of \$2,400.00 for coaching services during the 2010 Football Season, already paid by the district on 11/1/10 in the amount of \$3,628.20 equivalent to four (4) extended day units.

A football coach (walk on coach) was paid twice for coaching services during 2011 Football Season. The first payment was made by the Marauder Football Booster Club in the amount of \$590.00 on 9/2/11, and the second payment was paid by the district on 12/1/11 in the amount of \$526.09 equivalent to (0.58) extended day units.

*District Administrative Procedure No. 7035, section C.2.a. states, "Employee shall not engage in any outside employment, activity, or enterprise for compensation which is inconsistent, incompatible or in conflict with his/her duties with the school district. For example:*

- (1) Use of school district time, facilities, equipment, supplies, prestige or influence in a manner clearly for private gain or advantage.*
- (2) Receipt or acceptance of money or other consideration from other than the district for an activity which employee is expected to render in the regular course or hours of his/her employment with the district.*

*District Administrative Procedure no. 9325, section C.3.b.(2) states, "District employees will not be employed by a nonprofit organization, foundation, or booster club without prior approval from the district's Human Resource Services Division."*

### **Recommendation**

We require that administration take action according to Article 34 of the Collective Negotiations Contract relative to the employee's receipt of money from other than the district for an activity which is expected to be rendered in the regular course or hours of their employment with the district.

We recommend that the principal require the timekeeper to make the corrections submitting a Time Error Correction Notice to Payroll to recover the double payment.



**11. Salaries of two employees were paid directly to the employees instead of processing the payments through Time and Labor.**

An employee hired as "Athletic Field Manager" was classified as a consultant from September 2009 to September 2010 and was paid totaling \$5,285.00 directly by the ASB instead of processing the payments through Time and Labor.

In October 2011, a district employee performed CPR training for football coaches. The employee was paid \$350.00 directly by the ASB instead of processing the payment through the district's payroll system.

These payments were made in violation of district procedure 1550 Professional Consultants, Resource Persons, and Student Service Providers

**Recommendation**

We require the site administration complete an Assignment Authorization for any individual hired for a job under the control and supervision of the school administration. The individual is classified as a district employee and is paid through the district's payroll.

**12. Graduation tickets sales totaling \$20,785.00 were misappropriated from the student body and deposited in the principal's discretionary account "Account no. 2319 – Campus Support" instead of the ASB general fund.**

The school provided four (4) free graduation tickets to the students and sold extra tickets for friends and relatives. The extra graduation tickets sold to friends and relatives from school years 2008/2009, 2009/2010, and 2010/2011 totaling \$20,785.00 were deposited to "Account no. 2319 – Campus Support", a discretionary account of the principal instead of the ASB general fund.

As a result, the principal was able to use the student body funds without the approval of the student body representative and ASB advisor and was also able to use the student body funds to pay for expenses which were not the responsibility of the students.

According to School Business Administration Publication no. 3 published by California State Department of Education, "*A good fiscal policy states that profits made by activities which are supported by the general student body must be considered general student activity revenue and may not later be diverted to the accounts of special groups.*"

**Recommendation**

These actions are a violation of managerial responsibility. Intervention against the staff members is needed and management of the involved staff is required to take action appropriate to the audit findings in accordance with performance evaluation.

We require that administration deposit income from graduation ticket sales that are supported by the general student body to the ASB general fund. The amount of \$20,785.00 is owed to the student body ASB General Fund, and reimbursement is necessary from the principal's discretionary account.

13. The basketball coach and the cross country coach, in violation of district procedure, inappropriately used the Basketball Boys Club account and Cross Country Club account in the amount of \$2,805.11 and \$253.26, respectively for personal gain.

The basketball coach attended coach's clinics in Las Vegas, Orlando, and Indianapolis and charged the cost of registration fee and hotel accommodations to the Basketball Boys Club account totaling \$2,805.11, as follows.

| Date Paid | Location              | Description                                  | Amount   |
|-----------|-----------------------|--|----------|
| 4/6/10    | Pittsburg, Pa         | Registration fee (4/9/10 to 4/11/10)         | 120.00   |
| 4/15/10   | Pittsburg, Pa         | Hotel (4/8/10 – 4/10/10)                     | 323.22   |
| 4/15/10   | Las Vegas, Nevada     | Registration fee (4/30/10 - 5/2/10)          | 120.00   |
| 5/4/10    | Las Vegas, Nevada     | Hotel (4/29/10 - 5/2/10)                     | 100.00   |
| 9/9/10    | Orlando, Florida      | Registration fee                             | 120.00   |
| 10/5/10   | Orlando, Florida      | Hotel (9/30/10 – 10/3/10)                    | 797.40   |
| 1/25/11   | Las Vegas, Nevada     | Registration fee and airfare (5/5/11-5/8/11) | 325.40   |
| 5/11/11   | Las Vegas, Nevada     | Hotel (5/5/11 – 5/8/11)                      | 239.00   |
| 11/8/11   | University of Arizona | Hotel (11/4/11 – 11/5/11)                    | 75.49    |
| 1/13/12   | Las Vegas, Nevada     | Registration fee                             | 125.00   |
| 1/13/12   | Las Vegas, Nevada     | Airfare to Las Vegas (5/10/12 – 5/13/12)     | 209.60   |
| 4/27/12   | Indianapolis, Indiana | Coaching U Live (7/10/12 – 7/11/12)          | 250.00   |
|           |                       | Total  | 2,805.11 |

The cross country coach attended coach's clinic in Irvine, California and charged the cost of hotel accommodations to Cross Country Club account totaling \$253.26.

*District procedure no. 2225, section C.6.e. states, "Expenditures for faculty. Faculty funds may be accepted as earmarked funds, such as faculty social fund, but expenditures must be limited to amount deposited by the faculty. Under no conditions shall student body money be expended for the benefit of faculty."*

**Recommendation**

We require the basketball coach reimburse the ASB the cost of registration fees, hotel accommodations, and air fare totaling \$2,805.11 that he spent in attending coach's clinics.

We require the cross country coach reimburse the ASB the cost of hotel accommodations totaling \$253.26 that he spent in attending coach's clinic.

14. Student body funds were used to pay for an expense that benefited a faculty in violation of District procedure no. 2225 that prohibits this category of expenditure.

We noted that the student body funds were used to pay for the individual membership fee of the wrestling coach as follows.

| Employee | Organization      | ASB Club Account      | Amount |
|----------|-------------------|-----------------------|--------|
| Coach    | San Diego Coaches | 2433 – Wrestling Club | 39.75  |

*District procedure no. 2225, section C.6.e. states, "Expenditures for faculty. Faculty funds may be accepted as earmarked funds, such as faculty social fund, but expenditures must be limited to amount deposited by the faculty. Under no conditions shall student body money be expended for the benefit of faculty."*

This payment violated district procedure.

**Recommendation**

We require the wrestling coach reimburse the ASB for the personal membership fees charged to the school club account.

**15. The principal purchased various equipment totaling \$37,079.37 using the ASB general fund without the approval of the Area Superintendent.**

From July 2009 to February 2012, the school purchased several pieces of equipment totaling \$37,079.37 without the approval of the Area Superintendent as follows.

| Date     | Check No. | Description                   | Amount    |
|----------|-----------|-------------------------------|-----------|
| 07/07/09 | 4294      | ASB Sound System              | 11,799.82 |
| 09/02/09 | 4355      | Athletic Ice Machine          | 3,130.74  |
| 10/20/09 | 4657      | Athletic Ice Machine          | 2,989.36  |
| 02/18/10 | 5434      | Designjet 44" printer and ink | 5,388.00  |
| 05/26/10 | 5552      | Portable Stage                | 12,473.00 |
| 02/28/12 | 9399      | Popcorn Machine               | 1,298.45  |
|          |           | Total                         | 37,079.37 |

*District procedure no. 2225, section C.6.f. states "Capital improvements and equipment. Student body funds may not be used to make capital improvements or purchase equipment without approval of instructional leader (Area Superintendent). Such approval is required in order to guard against purchase of substandard equipment which the school district could not maintain at equitable cost and to ascertain that the primary purpose of a purchase is to benefit the student activity program. Purchase of equipment intended primarily for instructional use shall not be approved."*

*District Procedure no. 5340 Movable Equipment Inventory defines the characteristics of equipment.*

**Recommendation**

We require that administration adhere to district policy when using student body funds to purchase equipment.

**16. The school conducted a raffle in violation of Penal Code 319 and District Procedure 2265.**

Field Hockey Club conducted a raffle in October 2011, in violation of Penal Code Section 319 and District Administrative Procedure No. 2265.

*California Penal Code Section 319 prohibits raffles.*

*District Administrative Procedure No. 2265 states "Lotteries and raffles are not permitted."*

A raffle is defined as a distribution of property by chance among persons who have paid valuable consideration.

**Recommendation**

Administration needs to take steps to ensure that staff adheres to district procedure and raffles are not permitted.

**17. High risk activities were conducted at the School site in violation of District Procedure No. 5153.**

The School had fireworks during homecoming and rented inflatable devices such as "Wrecking Ball Interactive" and "52 ft Obstacle Course" during world fair activities - in violation of District Procedure 5153.

| High Risk Activities  | Amount   |
|---|----------|
| Fireworks for Homecoming  | 1,300.00 |
| Inflatable devices such as Wrecking Ball Interactive and Bungee Run | 1,132.20 |

*District Administrative Procedure No. 5153 states "Bonfires and fireworks are not permitted on the school grounds."*

*District Administrative Procedure No. 5153 states "Safety Precautions. The use of astrojumps, large inflatable slides, trampolines or any other rebounding or inflatable devices is prohibited on district property. All other recreational equipment must be approved by risk Management on a case by case basis."*

**Recommendation**

Administration is to adhere to district policy and institute practices to assure compliance to district policy. In particular events, administration is to consult with and obtain approval from the District's Risk Management Unit before any high risk activities are allowed on district property. Administration is to retain documented approval with the events' documentation.

**18. There are 9 inactive trust/club accounts as of June 30, 2012 having balances totaling \$3,067.57 that require review by the Principal and the student council to determine their need for incorporation into the ASB General Fund, as required by district procedure.**

The review of several trust/club accounts revealed a total of 9 accounts with a total balance of \$3,067.57 that are inactive and carried in the ASB books as follows.

| Account No. | Account Name    | Amount   |
|-------------|-----------------|----------|
| 2450        | Community Cares | 1,499.52 |
| 2322        | Airband Club    | 725.38   |

|      |                       |          |
|------|-----------------------|----------|
| 2350 | Gay Straight Alliance | 420.00   |
| 2491 | School Donations      | 176.89   |
| 2317 | Muslim Student Union  | 129.03   |
| 2414 | Christian Club        | 43.86    |
| 2429 | Peer Counseling       | 32.46    |
| 2316 | Fashion Club          | 30.00    |
| 2419 | African Student Union | 10.43    |
|      | Total                 | 3,067.57 |

*District Administrative Procedure No. 2225 states that "All balances remaining in the trust account of any club or organization that has been inactive for one year shall be reviewed by the Principal (or designee) and the student council, and subject to extenuating circumstances, shall be transferred to the Student Body General Fund. Such action shall be recorded in the minutes of a student council meeting."*

**Recommendation**

The Principal (or designee) and the ASB council are to review the inactive accounts. If the club or trust accounts are to be disbanded, the balances of the inactive accounts are transferred to the ASB General Fund.

**19. Nine ASB consultant forms were not prepared as required by district procedure.**

The ASB paid consultants a total \$8,275.00 for services rendered without preparing a consultant form.

Specifically, we noted the following:

| Date   | Check # | Description of Service | Account                 | Amount     |
|--|---------|------------------------|-------------------------|------------|
| 03/12/2010                                   | 5578    | Install discuss ring   | 2488 Athletic Field Use | \$2,950.00 |
| 11/12/2010                                   | 6838    | Game Filming           | 2488 Athletic Field Use | 1,750.00   |
| 12/08/2010                                   | 6983    | Game Filming           | 2488 Athletic Field Use | 400.00     |
| 12/06/2011                                   | 8897    | Athletic Trainer       | 2522 Football Clearing  | 1,200.00   |
| 12/06/2011                                   | 8897    | Athletic Trainer       | 2517 CIF Clearing       | 100.00     |
| 01/05/2012                                   | 9077    | Athletic Trainer       | 2411 Football Club      | 600.00     |
| 05/31/2012                                   | 9912    | DJ Services            | 2486 AFJROTC Club       | 200.00     |
| 05/16/2012                                   | 9854    | Caricature artist      | 2202 Class of 2012      | 800.00     |
| 06/13/2012                                   | 10048   | Caricature artist      | 2202 Class of 2012      | 275.00     |
| Total Expenditures without a Consultant Form |         |                        |                         | \$8,275.00 |

This practice violated district procedure 1550 Professional Consultants, Resource Persons, and Student Service Providers and exposes the district to noncompliance penalties with the IRS for failing to provide their required earnings data.

**Recommendation**

Administration is to effect a process to comply with district procedure.

ASB consultant forms must be completed prior to the rendering of services. Pink copies of the

consultant forms are sent to Accounts Payable enabling filing of IRS form 1099 at the end of the calendar year. The yellow copy is retained at the site to document payment made.

**20. Competitive bids were not solicited for purchases of \$1,500 or more in violation of District Administrative Procedure No. 2435.**

Purchases requiring the solicitation of three bids were not followed. Without competitive bidding, the school may not have obtained a fair price for their purchase.

| Date     | Check No. | Description             | Amount    |
|----------|-----------|-------------------------|-----------|
| 03/08/10 | 5552      | Portable Stage          | 12,473.00 |
| 07/07/09 | 4294      | Sound System            | 11,799.82 |
| 02/18/10 | 5434      | Designjet printer & ink | 5,388.00  |
| 09/02/09 | 4355      | Ice Machine             | 3,130.74  |
| 11/18/09 | 4657      | Ice Machine             | 2,989.36  |

*District Administrative Procedure No. 2435 states "Purchases of \$1,500 or more of a specific type of item in one school year must be submitted for competitive bid. Specifications must be issued to three or more responsible bidders."*

**Recommendation**

The Principal is to require three competitive bids and assure that evidence of the bid process is kept on file at the finance office.

**21. The "Request for Organization of a School Club" forms were not completed.**

The "Request for Organization of a School Club" forms were not completed by 14 clubs as follows.

| Account No. | Account Name           | Balance as of 6/30/2012 |
|-------------|------------------------|-------------------------|
| 2434        | Basketball Club – Boys | 7,345.04                |
| 2205        | Class of 2015          | 1,901.30                |
| 2489        | Golf Club              | 1,144.15                |
| 2412        | Tennis Club            | 1,134.08                |
| 2467        | Art Club               | 1,125.15                |
| 2315        | International Club     | 1,068.52                |
| 2496        | Ecology Club           | 973.74                  |
| 2433        | Wrestling Club         | 947.01                  |
| 2432        | AVID Club              | 416.01                  |
| 2494        | Art Computer Lab       | 374.65                  |
| 2427        | Latino Club            | 256.62                  |
| 2477        | Soccer Club – Boys     | 224.02                  |
| 2418        | Rising Sun             | 109.29                  |
| 2499        | Art Club               | .94                     |

*District Administrative Procedure No. 6240 states "Every proposed student club desiring district authorization must apply to the student governing body of the school".*

*District Administrative Procedure No. 6240 states "Students seeking approval of school club through student representative, complete "Request for Organization of a School Club" form declaring the aims or statement of purpose of proposed club, proposed membership source, and requesting approval as a school club."*

### **Recommendation**

We require that the site administrator:

- a. Enforce the requirement to have club sponsors submit to the Student Body Financial Office the constitution and by-laws of the clubs or class that they are sponsoring.

Ensure that clubs or classes without the required constitution and by-laws are not allowed to use the trust account of the student body fund.

Require that a copy of the charter, constitution or statement of purpose and objectives is on file in the financial office.

- b. All clubs seeking approval are to submit a "Request for Organization of a School Club" form. The Principal approves or disapproves each request for organization of a school club, per District Administrative Procedure No. 6240, and obtains approval by the ASB for all clubs and requires that a copy of the approval is filed in the financial office.

### **22. Unused student body tickets were discarded without authorization of the district auditor.**

We were not able to verify the reasonableness of ticket sales during football and basketball games because unsold tickets were discarded by the school clerk at the end of the year.

*District procedure no. 2260, section D.3.c. states, "Retains ticket recap form and all unused, unsold and voided tickets for examination by operations auditors during next school audit. (Auditors ordinarily authorize final disposition of recap forms and tickets immediately after audit.)"*

Failure to retain the required unsold tickets prevents an independent accounting of monies received and provides for abuse, misuse and undetected theft of funds.


