

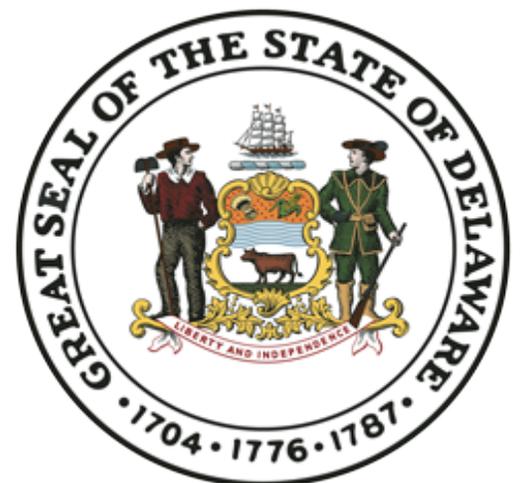
State of Delaware Office of Auditor of Accounts

Bridgeville Senior Center

Inspection

Issuance Date: July 28, 2015

R. Thomas Wagner, Jr., CFE, CGFM, CICA
Auditor of Accounts





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Office of Auditor of Accounts
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At a Glance

Working Hard to Protect YOUR Tax Dollars

Why We Did This Review

During State Fiscal Year 2014, AOA received various allegations regarding inappropriate activity at the Bridgeville Senior Center (BSC). BSC relies almost exclusively on State funding for operations.

Prior to undertaking the inspection, AOA met with representatives from the Controller General's Office to discuss the importance of ongoing reviews by AOA to assist with State oversight and improve efforts to ensure State funding is appropriately administered by the recipients.

Background

This inspection was performed in accordance with the Council of the Inspectors General on Integrity and Efficiency, *Quality Standards for Inspection and Evaluation*.

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What We Found

Historically, Bridgeville Senior Center (BSC) has received more than 70% of its funding from the State's annual Grant-in-Aid Bill as outlined in Table 1 of the Background section of this report. Overall, operating practices lacked even basic safeguards to ensure appropriate grant management of the more than \$158,000 in annual taxpayer funding.

At the onset, we found that BSC's accounting systems and records were completely unreliable. Table 2 shows more than \$357,000 in unresolved accounting system errors from November 2012 through October 2014. We then turned to expenditure activity as recorded in the bank accounts for the same period, which resulted in additional errors and irregularities as outlined throughout the balance of the report.

With the volume of BSC's general ledger errors and overall accounting system deficiencies, there is no way to reconstruct any type of financial reporting or reliable data to do a program performance evaluation. This, compounded with insufficient record keeping and reconciliations, puts the organization at risk for ongoing fiscal mismanagement.

The BSC may have operated this way because they lack knowledge of even basic appropriate fiscal practices or to veil inappropriate fiscal activity. In a July 21, 2015, meeting to discuss this report in detail with the BSC and its current Board, the Board Members seemed accepting of the results and receptive to making changes. They stated that assistance from the State would be helpful. At this point, however, it is unclear how the Board will resolve the nepotism issue between the employees and the Board Members. Even if BSC's internal controls were perfect, the close, personal relationships would be inappropriate in appearance alone.

AOA will continue its discussion with the Controller General's Office regarding strategies to ensure appropriate management of the Grant-in-Aid funds without imposing undue administrative burden on the various grant recipients.

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Background

Senior centers provide a place for senior citizens to participate in a variety of activities and socialize with others. As the elderly population increases, the need for senior centers throughout the State remains.

The Bridgeville Senior Center (BSC) is open to Bridgeville area residents, age 60 and older, and hosts approximately 25 seniors per day. BSC offers members transportation to and from doctor's appointments and daily meals both at the center and for homebound members. BSC also offers social, recreational, physical fitness, educational, and cultural programs. BSC receives funding through government agency grants, the private sector, and contributions.

