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NEWS RELEASE

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FOR RELEASE September 13, 2013

Auditor of State Mary Mosiman today released a report on a special investigation of the football program at Lincoln High School (Lincoln) within the Des Moines Independent Community School District (District) for the period May 30, 2003 through October 31, 2012. The special investigation was requested by District officials due to concerns proceeds from certain fundraising events were not properly deposited to the Student Activity Fund maintained by Lincoln.

Mosiman reported the special investigation identified \$121,267.58 of net undeposited collections related to the football program, including \$83,532.58 from poster advertising sales which were diverted to a non-District bank account and \$37,735.00 from vendor discount card sales. Mosiman also reported it was not possible to determine whether collections for youth football camp registrations were properly deposited because team rosters or other supporting documentation had not been maintained.

In addition, the special investigation identified \$1,500.00 of undeposited collections from vendor discount card sales for the Lincoln baseball program, including \$1,000.00 which was deposited to a non-District bank account.

Collections are received from donors in exchange for advertising on the annual varsity football schedule poster. According to District officials, the collections were primarily solicited by the daughter of the former Head Football Coach, Tom Mihalovich, which he confirmed. According to Mr. Mihalovich, his daughter canvassed local businesses to obtain donations. Vendors pledged a donation amount at the time of the solicitation and were subsequently invoiced by Mr. Mihalovich. Based on a review of an invoice obtained by Lincoln's Principal, the invoice stated the donation was for "Lincoln Football." However, the subsequent collections from the pledges were not deposited with the District, but were deposited to a non-District bank account established by the parent of a former football team member on May 30, 2003. Although it appears the bank account was used to support the football program, depositing the collections to a non-District bank account prevented the collections from being subject to the District's oversight and approval processes to ensure the collections were properly accounted for and used for appropriate purposes. For the period May 30, 2003 through October 31, 2012, deposits to the non-District bank account totaled \$91,057.58. Disbursements from the bank account totaled

\$69,656.00, of which \$8,500.00 was paid to the District. As of October 31, 2012, the balance in the non-District bank account totaled \$21,401.58.

In 2008, Mr. Mihalovich began working with Ace Fundraising to sell discount cards as a fundraiser for the football team. The discount cards were sold for \$20 each with the District retaining 60% of the profits in 2008 and 70% of the profits beginning in 2009. The fundraising event was a week-long sales event ending with a 1-day “blitz” during which members of the football team sold the discount cards door-to-door. At the end of the day, a representative from Ace Fundraising, along with Mr. Mihalovich, reconciled the total collections and unsold discount cards. The Ace Fundraising representative immediately collected the vendor’s portion of sales from the cash collections. Mr. Mihalovich signed a reconciliation form for the 2008 through 2010 sales confirming his agreement with the representative’s calculation of total sales, the District’s share and the vendor’s share. In addition, the Ace Fundraising representative provided Mr. Mihalovich “free” discount cards which were subsequently sold to raise additional funds.

Mr. Mihalovich was responsible for remitting the District’s share of the collections to the bookkeeper at Lincoln. According to an interview with the District’s Internal Auditor, Mr. Mihalovich stated he took the cash and checks received to his business to recount and recheck the totals prior to depositing the proceeds with the District. He stated he was concerned some checks would be returned if not deposited immediately. As a result, he would bring the bookkeeper a batch of checks and remit the remaining collections after the initial deposit. However, \$37,735.00 of the total proceeds of \$92,400.00 was not deposited with the District.

In addition, Mosiman reported the Lincoln baseball team sold discount cards in 2012 and 2013 in the same manner as the football team. However, proceeds of \$1,000.00 from the 2012 sales were deposited to a non-District bank account and \$500.00 was not deposited. The remaining \$7,096.00 of collections was deposited with the District. All proceeds from the 2013 sales were deposited with the District.

This report includes recommendations to strengthen the District’s internal controls and overall operations, such as ensuring all fundraising events are properly approved, receipts are issued to the activity/group sponsor immediately upon remittance of proceeds and sufficient supporting documentation is maintained for all fundraising activities. In addition, the report includes a recommendation to ensure all donations solicited in the name of the District or a District-sponsored activity/group are properly deposited with the District.

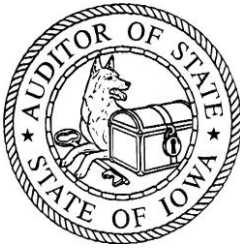
Copies of this report have been filed with the Division of Criminal Investigation, the Polk County Attorney’s Office and the Attorney General’s Office. A copy of the report is available for review in the Office of Auditor of State and on the Auditor of State’s web site at <http://auditor.iowa.gov/specials/1230-1737-BE00.pdf>.

**REPORT ON SPECIAL INVESTIGATION
OF THE
LINCOLN HIGH SCHOOL FOOTBALL PROGRAM
WITHIN THE
DES MOINES INDEPENDENT COMMUNITY SCHOOL DISTRICT

FOR THE PERIOD
MAY 30, 2003 THROUGH OCTOBER 31, 2012**

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Auditor of State's Report

To the Board of Education of the Des Moines
Independent Community School District:

At the request of District officials and as a result of concerns proceeds from certain fundraising events were not properly deposited, we conducted a special investigation of the football program at Lincoln High School (Lincoln) within the Des Moines Independent Community School District (District). We have applied certain tests and procedures to selected financial transactions of the District for the period May 30, 2003 through October 31, 2012. Based on discussions with District officials and personnel and a review of relevant information, we performed the following procedures.

- (1) Evaluated internal controls to determine whether adequate policies and procedures were in place and operating effectively.
- (2) Reviewed the supporting documentation obtained by and the draft report prepared by the District's Internal Auditor to verify the completeness and accuracy of the findings identified. Reviewed an interview conducted by the District's Internal Auditor with the former Head Football Coach, Tom Mihalovich.
- (3) Reviewed the disbursements from the football account within the Student Activity Fund to determine the propriety of the disbursements, including reimbursements and other disbursements to members of the coaching staff.
- (4) Obtained and reviewed the bank statements for a non-District checking account established by the parent of a former football team member for the football program to determine the source of certain deposits and the propriety of the disbursements.
- (5) Reviewed the District's accounting records to determine if collections from vendor discount card sales and youth camp registrations were properly deposited intact to the football account within the student activity fund.
- (6) Obtained and reviewed the personal and business bank statements of Mr. Mihalovich to identify the source of certain deposits.
- (7) Interviewed Mr. Mihalovich to obtain explanations for certain procedures and transactions.

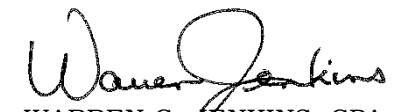
These procedures identified \$121,267.58 of net undeposited collections related to the football program, including \$83,532.58 from poster advertising sales which were diverted to a non-District bank account and \$37,735.00 from vendor discount card sales. We were unable to determine whether collections for youth football camp registrations were properly deposited during the period of our investigation because adequate records were not available. The procedures also identified \$1,500.00 of undeposited vendor discount card sales for the Lincoln baseball program, including \$1,000.00 which was deposited to a non-District bank account. Our detailed findings and recommendations are presented in the Investigative Summary of this report.