### **Recommendation**

Administration is required to institute practices that assure compliance with district requirements.

We require that all unsold and voided tickets must are not discarded without authorization of the district auditor.



## MEMORANDUM

**TO:** S. Carr  
**FROM:** J. Martel   
**DATE:** April 23, 2013  
**SUBJECT:** MIRA MESA HIGH SCHOOL AUDIT

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The Mira Mesa High School audit finds fault with the principal and other individuals for several infractions of district policy, state education code, and general accounting practices. However, as noted by the audit report as well as the response from the school site, many of the violations were self-corrected prior to the audit when staff learned they were not following the correct procedures.

Nevertheless, there are several serious infractions identified by the Audit Office. As a result, the principal is directed to:

- Ensure that every request for the use of school facilities is processed through the district's rental office. School staff should have no direct role in securing or negotiating the use of a school field or building.
- Meet with the district's auditor to determine the best source for current training on district accounting practices. Once this source is identified and a training schedule is developed, the principal, his administrative team, the site's financial clerk, and the individual charged with keeping time and labor records will attend such training. It is vital that accurate financial records are maintained.
- Review such training annually. This continuous updating of financial practice is very important. Although the principal relied on district advice given in the past to guide his decisions on facility rental, that advice was not aligned with current district practice and resulted in violations cited by the audit.
- Meet with every Booster organization associated with Mira Mesa High to review and emphasize district policies and procedures on fund raising, facility rental, and payment to school personnel.
- Meet with all staff to review district policies on fund raising, rental of facilities, and payment of staff members by booster groups. Additionally, staff should be instructed on the establishment of student clubs and ASB accounts as well as the restrictions on the expenditure of funds from such accounts.



- Adhere in the strictest sense to all district policies and procedures regarding ASB funds and appropriate expenditures. District policies and procedures are not mere suggestions but define the practice of every site.

It is noted that the principal did not personally benefit from any of the actions that are described in the findings of the audit. Additionally, when the audit found that ASB funds were improperly designated, students did not lose money intended for their use. Funds used to pay for staff events or award banquets were taken from accounts where monies were assigned based on donation letters.

This audit revealed several concerns about the process of conducting an audit and the purpose of that process. Among these concerns are:

- The references to audits at San Diego High and Mr. Guisti's involvement in them. The Mira Mesa audit makes reference to one audit at SDHS when Mr. Guisti was the ASB advisor and then a second audit that covered the time when Mr. Guisti was principal at San Diego LEADS. Unless the Audit Office has evidence of Mr. Guisti clearly ignoring directives made to him by his superior as a result of those audits, the issues of SDHS should not impact the audit of MMHS.
- The unscheduled visit of an auditor to the Mira Mesa financial clerk with the purpose of securing a written statement that supports the Audit Office's findings. The auditor incorrectly told the clerk that the principal's responses to the findings blamed the clerk for many of the issues. This visit was made after the Audit Office received the principal's final response and as the final draft of the audit was due to go forward. Such a visit has no viable purpose and adds a very tainted hue to the process not only at Mira Mesa High but also at any school undergoing an audit.
- The lack of district follow-through in correcting issues uncovered by an audit. The district should use the findings of the audit to identify key areas where communication has been poor or where training needs to occur. Personnel who are responsible for a site's financial books or for time and labor reporting need extensive training that is updated regularly. Site administrators will also benefit from such training so that they can ensure the proper financial operation of their schools. This training is not the responsibility of the Audit Office but their work can certainly help identify focus areas for professional development. An audit should not be a "gotcha" process but one that supports the informed and accurate work of school staff.

I. The principal inappropriately held and expended \$15,495.41 that belonged to various ASB accounts from account 2319 – Campus Support (principal's discretionary account in ASB) and \$20,687.78 required to be abated to the site's district discretionary account and there expended, not to have been expended through this ASB account.

In the ASB books there is a clearing account (Account no. 2520 – District Deposits) used to temporarily hold funds that require remittance to the district. Periodically or at least at the end of the school year, the school is to remit the accumulated funds from Account no. 2520 – District Deposits to the district for abatement to the appropriate site district budgets.

The following funds were inappropriately transferred to the 2319 - Campus Support account for the period May 2009 to December 2011:

Donations without a letter of intent that require deposit to the ASB General Fund.

| Donor   | Amount            |
|---|-------------------|
| E Scrip Rebate                                | 3,254.67          |
| Kohl's  | 1,000.00          |
| Fashion Institute of Design and Merchandising | 786.00            |
| Community of Change                           | 509.75            |
| Chase Bank                                    | 323.48            |
| American Youth Soccer Organization            | 250.00            |
| Motorola Rebate                               | 200.00            |
| Top Gun Tourney (Soccer)                      | 150.00            |
| Mission Federal Credit Union                  | 125.00            |
| Donation from employees                       | 52.00             |
| Super Value Albertsons                        | 42.51             |
| Ralphs Rebate                                 | 14.23             |
| <b>Total</b>                                  | <b>\$6,707.64</b> |

Certificated and classified walk on coaches charged to the following clubs.

| Club Account             | Amount            |
|--------------------------|-------------------|
| 2443 Soccer Club - Girls | \$2,074.18        |
| 2477 Soccer Club - Boys  | 1,395.69          |
| <b>Total</b>             | <b>\$3,469.87</b> |

Payment for security and supervision charged against the following accounts.

| Account                  | Amount            |
|--------------------------|-------------------|
| 2517 CIF Clearing        | \$344.86          |
| 2523 Basketball Clearing | 1,083.99          |
| <b>Total</b>             | <b>\$1,428.85</b> |

Trust accounts transferred and if inactive belong to the ASB General Fund.

| Trust Accounts                    | Amount            |
|-----------------------------------|-------------------|
| 2398 Finance Funding              | 2,407.77          |
| 2009 Campus Cleanup               | 297.23            |
| 2332 Custodial Vending Commission | 1,164.05          |
| <b>Total</b>                      | <b>\$3,869.05</b> |

From October 2008 to January 2009, Account no. 2520 - District Deposits accumulated an amount of \$20,372.78. This money came from expenses by the student body clubs that were initially paid out of the district budget, expenses such as staff salaries during football games, dances, and transportation for field trips. The principal should have remitted the \$20,372.78 to the district by June 2009, end of the school year, depositing the funds back to the appropriate district budget(s). However, in May 2009, instead of remitting the \$20,372.78 to the district, the former financial clerk closed the Account no. 2520 - District Deposits per instruction of the principal, and transferred the funds to Account no. 2319 - Campus Support, a new account established by the principal in the ASB books and used as his discretionary fund.

Expenditures from the ASB account did not provide the required accountability and transparency provided by having expended the monies at the district level where such visibility exists and approvals are required.

### Recommendation

These actions are a violation of managerial responsibility. Intervention against the staff members is needed and management of the involved staff is required to take action appropriate to the audit findings in accordance with performance evaluation. The Legal and Human Resources departments are available to provide support and guidance in this process.

We recommend restoring the donations and inactive accounts to the ASB General Fund and reestablishing the Finance Funding Trust. We require not using the principal's discretionary account to maintain funds for the principal unless monies are specifically aligned with donations received by the school site for the discretion of the principal.

ASB Response #1:

In 2011 the Financial Clerk discovered the site was not in line with district procedures and the site self-corrected at that time.

- I acknowledge that I requested Account 2319: Campus Support to be activated and for Account 2520 to be closed.
  - When I arrived at MMHS, there was a bookkeeper (not a senior high school financial clerk).
  - There were a lot of accounts on the ASB books that I did not understand and thus I directed her to close and consolidate them.
  - Campus Support was created because I had used the same titled account at my previous school site.
  - The principal did not have any personal gain from the funds in this account.
- As noted in the audit, this practice continued through December 2011, when the senior high school financial clerk alerted me that this practice wasn't allowed and we self-corrected.
  - If the senior high financial clerk had not alerted me, this practice would have continued.
  - I believe this shows there was no malice or intent to deceive but rather a lack of training for all parties.
- If we had known it was inappropriate, we would not have started the practice in the first place with the bookkeeper nor ended the practice with the senior high financial clerk (who at first did not know it was inappropriate).
- I believe if you interview the senior high financial clerk, you will learn that when it was brought to my attention that the practice was not allowed, I immediately said to discontinue the practice, find out how it should be done and proceed according to district procedure going forward.

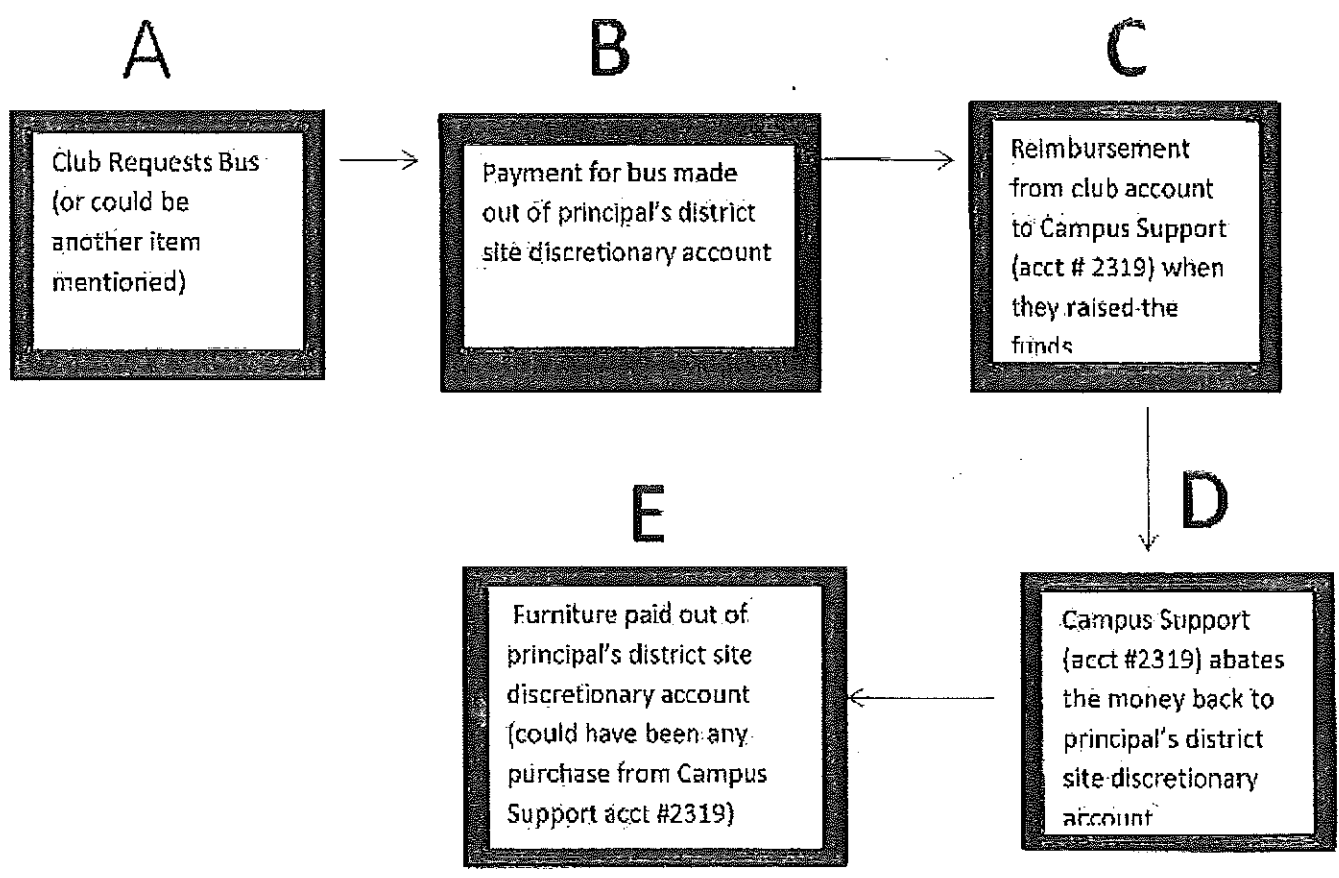
There is a statement that the principal inappropriately expended funds however, please note that funds were spent on the school site. While I understand I did not follow the exact District Procedure, the expenses themselves are not inappropriate. Some of the purchases made in this account included:

- A new cart for the athletic department
- Trailer hitch installation for the cart
- Folding tables which are used for testing
- Contribution for the Big M stone project in the stadium
- Tables and chairs for classroom
- California High School Exit Exam Student Sweatshirts
- Repaired screen printing equipment for classroom
- Temperature controller installed in screen printing shop for student safety
- Student scholarships
- Television set (for live school news broadcast that airs daily)

I acknowledge that the expenses were paid out of the wrong accounts until I was told the practice was incorrect and needed to change. Again, the site self-corrected this practice a year ago on its own however I have attached a flowchart that was created which better explains what we did and what we should have been doing. See attachment 1A.

As soon as clarity is provided, the site will restore the donations and inactive accounts to the ASB General Fund and re-establish the Finance Funding Trust.

# Sample Flow Chart



- The flow chart above is the procedure the district has in place
- I skipped Steps D & E and purchased the items at Step C
- Funds would have been spent on the same purchases if we would have followed the entire process
- Funds were spent on the site for the betterment of the site in order to improve the educational environment and experience of all students
- Finance clerk discovered procedure error in 2011 and the site already has self-corrected the procedure to include Steps D & E for the past year
- No money from Campus Support account #2319 went towards personal gain for me (furniture, finances, travel, memberships, etc.)

**2. District funds held by the principal in the ASB trust accounts under his discretion were used to pay for office furniture totaling \$41,666.07 without approval of the Board of Education.**

In school year 2009/2010, the principal used the funds he inappropriately held in "Account no. 2319 – Campus Support" to purchase office furniture totaling \$41,666.07 without the required approval of the Board of Education.

*District procedure no. 1570, section B.4. "Affirmative Action. Purchases of services, equipment, supplies, and/or materials from one supplier, which are expected to exceed \$10,000 during any one fiscal year, are subject to the district's affirmative action policy. A district-approved affirmative action plan, or evidence of an approved affirmative action plan, must be on file with the district's Contract Compliance Coordinator prior to Board of Education approval of any district contract involving an expenditure in excess of \$10,000."*

This condition occurred because the principal was able to use the funds without adhering to the normal purchasing processes and obtaining required approval of senior management.

**Recommendation**

These actions are a violation of managerial responsibility. Intervention against the staff members is needed and management of the involved staff is required to take action appropriate to the audit findings in accordance with performance evaluation.

We require that the principal's discretionary account not be used to maintain funds for the principal unless monies are specifically aligned with donations received by the school site for the discretion of the principal.

ASB Response #2:

*NOTE: I was told the auditor was verifying that I used a district vendor and if so, they were going to remove the affirmative action portion of this finding. Clarity is requested if district approved vendors have affirmative action plans on file.*

- The furniture purchased was not for administration or personal offices. The furniture was replacing the attendance and clerical stations which service students and parents in the main office and enabled better customer service for our disabled population in particular.
- The district was aware of the purchase of furniture, as they referred us to the district approved vendor to make the purchase when we notified them of our intent to get furniture.
- We did look at other companies and were upset that we had to use the district approved vendor despite getting lower quotes from other vendors.
- The district removed the old furniture and even had electricians come out to remove and repair faulty wiring as well as relocate outlets, phone lines, etc. In addition they demolished a wall and removed cabinets and counters. There were numerous work orders regarding this collaborative installation project.
- The district even coordinated installation of the furniture (from their approved vendor) with their installation of new carpet the site was receiving so they would not have to duplicate efforts in moving furniture for the carpet install.
- We had requested repair or replacement of windows in the attendance area (due to safety concerns) which wasn't able to be completed at the same time. The windows have since been replaced thus completing the front office improvements for safety and security.
- As mentioned, if the funds in campus support had been transferred to the district into the Resource 00000 site discretionary account, the funds still would have been used to purchase the furniture.

I believe these points show there was no intent to deceive. Money was put into the school front office which services all students as well as the community and district. The district was in the loop the entire time since we used their vendors, electrical and carpet staff, etc. Some of these items were actual safety hazards that had been left unattended for years such as: electrical wires which caused a fire in the front office, carpet was torn and tripping hazard, attendance work stations were unable to service handicapped students and parents, placement of the old cabinet installation blocked visibility of anyone coming into the office and presented a security concern.

My understanding now of procedure 1570 (which was created in 1973 and last revised in 1987) is that the vendor needed to have an approved affirmative action plan on file with the district's Contract Compliance Coordinator. I would assume this was in place since we were instructed to go through the specific vendor approved by the district. I'm wondering why I wasn't referred to the Contract Compliance Coordinator in the district office when it was made known that a large purchase was going to be made so that I could have been in compliance with this procedure as it pertains to the purchase of office furniture.