Grant-in-Aid

Annually, the State of Delaware (the State) appropriates Grant-in-Aid funding to support government and non-profit organizations that provide services to the citizens of Delaware. According to its website,¹ Grant-in-Aid is intended to provide supplemental funding to these organizations and should not be the sole source of funding for the recipients. After the annual application process is completed, Grant-in-Aid funding is awarded through the Grant-in-Aid Bill approved by the General Assembly by June 30th of the preceding fiscal year. The Grant-in-Aid Bills for State Fiscal Years Ended June 30, 2013, through June 30, 2015, (Fiscal Year 2013 through Fiscal Year 2015) appropriated approximately \$45 million per year to various government and non-profit organizations. Approximately \$8 million per year was allocated among the State's 48 senior centers,² including BSC.

Each year, the Legislature appropriates a lump sum of Grant-in-Aid funding to be allocated among the State's senior centers. The University of Delaware's Institute for Public Administration (IPA) is contracted by the Joint Finance Committee to evaluate Delaware's senior centers and suggest the funding amount to be awarded to each center. The IPA uses their funding formula to recommend the allocation of any ***new money*** senior centers will receive over the prior year funding amount. For example, if the Legislature appropriated \$1,000,000 to senior centers in Fiscal Year 2013, and then appropriated \$1,200,000 to senior centers in Fiscal Year 2014, the IPA would recommend how the additional \$200,000 in Fiscal Year 2014 would be allocated among all senior centers, while the previous allocation remains the same.

The IPA first determines the amount of funding to be distributed amongst the City of Wilmington, the remainder of New Castle County, Kent County, and Sussex County. This allocation is based on the demographics of each location: the population of seniors age 60 and over (45% weight), the population of seniors age 75 and over (10%), and the population of seniors 60 and over with incomes below the federal poverty level (45%). The funding is then allocated to the individual senior centers within those locations based on participation and service levels. Participation and service level data is gathered through questionnaires included in the Grant-in-Aid applications, attendance counts performed by both the centers and the IPA, and both announced and unannounced site visits by the IPA.

¹http://legis.delaware.gov/Legislature.nsf/FSMMain?OpenFrameset&Frame=right&src=/Legislature.nsf/lookup/grant_in_aid

² <http://www.ipa.udel.edu/publications/seniorcenter/seniorcenterreport.pdf>, page 6

BSC Revenue

BSC receives funding³ through the Grant-in-Aid Bill each year. Grant-in-Aid is BSC's largest source of funding and is distributed from the State in equal quarterly payments. BSC also receives funding for the Homebound Program⁴ from the Grant-in-Aid Bill, which is distributed in a single payment because it falls below the \$6,000 single payment threshold amount specified by the Grant-in-Aid Bill. Table 1 below was constructed from a combination of the respective Grant-in-Aid Bills for each fiscal year and the Grant-in-Aid applications that BSC submitted to the State Controller General's Office.

Table 1: BSC Revenue for State Fiscal Year (FY) 2013 through 2015			
	FY 2013	FY 2014	FY 2015
Grant-in-Aid Funding			
Senior Center Funding	\$ 153,893	\$ 153,893	\$ 153,893
Homebound Program	4,774	4,774	4,774
Other Sources of Revenue ⁵			
Interest	797	569	580
Kiwanis	1,000	932	910
Donations ⁶	11,693	11,371	12,129
Sussex County Council	5,000	5,000	5,000
Town of Bridgeville (Apple/Scrapple) ⁷	9,850	41,694	16,120
Total Revenue	\$ 187,007	\$ 218,233	\$ 193,406

BSC does not receive federal funding.

³ The senior center funding provided by the Grant-in-Aid Bill should be used for senior center operations within the parameters outlined by the Grant-in-Aid Bill (e.g. no political contributions or child care expenses).

⁴ The Homebound Program provides meals for homebound seniors. This funding is restricted to homebound program expenses only.

⁵ The other sources of revenue amounts are listed in BSC's State Fiscal Year 2015 and 2016 Grant-in-Aid applications.