The procedures described above do not constitute an audit of financial statements conducted in accordance with U.S. generally accepted auditing standards. Had we performed additional procedures, or had we performed an audit of financial statements of the football program at Lincoln High School within the Des Moines Independent Community School District, other matters might have come to our attention that would have been reported to you.

Copies of this report have been filed with the Division of Criminal Investigation, the Polk County Attorney's Office and the Attorney General's Office.

We would like to acknowledge the assistance extended to us by personnel of the Des Moines Independent Community School District during the course of our investigation.


MARY MOSIMAN, CPA
Auditor of State


WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

July 23, 2013

Report on Special Investigation of the
Lincoln High School Football Program within the
Des Moines Independent Community School District

Investigative Summary

Background Information

The Des Moines Independent Community School District (District) serves approximately 32,000 students in Polk County. The District has approximately 2,300 teachers and 38 elementary schools, 12 middle schools, 5 high schools and 10 specialized/alternative schools in Des Moines, Iowa. The District's 7 member Board meets the first and third Tuesday of each month.

The Activities Office at Lincoln High School (Lincoln) provides support to the sports, music and arts programs available for student participation at Lincoln. Lincoln also maintains individual accounts within the District's accounting system for each activity, such as football. Each student activity is overseen by an adult sponsor. The sponsors may be District faculty members or other adults hired by the District. Tom Mihalovich began employment with the District on the coaching staff of the Lincoln football team in 1997 and became Head Coach in 2000. As Lincoln's football coach, Mr. Mihalovich was the sponsor for the football program and was responsible for:

- organizing practices and guiding the team during games,
- organizing fundraisers, such as discount card sales,
- soliciting funds in exchange for advertising on the football team poster,
- organizing summer youth camps,
- collecting and remitting fundraising proceeds, donations and registration fees and
- monitoring financial reports of the football account maintained by Lincoln.

All proceeds and expenses associated with a fundraising event are to be accounted for in the District's Student Activity Fund, within which there are sub-accounts for the various activities. We identified 3 sub-accounts for the football program. The fundraising account is used for the deposit of fundraising proceeds. The coaches have control over how the funds are spent with approval from the Activities Director. In addition, the expenses from the fundraising account are included on the list of bills presented to the District's Board of Directors for its review and approval. The operating account is under the control of the Activities Director. The primary revenue source for this account is gate receipts and the expenditures are operational in nature, such as pay for officials. In addition, monies in the operating account are distributed to other activities which are not self-sufficient. Therefore, the activity sponsor/coach does not review the activity in this account. The Booster account is comprised of proceeds not raised by students, such as parent donations. At Lincoln, the Booster account for the football program is not active.

In accordance with District policy, all fundraisers held by a school club/organization must be approved in advance by the Activities Director and Principal. The District has a "Fund-Raiser Information Form" to document this approval prior to the event. According to Mr. Mihalovich in an interview with the District's Internal Auditor, his events had been grandfathered because he held the same fundraisers every year. As a result, he did not have to complete the required form. However, when we spoke with Mr. Mihalovich, he stated he was not aware of the "Fund-Raiser Information Form" and had never been asked to complete it. In addition, according to the Activities Director at Lincoln, he did not require student activity sponsors to complete the required form for fundraisers which had been held in the past. However, in an interview with the District's Internal Auditor, the Head Baseball Coach stated he obtained approval for the discount card fundraiser in both 2012 and 2013. **Appendix 1** includes a copy of the "Fund-Raiser Information Form."

As fundraising proceeds or donations are collected by the activity sponsors, they are required to complete the "Sponsor Cash Count Report" and submit the form and the collections to the school's bookkeeper. However, Mr. Mihalovich developed his own form which he submitted with the collections for deposit. In an interview with the District's Internal Auditor, the Head Baseball Coach stated he also used Mr. Mihalovich's form. **Appendix 2** includes copies of the "Sponsor Cash Count Report" prepared by the District and Mr. Mihalovich's "Fundraising Log" (Log). Mr. Mihalovich also photocopied all checks received, at the request of the bookkeeper, for her to retain with the Log as supporting documentation. In accordance with District policy, activity sponsors should issue a pre-numbered receipt to the donor at the time money is received. Subsequently, when the sponsor remits the proceeds to the bookkeeper, the bookkeeper is to issue a pre-numbered receipt to the sponsor documenting the pre-numbered receipt numbers issued by the sponsor to the donors. However, Mr. Mihalovich did not issue pre-numbered receipts to donors when he received money from them. In addition, although the Lincoln bookkeeper prepared a receipt for Mr. Mihalovich and the Head Baseball Coach, it was not prepared immediately upon receiving money from them. According to the bookkeeper at Lincoln, she placed the money in the vault and prepared a receipt when she recounted it. She further stated it could sit for several weeks before she was able to count it and prepare the receipt.

According to District policy, the bookkeepers are to print an activity report for all sponsors each month. The sponsors are to review the activity for accuracy and completeness and return a "Sponsor Acknowledgement Form" to the bookkeeper to document their review and agreement with or adjustment to the activity reflected by the bookkeeper. However, the bookkeeper at Lincoln was not preparing the monthly activity report. According to Mr. Mihalovich in an interview with the District's Internal Auditor, he asked for the balance as needed. He further stated he did not review the balance monthly and was never provided the activity report or the "Sponsor Acknowledgement Form." When we spoke with Mr. Mihalovich, he stated he had never heard of the monthly activity report. **Appendix 3** includes a copy of the "Sponsor Acknowledgement Form."

In addition to annual fundraisers, collections were received each year from sponsors in exchange for advertising on posters. According to the Principal at Lincoln, a vendor he spoke with stated a receipt was provided the day the pledge was solicited and an invoice was received later. According to the Iowa Association of School Business Officials (IASBO), if a club or sport is seeking donations from sponsors for advertising on posters and an invoice is sent for the amount pledged, the money should be deposited in the District's Student Activity Fund. If Boosters are soliciting the donations, this should be stated on the solicitation materials. In addition, according to the Uniform Administrative Procedures Manual prepared by the Iowa Department of Education (DE), individuals purchasing goods or services from a member of a student activity group must be provided with all relevant information about how the funds will be used.

On September 4, 2012, Mr. Mihalovich was placed on paid leave following an alleged incident with a football team member. During the course of the District's investigation of the alleged incident, concerns were identified related to fundraising done for the football team. On September 13, 2012, those concerns were communicated to the District's Internal Auditor who began a preliminary investigation. On September 20, 2012, the District's Internal Auditor interviewed Mr. Mihalovich in the presence of his attorney. The following day, Mr. Mihalovich remitted \$2,950.00 of cash from fundraising proceeds to the District's Internal Auditor and provided copies of the Logs he prepared documenting the amounts remitted to the Lincoln bookkeeper for deposit.