I was not aware of Administrative Procedure 1570 B.4 and I have never received any of these approvals for past purchases. However, now that I am aware I will make sure the site abides by AP1570 going forward.

3. District funds held by the principal in the ASB trust accounts under his discretion were used for prohibited expenditures totaling \$5,081.89.

The funds improperly deposited in the two ASB trust accounts under the discretion of the principal were inappropriately used as follows.

| Account                     | Amount     | Items Purchased               |
|-----------------------------|------------|-------------------------------|
| (a) 2493 - Site Hospitality | 2,314.03   | Staff breakfast and luncheon  |
| (a) 2319 - Campus Support   | 1,627.84   | Staff breakfast and luncheon  |
| (b) 2319 - Campus Support   | \$840.00   | Dinner - Educator of the Year |
| (c) 2319 - Campus Support   | 100.00     | Gift Cards                    |
| Total                       | \$5,081.89 |                               |

(a) From July 2009 to April 2012, the principal used the funds in his two discretionary accounts for staff breakfast and luncheon totaling \$4,141.89.

(b) On December 15, 2009, a teacher from Mira Mesa High School was one of the ten finalists at "2009 Educator of the Year". A dinner was held in their honor at Admiral Kid Club in San Diego. The principal used the Account no. 2319 - Campus Support to pay for the cost of the dinner for 21 guests totaling \$840.00.

(c) On June 1, 2010, the principal used the Account no. 2319 - Campus Support to pay for gift cards for Classified Employees of the Year totaling \$100.00.

*District procedure no. 2518, section C.6, states, "Expenses for the following are prohibited and will not be reimbursed. The approving manager will be held personally responsible for expenses.*

- a. Activities identified in C.4. without prior approval of appropriate site/department head.*
- b. Dinner for activities and/or meetings that involve district employees only.....*
- f. Awards, flowers, or gifts for employees, including gift cards or gift certificates.*

*District procedure no. 2225 Administration of Student Body Funds, section 6.e. states, Under no conditions shall student body money be expended for the benefit of faculty.*

**Recommendation**

These actions are a violation of managerial responsibility. Intervention against the staff members is needed and management of the involved staff is required to take action appropriate to the audit findings in accordance with performance evaluation.

We require that the principal reimburse \$5,081.89 to the district for prohibited expenditures that he approved and per district procedure he is personally liable.

We require that the principal's discretionary account not be used to maintain funds for the principal unless monies are specifically aligned with donations received by the school site for the discretion of the principal.



ASB Response #3:

In 2011 after learning the site was not in line with district procedures we self-corrected.

- I don't believe there was appropriate training in regards to this matter because if so, I would assume my senior high financial clerk would have brought it to my attention at which time I would have gone to the Foundation or PTSA to request their financial support for these expenditures (which we did upon learning we needed to change our practice).
- Since the items listed in Finding #3 benefited the entire staff (as well as groups of students and community members), this falls under a category the Foundation and/or PTSA would support in the future.
- I was unaware that purchase of food for staff appreciation or holiday celebrations were inappropriate out of accounts such as Campus Support and was told the correct account to use was Site Hospitality. There were not any food purchases after January 2011 in the Campus Support account. The site self-corrected accordingly upon learning this.
- I did not know that using the Site Hospitality account to purchase food for staff appreciation or holiday celebrations was incorrect.
  - In fact, the site was told by the auditor's office to have memos from donors stating what the donation was to be used for in Site Hospitality (instead of the using Campus Support account) and we have complied with that directive (attachment 3A).
- Regarding the Educator of the Year dinner, because it was not a dinner involving district employees only, I thought it was a permissible expenditure under Administrative Procedure 2518 C.6.b. In reviewing Administrative Procedure 2225 C.6.e. I understand the conflict and will abide by AP 2225 going forward.
- In June 2010, when the two \$50 gift cards were purchased for the classified and certificated employees of the year, there had not been district-wide notices and procedures sent out to stop purchasing gift cards (informing us they were not to be purchased). Since these gift cards were purchased, there have not been any other gift card purchases to my knowledge. When gift cards became an issue in the district, we began utilizing the PTSA to assist when we had a need for items such as gift cards and flowers. This shows we self-corrected when we learned we were not following proper protocol.
- Going forward, I will continue utilizing the PTSA and Foundation to support these types of expenditures (as I have been doing since self-correcting).

The tone of the auditor's recommendation implies that I intentionally misappropriated funds. These expenditures were not for me and I have never had any kind of personal gain. I would not purposefully sign off on anything to misappropriate funds and going forward, I will work with outside groups to support these types of efforts to comply with district procedure.

The auditor recommends that the principal reimburse the district for prohibited expenditures that I approved. I have met with outside organizations that are willing to make a donation for each expenditure into the correlating ASB accounts to reimburse these expenses if the district requires reimbursement.



February 23, 2011

San Diego Unified School District  
4100 Normal Street  
San Diego, CA 92103

To Whom It May Concern:

On behalf of the San Diego Division of the United States Fencing Association, I would like to thank Mira Mesa High School for its hospitality in extending its facilities for the use of fencing competitions here in the county of San Diego.

This letter confirms that all past and future checks issued to Mira Mesa HS on behalf of our organization are donated to MMH Hospitality for the purpose of the principal's discretion.

If you have any questions in regards to this letter please feel free to contact our district liaison, Chris Getsla at [cwgetsla@gmail.com](mailto:cwgetsla@gmail.com).

Sincerely,

A handwritten signature in black ink, appearing to read "C. Astudillo".

CHARLES ASTUDILLO  
Chair, San Diego Division  
United States Fencing Association

I. The principal inappropriately held and expended \$15,495.41 that belonged to various ASB accounts from account 2319 – Campus Support (principal's discretionary account in ASB) and \$20,687.78 required to be abated to the site's district discretionary account and there expended, not to have been expended through this ASB account.

In the ASB books there is a clearing account (Account no. 2520 – District Deposits) used to temporarily hold funds that require remittance to the district. Periodically or at least at the end of the school year, the school is to remit the accumulated funds from Account no. 2520 – District Deposits to the district for abatement to the appropriate site district budgets.

The following funds were inappropriately transferred to the 2319 - Campus Support account for the period May 2009 to December 2011:

Donations without a letter of intent that require deposit to the ASB General Fund.

| Donor   | Amount     |
|---|------------|
| E Scrip Rebate                                | 3,254.67   |
| Kohl's  | 1,000.00   |
| Fashion Institute of Design and Merchandising | 785.00     |
| Community of Change                           | 509.75     |
| Chase Bank                                    | 323.45     |
| American Youth Soccer Organization            | 250.00     |
| Motorola Rebate                               | 200.00     |
| Top Gun Journey (Soccer)                      | 150.00     |
| Mission Federal Credit Union                  | 125.00     |
| Donations from employees                      | 52.00      |
| Super Value Albertsons                        | 42.51      |
| Ralphs Rebate                                 | 14.23      |
| Total   | \$6,707.64 |

Certificated and classified walk on coaches charged to the following clubs:

| Club Account             | Amount     |
|--------------------------|------------|
| 2443 Soccer Club - Girls | \$2,074.15 |
| 2477 Soccer Club - Boys  | 1,395.69   |
| Total                    | \$3,469.84 |

Payments for security and supervision charged against the following accounts:

| Account                  | Amount     |
|--------------------------|------------|
| 2517 CIF Clearing        | \$344.86   |
| 2523 Basketball Clearing | 1,083.99   |
| Total                    | \$1,428.85 |

Trust accounts transferred and if inactive belong to the ASB General Fund.

| Trust Accounts                    | Amount     |
|-----------------------------------|------------|
| 2598 Finance Funding              | 2,407.77   |
| 2609 Campus Cleanz                | 297.23     |
| 2632 Custodial Working Commission | 1,184.05   |
| Total                             | \$3,889.05 |

4. School facilities were rented to non-district organizations without a permit, and rent income from October 2009 to October 2011, totaling \$76,115.84 was deposited in the ASB instead of depositing it through the district.

In August 2008, the principal was assigned to Mira Mesa High School. The principal [redacted] renting school facilities to non-district organizations without a permit in violation of district procedures and allowed the inappropriate renting of Mira Mesa High School facilities to nondistrict organizations without a permit from October 2009 to October 2011 collecting income totaling \$76,115.84 as follows.

The district rental office confirmed that this practice ceased as of October 2011 and MMHS is now compliant with district procedure.

| Organization                  | Amount           | ASB Account               |
|-------------------------------|------------------|---------------------------|
| VAVI Sport and Social Club    | 52,372.09        | 2458 - Athletic Field Use |
| VAVI Sport and Social Club    | 1,193.75         | 2457 - Athletic Funds     |
| San Diego Sol                 | 6,875.00         | 2434 - Basketball Boys    |
| San Diego Sol                 | 2,675.00         | 2466 - Basketball Girls   |
| Barona Casino                 | 5,000.00         | 2458 - Athletic Field Use |
| SD Dir US Fencing Association | 4,000.00         | 2493 - Site Maintenance   |
| SD Dir US Fencing Association | 500.00           | 2319 - Campus Support     |
| San Diego Baseball League     | 500.00           | 2442 - Baseball Club      |
| San Diego Baseball League     | 400.00           | 2453 - Athletic Field Use |
| Royal Star Promotions         | 500.00           | 2493 - Athletic Field Use |
| <b>Total</b>                  | <b>76,115.84</b> |                           |

District Administrative Procedure No. 9229, states "Non-district organizations wishing to use district fields must submit a Rental Request Form for such use and receive an approved Civic Center Use Permit. Fees, if applicable, will be charged in accordance with the current board-adopted Civic Center Rate Schedule for free use, direct cost recovery use, fair rental value use or commercial use."

As a result, the District was not able to put to effective use the \$72,440.84 rental income that should have been abated to the district budget.

The district rental office confirmed that this practice ceased as of October 2011 and MMHS is now compliant with district procedure.

**Recommendation**

These actions are a violation of managerial responsibility. Intervention against the staff members is needed and management of the involved staff is required to take action appropriate to the audit findings in accordance with performance evaluation.

Non-district organizations wishing to use district fields must have an approved Civic Center Use Permit and all fees for field use must be deposited in the district.

- When interpretations in regards to facility usage changed there seemed to be concerns on the differing practices across the district.
  - Since the high school is the hub of the Mira Mesa community and there were many neighborhood events on our facility, I initiated a meeting including (among others): District Property Management Specialist, Athletic Director, Vice Principal overseeing ASB & Athletics, School Site Operations Specialist, Mira Mesa High School PTSA President and Mira Mesa Cluster Schools Chair.
  - At this meeting, we discussed what had been approved and practiced up to this point and what changes should be made going forward. This was a positive meeting to revise past practices that were now being interpreted differently.
  - I am attaching the email communication with district rentals that followed the meeting which specifically shows we laid out the practices we would follow from that point forward. Please note this was done in agreement and in collaboration with the district. The meeting took place in October 2011 (attachment 4B).
- From that time forward, there is nothing referenced in the audit because we replaced the previously approved operating practices for facility rentals with the updated policy arranged with the District Property Management Specialist based on the district's new interpretation of facility rentals.
- I would also like to note that two particular items listed in this finding (Barona Casino and Royal Star Promotions) were not facility rentals.
  - These two organizations made donations to the athletic department based on the fact that we hosted a student/staff/celebrity basketball game featuring Manny Pacquiao.
  - This opportunity was brought by a student whose family is friends with the Pacquiao's. He thought it would be a good fundraiser for the school.
  - Royal Star Promotions and Barona Casino made donations to the athletic program for the event.
  - The district was aware of this because the Vice Principal overseeing Athletics had to work with the district regarding promotion of the event since one of the sponsors was Barona Casino and we didn't feel that was appropriate for our campus to publicize.
  - We also knew there would be a large crowd and press attending the event because of the celebrity status Pacquiao has so we worked with district personnel including communications, legal, and school police.
  - I don't believe this is a facility rental issue since again, our students and staff hosted and participated in this event as a fundraiser.

The auditor makes a recommendation that this should be reflected in my performance evaluation. If that is the case, then someone needs to explain to me how I can be held accountable for actions I took with the authorization of district legal.

- Based on the email from the former Deputy Legal Counsel in 2005, I followed practices which have even been previously cleared [REDACTED]
- I continued to utilize these same practices through October 2011 when I then worked with district rentals to establish a new practice collaboratively.
- As shown in the letter from the Property Management Specialist in the district rentals office (see attachment 4C), we have been a model school in our operating practices and she even mentions how the process was unclear in past years.

I believe this finding is completely inaccurate based on what I have provided and that it should be removed from the audit entirely. We were operating correctly based on the approvals at the time from April 2005-October 2011. From October 2011 to the present, we have also been operating correctly

based on the approvals in place.

I also have a concern that the auditor was aware of the Pacquiao event and donation back in February of 2011 yet he never raised any questions to the principal about any issues regarding procedure or the donation at that time (see attachment 4D). In addition, the auditor was aware in February 2011 that the site was working with VAVI and receiving donations. Again, the auditor did not raise any questions to the principal about this practice (see attachment 4H).

4A

**Giusti Scott**

---

**From:** Gonzales Jose  
**Sent:** Tuesday, April 05, 2005 9:50 AM  
**To:** Giusti Scott  
**Subject:** RE: legal question

Scott, your proposal to regulate fundraising activities is ok from a legal perspective. Call me if you want to discuss any of the issues. Jose

-----Original Message-----

**From:** Giusti Scott  
**Sent:** Monday, April 04, 2005 10:01 AM  
**To:** Gonzales Jose  
**Cc:** Giusti Scott  
**Subject:** legal question

Jose,

It's Scott Giusti from SDHS (use to coach basketball with Kane and run the ASB-and now I'm one of the principals) anyways, I will be the principal in charge of Athletics next year at SDHS and I am revamping the whole athletic policy at SDHS to make sure everything is done correctly. I am having to change the way of thinking here and while this may upset some coach's this is how it has to be. That being said I want to make sure that I have correct information before I go to the coach's. In the past the coaches just ran tournaments and there wasn't a paper trail but I'm changing that procedure and holding people accountable for our facility.

This would be done in lieu of going through the SDUSD rentals facility

Here is my example

Example (could be football, soccer, baseball etc. but I'll use basketball):

My basketball coach wants to have a fundraiser for his SDHS Boys Basketball program and has a group come in and have a tournament in our gym with him as the sponsor. He does a facility request with Rosi and receives approval. He does a fundraising request with ASB and receives approval. He is present at the event and all money (from concessions, team entry fee's and door entry, etc..) is deposited into his SDHS ASB Boy's Basketball acct. He pays for custodial, awards, officials and any other expenses out of the ASB account (not his athletic budget).

It is my understanding that this would be the legal and correct procedure but I wanted to get your input on it. I also want to make sure that I'm ok not charging some groups and charging others. For example either Stan or I will be the sponsor of the Saturday basketball group that you have always had and obviously we wouldn't charge you guys as we are sponsoring and participating in it (I actually want to start to make it down on Saturdays and get some run in with you guy's in the next few weeks). However, we do want to charge outside groups and use it as a fundraiser for our sports programs, are we ok doing this? I just thought I ask your opinion.

I have already contacted Virginia Lee from district rentals and lines in auditing to cover the ASB financial side, but I wanted your input on any legal issues that I may not have addressed.

Scott Giusti  
LEADS Principal  
San Diego High Educational Complex  
1405 Park Blvd. San Diego, CA 92101  
(619) 525-7455 ext. 2100



**Giusti Scott**

---

**From:** Regas Dan  
**Sent:** Thursday, October 13, 2011 1:18 PM  
**To:** Beaver Debra  
**Cc:** Giusti Scott; Susalla Rosi; Blevins Gary; rturnier4@san.fr.com; Regas Dan  
**Subject:** RE Mira Mesa field use

**Debbie:** I hope this gives some clarification.

**Gym:**

1. **SD SOL Basketball:** partnership no information still- Have not requested gym yet
2. **Girls Youth Basketball League:** free if this is not a school sponsored team they require a permit. Waiting to get freshman schedule for any weekend games
3. **Boys Youth League Basketball:** free if this is not a school sponsored team they require a permit. Waiting to get freshman schedule for any weekend games
4. **MMHS Cheer Camp:** free
5. **MMHS Fall Guys Wrestling:** free This is not a school sponsored team they require a permit. This is a school club program. Season has not started.

