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JWB FY48 Audited Financial Statements-7_31_48

Juvenile Welfare Board of Pinellas County.

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STATE OF FLORIDA
STATE AUDITING DEPARTMENT

3180

REPORT ON AUDIT
OF THE ACCOUNTS OF THE

BOARD OF JUVENILE WELFARE

PINELLAS COUNTY

AS OF JULY 31, 1948

DATED: SEPTEMBER 18, 1948

BY: WILLIAM O. GENTRY,
ASSISTANT STATE AUDITOR



STATE OF FLORIDA
STATE AUDITING DEPARTMENT

BRYAN WILLIS
STATE AUDITOR

Clearwater, Florida
September 18, 1948

Hon. Bryan Willis
State Auditor
Tallahassee, Florida

Dear Sir:

Pursuant to assignment, I have audited the accounts of

THE BOARD OF JUVENILE WELFARE

PINELLAS COUNTY

For the period beginning October 1, 1947,
date of inception, and ending July 31, 1948,

and present this report thereon.

PERSONNEL

The personnel of the board was as follows:

Hon. Alfred P. Marshall
Hon. Jack F. White
Hon. G. V. Fugitt

Mrs. H. W. Holland
Mrs. George Bartlett
Miss Ora E. Phillips
Hon. W. H. Belcher

Judge of the Juvenile Court
County Judge
County Superintendent of
Public Instruction
Chairman
Secretary

Board of County Commissioners

Dr. Herbert D. Williams, Director
Mr. Albert L. Rogero, Probation Officer

GENERAL STATEMENT

A net cash shortage of \$1,996.20 was found to exist in the board's accounts as of July 31, 1948, due to defalcations of the bookkeeper, Virginia Bilderback (nee Jackson), who is now serving a five-year term in the State penitentiary for the offense.

Detailed comments are made under appropriate headings.

ORGANIZATION

The Board of Juvenile Welfare of Pinellas County was created under Chapter 23483, Special Acts of 1945, which was ratified by a majority of the voters of the county in the November 1946 general election. The act was amended by Chapter 24826, Special Acts of 1947.

This act provides for a tax levy of $\frac{1}{2}$ mill for 1947 and 1948, and $\frac{1}{4}$ mill thereafter to defray the expenses of the board.

The board membership is composed of the Juvenile Judge; County Judge; County Superintendent of Public Instruction and four (4) other members to be appointed by a majority of the three county officer members.

The act requires that funds of the board be deposited in a separate bank account and that they shall be withdrawn only by checks signed by at least two of the county officer members of the board.

The county officers serve during their term of office, and the other four members serve such terms as are prescribed by their appointment.

The board began operations under this act on October 1, 1947.

FINANCIAL CONDITION

The financial condition of the board is good, except for a defalcation of the former bookkeeper totaling \$1,996.20.

The board borrowed \$5,000 from the Bank of Clearwater, Clearwater, Florida, to start operations on October 1, 1947. This amount was repaid on January 20, 1948, together with interest in the amount of \$56.94.

Exhibit A is a summary of cash receipts and expenditures for the period audited. This exhibit shows total receipts of \$63,231.71; unpaid vouchers of \$261.09; total expenditures of \$38,878.46, and cash on hand and in banks aggregating \$22,618.14, leaving a net cash shortage of \$1,996.20.

The unpaid vouchers as of July 31, 1948, consisted of the following:

WITHHOLDING TAX PAYABLE	\$146.40
INSURANCE PAYABLE	1.80
RETIREMENT COLLECTIONS PAYABLE	111.35
DUE JUVENILE COURT REGISTRY FUND	1.54
<i>Total</i>	\$261.09

Cash on hand and in banks, as of July 31, 1948, was as follows:

BANK OF CLEARWATER	\$17,584.11
FIRST NATIONAL BANK, ST. PETERSBURG	5,000.00
CASH ON HAND - OVERAGE IN PETTY	
CASH FUND - CLEARWATER OFFICE	2.68
PETTY CASH FUND - CLEARWATER	10.00
PETTY CASH FUND - ST. PETERSBURG	21.35
<i>Total</i>	\$22,618.14

The petty cash and emergency funds of the Clearwater office were commingled with the Juvenile Court Registry Fund. As of July 31, 1948, expenditures from the Emergency Fund exceeded the total amount of the fund by \$1.54. This sum should, therefore, be refunded to the Juvenile Court Registry Fund. The commingling of these funds is not considered good business practice and should be discontinued.