⁶ Donations received come from seniors and are for meals served at BSC or delivered by the Homebound Program.

⁷ BSC states in their Fiscal Year 2013 through Fiscal Year 2015 Grant-in-Aid applications that BSC "...does not receive funds from income producing programs..."; however, the funds received from renting tables and selling baked goods at Bridgeville's Apple Scrapple Festival are an income-producing activity.

Procedures and Results

During State Fiscal Year 2014, AOA received several hotline complaints alleging that BSC was not hiring or appointing employees, contractors, or Board of Director members in a fair and objective manner as several conflicts of interest existed. Complaints also alleged that BSC had inappropriate spending from all senior center accounts and a lack of internal controls.

Audit Requirements

The State Fiscal Year 2015 Grant-in-Aid Bill and the Grant-in-Aid application instructions⁸ provide conflicting information regarding whether an organization is required to have a financial statement audit.

Section 5 of the Fiscal Year 2015 Grant-in-Aid Bill states, “In order to be considered for a Grant-in-Aid appropriation...an agency must...have accounting (budget) procedures and an annual audit.” Section 10 then states, “It is the intent of the General Assembly that each Grant-in-Aid recipient shall submit one of the following with its application for a grant award in Fiscal Year 2015:

- i. The most recent copy of the agency’s audit completed by either a Certified Public Accountant or a Public Accountant. The audit must have been issued within the past three years; or
- ii. If the agency is not able to provide an audit, the agency must submit a detailed statement of the circumstances surrounding the reason. The lack of an audit may impact the ultimate funding decision of the Joint Finance Committee.”

However, the Fiscal Year 2015 Grant-in-Aid application instructions state, “A copy of an audit along with the management letter or a compilation statement, by a Certified Public Accountant or Independent Public Accountant, is requested. If this is unavailable, please complete the [Balance Sheet; Statement of Support, Revenue and Expenses and Changes in Fund Balances; and Statements of Functional Expenses forms] in order to comply with the request for an audit. The audit and management letter or compilation statement should be for the fiscal year most recently completed.”

BSC did not have annual financial statement audits completed for 2012, 2013, and 2014, but instead contracted with a CPA firm to perform financial statement compilations⁹ for those years. BSC’s Fiscal Year 2016 Grant-in-Aid application states that the senior center has contracted with an accounting firm to complete a financial statement audit.

Grant-in-Aid Agreement

Grant-in-Aid recipients are not required to enter into a formal grant agreement with the Office of the Controller General. The annual Grant-in-Aid Bill lists a number of requirements applicable to the various Grant-in-Aid Bill sections or specific recipients.

⁸ AOA did not review the Grant-in-Aid application instructions for State Fiscal Years 2013 and 2014.

⁹ A financial statement compilation is the most basic level of service CPAs provide with respect to financial statements. Because a compilation engagement is not an assurance engagement [e.g. audit], a compilation engagement does not require the accountant to verify the accuracy or completeness of the information provided by management or otherwise gather evidence to express an opinion or a conclusion on the financial statements.

Currently, the Grant-in-Aid Bill does not discuss records management of the entities receiving funds. Including guidelines or requirements for records retention in either the Grant-in-Aid Bill or a formal grant agreement will strengthen the availability of documentation for audit purposes.

BSC Policy Manual

The BSC Policy Manual, issued in the early 1990s and revised in 2007, does little to address even the most basic elements of internal controls. This, in combination with the widespread accounting and control activity deficiencies, puts the BSC at risk for fraud, waste, and abuse.