**Stadium:**

1. **Youth Football:** free we have a permit that I will change. **THANK YOU**
2. **Women's Pro Football:** charge whatever you want no information still. Not sure if they will field a league this year
3. **Youth Track Club:** free if this is not a school sponsored team they require a permit. This is youth club that uses the track to promote the sport. Our head coaches and team members assist the work outs
4. **Various Soccer Tournaments:** TBD- depends on the tournament and the group (would be submitted and discussed with you) no information still. Will get you info asap
5. **Lacrosse Tournament:** TBD- depends on the tournament and the group (would be submitted and discussed with you) no information still. Season begins in the spring. No contact yet
6. **MMHS Football Q-Basic Camps:** free. Runs in the spring with our students
7. **VAVI- Soccer/ Kick Ball Leagues and Tournaments:** partnership we have a permit
8. **MMHS Band Tournaments:** free.

**Upper Field:**

1. **Youth Softball:** free if this is not a school sponsored team they require a permit. This is youth club that uses the field to promote the sport. Our head coaches and team members assist the work outs and game
2. **Various Soccer Tournaments:** TBD- depends on the tournament and the group (would be submitted and discussed with you) Will get you info asap
3. **Youth Football:** free if this is not a school sponsored team they require a permit. Same as youth football above. Sometimes they request the upper field for little kids flag football games
4. **Youth Lacrosse:** free if this is not a school sponsored team they require a permit. This is youth club that uses the field to promote the sport. Our head coaches and team members assist the work outs and games

**Dirt Lot:**

1. **Pumpkin Patch/ Christmas Tree:** this event goes through district rentals no request as of yet. We will check with this group NOW!!
2. **Carnivals:** this event goes through district rentals no request as of yet. No dates yet

**Danny Regas**  
Athletic Director  
Physical Education Teacher  
cell-619.987.7025

**GO BIG BLUE!!!**

---

**From:** Beaver Debora  
**Sent:** Thursday, October 13, 2011 10:46 AM  
**To:** Regas Dan  
**Cc:** Giusti Scott; Susalla Rosi; Blevins Gary; rturner4@san.rn.com  
**Subject:** RE: Mira Mesa field use

Dan,

While Scott listed many groups as free I had asked to have requests for every outside group to issue permits and never received them. There is no way for me to tell what a free user group is and what is not without getting the information. Even free user groups might incur fees if it's on the weekends or holidays although the fees are just to pay custodial and supplies. If you have already collected money for this group then I could just issue them a permit with no charges for supplies or custodial but please alert them of the costs for next year.

I have made comments on the list you referenced in red so please respond back on the status of these groups use.

Thank you,

Debora Beaver  
Property Management Specialist  
San Diego Unified School District  
P-619-725-7262  
F-619-725-7382

**From:** Regas Dan  
**Sent:** Thursday, October 13, 2011 9:14 AM  
**To:** Beaver Debora  
**Cc:** Giusti Scott; Susalla Rosi; Blevins Gary; rturner4@san.rn.com  
**Subject:** RE: Mira Mesa field use

Debbie:

According to our meetings in June- I thought we all agreed on the list below on how we would deal with the groups that use our facilities. As you can see, Youth Football was listed as free because they are a feeder program- with our coaches and athletes assisting them in running their games.

Friday, June 10, 2011 8:59 AM

Debora,

Most people would probably think I'm insane but I'm confident after our meeting that we're all truly interested in working together. It's more about making sure we're all calendared and on board. So with that in mind, I asked Danny (athletic director) to produce a list of anyone who uses our facilities. This is what he came up with so I want to be upfront with you as well, letting you know my preference and how I believe our meeting led these groups to be categorized. I understand Danny needs to get the template filled out for VAVI and SD Sol to become partners. (Danny, I've attached the template.)

Can you please let me know if you had a different understanding as it pertains to the groups below? Thanks.

Scott Giusti  
Principal

**Gym:**

1. **SD SOL Basketball:** partnership no information still
2. **Girls Youth Basketball League:** free if this is not a school sponsored team they require a permit
3. **Boys Youth League Basketball:** free if this is not a school sponsored team they require a permit
4. **MMHS Cheer Camp:** free
5. **MMHS Fall Guys Wrestling:** free This is not a school sponsored team they require a permit

**Stadium:**

1. **Youth Football:** free we have a permit that I will change
2. **Women's Pro Football:** charge whatever you want no information still
3. **Youth Track Club:** free if this is not a school sponsored team they require a permit
4. **Various Soccer Tournaments:** TBD- depends on the tournament and the group (would be submitted and discussed with you) no information still
5. **Lacrosse Tournament:** TBD- depends on the tournament and the group (would be submitted and discussed with you) no information still
6. **MMHS Football Q-Basic Camps:** free
7. **VAVI- Soccer/ Kick Ball Leagues and Tournaments:** partnership we have a permit
8. **MMHS Band Tournaments:** free

**Upper Field:**

1. **Youth Softball:** free if this is not a school sponsored team they require a permit
2. **Various Soccer Tournaments:** TBD- depends on the tournament and the group (would be submitted and discussed with you)
3. **Youth Football:** free if this is not a school sponsored team they require a permit
4. **Youth Lacrosse:** free if this is not a school sponsored team they require a permit

**Dirt Lot:**

1. **Pumpkin Patch/ Christmas Tree:** this event goes through district rentals no request as of yet
2. **Carnivals:** this event goes through district rentals no request as of yet

*Danny Regus*  
Athletic Director  
Physical Education Teacher  
cell- 619.987.7025

**GO BIG BLUE!!!**

---

**From:** Beaver Debora  
**Sent:** Wednesday, October 12, 2011 3:25 PM  
**To:** Regas Dan  
**Cc:** Giusti Scott; Susalla Rosi; Blevins Gary  
**Subject:** Re: Mira Mesa field use

As you know Dan that's not the way it works. I responded back to Rossi that there would be charges for custodial and supplies and to let me know if prior arrangements had been made but received no response. This is the minimum charged to youth sports teams just the custodial overtime and bathroom supplies.

Debbie Beaver



**San Diego Unified**  
SCHOOL DISTRICT

40

**Debora Beaver**  
Property Management Specialist  
Real Estate Department  
Office of the Deputy Superintendent, Business  
TEL: (619) 725-7262  
FAX: (619) 574-1487  
[dbeaver@sandi.net](mailto:dbeaver@sandi.net)

November 27, 2012

Dear Mr. Kowba,

It is my pleasure to send this letter to confirm that the Principal and Athletic Director of Mira Mesa High School have been compliant and cooperative with the Civic Center procedure since our site meeting in October of 2011. We spent many hours coming to a full understanding of the process which was unclear to many.

The results of this meeting have been significant, not only has there been an increase (50%) in community use but an increase in revenue (60%) for the site and the district.

We continue working together as a team, helping all the various organizations understand and follow the guidelines for facility use.

Please feel free to contact me if I can be of any assistance.

Sincerely,

A handwritten signature in cursive script that reads "Debora Beaver".

Debora Beaver  
Property Management Specialist

c: Scott Giusti  
Dan Regas



MIRA MESA HIGH SCHOOL

10510 Reagan Road • San Diego, CA • 92126

http://sandi.net/miramesa

faxed 2/8/11 @ 10:30 am

PHONE (858) 566-2267  
FAX (858) 549-95

4D

FAX

Date: 2/8/11  
Number of pages including fax cover sheet 2








To: Jaime Buensuceso  
Phone \_\_\_\_\_  
Fax Number (619)725-5699  
CC: \_\_\_\_\_


From: Anna Day  
Senior High Financial Clerk  
Mira Mesa High School  
Phone (858) 566-2262 ext. 2231  
Fax Number \_\_\_\_\_

REMARKS:

Urgent     For review     Reply ASAP     Please comment

Donation Letter from Barona for Pacquiao Event

 Reply  Reply to all  Forward |   X |  Close |  Help

 You replied on 10/25/2010 7:35 PM.

This message was sent with high importance.

From: Dana Sass [DSass@barona.com]

Sent: Mon 10/25/2010 2:34 PM

To: Regas Dan; Fallon Matthew

Cc:

Subject: Donation to Athletic Dept.

Attachments:

[View As Web Page](#)

Good Afternoon,

My name is Dana Sass, the Community Relations Manager at Barona Resort & Casino. We were a major sponsor of the charity basketball game with Manny Pacquiao that was held at your school this past weekend.

That being said, Barona would like to make a \$5,000 contribution to the Mira Mesa High School Athletic Dept., however in order to process the paperwork through my Accounting Dept., I need a signed W-9 from the school and/or Athletic Dept. Does your school have a separate Foundation or tax id # for the Athletic Dept.? I would love to get this processed as soon as possible, so I was wondering if you could help me acquire the necessary document. Feel free to call me if you have any questions or concerns...see contact info below.

Thank you!

Dana

Dana Sass

Community Relations Manager

Barona Resort & Casino

44

faxed 2/8/11 @ 9:09 am



MIRA MESA HIGH SCHOOL

10510 Reagan Road • San Diego, CA • 92126

<http://sundl.net/miramesa>

PHONE (858) 566-2262  
FAX (858) 549-9541

FAX

Date: 2/8/11

Number of pages including fax cover sheet 2

To: Jaime Buensuceso

Phone

Fax Number (619)725-5699

CC:

From:

Anna Day  
Senior High Financial Clerk

Mira Mesa High School

Phone:

(858) 566-2262 ext. 2231

Fax Number

REMARKS:

Urgent  For review  Reply ASAP  Please comment

Donation Letter



**VAVI Sport and Social Club**  
**1940 Garnet Ave, San Diego CA 92109**

February 2nd, 2011

To whom it may concern,

This communication confirms that all past and future checks issued to Mira Mesa High School are donated to athletics for the purpose of the Athletic Director's discretion.

Sincerely,

Steve Stoloff  
CEO, VAVI Sport and Social Club



5. Part of the rent income from school facilities inappropriately deposited in the ASB was used to pay \$12,136.70 for extended day payments of the Athletic Director and the coaching assignment of his son.

Rental from facilities from October 2009 to October 2011, totaling \$58,272.09 that should have been remitted to the district were illegally deposited in account 2488 – Athletic Field Use.

From December 2009 to June 2011, the Athletic Director moved \$12,136.70 to the district to have the funds available for his pay in the amount of \$1,160.18 and that of his son in the amount of \$10,976.52.

From May 2010 to June 2012, the Athletic Director received a total of \$2,458.13, and from October 2009 to June 2012, the Athletic Director's son received a total of \$15,329.16 as "Field Manager" from the budget funded by football field rental income.

This action constituted a violation of district procedure in using the rental income, in transferring the amounts to the district to enable his pay and a violation of the district's Ethics Code.

The payments were for being "Field Managers." A conflict exists when these monies were illegally deposited and moved to an account under the discretion of the Athletic Director and then used to pay for extended-day pay units of the Athletic Director and his son.

#### Recommendation

We require an evaluation of this practice by the school site's administrative management to determine the propriety of these actions and the need for administrative action.

We require that the employee of the school district must not make decisions if there is a potential for the personal interests of the employee to conflict with his fiduciary duties.

ASB Response #5:

In 2011 after learning the site was not in line with district procedures we self-corrected.

The field managers would have been paid out of deposits made by VAVI per the approved fundraising practice we had in place (see Response #4 for approved practice MMHS was operating under).

- From 2009 up through the meeting with district rentals in October 2011, VAVI would cut a check to MMHS Athletics as part of a fundraiser.
  - The VAVI check would get deposited into account #2488-Athletic Field Use.
  - When VAVI first started, field managers were paid on consultant forms and then later we self-corrected and MMHS would abate the money to the District for payment to the Field Managers (who were paid on timecards using MMHS resource code of 00000). The self-correction was initiated after the Financial Clerk learned this was not the appropriate way to pay staff so she researched how to correctly make these payments.
- The audit only references the Athletic Director and his son, a district paraprofessional who works at MMHS. The auditor does not reference others who also work in the same capacity as field manager.
  - I do not believe you will see a discrepancy in the hourly wages if they were to be compared to other employees who worked in this same capacity over any of the years.
  - Numerous people were asked to work these events and many did not want to due to the night hours when the work occurred.
  - We considered using custodial staff already on site to perform these tasks but we did not want to interfere with their responsibilities to custodial duties nor give the appearance they were double dipping for pay since this was an athletic fundraiser.
  - It is my understanding that the Athletic Director substituted in as the Field Manager when the others could not make it.
  - There is an assumption in the audit that it was the Athletic Director who made decisions which could have potential personal interest to the employee. The A.D. would have received a directive to staff the Field Manager position and would have collaborated with administration on who the field managers were.
- After the October 2011 meeting with District Rentals (see ASB Response #4 for new practice MMHS put in place), the District Rentals office began to receive the VAVI money.
  - Since this time, MMHS has continued to pay the Field Managers up to the present using the resource code 05100 provided by District Rentals.
  - The A.D.'s son has continued to work as one of the Field Managers beyond October 2011, but is now paid through district rentals and no concerns have been expressed to me about any of our field managers.
- In regards to the district's rental to VAVI, the Athletic Director worked with administration to staff the Field Manager position in order to avoid what the auditor has perceived as personal interest for the employee. All funding goes through district rentals.
- The SSOS will be the liaison between district rentals for the field manager to eliminate any potential employee conflicts in regards to fiduciary duties.

**6. Rental for the Mira Mesa High School football field by So Cal Scorpions Women Football in the amount of \$8,000.00 in 2010 was deposited in the Marauder Football Booster Club account becoming a gift of public funds, thus a violation of CALIFORNIA CONSTITUTION ARTICLE 16.**

In 2010, So Cal Scorpions Women Football paid \$8,000.00 to the Marauder Football Booster Club as rental for the use of Mira Mesa High School football field. The \$8,000.00 was deposited in the Marauder Football Booster Club account instead of the district fund account.

Further inquiry revealed that the Football Head Coach and Athletic Director acting for the Marauder Football Booster Club entered into an agreement with the So Cal Scorpions Women Football to use the football field and pay rent in the amount of \$8,000.00. This contract was illegally signed by the football team Head Coach who had no authority to contract for the district nor have the rental income awarded to a non-district organization.

*District Administrative Procedure No. 9229, states: "Non-district organizations wishing to use district fields must submit a Rental Request Form for such use and receive an approved Civic Center Use Permit. Fees, if applicable, will be charged in accordance with the current board adopted Civic Center Rate Schedule for free use, direct cost recovery use, fair rental value use or commercial use."*

The principal, under his administration's giving of district monies to the Marauder Football Booster Club, was responsible for a gift of public funds being made and in this act violated the restriction existing in the California Constitution Article 16.

As a result, the District was not able to put to effective use the \$8,000.00 that should have been abated to the district budget.

The district rental office confirmed that this practice ceased as of October 2011 and MMHS is now compliant with district procedure.

**Recommendation**

These actions are a violation of managerial responsibility. Intervention against the staff members is needed and management of the involved staff is required to take action appropriate to the audit findings in accordance with performance evaluation.

We require that the Marauder Football Booster Club reimburse \$8,000.00 to the district for football field rental deposited in their account.

ASB Response #6:

- As noted by the auditor, this payment was in 2010 and it wasn't until October 2011 that practices changed (see response to ASB Finding #4 for new practice put in place with district rentals).
- According to the approved fundraising practice in place (reviewed in ASB Response #4), this would have been done via ASB fundraising procedures and this is no different than if a class PBO does a fundraiser on the facility and has the funds go directly to the PBO.
- I have no knowledge of a contract signed by the football head coach.

Operating under the procedures stated in ASB Response #4, I believe correct procedures were being followed. Since the October 2011 meeting with the District Property Management Specialist, to my knowledge I have not approved anything that hasn't gone through the district rentals office. I have been adamant with all groups that they go through district rentals including the PTSA and Foundation who are charged by the district to hold their monthly meetings in our main office.

Based on the information in ASB Response #4, I don't believe the Marauder Football Booster Club needs to reimburse \$8,000 to the district. If the district does require reimbursement, I would request that the funds be reimbursed to the Account #2411 (ASB Football club account) since this was done prior to October 2011 and would have been an approved football fundraiser.

7. Rental for the Mira Mesa High School football field by San Diego Surge in the amount of \$14,000.00 in 2011 was deposited in the Marauder Football Booster Club account becoming a gift of public funds, thus a violation of CALIFORNIA CONSTITUTION ARTICLE 16.

In 2011, San Diego Surge paid \$14,000.00 to Marauder Football Booster Club as rental for the use of the Mira Mesa High School football field. The \$14,000.00 was deposited in the Marauder Football Booster Club account instead of the district fund account.

On an 8/8/12, contact with the San Diego Surge's owner, the owner stated no formal agreement was completed and that the Head Coach of Mira Mesa High School football team verbally approved their use of the Mira Mesa High School football field and in return they paid \$14,000.00 to the Marauder Football Booster Club.

On 10/16/12, the Head Coach and the Athletic Director confirmed that they and the principal in the site governance approval process, approved the San Diego Surge use of the football field.