Up to July 31, 1948, the bank had charged for its services in handling this commingled account a sum totaling \$11.97. Since these funds are public monies no service charge should have been made.

FINANCIAL MANAGEMENT

The board's financial affairs during the period audited have been poorly managed in some respects.

Retirement deductions from employees' salaries have not been properly made, and in some instances no deductions for this purpose were made. Schedule 1-A is an analysis of corrected retirement deductions and amounts due by the employee and to the Comptroller, as custodian of the County Officers and Employees Retirement Fund.

Schedule 3-A is a detailed statement, as of July 31, 1948, of the net cash shortage totaling \$1,996.20. This shortage represents the defalcation of the former bookkeeper, Virginia Bilderback (nee Jackson), who is now serving a five-year term in the State Penitentiary for the offense.

Checks totaling \$2,784.79 were fraudulently cashed by the former bookkeeper. These checks are listed on schedule 3-A. In most instances they appeared to have been signed in blank by the county officer members of the board who are authorized to sign checks. The county officer members admitted having signed some checks in blank and stated that other blank checks could have been inadvertently signed by being among other checks which were in proper order. The county officers who signed these checks were both lax and negligent in the performance of their duties and are to a certain extent responsible for the shortage. This criticism applies also to the Director of Juvenile Welfare, Dr. Herbert D. Williams, who had direct supervision over the board's funds. The petty cash fund in the St. Petersburg office was short \$3.65 and cash in the amount of \$7.76, which had been turned in to the former bookkeeper by Mr. Edward E. Patrick, was missing. This made the total shortage \$2,796.20. Of this sum, \$800 was recovered upon the arrest of the former bookkeeper in Mobile, Alabama.

Dr. Williams proposed to the board that \$50 be deducted monthly from his salary and applied to the cash shortage, until restitution had been made covering the total loss. The board accepted this proposition with the reservation that board members be granted the privilege of paying any sum they wished to minimize this loss. Up to the completion date of this audit no such payments had been made.

Eight of the checks listed in schedule 3-A were missing from the board's files and were presumably destroyed by the former bookkeeper upon receipt of the bank statement. The auditor visited the banks in St. Petersburg and obtained Recordak photographic information on seven of these missing checks.

In verifying the bank balance as of July 31, 1948, it was found that the following checks were missing from the board's files, which had not been cashed by the bank: Numbers 252, 266, 273, 333, 365, 378, 420, 442, and 445. It is not known whether these checks were signed in blank by the county officers authorized to sign checks, nor if they are still in the possession of the former bookkeeper or her associates. The board has notified the bank of these missing check numbers, and has also instructed the bank not to cash any checks which do not bear the signature of Dr. Herbert D. Williams, in addition to the county officers' signatures. This would stop payment on these checks but may not relieve the board of responsibility should any of them get into the hands of third parties.

Only the board members were covered by surety bond, in the amount of \$1,000 each. Since July 31, 1948, surety bonds have been obtained for all positions, including \$3,000 for the director. Inasmuch as the board handles better than \$50,000 during a year, these surety bonds appear to be inadequate.

The board has allowed its employees flat sums monthly, ranging up to \$110, for travel expenses, presumably based upon an estimated average monthly mileage scale. Since travel is one of the major items of expense it would appear advisable to have each employee turn in a detailed report of miles actually traveled during each month and be reimbursed for such expenditure at a given rate per mile traveled. The state law authorizes 7½ cents per mile to state employees for travel by privately-owned cars.