Board of Directors

AOA reviewed BSC Board Meeting minutes for a 2-year period to determine whether Board Member activity was administered as outlined by BSC's Policy Manual. The Board Meeting minutes were not consistently and thoroughly documented. They essentially were in shambles. AOA's observations include:

- Meeting minutes were not thoroughly documented to demonstrate BSC's internal controls related to budgets and expenditures (e.g. business trips and pay increases) and the Board's compliance with fiscally prudent decisions and its own policies.
- New Board Members appeared in the minutes without documentation to explain when they were voted in and whether the process was proper.
- Meeting minutes were not kept for all meetings nor were meetings held monthly as required by BSC's Policy Manual.
- A complete list of Board Members versus meeting attendees was not documented in the minutes. Additionally, what appeared to be nicknames were used for Board Members, making it hard to distinguish who was in attendance.
- Two Board Members that resigned were recorded as absent in subsequent Board Meeting minutes, one of which lasted for almost a year.
- Vote count details were not documented in the minutes.
- Meeting minutes did not discuss the annual re-election of Board Members as required by BSC's Policy Manual.

Robert's Rules of Order, Article X, Chapter 60¹⁰ discusses what information should be documented in the meeting minutes. This includes: (a) the kind of meeting; (b) the name of the assembly; (c) the date and place of the meeting; (d) the presence of the regular chairman and secretary or the names of substitutes in their absence; (e) whether the minutes of the previous meeting were approved; (f) all main motions and points of order and appeals, including what is "done" by the assembly, with vote counts and the names of those voting on each side; and (g) the hours of meeting and adjournment. Additionally, minutes should be marked as approved with the date of approval.

Hiring Practices

BSC hired three employees during the period November 1, 2012, through October 31, 2014. All employees hired at BSC during this period received approval for hire from the Board as recorded in the BSC Board Meeting minutes and required by the BSC Policy Manual. However, for two new hires, the Board Meeting minutes lacked detail regarding the name of the candidate being hired as the Food Services Manager and the results of the Board's vote to hire the Activities Coordinator.

¹⁰ www.rulesonline.com

While reviewing these hires and BSC's listing of Board Members and employees, we found that two close, personal relationships exist between Board Members and employees. In the first instance, the current Board President is the spouse of the current Executive Director. Although the Executive Director was employed by BSC prior to the Board President becoming a Board Member, she was promoted to Executive Director after he became Board President. According to the Board Meeting minutes, the Board President abstained from discussion and vote on the promotion. Additionally, on at least two instances in Board Meetings, Board Members expressed concern about whether a conflict of interest was occurring because of the relationship between the Board President and the Executive Director. Board Meeting minutes did not document evidence of resolution to this matter. In fact, the conflict continued and still exists as of July 2015.

In the second instance, a Board Member who serves as the Assistant Treasurer and is a check signer as of July 2015 lives in the same household as the Outreach Worker. Both instances violate BSC's Policy Manual, which states, "No employee will be assigned, or hired, to a position where the employee will supervise, or be supervised, by a relative, domestic partner, or significant other, either directly or indirectly." Because the Board of Directors serves as BSC's oversight body, they directly supervise the Executive Director and indirectly supervise the Outreach Worker.¹¹

Qualification of BSC Personnel

The BSC Policy Manual lists the qualifications and duties of each senior center position. While it outlines varying duties for each of the center's four personnel positions, it does not distinguish the qualifications of each of the positions. For example, BSC employs both an Executive Director and an Activities Coordinator. The duties of the Executive Director include executing the overall fiscal and programmatic management and operation of BSC, participating in interviewing and hiring of personnel, supervising and directing center personnel, etc., while the Activities Coordinator's duties consist of preparing daily activities for center members, changing the network bulletin board monthly, and so on. Although the duties and salary for these two positions are vastly different, BSC's Policy Manual incorrectly demonstrates that a person possessing the qualifications to fill the Activities Coordinator position would also be qualified to fill the Executive Director position.

Building Renovations

BSC awarded contracts that are in violation of BSC's conflict of interest policy. BSC's Policy Manual states, "employees must not allow any situation, or personal interests, to interfere with the exercise of good judgment, or with the employee's ability to act in the interests of the Center." During the scope of our engagement, BSC awarded contracts totaling \$18,963 to the Board President's construction company for repairs to the center's roof, bathroom renovations, and a door replacement.