The school administration and staff had no authority to rent the property of the school district to non-district organizations and have the rental income awarded to a non-district organization.

*District Administrative Procedure No. 9229, states "Non-district organizations wishing to use district fields must submit a Rental Request Form for such use and receive an approved Civic Center Use Permit. Fees, if applicable, will be charged in accordance with the current board/adapted Civic Center Rate Schedule for free use, direct cost recovery use, fair rental value use or commercial use."*

The principal, under his administration's giving of district monies to the Marauder Football Booster Club, was responsible for a gift of public funds being made and in this act violated the restriction existing in the California Constitution Article 16.

As a result, the District was not able to put to effective use the \$14,000.00 that should have been abated to the district budget.

The district rental office confirmed that this practice ceased as of October 2011 and MMHS is now compliant with district procedure.

#### Recommendation

These actions are a violation of managerial responsibility. Intervention against staff members is needed and management of the involved staff is required to take action appropriate to the audit findings in accordance with performance evaluation.

We require that the Marauder Football Booster Club reimburse \$14,000.00 to the district for football field rental monies deposited in their account.

ASB Response #7:

- I believe you will find that the deposit in question by San Diego Surge for \$14,000 was made prior to October 2011. (This could be confirmed in the PBO accounting books which the district auditors have.)
- Auditor makes a statement that on 10/16/12 the Head Coach and Athletic Director confirmed that they and the principal approved the San Diego Surge use of the football field.
  - I have never had a meeting with the head coach or A.D. in regards to San Diego Surge.
  - The auditor never spoke to me about this alleged approval.
  - I believe the context of this statement leads someone to believe that there was some outside meeting where a discussion and approval for San Diego Surge took place.
  - The approval process the auditor speaks of is the same process followed for all fundraisers, activities, and events on our campus in order to calendar our facilities to avoid double-booking.
- Auditor makes a statement that the school administration and staff had no authority to rent the property of the school district...
  - For clarity, the school administration did not rent the property of the school district and have income awarded to the Marauder Football Booster Club.
  - According to the approved fundraising practice in place (reviewed in my response to Finalized ASB Response #4) this would have been done via ASB fundraising procedures and this is no different than if a class PBO does a fundraiser on the facility and has the funds go directly to the PBO.

Operating under the procedures stated in ASB Response #4, I believe correct procedures were being followed. Since the October 2011 meeting with the District Property Management Specialist, to my knowledge I have not approved anything that has not gone through the district rentals office. I have been adamant with all groups that they go through district rentals including the PTSA and Foundation who are charged by the district to hold their monthly meetings in our main office.

Based on the information in ASB Response #4, I don't believe the Marauder Football Booster Club needs to reimburse \$14,000 to the district. If the district does require reimbursement, I would request that the funds be reimbursed to the Account #2411 (ASB Football club account) since this was done prior to October 2011 and would have been an approved football fundraiser.

8. Rental for the Mira Mesa High School football field and the school lot by non-district organizations totaling \$18,000.00 was deposited to the Marauder Football Booster Club account becoming a gift of public funds, thus a violation of CALIFORNIA CONSTITUTION ARTICLE 16.

In August 2011, we noted that the Principal, Head Football Coach and Athletic Director allowed three (3) non-district organizations that made payments totaling \$18,000.00 to the Marauder Football Booster Club the use school properties, as follows.

| <u>Non-district organization</u> | <u>School Property</u> | <u>Amount</u>      |
|----------------------------------|------------------------|--------------------|
| a. Youth Football                | Football field         | \$10,000.00        |
| b. Seasonal Adventures, Inc.     | School lot             | 5,000.00           |
| c. State Farm                    | Football field         | 3,000.00           |
| Total                            |                        | <u>\$18,000.00</u> |

*District Administrative Procedure No. 9229, states "Non-district organizations wishing to use district fields must submit a Rental Request Form for such use and receive an approved Civic Center Use Permit. Fees, if applicable, will be charged in accordance with the current board adapted Civic Center Rate Schedule for free use, direct cost recovery use, fair rental value use or commercial use."*

The principal, under his administration's giving of district monies to the Marauder Football Booster Club, was responsible for a gift of public funds being made and in this act violated the restriction existing in the California Constitution Article 16.

As a result, the District was not able to put to effective use the \$18,000.00 that should have been abated to the district budget.

The district rental office confirmed that this practice ceased as of October 2011 and MMHS is now compliant with district procedure.

#### Recommendation

These actions are a violation of managerial responsibility. Intervention against the staff members is needed and management of the involved staff is required to take action appropriate to the audit findings in accordance with performance evaluation.

We require that the Marauder Football Booster Club reimburse \$18,000.00 to the district for football field rental deposited in their account.

**ASB Response #8:**

**In 2011 after learning the site was not in line with district procedures we self-corrected.**

- Based on the procedures put in place in October 2011 with district rentals, we have been running all facility requests through the district rentals office.
  - The email communication with the District Property Management Specialist (attachment 4B in ASB Response #4) specifically outlines who uses the facility and what fees were agreed upon depending on the group requesting use of the facilities.
  - To my knowledge, this is the exact agreement we have followed up to the present time.
  - We were given approval by the District Property Management Specialist in the district rentals office to see if we could solicit additional donations from groups once the proper paperwork and district permits had been submitted and approved.
- From October 2011 on, I am unaware of any event outlined in the email which hasn't gone through district rentals (attachment 4B in ASB Response #4).

I disagree with item "c" being included as this was not even a rental.

Based on the information in ASB Response #4, I don't believe the Marauder Football Booster Club needs to reimburse \$18,000 to the district. If the district does require reimbursement, I would request that the funds be reimbursed to the Account #2411 (ASB Football club account) since this was done prior to October 2011 and would have been an approved football fundraiser.



**9. The Marauder Football Booster Club paid four football coaches for coaching services without the approval of the Board of Education.**

The Marauder Football Booster Club directly paid four football coaches for coaching services without the approval of the school board in violation of the California Interscholastic Federation (CIF) rules that prohibit payment of coaching services by outside organization other than the school district without the approval of the Board of Education.

*CIF bylaws states,*

*"A coach shall not be reimbursed for coaching services from any source other than the school funds without the approval of the school's governing board, nor be subject to any bonus arrangement dependent upon the success of the school's team."*

*"Any team, coached by any person receiving any part of the salary for coaching from other than the school funds without the approval of the school's board, is ineligible."*

#### **Recommendation**

We recommend that the school administration comply with district and CIF requirements that mandate the Marauder Football Booster Club and other booster clubs obtain prior approval of the Board of Education for coaches' salaries directly paid by the booster club.

We require that administration have the Director of PE, Health Education and Interscholastic Athletics report this finding to the CIF.

ASB Response #9:

- I would assume this finding would be part of a Parent Booster Organization (PBO) audit.
- I was not aware that Booster clubs could not pay for coaches without approval from the Board of Education.
- I will make sure our Athletic Director addresses this at our mandatory coaches meeting held each fall.
- We will alert the Director of P.E., Health Education and Interscholastic Athletics so he can report findings to CIF.

In monitoring this going forward, I am unclear on how I would be aware if an outside organization is paying a coach. I do not have access to PBO records and need clarity in regards to my legal scope of authority as a school principal if I am now being told I need to oversee PBO accounts.

10. The payment of coach's salary by the Marauder Football Booster Club (Finding #9) resulted in the duplicate payment of coaching services to two football coaches.

On 12/20/10, a football coach (certificated) submitted a claim to the Marauder Football Booster Club in the amount of \$2,400.00 for coaching services during the 2010 Football Season, already paid by the district on 11/1/10 in the amount of \$3,628.20 equivalent to four (4) extended day units.

A football coach (walk on coach) was paid twice for coaching services during 2011 Football Season. The first payment was made by the Marauder Football Booster Club in the amount of \$590.00 on 9/2/11, and the second payment was paid by the district on 12/1/11 in the amount of \$526.09 equivalent to (0.58) extended day units.

*District Administrative Procedure No. 7035, section C.2.a. states, "Employee shall not engage in any outside employment, activity, or enterprise for compensation which is inconsistent, incompatible or in conflict with his/her duties with the school district. For example:*

*(1) Use of school district time, facilities, equipment, supplies, prestige or influence in a manner clearly for private gain or advantage.*

*(2) Receipt or acceptance of money or other consideration from other than the district for an activity which employee is expected to render in the regular course or hours of his/her employment with the district.*

*District Administrative Procedure no. 9325, section C.3.b.(2) states, "District employees will not be employed by a nonprofit organization, foundation, or booster club without prior approval from the district's Human Resource Services Division."*

### Recommendation

We require that administration take action according to Article 34 of the Collective Negotiations Contract relative to the employee's receipt of money from other than the district for an activity which is expected to be rendered in the regular course or hours of their employment with the district.

We recommend that the principal require the timekeeper to make the corrections submitting a Time Error Correction Notice to Payroll to recover the double payment.

ASB Response #10:

*Note: This finding is addressed as Finding #2 & Finding #3 in the Time & Labor audit. I am not clear why it is also included in the ASB audit since it is a Time & Labor issue.*

On November 12, 2012 regarding this Finding, I was presented with additional information regarding the auditors stated findings.

Regarding a certificated football coach receiving additional pay (attachment 10A):

- A memo from the Head Coach stating that his certificated coach received additional pay from the parent boosters because this coach had taken on additional responsibilities. The stipend from the boosters was for his assuming the additional coaching responsibilities due to the termination of the offensive coordinator, as well as for coordinating scholarships for players throughout the school year.
- A copy of the invoice for coaching pay for the 2010 football season
- A copy of the extended day unit pay authorization for the certificated coach
- Based on this explanation, I do not believe there was a double payment although I now understand from Finding #9 that there was a specific procedure the boosters should have followed to make this payment.
- Since double payment was not made, there should be no need for the time keeper to submit a Time Error Correction Notice to payroll.

Regarding the second football coach being paid twice (see attachment 10B):

- A memo from the Head Coach explaining that a walk-on coach had not been paid for the prior football season due to a lack of communication.
- The invoice from the Boosters states 2011 football season in the description but in actuality was for the 2010 football season for which the coach was never paid. As I looked at the invoice presented to me by the auditors, I noticed that the date of the invoice was dated 9/2/11 prior to school resuming. This leads me to believe the head coach's statement to me that the walk-on coach had indeed come up to the head coach and asked him if he should have been paid for the prior year since he hadn't received any financial compensation for services provided. The head coach informed me that he was under the impression the coach had been paid in 2010 so only took this action to correct that mistake.
  - I do not have the football boosters accounting books to be able to verify whether or not the walk-on coach was paid in 2010 so I would ask that the auditors verify this since they have access.
- If the walk-on coach was not paid in 2010, I do not believe the time keeper should need to submit a time error correction notice to payroll.
- Again, based on my new understanding in Finding #9, I know there were specific procedures the boosters should have followed to make this payment.

In monitoring this going forward, I am unclear on how I would be aware if an outside organization is paying a coach. I do not have access to PBO records and need clarity in regards to my legal scope of authority as a school principal if I am now being told I need to oversee PBO accounts.

10A



# MIRA MESA HIGH SCHOOL

10510 Reagan Road • San Diego, CA • 92126  
*A California Distinguished School*

PHONE (858) 566-2262  
FAX (858) 549-9541

November 12, 2012

To Whom It May Concern,

Check # 1909 from the Mira Mesa Football Booster was paid to Chris Blevins for \$2,400 for additional coaching services due to the termination of the offensive coach. Chris picked up his coaching duties during the actual football season and worked on all football scholarships until February, 2011.

A handwritten signature in cursive script, appearing to read 'Gary Blevins', is written in black ink.

Gary Blevins: MMHS Head Football Coach

756656

**Invoice**

SOLD TO

Shels Blevins

SHIP TO

ADDRESS

ADDRESS

CITY, STATE, ZIP

CUSTOMER ORDER NO.

SOLD BY

CITY, STATE, ZIP

TERMS

FO.I.E.

DATE

12/29/10

ORDERED

SHIPPED

DESCRIPTION

PRICE

UNIT

AMOUNT

1989

12/20/10

Comcast Gary  
8-1-10 - 12-20-10 5 mos

2400.00

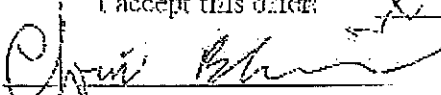


Mira Mesa High School  
2010-2011 Extended Day Units

DATE: 2010-2011  
 TO: CARL BLEWINS  
 FROM: Dan Regas  
 RE: EXTENDED DAY UNITS

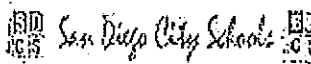
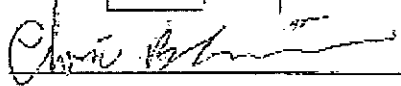
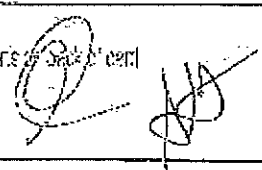
You have been assigned the following Extended Day Units:

| Assignment            | # of Units | Amount |
|-----------------------|------------|--------|
| <u>FOOTBALL COACH</u> | <u>4</u>   |        |

I accept this offer:   
  
 Signature

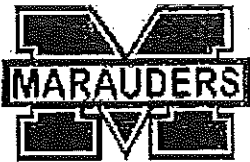
I decline this offer:   
 Date 10-28-10

Fill out timecard below. Thanks.

|   |   |   |
|---|---|---|
|    | C3  | Certified Extended Day Pay<br>Authorization |
| First ID: <u>133390</u>   | Name (Last, First): <u>BLEWINS, CARL</u>  | Location ID: <u>0349</u>                    |
| Extended Day Pay<br>FROM DATE: <u>8/19/10</u><br>TO DATE: <u>11/17/10</u><br># of Units: <u>4</u>   | Account Code: <u>0349 00021 or 06020 00 1157 26 02 01 0000</u><br>Describe Extended Day Assignment:<br><div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 5px auto;">                     FOOTBALL COACH                 </div> |   |
| Last Year Signature:<br>   | TIMEKEEPER See line regarding instructions of State Dept<br>  |   |
| AUTHORIZED SIGNATURE<br>CERTIFY THIS WAS APPROVED IN ADVANCE BY ACCRUITMENT UNIT FROM 0001 2002 - 700 AND IS AN ACCURATE STATEMENT OF SERVICES RENDERED BY THE EMPLOYEE |   |   |

Payroll # 3

10B



## MIRA MESA HIGH SCHOOL

10510 Reagan Road • San Diego, CA • 92126

PHONE (858) 566-2262

FAX (858) 549-9541

*A California Distinguished School*

November 12, 2011

To Whom It May Concern,

Coch Parrington was paid .58 of an athletic unit of pay for coaching services from 8/9/11-11/18/11. He was also issued a check from the MM Football Boosters for \$590 on 9/2/11 for the 2010 season. He was not paid during the 2010 season because of a lack of communication.

A handwritten signature in cursive script, appearing to read 'Gary Blevins'.

Gary Blevins: MM Head Football Coach



Mira Mesa High School  
 2011-2012 Extended Day Units.