DEPOSITORIES

The Bank of Clearwater and the First National Bank of St. Petersburg are the designated depositories of the board's funds. No collateral has been pledged by either of these banks as security for deposits in excess of \$5,000, which amount is covered by FDIC insurance. It is recommended that the banks be requested to post sufficient collateral with the State Comptroller to secure the board's funds at all times.

RECORDS

The records of the board were found to be in very poor condition. In fact, they were in such condition that to audit them would require an extraordinary amount of time and concentration. For this reason, the auditor found it more expedient to rewrite the books on work paper and proceed with the audit on this basis.

An adequate accounting system is being installed by the auditor, and instruction will be given to the new bookkeeper relative to keeping the books.

EXHIBIT AND SCHEDULES

The following exhibit and schedules are attached to and form a part of this report:

- EXHIBIT - A Summary of Receipts and Expenditures.
- SCHEDULE 1-A Analysis of Retirement Deductions.

SCHEDULE 2-A Equipment.

SCHEDULE 3-A Net Cash Shortage.

Respectfully submitted,

(Signed) William O. Gentry,
Assistant State Auditor

BOARD OF JUVENILE WELFARE

SUMMARY OF RECEIPTS AND EXPENDITURES

October 1, 1947 to July 31, 1948

Receipts

Taxes		\$62,042.10
Tax Redemptions		160.93
Foster Home Care Refunds		180.00
Juvenile Home Care Refunds		446.00
Donations for Juvenile Needs Survey		400.00
Miscellaneous Income		2.68
Total Receipts		\$63,231.71
Add, Unpaid Vouchers		261.09
Total		\$63,492.80

Expenditures

Operating Expense:		
Salaries, Schedule 1-A	\$19,217.40	
Foster Home Care	2,755.64	
Juvenile Home Care	2,365.55	
Travel Expense	4,046.44	
Office Expense	668.84	
Telephone and Telegraph	632.04	
Transportation to Reform Schools, etc.	321.12	
Bond Premiums	35.00	
Care of Prisoners	58.50	
Advertising for Bids	84.25	
Insurance Expense	216.72	
Taxes and Licenses	20.35	
Interest paid	56.94	
Juvenile Needs Survey	100.00	
Office Repairs	137.39	
Auto Expense	58.14	
Total Operating Expense		\$30,698.32
Auxiliary Operations:		
Child Welfare Unit	\$ 2,000.00	
Child Guidance Clinic	2,500.00	
Loan Receivable, Miller H. Johnson	50.00	4,550.00
Capital Outlay:		
Equipment, Automobiles, Schedule 2-A	\$ 3,067.70	
Equipment, Office, Schedule 2-A	562.44	3,630.14
Total Expenditures		\$38,878.46
Cash on Hand and in Banks, July 31, 1948		22,618.14
Net Cash Shortage, Virginia Bilderback (Jackson), Schedule 3-A		1,996.20
Total		\$63,492.80

PINELLAS COUNTY
BOARD OF JUVENILE WELFARE

SCHEDULE 1-A

ANALYSIS OF RETIREMENT DEDUCTIONS

October 1, 1947 to July 31, 1948

EMPLOYEE	TOTAL SALARY PAID	5% RETIREMENT	AMOUNT DEDUCTED FROM SALARY	DUE FROM EMPLOYEE Over-deducted	AMOUNT REMITTED TO COMP-TROLLER (1)	BALANCE DUE COMPT. Overpaid
Menabelle G. Dame	\$ 1,925.00	\$ 96.25	\$ 96.31	\$ -.06	\$ 96.31	\$ -.06
Alfred P. Marshall	2,000.00	100.00	100.00		100.00	
Edward E. Patrick	2,250.00	112.50	112.58	-.08	112.58	-.08
Albert L. Rogero	3,500.00	175.00	175.00		175.00	
Betty J. Mansfield	75.00	3.75		3.75		3.75
Herbert D. Williams	3,437.50	171.88	171.92	-.04	171.92	-.04
Virginia Bilderback	573.40	28.67	28.67		28.67	
Miller H. Johnson	800.00	40.00	30.00	10.00	30.00	10.00
Margaret J. Waechter	1,500.00	75.00		75.00		75.00
Elizabeth Ransom	312.50	15.63	15.63		15.63	
Mrs. Inez Cowell	1,350.00	67.50		67.50		67.50
Joe Wells LaVole	1,237.50	61.88		61.88		61.88
Eddie Hayes	106.50	5.33	5.36	-.03	4.98	.35
Virginia Twitty	150.00	7.50		7.50		7.50
Deducted for Prior Service Credit: Albert L. Rogero		127.00	127.00		127.00	
Total	\$19,217.40	\$1,087.89	\$ 862.47	\$ 225.42	\$ 862.09	\$ 225.80