In addition, Mr. Mihalovich provided the contact information for the parent of a former football team member who had established a non-District bank account for the deposit of football fundraising proceeds. The District's Internal Auditor contacted the parent who agreed to provide copies of the check register and the most recent bank statement for the non-District account. The District's Internal Auditor copied the documentation provided by the parent and reviewed the transactions recorded in the check register with the parent to determine a description for each transaction. After meeting with the District's Audit Committee on September 25, 2012, the

District's Internal Auditor contacted the Office of Auditor of State on September 26, 2012 to provide notification concerns had been identified.

As a result of the concerns identified, District officials requested the Office of Auditor of State review the football program at Lincoln High School within the District. We performed the procedures detailed in the Auditor of State's report for the period May 30, 2003 through October 31, 2012.

Detailed Findings

The procedures performed identified \$121,267.58 of net undeposited collections related to the football program, including \$83,532.58 from poster advertising sales which were diverted to a non-District bank account and \$37,735.00 from vendor discount card sales. It was not possible to determine whether all collections for youth football camp registrations were properly deposited because team rosters or other supporting documentation had not been maintained. If sufficient records had been readily available, additional undeposited collections may have been identified. The procedures performed also identified \$1,500.00 of undeposited vendor discount card sales for the Lincoln baseball program, including \$1,000.00 which was deposited to a non-District bank account. **Table 1** summarizes the undeposited collections identified and a detailed explanation of each finding follows.

Table 1

Description	Lincoln Football Team	Lincoln Baseball Team	Total
Undeposited collections, net:			
Poster advertising sales	\$ 83,532.58 [^]	-	83,532.58
Discount card sales	37,735.00	1,500.00	39,235.00
Total	\$ 121,267.58	1,500.00	122,767.58

[^] - Because \$8,500.00 was remitted to the District after initial deposit to a non-District bank account, the undeposited collections identified from poster advertising sales have been reduced by that amount.

Of the \$83,557.58 diverted to non-District bank accounts, \$82,557.58 resulted from poster advertising sales for the Lincoln football team and \$1,000.00 resulted from vendor discount card sales for the Lincoln baseball team. Although the diverted collections from the poster advertising sales appeared to be spent to support the football program, depositing the collections to a non-District bank account allowed Mr. Mihalovich to circumvent the District's approval process for such disbursements.

UNDEPOSITED COLLECTIONS

As previously stated, Mr. Mihalovich was responsible for organizing fundraisers and summer youth camps, as well as soliciting sponsors to advertise on the football team poster. He was also responsible for remitting all fundraising proceeds, donations and registration fees to the District. We reviewed the supporting documentation maintained by the bookkeeper at Lincoln along with supporting documentation Mr. Mihalovich provided to the District's Internal Auditor to determine whether all proceeds were deposited timely and intact. Each of these areas is discussed in further detail in the following paragraphs.

Poster Advertising Sales – Each year, collections are received from sponsors in exchange for advertising on the varsity football team poster. According to both the Activities Director and the Principal at Lincoln, the collections were primarily solicited from local area businesses by Mr. Mihalovich's daughter, which was corroborated by Mr. Mihalovich. On occasion, donations

were received in lieu of purchasing an advertisement. However, neither the advertising collections nor the donations were deposited with the District. Instead, they were deposited to a non-District bank account established by the parent of a former football team member. On an annual basis, the District performs a search to determine if any bank accounts were opened using the District's employer identification number. Because this bank account was opened using the parent's social security number, the District had not previously identified the bank account.

As previously stated, according to IASBO, if a club or sport is seeking donations from sponsors for advertising on posters and an invoice is sent for the amount pledged, the money should be deposited in the District's Student Activity Fund. If boosters are soliciting the donations, this should be stated on the solicitation materials. According to the Principal at Lincoln, he spoke with certain vendors which advertised on the 2012 poster and was provided a copy of a receipt and an invoice by a vendor. The vendor informed the Principal a receipt was provided for the pledge amount the day of the solicitation with an invoice mailed later. **Appendix 4** includes a copy of the receipt provided to the Principal. Based on a review of the receipt and the invoice the Principal obtained, both the pledge receipt and the invoice state the donation is for "Lincoln Football," with no indication a booster club is soliciting the donation. In an interview with the District's Internal Auditor, Mr. Mihalovich stated he was unaware solicitations needed to clearly identify the booster club and he would correct this going forward.

According to Mr. Mihalovich, he did not have access to the non-District bank account, but he would contact the account holder when a vendor needed to be paid. In an interview with the District's Internal Auditor, Mr. Mihalovich stated the non-District bank account was approved by both a former Principal and a former Activities Director but he did not provide any written support for their approval. When we spoke with Mr. Mihalovich, he stated the former Activities Director (previously the Head Baseball Coach) recommended he establish a separate bank account for the football program, similar to the account established for the baseball team, after he had difficulties with the District issuing vendor payments timely. Mr. Mihalovich also stated he patterned his activity after that of the other coaches.

At the request of the District's Internal Auditor, the account holder of the non-District bank account provided a copy of the check register for the non-District bank account on September 21, 2012, as well as any receipts and invoices maintained. However, the account holder informed the District's Internal Auditor the supporting documentation was minimal as he did not retain the receipts or invoices. Because supporting documentation was limited, the District's Internal Auditor reviewed all checks issued from the non-District bank account with the account holder to obtain a description of the goods and/or services purchased. The account holder also told the District's Internal Auditor he would provide the information requested, but he did not understand why the account information was needed since it was for the "Lincoln Football Club," a booster club completely separate from the District.

Based on a review of the check register for the non-District bank account, we determined the opening deposit of \$700.00 was made on May 30, 2003. As of October 31, 2012, the balance in the non-District bank account was \$21,401.58. We were able to obtain bank statements for the period January 1, 2005 through October 31, 2012; however, bank statements prior to January 1, 2005 were not available. We compared all deposits and checks recorded in the check register to the activity shown on the bank statements and did not identify any discrepancies. As a result, we relied on the check register to analyze the activity from May 30, 2003 to December 31, 2004. We identified deposits totaling \$91,057.58 for the period May 30, 2003 through October 31, 2012. Because the funds deposited to the non-District bank account were solicited for the Lincoln football program and should have been deposited with the District, the \$91,057.58 is considered undeposited collections. **Table 2** summarizes the deposits based on the description in the check register.