DATE: 2011-2012  
 TO: ROBY PARRINGTON  
 FROM: Dan Regas  
 RE: EXTENDED DAY UNITS

722  
 597.89

You have been assigned the following Extended Day Units:

| Assignment     | # of Units | Amount \$600 |
|----------------|------------|--------------|
| FOOTBALL COACH |            | 634.93       |

I accept this offer: ✓ I decline this offer: \_\_\_\_\_  
 Signature: Roby Parrington Date: 11/18/11

Fill out timescard below. Thanks.

|                                   |                 |   |  |   |             |
|-----------------------------------|-----------------|---|--|---|-------------|
| San Diego City Schools            |                 | C3  |  | Certificated Extended Day Pay Authorization |             |
| EMPL ID:                          | <u>151972</u>   | Name (Last, First):   | <u>PARRINGTON, ROBY</u>                          | Location No:                                | <u>0349</u> |
| Extended Day Pay                  | REMARKS:        | Account Code:   | <u>0349 03021 or 00020 00 1157 26 02 01 0000</u> |   |             |
|                                   | <u>8/9/11</u>   | Describe Extended Day Assignment:   |  |   |             |
| DATE:                             | <u>11/18/11</u> | <u>FOOTBALL COACH</u>   |  |   |             |
| # of Units:                       | <u>7.5</u>      | TIME REPORT: See time reporting instructions on back of card.   |  |   |             |
| Signature: <u>Roby Parrington</u> |                 | Signature: <u>P</u> ✓   |  |   |             |
| EMPLOYEE INFORMATION              |                 | AUTHORIZED SIGNATURE<br>IF EMPLOYEE HAS APPROVED AS APPLICABLE, THIS AUTHORIZATION VALID FOR THE YEAR 12/01/11 &<br>ALL OTHERS ARE SUBJECT TO THE POLICY ON THE BACK OF THIS CARD |  |   |             |

53

Parrington

Notice

ST. PETERSBURG  
FLORIDA

|  |  |                  |
|--|--|------------------|
| SOLD TO<br><b>Bobby Partridge</b>        |  | ST. P.T.D.       |
| ADDRESS<br><del>XXXXXXXXXX</del>         |  | CITY             |
| APT. STATE, ZIP<br><del>XXXXXXXXXX</del> |  | CITY, STATE, ZIP |

|                        |          |       |     |     |
|------------------------|----------|-------|-----|-----|
| ARTICLES OR SERIAL NO. | QUANTITY | TERMS | FOR | ONE |
|------------------------|----------|-------|-----|-----|

| ORDERED | SHIPPED | DESCRIPTION                | PRICE | TAX | AMOUNT |
|---------|---------|----------------------------|-------|-----|--------|
|         |         | Coaching Doll Football     |       |     |        |
|         |         | Season 30w. Variety Releas |       |     | 590.00 |
|         |         | <del>XXXXXXXXXX</del>      |       |     |        |
|         |         | <del>XXXXXXXXXX</del>      |       |     |        |
|         |         | <del>XXXXXXXXXX</del>      |       |     |        |
|         |         | <del>XXXXXXXXXX</del>      |       |     |        |
|         |         | <del>XXXXXXXXXX</del>      |       |     |        |
|         |         | <del>XXXXXXXXXX</del>      |       |     |        |
|         |         | <del>XXXXXXXXXX</del>      |       |     |        |
|         |         | <del>XXXXXXXXXX</del>      |       |     |        |

11/19/54

92800 50

2  
repack 11 1

11. Salaries of two employees were paid directly to the employees instead of processing the payments through Time and Labor.

An employee hired as "Athletic Field Manager" was classified as a consultant from September 2009 to September 2010 and was paid totaling \$5,285.00 directly by the ASB instead of processing the payments through Time and Labor.

In October 2011, a district employee performed CPR training for football coaches. The employee was paid \$350.00 directly by the ASB instead of processing the payment through the district's payroll system.

These payments were made in violation of district procedure 1550 Professional Consultants, Resource Persons, and Student Service Providers

#### Recommendation

We require the site administration complete an Assignment Authorization for any individual hired for a job under the control and supervision of the school administration. The individual is classified as a district employee and is paid through the district's payroll.

ASB Response #11:

**In 2011 after learning the site was not in line with district procedures we self-corrected.**

The site will complete an Assignment Authorization for any district employee hired for a job under the control and supervision of the school administration. The district employee will then be paid through the district's payroll.

**12. Graduation tickets sales totaling \$20,785.00 were misappropriated from the student body and deposited in the principal's discretionary account "Account no. 2319 – Campus Support" instead of the ASB general fund.**

The school provided four (4) free graduation tickets to the students and sold extra tickets for friends and relatives. The extra graduation tickets sold to friends and relatives from school years 2008/2009, 2009/2010, and 2010/2011 totaling \$20,785.00 were deposited to "Account no. 2319 – Campus Support", a discretionary account of the principal instead of the ASB general fund.

As a result, the principal was able to use the student body funds without the approval of the student body representative and ASB advisor and was also able to use the student body funds to pay for expenses which were not the responsibility of the students.

According to School Business Administration Publication no. 3 published by California State Department of Education, "*A good fiscal policy states that profits made by activities which are supported by the general student body must be considered general student activity revenue and may not later be diverted to the accounts of special groups.*"

#### **Recommendation**

These actions are a violation of managerial responsibility. Intervention against the staff members is needed and management of the involved staff is required to take action appropriate to the audit findings in accordance with performance evaluation.

We require that administration deposit income from graduation ticket sales that are supported by the general student body to the ASB general fund. The amount of \$20,785.00 is owed to the student body ASB General Fund, and reimbursement is necessary from the principal's discretionary account.

ASB Response #12:

- Funds that were deposited from graduation were used for the student body.
- From 2009-2011, money was deposited into Campus Support from the sale of graduation tickets:
  - As stated in ASB Response #1, monies were utilized for school-wide improvements and programs for the student body.
- In 2012, I was told by the financial clerk that funds from the sale of graduation tickets should not get deposited into Campus Support but rather into ASB account for Graduation Activities thus that is where these funds were deposited on June 14, 2012.
  - The only reason the move was made from Campus Support to Graduation Activities is because the Financial Clerk was given this recommendation from the Auditor's Office.
- There is an obvious disconnect or lack of training since when it was brought to my attention that the funds were going into the wrong account, we self-corrected. However, I am now being told by the Auditor's Office that the funds should have gone into the ASB General Fund. I need confirmation if this is the appropriate account for these funds to be deposited to going forward. I again need to point to a lack of training and even calibration in the messages the site is receiving from the Auditor's Office.

The auditor makes reference to the School Business Administration Publication No. 3 published by the California State Department of Education. The policy states that profits made from activities that are supported by the general student body must be considered general student activity revenue.

- Graduation is open to the public and ticket sales are not generated by the general student body. The auditor's finding even states that extra tickets were sold to friends and relatives.
- I would like to make mention that School Business Administration Publication No.3 is not part of my normal reading thus when exactly would I have come across this policy or had a training regarding its contents?

The funds generated from the sale of graduation tickets are in ASB accounts. I believe based on my response that no money is due to the ASB student body general fund. However, with proper training on School Business Administration Publication No. 3 as published by the California Department of Education, and clarification on what is considered an activity supported by the general student body, I will adhere to this policy if it does indeed apply to the sale of graduation tickets.

13. The basketball coach and the cross country coach, in violation of district procedure, inappropriately used the Basketball Boys Club account and Cross Country Club account in the amount of \$2,805.11 and \$253.26, respectively for personal gain.

The basketball coach attended coach's clinics in Las Vegas, Orlando, and Indianapolis and charged the cost of registration fee and hotel accommodations to the Basketball Boys Club account totaling \$2,805.11, as follows.

| Date Paid | Location              | Description                                  | Amount   |
|-----------|-----------------------|--|----------|
| 4-6-10    | Pittsburg, Pa         | Registration fee (4-2-10 to 4-11-10)         | 120.00   |
| 4-15-10   | Pittsburg, Pa         | Hotel (4-2-10 - 4-10-10)                     | 323.32   |
| 4-13-10   | Las Vegas, Nevada     | Registration fee (4-30-10 - 5-2-10)          | 120.00   |
| 5-4-10    | Las Vegas, Nevada     | Hotel (4-29-10 - 5-2-10)                     | 100.00   |
| 9-9-10    | Orlando, Florida      | Registration fee                             | 120.00   |
| 10-5-10   | Orlando, Florida      | Hotel (9-30-10 - 10-3-10)                    | 797.40   |
| 1-25-11   | Las Vegas, Nevada     | Registration fee and airfare (5-5-11-5-8-11) | 325.40   |
| 5-11-11   | Las Vegas, Nevada     | Hotel (5-5-11 - 5-8-11)                      | 239.00   |
| 11-8-11   | University of Arizona | Hotel (11-4-11 - 11-5-11)                    | 75.49    |
| 1-13-12   | Las Vegas, Nevada     | Registration fee                             | 125.00   |
| 1-13-12   | Las Vegas, Nevada     | Airfare to Las Vegas (5-10-12 - 5-13-12)     | 209.60   |
| 4-27-12   | Indianapolis, Indiana | Coaching U Line (7-10-12 - 7-11-12)          | 230.00   |
|           |                       | Total  | 2,805.11 |

The cross country coach attended coach's clinic in Irvine, California and charged the cost of hotel accommodations to Cross Country Club account totaling \$253.26.

*District procedure no. 2225, section C.6.e. states, "Expenditures for faculty. Faculty funds may be accepted as earmarked funds, such as faculty social fund, but expenditures must be limited to amount deposited by the faculty. Under no conditions shall student body money be expended for the benefit of faculty."*

#### Recommendation

We require the basketball coach reimburse the ASB the cost of registration fees, hotel accommodations, and air fare totaling \$2,805.11 that he spent in attending coach's clinics.

We require the cross country coach reimburse the ASB the cost of hotel accommodations totaling \$253.26 that he spent in attending coach's clinic.

ASB Response #13:

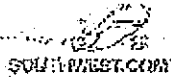
I presented the auditor's findings to the coaches in question and was presented with the following responses from the coaches.

- Basketball Coach (see attachment 13A):
  - In presenting the staff member with District Procedure 2225, the coach disagreed with the interpretation and said that becoming a better coach is a benefit to the students, not to him.
  - The coach would like to confer with SDEA.
  - The coach will make restitution if necessary.
- Cross Country Coach (see attachment 13B):
  - The students did approve this expenditure in their cross country. The coach is looking for the minutes to share a copy.
  - The coach disagrees this is for his benefit and stated that going to the clinic improves techniques which are brought back for the benefit of student athletes.
  - The coach will make restitution if necessary.
- Additional Points to Note:
  - This again goes to my concerns that there has been a lack of training. The basketball coach also wants it noted that there were conversations with the financial clerk about submitting the reimbursements (which had been ongoing for multiple years).
    - If you look at the information provided in the audit Finding, you will notice that the financial clerk reimbursed coaches for registrations, hotels and air fare.
    - If you note the last entry on 4/27/12, there is only a reimbursement for registration. When I asked the coach why, I was informed that when the financial clerk was asked if it was okay to submit for reimbursements, the financial clerk said the coach could not be reimbursed for hotel or airfare and therefore only reimbursed the coach for registration.
    - Since the financial clerk reimbursed the coach for registration, the financial clerk obviously is still under the belief that it is an allowable expense.
      - I'm assuming that by the financial clerk making reimbursements such as this (especially after the basketball coach asked if it was appropriate) that the financial clerk was acting under the knowledge and belief that it was permissible which is why only the airfare and hotel on 4/27/12 were denied reimbursement to the coach (yet the registration fee was processed).
  - The financial clerk obviously learned sometime between January and April 2012 that airfare and hotels were not to be reimbursed, yet still believed registration was acceptable to reimburse and continued that practice.
  - Currently I am not certain that the financial clerk has been given the appropriate information about what the correct procedure actually is.
  - I request additional training and support from the district for the necessary parties.









Thank you for your purchase!

San Diego, CA - SAN to Las Vegas, NV - LAS

New Purchases in Trip

**AIR**  
 Confirmation # KXKOGA  
 San Diego, CA - SAN to Las Vegas, NV - LAS  
 Thursday, May 10, 2012 - Sunday, May 13, 2012

Air Total: \$209.60

Amount Paid  
 \$209.60

Trip Total  
 \$209.60

MAY  
 to Nike affiliate CV

New purchases added to your trip.

**AIR**  
 San Diego, CA - SAN to Las Vegas, NV - LAS  
 05/10/2012 - 05/13/2012  
 Confirmation # KXKOGA

Member Name(s)

PAUL TESSARO  
 5150 Little Italy Blvd, San Diego, CA 92161

Rapid Rewards #

0000000000000000

| DEPART | TIME    | FROM                | TO                  | FLIGHT | DATE                   | TRAVEL TIME        |
|--------|---------|---------------------|---------------------|--------|------------------------|--------------------|
| MAY    | 7:00 PM | San Diego, CA (SAN) | Las Vegas, NV (LAS) | #216   | Thursday, May 10, 2012 | 1 h 11 m (Nonstop) |
| MAY    | 1:45 PM | Las Vegas, NV (LAS) | San Diego, CA (SAN) | #271   | Sunday, May 13, 2012   | 2 h 25 m (Nonstop) |

| Passenger Type                                     | Fare  | Routing | Fare Type      | Base Fare | Govt. Taxes and Fees | Quantity | Total    |
|--|-------|---------|----------------|-----------|----------------------|----------|----------|
| Adult  | Basic | SAN-LAS | Wanna Get Away | \$149.00  | \$16.60              | 1        | \$165.60 |
| A-Child  | Basic | LAS-SAN | Wanna Get Away | \$125.00  | \$26.60              | 1        | \$151.60 |
| Please refer to our rules page with this purchase. |       |         |                | \$176.00  | \$23.72              | 2        | \$209.60 |

Air Total: \$209.60  
 4115  
 1/12/12

Member Name: PAUL TESSARO Billing Address: 5150 Little Italy Blvd San Diego, CA 92161

Form of Payment: Annual Applied \$209.60

Your Visa credit card ending in 3705 has been billed to your MySouthwest account.

TO BE MADE IN DUPLICATE,  
ORIGINAL - White  
DUPLICATE - Pink

SAN DIEGO UNIFIED SCHOOL DISTRICT  
STUDENT BODY REQUISITION

13B

Procedure No. 2437

Req. No. 561105

Mira Mesa  
School

Cross Country  
Student Organization

2442  
Account No.

1-24-12  
Date

| QUANTITY | UNIT | DESCRIPTION                           | COST PER UNIT                     | AMOUNT |
|----------|------|---------------------------------------|-----------------------------------|--------|
| (2)      |      | Cross Country<br>Team/Coaches Clinics | 126.63<br>clinic<br>fee<br>+perm. | 253.26 |
|          |      |                                       | Plus Sales Tax                    |        |
|          |      |                                       | TOTAL                             | 253.26 |

Signed: *[Signature]*  
By Person Making Requisition

INFORMATION FOR PURCHASE ORDER  
(To be completed by person making Requisition)

Reimburse:

Merchant: ERIC MILLER

Address: Paid with my personal

Delivery Instructions: Credit Card.

Record of Approval

Authorized Student Officer of Organization: *[Signature]*

Faculty Sponsor of Organization: *[Signature]*

Financial Clerk: *[Signature]*

Principal: *[Signature]*

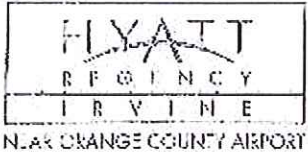
RECORD OF PAYMENT  
(To be completed by Financial Clerk)

Date Paid: 1/24/12

Check Number: 9178

Amount: \$253.26

ORIGINAL MUST BE IN FINANCIAL OFFICE TWO DAYS BEFORE PURCHASE ORDER/DR CHECK MAY BE ISSUED  
DUPLICATE RETAINED BY FACULTY SPONSOR



Hyatt Regency Irvine  
 17900 Jamboree Road  
 Irvine, CA 92614  
 Tel: 949.975.1234  
 Fax: 949.852.1574  
 Web: www.irvine.hyatt.com

**INFORMATION INVOICE**

Payee Eric Miller  
 [Redacted]  
 [Redacted]  
 [Redacted]

Room No. 0281  
 Arrival 01-20-12  
 Departure 01-21-12  
 Page No. 1 of 1  
 Follo Window 1  
 Follo 147615  
 Invoice

Membership  
 Bonus Code  
 Confirmation No. 8584613761  
 Group Name National Cousins Circle 17721750 IN \$120

| Date     | Description                    | Charges | Credits |
|----------|--------------------------------|---------|---------|
| 01-20-12 | Package Room                   | 115.00  |         |
| 01-20-12 | Occupancy Tax                  | 11.50   |         |
| 01-20-12 | CA Assessment Fee              | 0.13    |         |
| 01-21-12 | Visa XXXXXXXXXXXXXXX4650 XX/XX |         | 126.63  |

No frequent traveler account has been credited for this stay. To enroll in Gold Passport, call 1-800-81-YAHI, or visit www.GoldPassport.com.

**Total** 126.63 126.63

---

**Balance** 0.00

**Guest Signature**

Thank you for choosing Hyatt Regency Irvine!

I agree that my liability for this bill is not waived and I agree to be held personally liable in the event that the included person, company or association fails to pay for any part of the full amount of these charges.

Our goal is to exceed all of your expectations during your stay. For comments, please contact us at [feedback@hyatt.com](mailto:feedback@hyatt.com).

I accept full liability of The Wall Street Journal (Business Plus, and Guest Plus per guests only). If refused, a refund of \$1 will be provided.

