

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

**FOR
Franklinton High School**

**AS OF AND FOR THE PERIOD
July 1, 2016 through June 30, 2017**

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**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 Franklinton High School for the period of July 1, 2016, through June 30, 2017. The school board's management is responsible for the accounting and inventory records and for established policies and procedures over the student activity fund and school inventory. This engagement to apply agreed-upon procedures was performed in accordance with attestation 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 tests on other receipt categories where applicable.

Bank reconciliations

Each month tested was mathematically correct, all reconciling items 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. At June 30, 2017, there was \$7,867 in outstanding checks that were 90 days and older. The beginning bank balance at July 1,

2016, was \$118,956, and the balance at June 30, 2017, was \$176,192, resulting in a net increase of \$54,235 for the year ended.

Cash Disbursements

School board policy requires that a properly executed requisition and purchase order be issued prior to the purchase or order of goods and services. In addition an itemized invoice or other detailed documentation should support the payment.

I tested 30 disbursements. Out of the 30 disbursements, three disbursements had an invoice with a date prior to the requisition and purchase order.

All invoices tested appear to be 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

For each transaction, a computer generated receipt is required to be produced. A total of 20 items were examined. I found all receipts and related documentation. The items tested were coded accurately to the correct fund.

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. The funds appear to be deposited timely.

Fundraisers

School board policy requires a request form to be filled out and submitted to Central Office prior to the fundraiser being held and a fund raiser financial report to be turned into Central Office within one week of the end of the fundraiser. The request form requires the reasons for the fund raiser along with signatures of the sponsor or staff, principal, and superintendent. The fund raiser financial reports require an accounting of the revenues and expenditures of the fundraiser along with the signatures of the sponsor and principal.

I inspected documentation for the three biggest fundraisers. While I located the request forms, the financial reports could not be located.

Athletic Events

Ticket reconciliation forms are required to be completed and signed after each event. The form requires that the number of tickets sold, ticket prices, and gate proceeds be computed. A cash reconciliation is also required to be computed to reconcile the gate and start-up funds. Three signatures are required on the form.

Testing revealed a consistent use of the form. Beginning and ending ticket numbers along with ticket prices were calculated along with the gate proceeds and advance money. Proceeds were traced from the reconciliation forms to the accounting records. On most forms, three signatures were on the forms. On a few, there were two.

Athletic Concessions

For the band boosters and ball teams, sales and supply cost data to compute the gross profit on each concession were extracted from the school accounting records. I computed the gross profit (percentage and dollar) for each area as follows:

	<u>Band</u>	<u>Baseball</u>	<u>Softball</u>	<u>Basketball</u>	<u>Football</u>
Profit	21,594	1,461	1,228	2,036	772
Profit %	47%	30%	54%	89%	17%

Reconciliation forms are required to account for the concession proceeds. All forms were obtained and accounted for.

School Concessions

Drink and snack concession profits support the school's positive behavior initiatives. The gross profit generated for the school year was \$9,563 and the gross profit percentage was 33%.

This is an improvement of the prior year percentage which was at 26%. I suggest personnel go over the product line and evaluate what each item sells for, what each item costs, and compute the gross profit.

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 1,415 items contained on the school's property inventory, I selected a sample of 272 (19%). I found all items selected from the inventory list and of the items found, 100% were tagged. I found 100% of the items selected from the school and 100% of the items selected were tagged.

All of the items I found were clearly marked with a property number and as property belonging to Washington Parish School Board.

Prior Examination Report Findings

The prior examination of Franklinton High School was for the period July 1, 2015, through June 30, 2016. Results of that are as follows:

- Of 34 disbursements tested, one disbursement had an invoice a date prior to the requisition and purchased order. Two disbursements were paid with a statement and not an invoice.
- Of 20 receipts tested, one receipt could not be found.
- Fundraiser forms were not being used properly.
- Athletic reconciliation forms were not consistently used. Old forms were being used, they were not properly filled out with the correct information, and were not signed.
- School concessions had a low gross profit percentage of 26%.
- Of the fixed asset inventory, an Epson projector could not be located.

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 board and management of Washington Parish School Board, and is not intended to be and should not be used by anyone other than these specified parties. The purpose of this report is to describe the procedures performed for school and the results of those procedures. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Yours truly,



Minda B. Raybourn
Franklinton, LA
March 10, 2018

Corrective Action Plan for Franklinton High School

Cash Disbursements

Problem: Three invoices with a date prior to the requisition and purchase order was discovered.

Plan: Review the handbook with the principal and secretary regarding the proper order of the paper trail executed when an item is ordered and paid for; requisition, purchase order, invoice, check. Also will review the handbook with the activity sponsors who submitted the three invoices before a requisition and purchase order were completed.

Fundraisers

Problem: Fundraiser Financial Report forms could not be located for the fundraisers tested.

Plan: Fundraiser Financial Report forms will be completed within the allotted timeframe and submitted to the business department at Central Office for review.

Athletic Events

Problem: A few of the cash reconciliation forms had only 2 signatures instead of the three required.

Plan: We will emphasize the importance of having three people verify that amounts are correct as counted and sign the Cash Reconciliation form to those selling athletic event tickets. However, it has been brought to our attention that some of the athletic events only have 2 staff members in attendance. We are looking into revising our policy to allow only 2 signatures in these circumstances.

School Concessions

Problem: At 33%, the school's regular concession gross profit percentage was low compared to other schools.

Plan: School staff should scrutinize the inventory to see what products are sold for the smallest markup. It will be determined if the price should be increased or if a less expensive product should be carried in its place.