Table 2

Description	Amount
Poster advertising sales	\$ 46,050.10
Unspecified donations	36,503.48
Dinner tickets	5,884.00
Entertainment book sales	2,620.00
Total	<u>\$ 91,057.58</u>

Based on a review of the District's general ledger, we identified 2 instances where funds collected from poster advertising sales were deposited with the District. On October 2, 2007 and August 22, 2008, \$5,000.00 and \$4,000.00, respectively, was remitted to the District. The 2007 collections were initially deposited to the non-District bank account and a \$5,000.00 check was issued to the District on September 27, 2007. The \$4,000.00 of collections in 2008 was remitted directly to the District. According to Mr. Mihalovich in an interview with the District's Internal Auditor, he chose to deposit the collections with the District in 2008 because the football program's balance was low. He also stated the check issued in 2007 was written for this same reason. When we spoke with Mr. Mihalovich, he initially confirmed his original statements. However, in a subsequent communication received from Mr. Mihalovich, he stated he deposited donations received through 2008 with the District in a football sub-account designated for purchases of coaches' attire, cameras and similar items. The District discontinued that football sub-account in 2009. As a result, he began depositing the donations received into the non-District bank account in order to continue purchasing similar items.

Disbursements from the non-District bank account for the period May 30, 2003 through October 31, 2012 totaled \$69,656.00, including:

- \$29,354.62 for uniforms and other equipment,
- \$21,774.35 for the annual football banquet and related supplies,
- \$8,500.00 donated to Lincoln, including the \$5,000.00 on October 2, 2007 which was previously discussed,
- \$5,249.76 for miscellaneous items for which we were unable to obtain sufficient supporting documentation,
- \$2,585.00 for the purchase of entertainment books for resale and
- \$2,192.27 for unknown goods and/or services.

According to Mr. Mihalovich in an interview with the District's Internal Auditor, a local restaurant donated meals for the football team each Thursday night before game day, but the annual banquet was paid for from the non-District bank account. He also stated his wife purchased cakes, paper products and other supplies which were reimbursed from the non-District bank account. Although it appears the funds deposited to the non-District bank account were used for the Lincoln football program, all proceeds for advertising and donations to the Lincoln football program should have been deposited with the District. Depositing the proceeds to a non-District bank account prevented the proceeds from being subject to the District's oversight and approval processes to ensure the proceeds were properly accounted for and used for appropriate purposes. As previously stated, we identified undeposited collections of \$91,057.58. However, because we determined \$8,500.00 was donated to the District, net undeposited collections total \$82,557.58.

In addition, Mr. Mihalovich provided the District's Internal Auditor with supporting documentation for the pledges and collections for advertising on the 2012 football team poster.

Based on a review of this documentation, although \$6,850.00 was pledged by vendors, only \$5,450.00 was deposited. According to the supporting documentation, \$425.00 was pledged but was not collected, resulting in undeposited collections of \$975.00.

Undeposited collections identified for poster advertising total \$83,532.58.

Discount Card Fundraisers

Football Team – In 2008, Mr. Mihalovich began working with Ace Fundraising (formerly known as Varsity Gold Inc.) to sell discount cards as a fundraiser for the Lincoln football team. The discount cards were sold for \$20.00 each with the District retaining 60% of the profits in 2008 and 70% of the profits beginning in 2009. According to our discussions with both the Principal and the Activities Director, the discount card sales were done as a “blitz” fundraiser, which Mr. Mihalovich confirmed in an interview with the District’s Internal Auditor. The football team members met at Lincoln on a Saturday and the Ace Fundraising representative gave each football team member 10 to 20 discount cards to sell. The team members had approximately 4 hours to sell door-to-door, after which they returned to Lincoln and turned in the cash and checks collected. The unsold discount cards were redistributed among the football team members and more time was allowed for door-to-door sales. Mr. Mihalovich supervised the fundraiser.

When we spoke with Mr. Mihalovich, he stated the discount cards were distributed approximately a week prior to “blitz” day. Each football team member was given 10 to 20 discount cards to sell throughout the week. On “blitz” day, the football team members were given approximately 3 hours to canvas the neighborhood for additional sales after team pictures. As they sold the discount cards, the football team members would turn in the cash and checks received to the coaching staff.

According to Mr. Mihalovich, the representative from Ace Fundraising was on site for “blitz” day and collected any remaining unsold discount cards after sales were final at the end of the day. Mr. Mihalovich also stated the Ace Fundraising representative calculated gross sales, the District’s share of the proceeds and the vendor’s share of the proceeds after sales were final. The representative completed a discount card reconciliation which was signed by Mr. Mihalovich to certify his agreement with the representative’s sales calculation. **Appendix 5** includes an example of the discount card reconciliation. As illustrated by the **Appendix**, the representative from Ace Fundraising also awarded a certain number of “free” discount cards to Mr. Mihalovich each year.

Mr. Mihalovich further stated the representative from Ace Fundraising withheld the vendor’s share of the proceeds from the total cash collections of the day after the discount card reconciliation was completed and certified. As a result, the total amount collected from the fundraiser was not deposited with the District and there was no record of the District’s payment to Ace Fundraising because it was paid in cash. According to the District’s “Financial Accounting Manual,” all receipts are to be deposited intact. According to District officials, the practice of remitting payment to the vendor from cash collections was stopped immediately upon learning it was occurring. District officials met with the Activities Directors and representatives of various vendors who work with the District to ensure the District’s policy was adequately communicated.

During the interview with the District’s Internal Auditor, Mr. Mihalovich also stated he took the cash and check collections to his office at his personal business to recount and recheck the totals after completion of the fundraiser. He further stated he was concerned about depositing the checks collected as soon as possible. Therefore, he would remit a portion of the collections to the bookkeeper at Lincoln for deposit. When the District’s Internal Auditor asked why the checks were of greater concern, Mr. Mihalovich stated he was afraid some would bounce if he waited too long to deposit them. When we spoke with Mr. Mihalovich, he stated he felt it was necessary to recount the money when preparing his deposit to ensure everything was correct although the representative from Ace Fundraising reconciled the collections in his presence. Based on a review of the District’s general ledger, it was often several days before Mr. Mihalovich remitted the initial

deposit. It is not clear why Mr. Mihalovich did not deposit the cash and checks received immediately.

In addition, based on a review of the District’s general ledger, it was often several weeks before Mr. Mihalovich remitted additional cash and checks collected to the bookkeeper for deposit. When the District’s Internal Auditor asked Mr. Mihalovich what caused the delay, he did not provide an explanation. At that time, the District’s Internal Auditor informed Mr. Mihalovich District policy states funds collected are to be remitted for deposit immediately; however, Mr. Mihalovich stated he was unaware of that policy.

As previously stated, pre-numbered receipts should have been issued to the donors at the time money was received. Those receipts were to be submitted to the Lincoln bookkeeper, along with the cash and checks collected, and the Lincoln bookkeeper was to issue a receipt to Mr. Mihalovich documenting the amount of the deposit and the pre-numbered receipts issued. However, Mr. Mihalovich did not issue pre-numbered receipts to donors when he collected money from them and, although the Lincoln bookkeeper issued a receipt for the collections remitted by Mr. Mihalovich, the receipt was not prepared immediately upon receiving the money.

