

WASHINGTON PARISH SCHOOL BOARD
INDEPENDENT ACCOUNTANT'S REPORT ON
AGREED-UPON PROCEDURES

FOR
MT. HERMON SCHOOL
MT. HERMON, LOUISIANA

AS OF AND FOR THE PERIOD
July 1, 2012 through June 30, 2013

Minda B. Raybourn

*Certified Public Accountant
Limited Liability Company*

820 11TH AVENUE
FRANKLINTON, LOUISIANA 70438
(985) 839-4413
FAX (985) 839-4402

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MEMBER
A.I.C.P.A.

MEMBER
L.C.P.A.

WASHINGTON PARISH SCHOOL BOARD INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Washington Parish School Board
Franklinton, LA

I have performed the procedures listed below, which were agreed upon by the Washington Parish School Board and Superintendent. These procedures were performed solely to assist the school board management with respect to compliance with policy and procedures concerning individual school activity accounts and school property inventory at Mt. Hermon School for the year ended June 30, 2013. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

I tested inventory records to determine the physical existence of property as listed on the school's property inventory report and to determine that property at the school was included on the inventory list. I also inspected property items to determine if they were identified as property of the school and numbered in accordance with the property inventory list. I examined the records for the school's activity accounts. Three months of bank reconciliations were tested for completeness and mathematical accuracy. Disbursements were tested for proper use of requisitions, purchase orders and supporting documentation in relation to the school board policies and procedures. I tested bank deposits against pre-numbered receipts for propriety and traced them to the activity account ledger. I calculated gross profit percentages on concession sales and performed reasonableness test on other receipt categories where applicable.

Bank reconciliation - Each month tested was mathematically correct, all reconciling items were proper and the reconciled balance equaled the activity account ledger. Beginning and ending balances were traced to prior and subsequent year balances to verify proper cutoffs with transactions recorded in the proper period and balances carried forward properly. There were no exceptions to school board policy concerning bank reconciliation procedures in the months I tested. The beginning bank balance at July 1, 2012 was \$69,369, and the balance at June 30, 2013 was \$90,345, resulting in a net increase of \$20,976 for the year ended.

Cash disbursements - For the 25 items tested for the school year ended 6/30/13, school board policy was adhered to regarding the proper sequence of issuance of requisitions, purchase orders and the purchase of items. A properly executed requisition and purchase order was issued prior to the purchase or order of goods and services in the items tested. Supporting documents were properly signed indicating approval to purchase, pay, and receipt of the item by the school. The documentation of transfers between activity accounts was found to be excellent. All invoices were paid on a current basis, and the disbursement records were neat and orderly allowing the verification process to be accomplished in an efficient manner.

Cash receipts – A total of 20 items were examined. Mt. Hermon School has very good documentation supporting their cash receipt transactions. The receipts tested were balanced to the daily recap and traced to the appropriate account in the activity ledger. Deposit tickets were complete and agreed with the daily report. Of the 20 items tested, 3 items (15%) were deposited two days or later from the actual receipt date.

Ticket reconciliation forms were utilized for the athletic events. My examination of the athletic funds did indicate a proper accounting for gate receipts and ticket inventory for the events supported by ticket reconciliation forms. However, the forms are required to be signed by the principal and none of the ticket reconciliation forms were signed. I recommend the principal review and sign the documentation after each event to ensure the accounting is proper.

In addition, the gate reconciliation forms are to be signed by 3 people after the vent. Of the 33 forms I examined, 20 forms had 3 signatures, 12 forms had 2 signatures, and 1 event had no form attached.

Funds from athletic concessions were turned in to the school secretary after each game. Receipts were indicated by a form signed by the person turning in the money and the secretary. Reconciliation forms were used to support the concession sales. Of the 32 reconciliation forms I examined, 5 of the forms had 3 signatures, 22 had 2 signatures, 2 had 1 signature, 2 had no signature, and one event had no form.

I recommend school personnel be aware of the school board policy which requires that 3 signatures be obtained for counting the ticket and concession sales.

I also examined the accounting for the startup money for the events. The accounting for the startup money appeared to be in order.

Deposits for athletic events were deposited timely at the bank, after the event.

Concessions - Concession operations consist of various units or groups as follows:

- 1) Drink and snack machines-Mt. Hermon operates its drink and snack machine concessions under a full service contract. The commissions totaled \$1,923. These funds were transferred to the general fund at the end of the year.
- 2) Pictures-Fall, spring, and sports pictures are taken by Lifetouch. Commissions paid by Lifetouch for the year were \$1,448. The funds were transferred to the general fund at the end of the year.
- 3) Book Fair-Mt. Hermon held two book fairs during the school year. The book fair held during September 2012 netted the school \$1,400 that went toward Scholastic Dollars which were good for purchase of Scholastic Book items. The second book fair held during April 2013, netted the school \$736. These funds were deposited into the Library fund.
- 4) PTO Fundraisers-The Mt. Hermon PTO held a barbeque chicken dinner that raised \$836 (63% profit) for the PTO fund. In addition, the PTO held a soft drink fundraiser that raised \$202 (12% profit).

Athletic Concessions - Sales and supply cost data to compute the gross profit on each concession were combined with indirect costs in the funds. I computed the gross profit for each area as follows:

	Football	Basketball	Softball
Profits	\$4,212	\$2,328	\$512
Profit %	58%	44%	65%

All invoices for concession purchases were paid on a current basis.

Fixed asset inventory – To verify physical existence of items on the School inventory list, I randomly selected items from the inventory list and checked for their physical presence in the listed room. As I moved throughout the School, I also picked items from each room and then verified that the item was on the inventory list. I was able to locate inventory items with the assistance of school personnel. Of the 699 items contained on the school's property inventory, I selected a sample of 261 (37%). I found 100% of the items selected from the

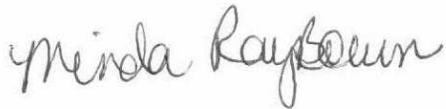
inventory list. I found 100% of the items selected from the school grounds. Of the 261 items selected, all items were tagged with the exception of 5 air conditioner units.

All of the items I found were clearly marked with a property number and as property belonging to Washington Parish School Board. The inventory list for Mt. Hermon School was in excellent shape. The principal is in charge of the inventory list. After review of the School activity accounts, I did not find any fixed assets that have been purchased. The control of the fixed asset inventory at Mt. Hermon School is in excellent shape.

Prior examination report findings – The prior examination of Mt. Hermon School was for the period July 1, 2009 through June 30, 2010. During that examination, it was discovered that no ticket reconciliation forms were being utilized and that there were no reconciliation forms utilized for the concessions at the games.

I was not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of the specified users listed above and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.



Minda B. Raybourn, CPA

August 28, 2013