For questions concerning your bill, please call 888-472-2570 or email [reservations@hyatt.com](mailto:reservations@hyatt.com)

Please remit payment to:  
 Hyatt Regency Irvine  
 P.O. Box 244125  
 Dallas, TX 75224

9178  
 1/20/12



NEAR ORANGE COUNTY AIRPORT

Hyatt Regency Irvine  
 17900 Jamboree Road  
 Irvine, CA 92614  
 Tel: 949.976.1234  
 Fax: 949.852.1574  
 Web: www. Irvine.hyatt.com

INFORMATION INVOICE

Payee Eric Miller  
 [Redacted]  
 [Redacted]  
 [Redacted]

Room No. 0944  
 Arrival 01-20-12  
 Departure 01-21-12  
 Page No. 1 of 1  
 Logo Window 1  
 Folio 147650  
 Invoice

Membership  
 Bonus Code  
 Confirmation No. 8581212594  
 Group Name National Counties Clinic 17721750 IN \$120

| Date     | Description       | Charges                  | Credits |
|----------|-------------------|--------------------------|---------|
| 01-20-12 | BarB Beverage     | Room# 0944 : CHECK# 9834 |         |
| 01-20-12 | BarB Beverage     | Room# 0944 : CHECK# 9842 |         |
| 01-20-12 | BarB Beverage     | Room# 0944 : CHECK# 9850 |         |
| 01-20-12 | Package Room      |                          |         |
| 01-20-12 | Occupancy Tax     |                          |         |
| 01-20-12 | CA Assessment Fee |                          |         |
| 01-21-12 | Visa              | XXXXXXXXXXXX1650         |         |

*Personal Charges* (circled)  
*Reimburse this amount only* (circled)  
 NOT included in Reimbursement (circled)  
 115.00 (circled)  
 11.50 (circled)  
 6.13 (circled)  
 228.22 (circled)  
 228.22 (circled)

No frequent traveler account has been credited for this stay. To enroll in Gold Passport, call 1-800-541-HYATT, or visit www.GoldPassport.com.

**Total** 228.22 ~~228.22~~

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**Balance** 0.00

Guest Signature

Thank you for choosing Hyatt Regency Irvine!

I agree that my liability for this bill is not waived and I agree to be held personally liable in the event that the indicated person, company or association fails to pay or any other bills or amount of these charges.

Our goal is to exceed all of your expectations during your stay. For comments, please contact us at quality@hyatt.com.

I accept delivery of The Wall Street Journal M-F (Business Plan and Gold Passport guests only). If refused, a refund of \$1 will be provided.

For questions concerning your bill, please call 888-472-2570 or e-mail us at us@reservations@hyatt.com

Please remit payment to:  
 Hyatt Regency Irvine  
 P.O. Box 044123  
 Dallas, TX 75214

9178  
 1/20/12

14. Student body funds were used to pay for an expense that benefited a faculty in violation of District procedure no. 2225 that prohibits this category of expenditure.

We noted that the student body funds were used to pay for the individual membership fee of the wrestling coach as follows.

| Employee | Organization      | ASB Club Account      | Amount |
|----------|-------------------|-----------------------|--------|
| Coach    | San Diego Coschas | 2433 - Wrestling Club | 39.75  |

*District procedure no. 2225, section C.6.e. states, "Expenditures for faculty. Faculty funds may be accepted as earmarked funds, such as faculty social fund, but expenditures must be limited to amount deposited by the faculty. Under no conditions shall student body money be expended for the benefit of faculty."*

This payment violated district procedure.

#### Recommendation

We require the wrestling coach reimburse the ASB for the personal membership fees charged to the school club account.

ASB Response #14:

The coach believed this was an allowable expense; however the coach will now work with the site to reimburse the \$39.75.

Site will make sure all coaches and the Financial Clerk follow Administrative Procedure 2225.



15. The principal purchased various equipment totaling \$37,079.37 using the ASB general fund without the approval of the Area Superintendent.

From July 2009 to February 2012, the school purchased several pieces of equipment totaling \$37,079.37 without the approval of the Area Superintendent as follows.

| Date     | Check No. | Description                  | Amount    |
|----------|-----------|------------------------------|-----------|
| 07/07/09 | 4294      | ASB Sealed Systems           | 11,789.82 |
| 09/01/09 | 4355      | Athletic Ice Machine         | 3,130.74  |
| 10/20/09 | 4637      | Athletic Ice Machine         | 2,959.36  |
| 02/18/10 | 5434      | Designjet 44 printer and ink | 5,355.00  |
| 05/26/10 | 7352      | Portable Stage               | 12,473.50 |
| 02/28/12 | 9399      | Popcorn Machine              | 1,296.45  |
|          |           | Total                        | 37,079.37 |

*District procedure no. 2225, section C.6.f, states "Capital improvements and equipment. Student body funds may not be used to make capital improvements or purchase equipment without approval of instructional leader (Area Superintendent). Such approval is required in order to guard against purchase of substandard equipment which the school district could not maintain at equitable cost and to ascertain that the primary purpose of a purchase is to benefit the student activity program. Purchase of equipment intended primarily for instructional use shall not be approved."*

*District Procedure no. 5340 Movable Equipment Inventory defines the characteristics of equipment.*

#### **Recommendation**

We require that administration adhere to district policy when using student body funds to purchase equipment.

ASB Response #15:

- I was not even aware of this policy until my ASB advisor came to me in fall 2012 and said there was a new policy in which the Area Superintendent needs to sign off on capital repairs and equipment. My Area Superintendent can confirm this since we had a discussion about this policy when I presented the forms for required signatures.
  - While this may not have been a new policy, it was the first time in my career at SDUSD that I had heard an Area Superintendent needed to actually sign a form.
  - I still would not have known this if the ASB advisor had not brought it to my attention a month ago.
  - I would also like to point out that the ASB advisor has been in this role for 15+ years and this is the first time this practice has come up.
  - The financial clerk also was not aware of this or she would have brought it to our attention. This again shows a lack of training for all parties.

I believe that Administrative Procedure 2225 needs to be updated to reference Administrative Procedure 5340 in Section A.2 under related procedures. AP 2225 does not have a clear description of equipment or a reference to the appropriate procedure.

The site will adhere to AP 2225 and AP 5340 going forward.

16. The school conducted a raffle in violation of Penal Code 319 and District Procedure 2265.

Field Hockey Club conducted a raffle in October 2011, in violation of Penal Code Section 319 and District Administrative Procedure No. 2265.

*California Penal Code Section 319 prohibits raffles.*

*District Administrative Procedure No. 2265 states "Lotteries and raffles are not permitted."*

A raffle is defined as a distribution of property by chance among persons who have paid valuable consideration.

**Recommendation**

Administration needs to take steps to ensure that staff adheres to district procedure and raffles are not permitted.

ASB Response #16:

Administration will take steps to ensure that staff adheres to district procedure and raffles are not permitted such as addressing it at:

- All Staff Meeting
- ASB Meeting
- Mandatory Coaches Meeting (see attachment 16A for past agenda which included information for coaches regarding fundraising)

The financial clerk actually lists raffle in the memo/description according to the Transaction Detail Report (attachment 16B).

I asked the A.D. to find out more information from the coach and in attachment 16C, you will see that the financial clerk told the coach that raffles are not allowed so the coach discontinued the practice and there have been no further raffles. The financial clerk did not bring this to the attention of the athletic director or administration because the financial clerk was under the belief the matter had been self-corrected.

Mira Mesa High School  
ATHLETICS MEETING

16A

August 31, 2011

1. Facilities
  - Activity Request to Joann after approval from Regas.
  - Clean up facility after practice and games.
  - Weight Room Supervision / Schedule
  - After Hours- Call **IN** and Call **OUT**
  - Keys for Coaches
2. Walk on / Volunteer Coaches Processing. See Rosi before going to Ed Center.
  - o TB Card
  - o CPR Card
  - o Social Security Card
  - o Driver's License
  - o Coaches Packet
  - o Coaching Certification
3. Athletics Budget
  - AK summary twice a month
  - Extended Day Units
  - ASB Consultants (independent contractors)
  - Manage and Monitor your club accounts
  - Golf Tournament, SOS Golf Tickets
4. Fundraising/ Fees/ Spirit Packs
  - Flyers need approval
5. PD Days/ Testing Schedule/ Excuse from class requests
6. Rosters/ Game Schedules
7. Athletic Packets/ Transfer Eligibility
8. AED located in PE conference room
9. Athletic Web Site/ Team page access
10. Sports Blitz
  - Action Photos, Video.
  - Call/ Text with scores. Highlights
  - Athlete of the Month
11. Roundtable

16B

Mira Mesa High School ASB - 349  
 Transaction Detail for 2485  
 October 2011

| Date                         | Type              | Num    | Name                      | Memo/Description  | Split                         | Amount    | Balance  |
|------------------------------|-------------------|--------|---------------------------|---|-------------------------------|-----------|----------|
| 2485 Field Hockey Club*REGAS |                   |        |                           |   |                               |           |          |
|                              | Beginning Balance |        |                           |   |                               |           | 5,493.66 |
| 10/04/2011                   | Deposit           |        |                           | Fundraisers   | 1160 WELLS FARGO-Checking*DAY | 676.00    | 7,169.66 |
| 10/06/2011                   | Deposit           |        |                           | Raffle  | 1160 WELLS FARGO-Checking*DAY | 236.00    | 7,405.66 |
| 10/06/2011                   | Deposit           |        |                           | Applebee's  | 1160 WELLS FARGO-Checking*DAY | 65.00     | 7,470.66 |
| 10/08/2011                   | Deposit           |        |                           | Fundraising   | 1160 WELLS FARGO-Checking*DAY | 232.00    | 7,702.66 |
| 10/07/2011                   | Check             | 8585   | James Trupp               | 2485*Field Hockey 9/30/11 JV & V Official's Fee             | 1160 WELLS FARGO-Checking*DAY | -110.00   | 7,592.66 |
| 10/07/2011                   | Journal Entry     | 147342 |                           | From Field Hockey to Football for Marauder Card Fundraiser. | -Split-                       | -1,176.00 | 6,416.66 |
| 10/07/2011                   | Check             | 8588   | Bill Leak                 | 2485*Field Hockey 9/22/11 JV & V Official's Fee             | 1160 WELLS FARGO-Checking*DAY | -110.00   | 6,306.66 |
| 10/07/2011                   | Deposit           |        |                           | Fundraiser  | 1160 WELLS FARGO-Checking*DAY | 60.00     | 6,366.66 |
| 10/07/2011                   | Check             | 8589   | Ronald Miranda            | 2485*Field Hockey 9/22/11 JV & V Official's Fee             | 1160 WELLS FARGO-Checking*DAY | -110.00   | 6,256.66 |
| 10/07/2011                   | Check             | 8590   | James Trupp               | 2485*Field Hockey 10/4/11 JV & V Official's Fee             | 1160 WELLS FARGO-Checking*DAY | -110.00   | 6,146.66 |
| 10/07/2011                   | Check             | 8591   | Mark Kerns                | 2485*Field Hockey 10/4/11 JV & V Official's Fee             | 1160 WELLS FARGO-Checking*DAY | -110.00   | 6,036.66 |
| 10/10/2011                   | Deposit           |        |                           | Fundraising   | 1160 WELLS FARGO-Checking*DAY | 340.00    | 6,376.66 |
| 10/11/2011                   | Deposit           |        |                           | Fundraiser-Rubio's  | 1160 WELLS FARGO-Checking*DAY | 176.81    | 6,553.47 |
| 10/12/2011                   | Check             | 8609   | Longstreth Sporting Goods | 6010, 2502, 2485*Order# 847127A, Field Hockey Uniforms      | 1160 WELLS FARGO-Checking*DAY | -461.86   | 6,091.61 |
| 10/19/2011                   | Check             | 8660   | South Coast Custom Tees   | 2485*INV#31653-51, Balance Due, Spirit Packs                | 1160 WELLS FARGO-Checking*DAY | -519.75   | 5,571.86 |
| 10/19/2011                   | Check             | 8669   | South Coast Custom Tees   | 2485*INV#31653-51, Deposit, Spirit Packs                    | 1160 WELLS FARGO-Checking*DAY | -519.75   | 5,052.11 |
| 10/19/2011                   | Deposit           |        |                           | Candy Sales, Donation                                       | 1160 WELLS FARGO-Checking*DAY | 245.00    | 5,297.11 |

| Date  | Type    | Num  | Name                                    | Memo/Description  | Split                                | Amount            | Balance  |
|---|---------|------|---|---|--------------------------------------|-------------------|----------|
| 10/20/2011                                    | Deposit |      |   | Rummage Sale  | 1160 WELLS<br>FARGO-<br>Checking*DAY | 300.00            | 5,597.11 |
| 10/26/2011                                    | Check   | 8588 | James Trupp                             | 2485*Field Hockey 10/8/11<br>JV & V Official's Fee                | 1160 WELLS<br>FARGO-<br>Checking*DAY | -110.00           | 5,487.11 |
| 10/26/2011                                    | Check   | 8672 | San Diego<br>Unified School<br>District | 2483*String:0349 00021 00<br>1157 26 02 01 0000, Erika<br>Saldana | 1160 WELLS<br>FARGO-<br>Checking*DAY | -1,800.00         | 3,687.11 |
| 10/26/2011                                    | Check   | 8689 | Bonnie<br>Yeatman                       | 2485*Field Hockey 10/6/11<br>JV & V Official's Fee                | 1160 WELLS<br>FARGO-<br>Checking*DAY | -110.00           | 3,577.11 |
| 10/26/2011                                    | Deposit |      |   | Candy Fundraiser, Donation  | 1160 WELLS<br>FARGO-<br>Checking*DAY | 110.00            | 3,687.11 |
| 10/26/2011                                    | Check   | 8691 | Kathryn<br>Moulder                      | 2485*Field Hockey 10/13/11<br>JV & V Official's Fee               | 1160 WELLS<br>FARGO-<br>Checking*DAY | -110.00           | 3,577.11 |
| 10/26/2011                                    | Check   | 8690 | Stevens<br>Tabiando                     | 2485*Field Hockey 10/13/11<br>JV & V Official's Fee               | 1160 WELLS<br>FARGO-<br>Checking*DAY | -110.00           | 3,467.11 |
| 10/27/2011                                    | Deposit |      |   | Candy Fundraiser  | 1160 WELLS<br>FARGO-<br>Checking*DAY | 190.00            | 3,657.11 |
| 10/28/2011                                    | Deposit |      |   | Candy Sales, Donations  | 1160 WELLS<br>FARGO-<br>Checking*DAY | 1,995.00          | 5,652.11 |
| 10/31/2011                                    | Deposit |      |   | Donations, Candy<br>Fundraiser                                    | 1160 WELLS<br>FARGO-<br>Checking*DAY | 320.00            | 5,972.11 |
| <b>Total for 2485 Field Hockey Club*REGAS</b> |         |      |   |   |                                      | <b>\$ -521.55</b> |          |

Thursday, Nov 15, 2012 01:51:12 PM PST GMT-8 - Cash Basis

16C

**Giusti Scott**

**From:** Regas Dan  
**Sent:** Friday, November 16, 2012 8:40 AM  
**To:** Giusti Scott  
**Subject:** FW: Pancake Breakfast

*It was never brought to my attention on the AD's attention.*

Here is the explanation of the raffle question you had from our Field Hockey coach

*Danny Regas*  
Athletic Director  
Physical Education Teacher  
cell- 619.987.7025

**GO BIG BLUE!!!**

**From:** Autumn Galambos [automatic13@yahoo.com]  
**Sent:** Thursday, November 15, 2012 11:58 AM  
**To:** Regas Dan  
**Subject:** Pancake Breakfast

Hi Danny,

We had a successful fundraising pancake breakfast at Applebee's. At the breakfast the Field Hockey Parents got together and decided to donate items for an opportunity drawing to help raise more funding for our program. I turned in the deposit as Applebee's with raffle. When I made the deposit, Anna informed me then that we could not do raffles and we have not done one since I was informed. Have a great day!

Cheers,  
Autumn



17. High risk activities were conducted at the School site in violation of District Procedure No. 5153.

The School had fireworks during homecoming and rented inflatable devices such as "Wrecking Ball Interactive" and "52 ft Obstacle Course" during world fair activities - in violation of District Procedure 5153.

| High Risk Activities  | Amount   |
|---|----------|
| Fireworks for Homecoming  | 1,300.00 |
| Inflatable devices such as Wrecking Ball Interactive and Bumpus Run | 1,332.00 |

*District Administrative Procedure No. 5153 states "Bonfires and fireworks are not permitted on the school grounds."*

*District Administrative Procedure No. 5153 states "Safety Precautions. The use of astrojumps, large inflatable slides, trampolines or any other rebounding or inflatable devices is prohibited on district property. All other recreational equipment must be approved by risk Management on a case by case basis."*

#### Recommendation

Administration is to adhere to district policy and institute practices to assure compliance to district policy. In particular events, administration is to consult with and obtain approval from the District's Risk Management Unit before any high risk activities are allowed on district property. Administration is to retain documented approval with the events' documentation.

ASB Response #17:

I would like to ask the district to clarify if Administrative Procedure 5153 applies to school sites only and not the district itself.

The site will adhere to AP 5153 but we will be submitting a waiver via the Community Reform Agreement Mira Mesa High School has with the Board of Education to allow MMHS to have celebrations (such as cultural fairs) with entertainment the community and stakeholders are in support of.