The District’s Internal Auditor contacted Ace Fundraising and obtained copies of the discount card reconciliations for 2008 through 2012. The copies provided for 2011 and 2012 did not have Mr. Mihalovich’s signature. We were unable to determine why his signature was not on the reconciliations and Mr. Mihalovich did not provide an explanation. **Table 3** summarizes the number of discount cards sold, gross sales, the vendor’s share of the proceeds and the District’s share of the proceeds per the discount card reconciliations prepared by the representative from Ace Fundraising, as well as the amount deposited by the District per the District’s general ledger and the difference between the District’s share of the proceeds and the deposited amount.

Table 3

Calendar Year	Per Discount Card Reconciliations				Per District’s General Ledger	
	Number of Discount Cards Sold	Gross Sales	Vendor’s Share of the Proceeds	District’s Share of the Proceeds	Amount Deposited	Difference
2008	1,457	\$ 29,140.00	11,656.00	17,484.00	12,650.00	4,834.00
2009	1,230	24,600.00	7,380.00	17,220.00	10,115.00	7,105.00
2010	1,194	23,880.00	7,164.00	16,716.00	12,880.00	3,836.00
2011	898	17,960.00	5,388.00	12,572.00	9,510.00	3,062.00
2012	732	14,640.00	4,392.00	10,248.00	10,578.00 [^]	(330.00)
Total	5,511	\$ 110,220.00	35,980.00	74,240.00	55,733.00	18,507.00

[^] - Includes \$2,950.00 remitted to the District’s Internal Auditor by Mr. Mihalovich on September 21, 2012 during his paid leave.

As illustrated by the **Table**, the District’s share of the proceeds exceeded the amount deposited by the District for 2008 through 2011. However, in 2012, the amount deposited exceeded the District’s share of the proceeds. The District’s Internal Auditor met with Mr. Mihalovich to discuss the discrepancies identified. During that meeting, Mr. Mihalovich stated the “excess” of \$330.00 identified for 2012 resulted from the sale of “free” discount cards awarded by Ace Fundraising. Mr. Mihalovich further stated the minimum amount deposited each year from the discount card fundraiser was the District’s share calculated by the Ace Fundraising representative on the reconciliation form. However, he indicated the amount deposited should be greater because football team members would sell the “free” discount cards.

The District's Internal Auditor also obtained copies of the Logs Mr. Mihalovich submitted to the bookkeeper at Lincoln with the cash and checks collected. However, the Logs did not agree with the District's share of the proceeds calculated by the Ace Fundraising representative on the discount card reconciliation. During the discussion with Mr. Mihalovich, the District's Internal Auditor reviewed the details of the Logs with Mr. Mihalovich. The total of the Logs for each year was less than the District's share of the proceeds. At the time of the discussion, Mr. Mihalovich provided the District's Internal Auditor with a copy of an additional Log for each year which totaled the difference. However, there is no record of deposits in the District's general ledger corresponding to the additional Logs provided. Because there are no District receipts for the additional Logs, we are unable to determine whether the proceeds were remitted to the bookkeeper at Lincoln but no receipt was prepared or whether the proceeds were not remitted.

Mr. Mihalovich told the District's Internal Auditor the additional Logs proved he remitted the collections to the bookkeeper at Lincoln. Therefore, if the funds had not been deposited, it was not his fault. However, when we spoke with Mr. Mihalovich, he stated it was the first time he had been told not all collections were deposited. He further stated he did not want to speculate what could have happened. The existence of the additional Logs does not prove funds were remitted to the bookkeeper at Lincoln. As previously stated, we are unable to locate District receipts which correspond to the additional Logs provided by Mr. Mihalovich. In addition, Mr. Mihalovich confirmed he did not have District receipts for the additional Logs provided.

Table 4 summarizes the collections recorded on the Logs submitted to the bookkeeper at Lincoln, the collections recorded on the additional Logs Mr. Mihalovich provided, the District's share of the proceeds recorded on the discount card reconciliation and the difference between the total collections per the Logs and the District's share of the proceeds.

Table 4

Calendar Year	Collections per Logs from			Per Discount Card Reconciliation	
	Lincoln Bookkeeper	Mr. Mihalovich	Total	District's Share of the Proceeds	Difference
2008	\$ 12,650.00	4,835.00	17,485.00	17,484.00	1.00
2009	10,115.00	7,205.00	17,320.00	17,220.00	100.00
2010 [^]	12,880.00	4,885.00	17,765.00	16,716.00	1,049.00
2011	9,510.00	3,080.00	12,590.00	12,572.00	18.00
2012 [^]	10,578.00	-	10,578.00	10,248.00	330.00
Total	\$ 55,733.00	20,005.00	75,738.00	74,240.00	1,498.00

[^] - The Lincoln bookkeeper received 2 Logs from Mr. Mihalovich in 2010 and 2012.

As illustrated by the **Table**, the total collections per the Logs do not agree with the District's share of the proceeds for any of the years reviewed. In an interview with the District's Internal Auditor, Mr. Mihalovich stated the \$100.00 difference in 2009 and the \$330.00 difference in 2012 resulted from the sale of "free" discount cards. However, he was unable to provide an explanation for the differences in the other years. When we spoke with Mr. Mihalovich, he stated \$950.00 of the \$1,049.00 difference identified for 2010 related to the sale of "free" discount cards by the eighth grade class.

Table 5 summarizes the total collections recorded on the Logs submitted to the bookkeeper at Lincoln and the additional Logs Mr. Mihalovich provided, the total amount deposited per the District's general ledger and the undeposited collections identified.

Table 5

Calendar Year	Total Collections per the Logs	Amount Deposited per District's General Ledger	Undeposited Collections
2008	\$ 17,485.00	12,650.00	4,835.00
2009	17,320.00	10,115.00	7,205.00
2010	17,765.00	11,930.00	5,835.00
2011	12,590.00	9,510.00	3,080.00
2012	10,578.00	10,578.00	-
Total	\$ 75,738.00	54,783.00	20,955.00

As illustrated by the **Table**, we identified \$20,955.00 of undeposited collections. As part of our procedures, we reviewed the detail of the photocopied checks received from the bookkeeper at Lincoln and identified the following:

- Although the discount card fundraiser was described as a 1-week sale ending with a “blitz” day, the dates on the photocopied checks reviewed range over a 1 to 2 month time period. For example, checks deposited for the August 15, 2009 fundraiser ranged in date from July 11, 2009 through September 15, 2009. We are unable to determine an explanation for the checks dated prior to the date of the fundraiser. It is possible checks dated after the date of the fundraiser are from the sale of the “free” discount cards awarded to the Lincoln football team. However, because there is no supporting documentation, we are unable to determine if that explanation is accurate.