In early 2013, the center's roof repair contract was awarded to the current BSC Board President's¹² construction company. At the time, he was not a member of the Board but his wife was employed by BSC as the Activities Coordinator. AOA was provided with two bids for the roofing contract, one from the Board President's construction company and another from an outside construction company. The outside construction company submitted a bid on the roof repair in January 2013. In February 2013, the Board President presented his company's bid for the roof repair, which was higher than the outside company's bid by \$885. The Board President was informed that his company's bid was the higher of the two bids and he then resubmitted his estimate with a 20% discount in order to outbid the other company. After the discount was applied and the Board President's bid came in more than \$1,000 lower than the

¹¹ The Outreach Worker's direct supervisor is the Executive Director.

¹² The current Board President began his position in November 2013.

other company's bid, the Board President's construction company was awarded the \$7,888 roof repair. The other company was not given the opportunity to revise their bid.

In February 2014, the Board hired the BSC Board President's construction company to complete repairs to the center's bathrooms. BSC did not provide AOA with a contract for this work, but the Board Meeting minutes showed that there were three bids reviewed for the bathroom renovation project. The meeting minutes indicate that the Board President's bid, at \$10,175, was the cheapest and he included work, such as electrical and painting, that the other bidders did not.

The center's bathroom renovations were plagued with issues between the Town of Bridgeville (the Town) and BSC. Initially, the Board President explained to the Town's Code Enforcement Official that the work would consist of painting and replacing flooring in one bathroom. The Town's Code Enforcement Official explained that a contracting license and building permit were not required since the work was minor. The Town was later informed by an anonymous source that all three bathrooms were being renovated at a cost of \$11,000. After the Town investigated, they required the Board President to apply for a building permit and contracting license. It was at this point that the Town discovered that the renovations were not in compliance with the Americans with Disabilities Act (ADA) regulations.

The Town subsequently revoked the Board President's contracting license and suspended all events at the center until the bathrooms were brought up to Code. BSC then contracted with another construction company,¹³ without first obtaining bids, to complete the work. BSC's Policy Manual states, "competitive bids for products and services must be sought, where such bids are required by law or where such bids may be believed to bring about a cost savings." The new contractor was awarded the contract based on the premise that the renovations would be completed in a timely manner.

The February 20, 2014, Board Meeting minutes indicate that BSC contracted with the Board President's construction company a third time to replace the back door of the senior center. While the minutes indicate the cost would be \$900, he was paid \$600 prior to any work being completed. The current Executive Director stated that the Board President decided not to undertake the back door replacement in light of all the issues that occurred with the bathroom renovations. The initial payment for the back door replacement was made on February 21, 2014, and the reimbursement from the Board President to BSC was not made until July 17, 2014.

Each year's Grant-in-Aid Bill disallows the use of Grant-in-Aid funding for "...relocation, renovation, rehabilitation, or purchase of buildings...." Upon inquiry from AOA, the Executive Director stated that these expenditures were made from a bank account that is not the deposit account for Grant-in-Aid funding. While AOA verified that these are two separate bank accounts, AOA does not know the original source of funding in the bank account used for the renovations and, therefore, cannot affirm that Grant-in-Aid money was not used to pay for the renovations.

General Ledger

BSC uses QuickBooks¹⁴ to record financial transactions and produce checks. AOA performed a reconciliation of the transactions recorded in BSC's QuickBooks file to the transactions recorded on the bank statements for each of BSC's six bank accounts. We found QuickBooks entries for duplicate checks and deposits, entries that incorrectly categorized deposits as transfers and vice versa, and entries that were recorded to the wrong bank account. Further, BSC incorrectly used multiple adjusting journal entries to reverse transactions or modify account balances. The errors demonstrate the Executive Director's lack of

¹³ This construction company was not one of the original bidders on the bathroom contract.