18. There are 9 inactive trust/club accounts as of June 30, 2012 having balances totaling \$3,067.57 that require review by the Principal and the student council to determine their need for incorporation into the ASB General Fund, as required by district procedure.

The review of several trust/club accounts revealed a total of 9 accounts with a total balance of \$3,067.57 that are inactive and carried in the ASB books as follows.

| Account No. | Account Name          | Amount   |
|-------------|-----------------------|----------|
| 2458        | Community Care        | 1,499.32 |
| 2323        | Airband Club          | 725.36   |
| 2330        | Gay Straight Alliance | 420.00   |
| 2491        | School Donations      | 176.69   |
| 2317        | Muslim Student Union  | 129.03   |
| 2414        | Christian Club        | 43.66    |
| 2429        | Peer Counseling       | 32.46    |
| 2316        | Fashion Club          | 30.00    |
| 2419        | African Student Union | 10.43    |
|             | Total                 | 3,067.57 |

*District Administrative Procedure No. 2225 states that "All balances remaining in the trust account of any club or organization that has been inactive for one year shall be reviewed by the Principal (or designee) and the student council, and subject to extenuating circumstances, shall be transferred to the Student Body General Fund. Such action shall be recorded in the minutes of a student council meeting."*

**Recommendation**

The Principal (or designee) and the ASB council are to review the inactive accounts. If the club or trust accounts are to be disbanded, the balances of the inactive accounts are transferred to the ASB General Fund.

**ASB Response #18:**

Administration will work with ASB council and the financial clerk to review inactive accounts and transfer balances to the ASB General Fund.

19. Nine ASB consultant forms were not prepared as required by district procedure.

The ASB paid consultants a total \$8,275.00 for services rendered without preparing a consultant form.

Specifically, we noted the following:

| Date   | Check # | Description of Service | Account                 | Amount     |
|--|---------|------------------------|-------------------------|------------|
| 03-12-2010                                   | 5578    | Install district ring  | 2488 Athletic Field Use | \$2,950.00 |
| 11-12-2010                                   | 6835    | Game Filming           | 2488 Athletic Field Use | 1,750.00   |
| 12-08-2010                                   | 6983    | Game Filming           | 2488 Athletic Field Use | 400.00     |
| 12-06-2011                                   | 8897    | Athletic Trainer       | 1522 Football Clearing  | 1,200.00   |
| 12-06-2011                                   | 8897    | Athletic Trainer       | 2517 CIF Clearing       | 100.00     |
| 01-05-2012                                   | 9077    | Athletic Trainer       | 2411 Football Club      | 600.00     |
| 05-31-2012                                   | 9913    | DJ Services            | 2488 AFJROTC Club       | 300.00     |
| 05-16-2012                                   | 9854    | Caricature artist      | 2202 Class of 2012      | 800.00     |
| 06-13-2012                                   | 10046   | Caricature artist      | 2202 Class of 2012      | 275.00     |
| Total Expenditures without a Consultant Form |         |                        |                         | \$8,275.00 |

This practice violated district procedure 1550 Professional Consultants, Resource Persons, and Student Service Providers and exposes the district to noncompliance penalties with the IRS for failing to provide their required earnings data.

**Recommendation**

Administration is to effect a process to comply with district procedure.

ASB consultant forms must be completed prior to the rendering of services. Pink copies of the consultant forms are sent to Accounts Payable enabling filing of IRS form 1099 at the end of the calendar year. The yellow copy is retained at the site to document payment made.

ASB Response #19:

With proper training and support from the district, the financial clerk would have an understanding of who needs to submit such forms and the expected timeline for collecting and submitting them to the district in order to be in compliance with Administrative Procedure 1550. I would like to request district training and support for the financial clerk.

20. Competitive bids were not solicited for purchases of \$1,500 or more in violation of District Administrative Procedure No. 2435.

Purchases requiring the solicitation of three bids were not followed. Without competitive bidding, the school may not have obtained a fair price for their purchase.

| Date     | Check No. | Description                | Amount    |
|----------|-----------|----------------------------|-----------|
| 03-08-10 | 7132      | Portable Stages            | 12,473.00 |
| 07-07-09 | 4264      | Sound System               | 11,798.81 |
| 02-18-10 | 5434      | Decorative perimeter fence | 5,388.60  |
| 08-02-09 | 4373      | Ice Machines               | 1,130.74  |
| 11-26-09 | 4657      | Ice Machines               | 1,969.36  |

*District Administrative Procedure No. 2435 states "Purchases of \$1,500 or more of a specific type of item in one school year must be submitted for competitive bid. Specifications must be issued to three or more responsible bidders."*

**Recommendation**

The Principal is to require three competitive bids and assure that evidence of the bid process is kept on file at the finance office.

ASB Response #20:

Principal will require the Financial Office to verify three competitive bids going forward in accordance with Administrative Procedure 2435 and to maintain them on file in the Finance Office. The Financial Office will have all proper paperwork on file prior to requesting approval signatures:



21. The "Request for Organization of a School Club" forms were not completed.

The "Request for Organization of a School Club" forms were not completed by 14 clubs as follows.

| Account No. | Account Name           | Balance as of 6/30/2011 |
|-------------|------------------------|-------------------------|
| 2434        | Basketball Club - Boys | 7,343.04                |
| 2203        | Class of 2015          | 1,901.30                |
| 2459        | Golf Club              | 1,144.13                |
| 2412        | Tennis Club            | 1,134.08                |
| 2467        | Art Club               | 1,123.13                |
| 2515        | International Club     | 1,065.53                |
| 2496        | Ecology Club           | 973.74                  |
| 2433        | Writing Club           | 947.01                  |
| 2432        | AYED Club              | 416.01                  |
| 2494        | Art Computer Lab       | 374.65                  |
| 2427        | Lunch Club             | 256.62                  |
| 2477        | Swimming Club - Boys   | 224.02                  |
| 2418        | Rising Sun             | 169.29                  |
| 2429        | Art Club               | 94                      |

*District Administrative Procedure No. 6240 states "Every proposed student club desiring district authorization must apply to the student governing body of the school".*

*District Administrative Procedure No. 6240 states "Students seeking approval of school club through student representative, complete "Request for Organization of a School Club" form declaring the aims or statement of purpose of proposed club, proposed membership source, and requesting approval as a school club."*

**Recommendation**

We require that the site administrator:

- a. Enforce the requirement to have club sponsors submit to the Student Body Financial Office the constitution and by-laws of the clubs or class that they are sponsoring.

Ensure that clubs or classes without the required constitution and by-laws are not allowed to use the trust account of the student body fund.

Require that a copy of the charter, constitution or statement of purpose and objectives is on file in the financial office.

- b. All clubs seeking approval are to submit a "Request for Organization of a School Club" form. The Principal approves or disapproves each request for organization of a school club, per District Administrative Procedure No. 6240, and obtains approval by the ASB for all clubs and requires that a copy of the approval is filed in the financial office.

ASB Response #21:

The proper forms should have been on file in the Finance Office. I am unclear why the proper forms were not on file.

There have been numerous discussions and even a directive to make sure all clubs had proper paperwork on file in the ASB/Financial offices. The ASB keeps a running club list and my expectation is that any club listed on it has turned in the proper paperwork. Clubs that have not turned in paperwork would be considered inactive.

Administration had a policy in place where an administrator overseeing ASB would review paperwork prior to clubs being approved.

I had not been notified ASB or Financial offices that any active club had not turned in proper paperwork or administration would have personally addressed the club advisor(s).

The administration will review Administrative Procedure 6240 with site personnel and adhere to the policies within.

22. Unused student body tickets were discarded without authorization of the district auditor.

We were not able to verify the reasonableness of ticket sales during football and basketball games because unsold tickets were discarded by the school clerk at the end of the year.

*District procedure no. 2260, section D.3.c. states, "Retains ticket recap form and all unused, unsold and voided tickets for examination by operations auditors during next school audit. (Auditors ordinarily authorize final disposition of recap forms and tickets immediately after audit.)"*

Failure to retain the required unsold tickets prevents an independent accounting of monies received and provides for abuse, misuse and undetected theft of funds.

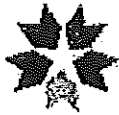
**Recommendation**

Administration is required to institute practices that assure compliance with district requirements.

We require that all unsold and voided tickets must not be discarded without authorization of the district auditor.

ASB Response #22:

Administration will institute practices that assure compliance with district requirements.



## MIRA MESA HIGH SCHOOL

### Associated Student Body Audit Report

Draft

#### Introduction

The Office of Internal Audit performed an audit of the Associated Student Body (ASB) at Mira Mesa High School for the period July 1, 2009 through June 30, 2012.

Student body funds are funds that have been earned or received by the students as a group. These funds are held in the name of the student body organization for the benefit of the student body as a whole. The Superintendent shall have the responsibility and authority to implement all policies and regulations pertaining to the supervision and administration of student activity funds in accordance with established policies and regulations of the Board of Education. The Principal, as trustee, is directly responsible for the conduct of student financial activities. The ASB Advisor, under the Principal's direction is responsible for all student activities, clubs, fund-raisers and specific additional duties outlined in district procedures. The Financial Clerk, under the Principal's direction and supervision, is responsible for all handling of cash in connection with these activities.

The Mira Mesa High School ASB checking and other asset accounts as of June 30, 2012, had a balance of \$151,672.62. The ASB General Fund constitutes a balance of \$70,800.00 of this total. Approximately \$962,900.00 was deposited and \$950,100.00 was withdrawn between July 1, 2011 and June 30, 2012, through the Mira Mesa High School ASB accounts.

#### Audit Scope

We performed the audit of ASB financial records from July 1, 2009 through June 30, 2012 at Mira Mesa High School. We examined the procedures being followed, and transactions for cash receipts and disbursements of the ASB funds.

#### Audit Objectives

- To ensure adequate internal controls are in force.
- To determine if ASB accounts and activities are in accordance with district procedures.
- To determine that expenditures have adequate supporting documentation.
- To determine that record keeping is sufficient to assure efficient and accurate accounting.

### Audit Findings Summary

1. The principal inappropriately held and expended \$15,495.41 that belonged to various ASB accounts from account 2319 – Campus Support (principal's discretionary account in ASB) and \$20,687.78 required to be abated to the site's district discretionary account and there expended, not to have been expended through this ASB account.
2. District funds held by the principal in the ASB trust accounts under his discretion were used to pay for office furniture totaling \$41,666.07 without approval of the Board Of Education.
3. District funds held by the principal in the ASB trust accounts under his discretion were used for prohibited expenditures totaling \$5,081.89
4. School facilities were rented to non-district organizations without a permit, and rent income from October 2009 to October 2011, totaling \$76,115.84 was deposited in the ASB instead of depositing it through the district.  

The district rental office confirmed that this practice ceased as of October 2011 and MMHS is now compliant with district procedure.
5. Part of the rent income from school facilities inappropriately deposited in the ASB was used to pay \$12,136.70 for extended day payments of the Athletic Director and the coaching assignment of his son.

The district rental office confirmed that the practice cited in findings 6 – 8, ceased as of October 2011 and MMHS is now compliant with district procedure.

6. Rental for the Mira Mesa High School football field by So Cal Scorpions Women Football in the amount of \$8,000.00 in 2010 was deposited in the Marauder Football Booster Club account becoming a gift of public funds, thus a violation of CALIFORNIA CONSTITUTION ARTICLE 16.
7. Rental for the Mira Mesa High School football field by San Diego Surge in the amount of \$14,000.00 in 2011 was deposited in the Marauder Football Booster Club account becoming a gift of public funds, thus a violation of CALIFORNIA CONSTITUTION ARTICLE 16.
8. Rental for the Mira Mesa High School football field and the school lot by non-district organizations totaling \$18,000.00 was deposited to the Marauder Football Booster Club account becoming a gift of public funds, thus a violation of CALIFORNIA CONSTITUTION ARTICLE 16.
9. The Marauder Football Booster Club paid four football coaches for coaching services without the approval of the Board of Education.
10. The payment of coach's salary by the Marauder Football Booster Club (Finding #9) resulted in the duplicate payment of coaching services to two football coaches.

11. Salaries of two employees were paid directly to the employees instead of processing the payments through Time and Labor.
12. Graduation tickets sales totaling \$20,785.00 were misappropriated from the student body and deposited in the principal's discretionary account "Account no. 2319 - Campus Support" instead of the ASB general fund.
13. The basketball coach and the cross country coach, in violation of district procedure, inappropriately used the Basketball Boys Club account and Cross Country Club in the amount of \$2,805.11 and \$253.26, respectively for personal gain.
14. Student body funds were used to pay for expenses that benefited the faculty in violation of District procedure no. 2225 that prohibits this category of expenditure.
15. The principal purchased various equipment totaling \$37,079.37 using the ASB general fund without the approval of the Area Superintendent.
16. The school conducted a raffle in violation of Penal Code 319 and District Procedure 2265.
17. High risk activities were conducted at the School site in violation of District Procedure No. 5153.
18. There are 9 inactive trust/club accounts as of June 30, 2012 having balances totaling \$3,067.57 that require review by the Principal and the student council to determine their need for incorporation into the ASB General Fund, as required by district procedure.
19. Nine ASB consultant forms were not prepared as required by district procedure.
20. Competitive bids were not solicited for purchases of \$1,500 or more in violation of District Administrative Procedure No. 2435.
21. The "Request for Organization of a School Club" forms were not completed.
22. Unused student body tickets were discarded without authorization of the district auditor.

#### Conclusion

The Principal, as trustee, has unsatisfactorily administered the ASB operations. Based on the audit scope and results of tests performed, the ASB operations at Mira Mesa High School disclosed very serious exceptions to administration; these exceptions showed a failure to comply to district policy and procedure designed to protect the interests of the students and the integrity of the ASB. The School committed significant actions that violated the Education Code, district policy, procedures and the Ethics Code.

The principal instructed the financial clerk to transfer funds from ASB accounts not for principal discretionary use and funds requiring abatement to the district to an account that he established under the ASB and used as his discretionary fund. As a result, ASB funds were misspent and district oversight for monies not abated was negated and an accounting of expenditures not visible.

collected the inappropriate rental of Mira Mesa High School facilities to non-district organizations without a permit from October 2009 through October 2011. This totaled \$72,440.84. Administration commingled this income in the ASB. As a result, the District was not able to put to effective use the \$72,440.84, proceeds from rental of the school facilities.

The district rental office confirmed that this practice ceased as of October 2011 and MMHS is now compliant with district procedure.

In addition to \$72,440.84 rent income that was not remitted to the district, the school administration also allowed a non-district organization, the Marauder Football Booster Club, to receive rent for the use of school facilities totaling \$40,000.00. As a result, the District was not able to put to effective use the \$40,000.00, rental income processed through this non-district organization, thus becoming a gift of public funds constituting a violation of California Constitution Article 16.

The district rental office confirmed that this practice ceased as of October 2011 and MMHS is now compliant with district procedure.

The above inappropriate holding of funds in his discretionary account enabled the principal to use the funds to pay for expenses without proper approval and authorization from higher management and for expenditures such as \$41,666.07 office furniture, and prohibited expenditures of \$4,141.89 - staff breakfast and luncheon, \$840 - dinner for staff and guests, and \$200.00 - in gift cards for employees.

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Jaimé L. Bucsuceson  
Operations Auditor

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W. Stephen Carr  
Director, Office of Internal Audit





**Response to the Auditor's Conclusion: ASB Audit 2012-2013**

I have serious concerns with the way this audit was conducted as it pertains to the scope, findings and recommendations. The objectives of the audit at Mira Mesa High School are stated to:

- Ensure adequate internal controls are in force
- Determine if ASB accounts and activities are in accordance with district procedures
- Determine that expenditures have adequate supporting documentation
- Determine that record keeping is sufficient to assure efficient and accurate accounting

I have provided information to the district and although the auditors acknowledge we have been compliant from October 2011 to the present, I believe our actions were never out of compliance based on documented approvals regarding facility rentals I had received from SDUSD legal, audit and rental offices.

I understand the purpose of an ASB audit is to examine current procedures and make sure sites are doing things correctly. I acknowledge that we made errors and will do our best to correct anything that has not already been self-corrected. Numerous items were already identified and self-corrected before the audit even commenced. There were some items of which we were not aware of and with proper training from the district we will bring fully into compliance.

Although the auditor states there were funds comingled and misspent, I need to point out that while some purchases were not made according to district procedure, there were no illegal purchases and students were never deprived of funds generated by and for the student body. There was no intent to deceive and there was no personal gain of any type to this administration.

I disagree with several of the auditor's findings and will wait to hear from the district as it pertains to next steps.