When we spoke with Mr. Mihalovich, he originally stated the checks dated in July would have been for the youth football camps and not the sale of discount cards. However, he recanted that statement and indicated there was at least 1 year the Ace Fundraising representative had distributed the discount cards in July and given the football team members 2 weeks to sell prior to “blitz” day. In addition, he stated any checks dated after the fundraising week would be related to the sale of the “free” discount cards provided by the Ace Fundraising representative. As previously stated, because there is no supporting documentation, we are unable to determine the accuracy of Mr. Mihalovich’s explanation.

- We identified several large checks from local businesses which could be donations in lieu of the purchase of discount cards. In addition, we identified a check from an individual which stated, “1/2 invoice \$50 Due.” As previously stated, Mr. Mihalovich provided invoices for pledged amounts. Because sufficient information was not available, we were unable to determine if the checks identified were intended as donations or for the purchase of discount cards. However, if donations are included in the deposited amount, the undeposited collections identified from the sale of discount cards would be a conservative amount. For example, if \$1,000.00 of the amount deposited was donations and not for discount card purchases, the undeposited collections increase to \$21,955.00.

As previously stated, each year the representative from Ace Fundraising awarded a certain number of “free” discount cards to the football team members and coaches. In addition, as previously stated, Mr. Mihalovich told the District’s Internal Auditor the “free” discount cards were often subsequently sold as an additional fundraiser. As a result, the amounts deposited with the District should have been higher than the District’s share of the proceeds shown on the discount card reconciliation. When we spoke with Mr. Mihalovich, he stated the “free” discount cards were sold because it was 100% profit to the program. The “free” discount cards were also sold for \$20.00 each. **Table 6** summarizes the number of “free” discount cards awarded by the Ace Fundraising representative, total proceeds, the amount deposited and the undeposited collections.

Table 6

Calendar Year	Number of “Free” Discount Cards Per Discount Card Reconciliation	Total Proceeds	Amount Deposited with District	Undeposited Collections
2008	383	\$ 7,660.00	-	7,660.00
2009	144	2,880.00	100.00	2,780.00
2010	193	3,860.00	950.00	2,910.00
2011	113	2,260.00	-	2,260.00
2012	75	1,500.00	330.00	1,170.00
Total	908	\$18,160.00	1,380.00	16,780.00

As illustrated by the **Table**, undeposited collections from the sale of the “free” discount cards total \$16,780.00.

Total undeposited collections identified from discount card sales are \$37,735.00, comprised of the undeposited collections of \$20,955.00 from the fundraisers and the undeposited collections of \$16,780.00 from the subsequent sale of the “free” discount cards.

Baseball Team – During fieldwork, we determined the baseball team also sold discount cards as a fundraiser in 2012 and 2013. In an interview with the District’s Internal Auditor, the Head Baseball Coach stated the fundraiser operated similar to the football team’s fundraiser. The members of the baseball team were given discount cards to sell over the course of a week. At the end of the week, they held a “blitz” day and tried to sell the remaining discount cards. The representative from Ace Fundraising was present on “blitz” day, counted the money and the discount cards turned in by the baseball team members and calculated the District’s share of the proceeds and the vendor’s share of the proceeds. Although the Head Baseball Coach signed the reconciliation form prepared by the Ace Fundraising representative, he stated he did not verify the accuracy of the collections recorded or the calculation of the District’s share of the proceeds.

In 2012, the District’s share of the proceeds shown on the reconciliation form totaled \$8,596.00. However, we determined only \$7,096.00 was deposited with the District. In an interview with the District’s Internal Auditor, the Head Baseball Coach stated the remaining \$1,500.00 was deposited into a non-District bank account established for the baseball team “booster” club. However, when asked for supporting documentation, the Head Baseball Coach could only provide a deposit slip for \$1,000.00. He was unable to provide an explanation for the \$500.00 which could not be accounted for. In addition, we compared the Log provided to the bookkeeper at Lincoln with a copy of the District’s deposit slip. As a result, we determined the denominations recorded on the Log did not agree with the denominations recorded on the deposit slip. In an interview with the District’s Internal Auditor, the Head Baseball Coach stated he was uncertain why the denominations were different. However, he speculated the bookkeeper at Lincoln made change for the change fund using the cash proceeds collected. Similar to the football team fundraiser, the Ace Fundraising representative took the vendor’s share of the proceeds, or \$3,684.00, from the cash collected the day of the “blitz.”

In 2013, the total proceeds of \$9,760.00 were deposited with the District. Ace Fundraising subsequently submitted an invoice for the vendor’s share of \$2,928.00, which was paid through the District’s normal disbursement process.

We also determined the Ace Fundraising representative provided 50 “free” discount cards to the Head Baseball Coach in both 2012 and 2013. In an interview with the District’s Internal Auditor, the Head Baseball Coach stated the “free” discount cards were distributed to concession stand employees and certain donors or were disposed of.

Youth Football Camps – Each summer, Mr. Mihalovich held 2 youth football camps staffed by the Lincoln football coaches. Although checks were to be made payable to “Lincoln Football,” the registration form and payment were to be mailed to Mr. Mihalovich at his personal residence. Mr. Mihalovich subsequently deposited the registration fees collected with the District. The registration forms stated the camps were held at the Lincoln football practice fields, “LHS Football Camp T-Shirts” were provided and the camp consent waiver and release included both Lincoln High School and the Des Moines Public School District. According to the Activities Director, the camp t-shirts were ordered in conjunction with other t-shirts for the football program and purchased by the District. Based on the way the youth football camps were presented to the public and operated, we consider the youth football camps to be District-sponsored activities.

If the youth football camps are District-sponsored activities, the registration fees collected and deposited should have been recorded in an Enterprise Fund or the General Fund, depending on whether the youth football camps were considered to be a regular event. However, based on a review of the District’s general ledger, the registration fees deposited for the period reviewed were recorded in the Student Activity Fund. According to Mr. Mihalovich in an interview with the District’s Internal Auditor, he did not believe the youth football camp registration fees belonged to the District because the youth football camps were not sponsored by the District. When asked why he deposited the registration fees with the District, Mr. Mihalovich did not provide an explanation. When we spoke with Mr. Mihalovich, he stated he deposited the funds with the District because he was raising money for the Lincoln football program.

If the youth football camps are not District-sponsored activities, Mr. Mihalovich should have been charged rent for the use of any District facilities and equipment. Based on a review of the District’s general ledger, we did not identify any payments received from Mr. Mihalovich for this purpose. In addition, public funds cannot be used to assist students with registration fees. However, according to District officials, Mr. Mihalovich waived the registration fees for certain students. Specifically, District officials stated Mr. Mihalovich waived the fee for the Principal’s son because “he is the boss.” According to the Principal, he issued a check to Lincoln High School for his son’s registration fee. We were unable to locate a deposit which included a check written by the Principal for youth football camp.