¹⁴ QuickBooks is accounting software produced by Inuit, Inc.

understanding of both basic accounting and the utilization of QuickBooks software. Table 2 provides the amount of errors found in each account.

Account	Amount
Account 1	\$ 3,730.04
Account 2	5,507.56
Account 3	2,154.35
Account 4	188,948.97
Account 5	157,249.74
Account 6	-
Total	\$ 357,590.66

Since we couldn't rely on BSC's Quickbooks records due to the volume of inaccuracies, AOA used BSC's bank statements to compile the expenditures for the period. Unfortunately, due to the nature of the records, we were unable to break the expenditures into sufficient detail to show totals by type of expenditures (i.e. payroll, office supplies, utilities, etc.) or substantiate the propriety of the transactions.

Total bank account expenditures for the period November 1, 2012, through October 31, 2014, are detailed in Table 3 below.

Account	8 Months of FY 2013 ¹⁶	FY 2014	4 Months of FY 2015 ¹⁷	Totals
1	\$ 9,072.85	\$ 24,020.46	\$ 11,700.31	\$ 44,793.62
2	2,790.93	2,264.05	3,412.98	8,467.96
3	14,592.00	12,671.65	3,052.30	30,315.95
4	-	-	-	-
5	109,852.14	171,427.32	58,199.37	339,478.83
6	-	-	-	-
Totals	\$ 136,307.92	\$ 210,383.48	\$ 76,364.96	\$ 423,056.36

Under the circumstances, efforts to reconstruct a complete picture of the finances were futile. Using the records available for review, AOA focused on the higher risk expenditures made to BSC employees, cash, construction companies, credit card companies, utilities, and other transactions that appeared questionable.

Payroll & Medical Reimbursements

AOA discovered that the current Executive Director at BSC was paid twice for the same bi-weekly pay period in July 2013 while she was employed as the Activities Coordinator. We found no evidence that the duplicate pay was rectified or reimbursed. The overpayment was \$780.00 in gross pay. When we discussed the issue with her, the current Executive Director initially stated that she did not cash the first payroll check, but instead only cashed the second one. We explained that the bank statements showed both checks were cashed from the account. She then stated that she did not receive a paycheck for the

¹⁵ Amounts shown are the absolute value of the reconciliations error amount by account. The period was based on information in the allegations.

¹⁶ Expenditures are for the period November 1, 2012, through June 30, 2013.

¹⁷ Expenditures are for the period July 1, 2014, through October 31, 2014.

following pay period in order to correct the error. We also asked the former Executive Director about these events. She stated that the employee made a deposit into the bank account used for payroll to reimburse BSC for the duplication. AOA reviewed the bank statements and cancelled payroll checks and did not find a skipped payroll check in the subsequent pay periods for the employee or a cash deposit matching the payroll check. In a subsequent meeting to present the details of this report to the Board, the Executive Director stated that she returned “the check to the bank teller”. Later, she provided a QuickBooks entry with what appears to be a “refund” of the payroll check dated over a month after the incident. She did not provide a copy of a cancelled check from her personal account to show reimbursement to BSC. However, we did see a deposit in the bank statement on August 20, 2013 that matches her alleged repayment. This was the Executive Director’s third attempt at explaining how the duplicate check issue was resolved, none of which included providing AOA with sufficient supporting evidence.

AOA found that BSC was using payroll checks that had been pre-signed by the previous Board Secretary. The Secretary resigned from the Board in December 2012 and subsequently passed away in May 2013. BSC continued to use the pre-signed checks until July 2013.

AOA found additional payroll issues relating to timesheets and medical reimbursements, as outlined in Table 4.