Note: (1) Includes remittance made in August for July deductions.

SCHEDULE 1-A

SCHEDULE 2-A

PINELLAS COUNTY
BOARD OF JUVENILE WELFARE

EQUIPMENT

July 31, 1948

QUANTITY	DESCRIPTION	EQUIPMENT	
		Automobiles	Office
1	CHEVROLET - 2 DOOR SEDAN (LESS TAX)	\$1,447.60	\$
1	SEAL (BOARD OF JUVENILE WELFARE)		7.50
1	NO. 196K2 MARKEL HEATER		14.19
1	CABINET		3.50
1	DESK AND CHAIR		80.50
1	EDIPHONE RECORDER AND TRANSCRIBER		275.00
1	DESK AND CHAIR		50.00
1	ROYAL TYPEWRITER		131.75
1	CHEVROLET - 2 DOOR SEDAN	1,620.10	
Total		<u>\$3,067.70</u>	<u>\$562.44</u>

SCHEDULE 2-A

BOARD OF JUVENILE WELFARE

NET CASH SHORTAGE

July 31, 1948

DATE	CHECK No.	SIGNERS		AMOUNT
		First	Second	
5-13-48	285	(1)	(1)	\$ 45.00
5-22-48	342	Jack F. White	Alfred P. Marshall	(2) 23.35
6- 7-48	349	Jack F. White	Alfred P. Marshall	(2) 200.00
6-14-48	370	G. V. Fuguitt	Alfred P. Marshall	68.35
6-21-48	379	G. V. Fuguitt	Jack F. White	(2) 159.95
6-10-48	380	G. V. Fuguitt	Jack F. White	(2) 68.35
6-16-48	381	G. V. Fuguitt	Jack F. White	(2) 135.00
6-24-48	410	G. V. Fuguitt	Jack F. White	(2) 68.35
6-29-48	413	G. V. Fuguitt	Jack F. White	100.00
6-24-48	414	G. V. Fuguitt	Jack F. White	(2) 131.65
6-30-48	419	Alfred P. Marshall	Jack F. White	68.35
6-30-48	426	Alfred P. Marshall	Jack F. White	131.65
7- 3-48	429	Alfred P. Marshall	Jack F. White	300.00
7-13-48	453	Jack F. White	G. V. Fuguitt	300.00
7-15-48	457	Jack F. White	G. V. Fuguitt	284.79
7-15-48	458	Jack F. White	G. V. Fuguitt	275.00
7-15-48	459	Jack F. White	G. V. Fuguitt	75.00
7-15-48	460	Jack F. White	G. V. Fuguitt	200.00
7-15-48	461	G. V. Fuguitt	Jack F. White	200.00
<i>Total Fraudulent Checks Cashed</i>				\$2,784.79
Petty Cash Shortage - St. Petersburg Office				3.65
Cash Shortage - St. Petersburg Office - Unexpended Portion of Advance to Edward E. Patrick for Transportation of Juvenile to Marianna, Florida				7.76
<i>Total Cash Shortage</i>				\$2,796.20
Less, Funds Recovered upon Arrest of Virginia Bilderback (Jackson)				800.00
<i>Net Cash Shortage - July 31, 1948</i>				<u>\$1,996.20</u>

Notes: (1) Check missing from files. No Recordak picture obtainable.

(2) Recordak photographs of these checks were viewed by the auditor in the Union Trust Company of St. Petersburg.