Although Mr. Mihalovich received the registration fees at his personal residence, he did not issue receipts to the individuals remitting payment. In an interview with the District’s Internal Auditor, Mr. Mihalovich stated he was unable to provide receipts as he did not have a receipt book. However, as previously stated, receipts were issued for pledged amounts during solicitation for poster advertising. In addition, although Mr. Mihalovich maintained rosters for the youth football camps, he did not provide copies to the District. Because camp t-shirts were purchased in conjunction with other t-shirts for the football program, we are unable to determine the number of youth football camp participants based on the number of t-shirts purchased. As a result, we are unable to calculate total collections for each year. In addition, because neither receipts nor rosters were maintained, we were unable to determine whether all fees were properly collected and deposited.

Recommended Control Procedures

As part of our investigation, we reviewed the procedures used by the Des Moines Independent Community School District to process receipts and disbursements. An important aspect of internal control is to establish procedures which provide accountability for assets susceptible to loss from errors and irregularities. These procedures provide the actions of one individual will act as a check on those of another and provide a level of assurance errors or irregularities will be noted within a reasonable time during the course of normal operations. Based on our findings and observations detailed below, the following recommendations are made to strengthen the District's internal controls.

- A. Non-District Bank Accounts – According to IASBO, if a club or sport is seeking donations from sponsors for advertising on posters and an invoice is sent for the amount pledged, the money should be deposited in the District's Student Activity Fund. If boosters are soliciting the donations, this should be stated on the solicitation materials. Collections are received each year from sponsors in exchange for advertising on the varsity football team poster. Based on a review of a receipt and invoice obtained from a donor, both the pledge receipts and invoices state the donation is for "Lincoln Football," with no indication a booster club is soliciting the donation. However, the amounts collected were not deposited with the District, but were deposited to a non-District bank account established by the parent of a former football team member. In addition, we identified other deposits to the non-District bank account, such as entertainment book sales and donations to the Lincoln football program. The balance in the non-District bank account as of October 31, 2012 was \$21,401.58.

During our fieldwork, we became aware other student activities at Lincoln, as well as student activities at other schools within the District, may have established non-District bank accounts for fundraising activity. According to the District's Internal Auditor, an internal review was conducted to identify non-District bank accounts which confirmed certain student activities had established their own accounts. In addition, we reviewed the discount card fundraiser conducted by the Lincoln baseball team in 2012 and 2013 and determined \$1,000.00 of proceeds in 2012 had been deposited to a non-District bank account and \$500.00 of proceeds could not be accounted for.

Recommendation – The District should ensure all student activity sponsors are aware of the District's requirements regarding collections and ensure all collections are properly deposited with the District. In addition, the District should ensure all student activities which established a non-District bank account are in compliance with current IASBO and DE guidelines regarding fundraising. In addition, the District should request amounts held in non-District bank accounts which should have been deposited with the District be remitted to the District.

- B. Approval of Fundraisers – In accordance with District policy, all fundraisers held by a school club/organization must be approved in advance by the Activities Director and Principal. The District has a "Fund-Raiser Information Form" to document this approval prior to the event. However, this form was not completed by Mr. Mihalovich for the football poster advertising fundraiser or the discount card sales fundraiser. In addition, the Activities Director at Lincoln did not require student activity sponsors to complete the required form for fundraisers which had been held in the past.

Recommendation – The District should ensure all fundraisers held by a school club/organization are properly approved in advance. In addition, District officials should ensure all student activity sponsors, Activities Directors and Principals are aware of the District's policy and the existence of the "Fund-Raiser Information Form."

- C. Vendor Payment – Football and baseball team members sold discount cards obtained through Ace Fundraising as a fundraiser. The vendor representative was on site the day of the fundraiser and calculated the vendor’s share of the proceeds, which was documented on the discount card reconciliation. Mr. Mihalovich reviewed the reconciliations for the football team fundraisers and signed the 2008 through 2010 forms confirming his agreement with the vendor representative’s calculations. However, the Head Baseball Coach did not review the accuracy of the vendor representative’s counts or calculations for the baseball team fundraisers.

The vendor representative then withheld the vendor’s share of the proceeds from the cash collections. As a result, the total amount collected from the fundraiser was not deposited with the District and there was no record of the District’s payment to the vendor. According to the District’s “Financial Accounting Manual,” all receipts are to be deposited intact. According to District officials, this practice was stopped immediately upon learning it was occurring.

Recommendation – The District should continue to monitor fundraisers held to ensure any vendor payments associated with fundraisers are processed through the District’s normal disbursement procedures and ensure all collections are deposited intact.

- D. Pre-numbered Receipts – In accordance with District policy, student activity sponsors are to issue a pre-numbered receipt to participants and/or donors at the time money is received. When the sponsors remit the proceeds to the bookkeepers, the bookkeepers are to issue a pre-numbered receipt to the sponsors documenting the pre-numbered receipt numbers issued by the sponsors. However, Mr. Mihalovich did not issue pre-numbered receipts to donors. In addition, although the Lincoln bookkeeper prepared a receipt for Mr. Mihalovich and the Head Baseball Coach, it was not prepared immediately upon receiving the money. According to the bookkeeper at Lincoln, she placed the money in the vault and it could sit for several weeks before she was able to count it and prepare a receipt.

Recommendation – The District should ensure all student activity sponsors are aware of the District’s policy and properly issue pre-numbered receipts to donors. In addition, the District should ensure the bookkeepers issue a receipt to the student activity sponsors immediately upon receipt of funds. The District should also ensure the bookkeepers deposit the funds received in a timely manner.

- E. Monthly Activity Reports – According to District policy, the bookkeepers are to print an activity report for all student activity sponsors each month. The sponsors are to review the activity for accuracy and completeness and return a “Sponsor Acknowledgement Form” to the bookkeeper to document their review and agreement with or adjustment to the activity reflected by the bookkeeper. However, the bookkeeper at Lincoln was not preparing the required monthly activity report.

Recommendation – The District should ensure all bookkeepers and student activity sponsors are aware of the District’s policy and the existence of the “Sponsor Acknowledgement Form.” In addition, the District should ensure the monthly activity reports are properly prepared and reviewed.

- F. Timely and Intact Deposit – According to District policy, funds collected are to be deposited immediately. However, Mr. Mihalovich took the cash and checks collected during the discount card fundraiser to his office at his personal business to recount and recheck the totals. Based on a review of the District’s general ledger, it was often several days before Mr. Mihalovich remitted an initial deposit. In addition, he did not remit all funds collected at one time. Rather, he deposited 2 to 3 batches of cash and check collections over the

course of several weeks. In addition, we identified \$37,735.00 of undeposited collections from discount card sales.