Table 4: Additional Payroll Transaction Errors

<i>Category</i>	<i>Number of Errors</i>	<i>Total Value of Errors</i>
Paychecks did not agree to timesheet	14	\$ 9,459.87
Paychecks with no timesheet support	3	3,560.01
Paychecks with timesheet not approved by supervisor	30	23,087.27
Totals	47	\$ 36,107.15

BSC also made 33 payments, totaling \$3,110.05, to employees for “medical reimbursements.” There is no provision in BSC’s Policy Manual regarding payments to employees for medical reimbursements. The Executive Director explained that BSC reimburses employees for medical expenses and that employees submit receipts for medical expenses to the senior center for these reimbursements. Based on our review of the supporting documentation, we did not find receipts that agreed to the reimbursement amounts. In fact, the amount reimbursed was consistent each time, which led us to believe it is based on a calculation. BSC’s Policy Manual only explains that health insurance, including dental and vision coverage, will be provided to regular full-time employees.

Medical Mileage

BSC reimburses employees and members when they provide senior center members with transportation to and from medical appointments. The person providing transportation completes a “Volunteer Reimbursement Voucher”, which provides information on the driver and passenger, what the transportation was for, the addresses for pickup and drop-off, the mileage, and the reimbursement amount. The driver signs the form, as well as an “agency official”. BSC’s Policy Manual states, “Employee personal automobile mileage will be reimbursed monthly at the rate established in the Delaware Code for actual and necessary miles traveled during the performance of authorized work assignments or while engaged in authorized Center business.”

We found multiple issues in the mileage reimbursements we reviewed, as detailed in Table 5. BSC provided supporting documentation for all medical mileage reimbursements; however, the documentation

did not always agree to the amount reimbursed. In some instances, math errors occurred, but, in others, AOA could not determine what went wrong. The forms were rarely approved by a supervisor. In fact, the Executive Director often approved her own reimbursements. We also found instances where the Executive Director was reimbursed for transportation provided by others. Finally, we found BSC used the wrong mileage rate in all of the reimbursements we reviewed. BSC used a rate of \$0.50 per mile, while the rate published in the Delaware Code is \$0.40, resulting in over reimbursement of \$185.75.

Table 5: Medical Mileage

<i>Category</i>	<i>Number of Errors</i>	<i>Total Value of Errors</i>
Support did not agree to reimbursement	6	\$ 356.50
Reimbursements without approval	11	637.50
Transactions that include reimbursements for other drivers	8	527.25
Reimbursements using overstated rate per mile	21	954.75
Totals	46	\$ 2,476.00

Petty Cash

BSC maintains two petty cash accounts: one for program activities and one for the Executive Director. The program activities account is used to purchase items for bingo and craft activities held at the center, such as toiletries, small gifts, food, and supplies. By nature, these items are easily susceptible to disappearing. While we found no evidence of missing items, BSC should ensure that proper internal controls exist regarding these types of items. The Executive Director’s account is used for general purposes, such as postage, minor maintenance, supplies, etc.

BSC staff keep logs of the petty cash transactions with receipts for purchases and replenish the account periodically. Our review of the logs and supporting documentation revealed that receipts are not always maintained and missing receipts are sometimes substituted with handwritten receipts. This occurred in 25 transactions we reviewed, which totaled \$9,623.50.

Unsupported Transactions

With the exception of transactions for payroll, medical mileage, and petty cash, there were 22 other transactions, totaling \$14,558.96 that BSC could either not provide support for or the support provided did not agree to the check amount. Three of these transactions, totaling \$10,775, are related to the building renovations discussed below. Other than the construction expenditures discussed above, we did not find any transaction that violated the restrictions established by the Grant-in-Aid Bill, based on the information provided in the accounting records and inquires of the Executive Director.

Two of the transactions without appropriate supporting documentation were for senior center lunch trips. For the first trip, a check was written to cash for \$230. The documentation included a receipt from the restaurant for \$153.37, with a note that the balance of \$76.63 should be deposited back into BSC’s account. For the second trip, a check was written to cash for \$180. The documentation included a receipt from the restaurant for \$131.78, with a note that the balance of \$48.22 should be deposited back into BSC’s account. We could not find deposits of the excess cash in BSC’s bank statements and, therefore, do not know what happened to the money.