In addition, a comparison of the Log submitted by the Head Baseball Coach to a copy of the District's deposit slip for the 2012 discount card fundraiser showed the denominations did not agree between the 2 documents. While the Head Baseball Coach did not provide an explanation, he speculated the bookkeeper at Lincoln made change for the change fund from the proceeds of the fundraiser.

Recommendation – The District should ensure all student activity sponsors are aware of the District's policy regarding timely deposit and ensure all collections are properly deposited. In addition, the District should ensure all collections are deposited intact.

- G. Supporting Documentation – Although a discount card reconciliation was prepared by the vendor representative, a copy of the reconciliation was not provided to the District. In addition, copies of the rosters or registration forms were not provided to the District for the youth football camps. As a result, the bookkeeper at Lincoln was unable to determine the amount of total collections.

Recommendation – The District should ensure sufficient supporting documentation is provided for all collections. An independent person should reconcile the amount deposited to total collections to ensure all collections are properly deposited.

- H. Discount Cards – The vendor representative provided “free” discount cards to the coaches each year. Although Mr. Mihalovich stated he subsequently sold the “free” discount cards received, the Head Baseball Coach stated the “free” discount cards were distributed to concession stand employees and big donors or were disposed of.


Recommendation – The District should develop a policy addressing how promotional items, such as “free” discount cards, received from a vendor are to be handled and implement procedures to ensure the prescribed policy is communicated to all student activity sponsors and adhered to.

Report on Special Investigation of the
Lincoln High School Football Program within the
Des Moines Independent Community School District

Staff

This special investigation was performed by:

Annette K. Campbell, CPA, Director
Jennifer Campbell, CPA, Manager


Tamera S. Kusian, CPA
Deputy Auditor of State

Appendices

Report on Special Investigation of the
Lincoln High School Football Program within the
Des Moines Independent Community School District

Copy of Fund-Raiser Information Form

*Des Moines Public Schools
Fund-Raiser Information Form*

School or Department _____
Student Club/Organization/Group _____
Staff Sponsor _____
Date(s) of Event _____
Vendor(s) _____
Purpose of Fund-Raiser To earn money for _____

Description of Fund-Raising Activity _____

Financial Summary:

Estimated Revenues	\$ _____	Actual Revenues	\$ _____
Estimated Expenses	\$ _____	Actual Expenses	\$ _____
Estimated Net Proceeds	\$ _____	Actual Net Proceeds	\$ _____

Signed:

Staff Sponsor	_____	Date	_____
Activity Director	_____	Date	_____
Principal	_____	Date	_____
Executive Director*	_____	Date	_____

*Required only if the activity is a school-wide or department-wide fund-raiser. If the fund-raiser is for a specific student club or organization within a school, principal approval is sufficient.

Report on Special Investigation of the
Lincoln High School Football Program within the
Des Moines Independent Community School District

Copies of Sponsor Cash Count Report and
Tom Mihalovich's Fundraising Log

Sponsor Cash Count Report
_____ School
Des Moines, Iowa

Event _____ Date _____

Money Turned In

<u>Denomination</u>	<u>Amount</u>
Checks	\$ _____
\$ 20.00	_____
\$ 10.00	_____
\$ 5.00	_____
\$ 1.00	_____
\$ 0.50	_____
\$ 0.25	_____
\$ 0.10	_____
\$ 0.05	_____
\$ 0.01	_____
Total Cash and Checks	\$ _____
Total collections per prenumbered receipts	_____
Short or Long	\$ _____

Sponsor Signature

Date

Report on Special Investigation of the
 Lincoln High School Football Program within the
 Des Moines Independent Community School District

Copies of Sponsor Cash Count Report and
 Tom Mihalovich's Fundraising Log

Lincoln Football Fundraising Log

FOOTBALL ACCOUNT #410

Date: 8/31/12

Distribution	ACTIVITY	AMOUNT
CHECKS		\$0.00
\$100	Discount Card Fundraiser	\$0.00
\$50		\$0.00
\$20		\$2,880.00
\$10		\$10.00
\$5		\$50.00
\$1		\$10.00
\$0.25		\$0.00
\$0.10		\$0.00
\$0.05		\$0.00
TOTAL AMOUNT:		\$2,950.00



Coach Tom Mihalovich

Report on Special Investigation of the
Lincoln High School Football Program within the
Des Moines Independent Community School District

Copy of Sponsor Acknowledgement Form

Sponsor Acknowledgement
_____ School

Account # _____

Sponsor _____

Date of Printout _____

Balance as of above date _____

Balance to date _____

Attached are printouts for your account showing this past month's activity. Please review and if you have any questions, see the office manager/bookkeeper.

Check one of the following, sign below and return to _____

_____ I have examined my printouts for the above month and agree with all information.

_____ I have examined my printouts for the above month and have notified the office manager/bookkeeper of the discrepancies. Corrections to be made and I will follow up on the next month's report.

_____ I have examined my printouts for the above month and last month's corrections have been made.

(Remarks, Discrepancies)


Signature _____

Date _____

Report on Special Investigation of the
Lincoln High School Football Program within the
Des Moines Independent Community School District

Copy of Receipt for Poster Advertising Pledge

LINCOLN FOOTBALL POSTER 2012



Donor Name: *Medicap Pharmacy*

Date	Amount	Check #
<i>6-13-12</i>	<i>500.00</i>	<i>19216</i>
Total Donation Amount:		

Received by: *Janet Brown*

Date:

THANK YOU
FOR YOUR DONATION!
LINCOLN HIGH SCHOOL FOOTBALL

1001 First Avenue, Des Moines, IA 50319
2525 1st Street
Des Moines, IA 50319
502-281-1111

FUNDRAISING REPRESENTATIVE
Janet Brown
502-281-1111

Report on Special Investigation of the
Lincoln High School Football Program within the
Des Moines Independent Community School District

Copy of Discount Card Reconciliation



1081

ACCOUNTING SHEET

School or Group DM LINCOLN H.S. Sport or Group FB Date 8/7/10
Coach or Contact Name TOM MIHALOVICH Product Selling \$20 Number Selling 104

Cards/Coupon Packages Checked Out 2680
Cards/Coupon Packages Returned 1293
FREE Cards/Coupon Packages Awarded 193
CARDS/COUPON PACKAGES SOLD 1194
Price of the Product X 20
TOTAL SALES \$ 23,880
SCHOOL or GROUP _____ % \$ 16,716
BALANCE DUE ACE FUNDRAISING \$ 7164
* Invoice Will Be Included If Check Being Issued

NOTES FROM SALE
12.5 Avg.

I, Tom MIHALOVICH agree that Lincoln FB sold 1194 cards.
Coach or Contact Name School and Sport/Group
We received \$ 16,716 and 193 free cards from our ACE Fundraising Representative on 8/7/10.
Date
We have retained _____ cards for continuing sales and will reconcile those on or approximately on _____
Date
[Signature]
Coach or Contact Name Signature Date

