

CENTRAL COMMUNITY SCHOOL SYSTEM
INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED UPON PROCEDURES -
SCHOOL ACTIVITY FUNDS

JULY 1, 2024 - JUNE 30, 2025



INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

Members of the Central Community School System's Board
and Dr. Jason Fountain, Superintendent
Central Community School System
Central, Louisiana

We have performed the procedures described in attached Schedules A, B, and C on certain financial transactions and accounting procedures of Tanglewood Elementary (TWE), Central Middle School (CMS), and Central Intermediate School (CIS) for compliance with bookkeeping procedures as outlined in Central Community School System's (CCSS) fiscal management policy, for the period July 1, 2024, through June 30, 2025. CCSS's management is responsible for certain financial transactions and accounting procedures of CHS and BHE and for compliance with bookkeeping procedures as outlined in CCSS's fiscal management policy, for the period July 1, 2024, through June 30, 2025.

The members of the CCSS's Board and the Superintendent have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of testing compliance with bookkeeping procedures as outlined in CCSS's fiscal management policy, for the period July 1, 2024, through June 30, 2025. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are attached in Schedule A, B, and C.

We were engaged by members of the CCSS's Board and the Superintendent to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on certain financial transactions and accounting procedures of CHS and BHE for compliance with bookkeeping procedures as outlined in CCSS's fiscal management policy, for the period July 1, 2024, through June 30, 2025. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the CCSS and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

The CCSS's responses to the exceptions identified in our performance of the procedures are attached. The CCSS's responses were not subjected to any procedures applied in the engagement and, accordingly, we express no opinion or any assurance on them.

This report is intended solely for the information and use of the members of the CCSS's Board, the Superintendent, and the Louisiana Legislative Auditor, State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

Harris T. Bouyeais, LLP

Denham Springs, Louisiana
December 31, 2025

CENTRAL COMMUNITY SCHOOL SYSTEM

AGREED UPON PROCEDURES – TANGLEWOOD ELEMENTARY SCHEDULE A

JULY 1, 2024 - JUNE 30, 2025

Hannis T. Bourgeois, LLP was on site at Tanglewood Elementary to conduct agreed-upon procedures. The agreed-upon procedures performed, and the findings are as follows:

Procedure 1:

Policies and Procedures - Obtain the following information related to procedures and processes for Tanglewood Elementary activity funds:

- A. Organizational chart including the identification of persons responsible for initiating, preparing, and approving financial information. **No exceptions**
- B. Listing of persons authorized to do the following:
 1. Deposits/Receipts: **No exceptions**
 - a. Reconciling deposits to participants on gate tickets.
 - b. Preparing deposit slip.
 - c. Who makes the deposit at the bank.
 - d. Who receives the deposit.
 - e. Who records the deposit in the accounting system (Active Network).
 - f. Who reviews and approves step B.1.e.
 2. Expenditures: **No exceptions**
 - a. Initiating transactions.
 - b. Approving transactions.
 - c. Placing orders.
 - d. Preparing checks.
 - e. Signing checks.
 - f. Recording transactions in accounting records.
 - g. Who approves and adds vendors to vendor listing. Provide a listing of the approved vendors.
 3. Bank Reconciliations: **No exceptions**
 - a. Who receives, opens, and approves bank statement prior to the reconciliation process.
 - b. Who reconciles the bank statement.
 - c. Who reviews and approves the bank reconciliation.
 4. Who reviews and approves the balances in each activity fund.
No exceptions.

Procedure 2:

Test of Deposits/Receipts:

- A. Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee. **No exceptions.**
- B. Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected. **No exceptions.**
- C. Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period to obtain supporting documentation and: **No exceptions.**
 1. Observe that receipts are sequentially pre-numbered.
 2. Verify that ticket sales are accounted for by number and reconciled to the receipts, bank deposits and bank entries.
 3. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 4. Trace the deposit slip total to the actual deposit per the bank statement.
 5. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the deposit is less than \$100).
 6. Trace the actual deposit per the bank statement to the general ledger and determine that deposit is credited to the correct activity fund.
 7. Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.
 8. Review deposit to determine that personal checks are not cashed from student activity funds.

Procedure 3:

Purchasing:

- A. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Using this population, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period) and obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

1. Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system. **No exceptions.**
2. Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase. **No exceptions.**
3. Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice. **No exceptions.**
4. Ensure that the activity account from which each payment is to be taken is written on each check or the check voucher and verify that proper distribution was made to those funds. **No exceptions.**
5. Confirm that expenditures are not made on the basis of vendor statements. **No exceptions.**
6. Determine if expenditures are in compliance with state laws and regulations including bid laws, if applicable. **No exceptions.**
7. Review cancelled checks for proper signatures and appropriate endorsements. **No exceptions.**
8. Determine that payment is not for salary. **No exceptions.**
9. If disbursement is to an individual, determine that it is an appropriate approved expense or reimbursement. **No exceptions.**
10. Investigate checks made payable to "cash." **No exceptions.**

B. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system. **No exceptions.**

C. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases. **No exceptions.**

D. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks. **No exceptions.**

E. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions. **N/A, no signature stamp or signature machine is used.**

Procedure 4:

Transfers between activity funds:

- A. Select 10 transfers between funds to ensure properly approved and for the established purposes and conditions of the fund. **No exceptions.**

Procedure 5:

Petty Cash:

- A. Review petty cash reconciliation for one time period to ensure petty cash expenditures are in compliance with purposes and conditions of the fund. **No exceptions.**
- B. Verify that appropriate safeguards are maintained for petty cash funds. **No exceptions.**

Procedure 6:

Cash in Bank:

- A. Obtain bank statements and reconciliations for all months in the fiscal period and report whether:
 1. Bank reconciliations have been prepared for each month. **No exceptions.**
 2. If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period. **No exceptions.**
 3. Select two (2) months bank reconciliations to perform the following:
 - a. Reconcile book balances to bank statements to accounting records. **No exceptions.**
 - b. Total/sum reconciling items. **No exceptions.**
 - c. Investigate any long-outstanding reconciling items - deposits or checks. **No exceptions.**
 - d. Verify that reconciliations are being done timely. **No exceptions.**
 - e. Verify that reconciliations are properly signed and approved. **No exceptions.**
 - f. Verify that reconciliations are submitted to the main office. **No exceptions.**

Procedure 7:

Fixed Assets:

- A. Obtain a copy of the school's detail fixed asset listing which includes identifying asset tag numbers. **No exceptions.**
- B. Select five assets on the school's detail fixed asset listing to find the asset at the location. –

Exception - Two of the five assets selected for testing were listed on the detail fixed asset listing but was not able to be sighted at the school/location.

Management's Response - All fixed asset recording and tracking is handled at the district level, not at the school level. All procedures have been reviewed and missed items have been accounted for during the audit process. Management has taken steps to ensure proper accountability moving forward.

- C. Select five assets at school location to trace asset using the asset tag number to the detail fixed asset listing. **No exceptions.**

Procedure 8:

Credit Cards:

- A. Obtain a copy of school's active credit card listing which includes the card number and name of the persons who maintained possession of the cards. – **No exceptions noted**
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation. – **No exceptions noted**
 1. Observed there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 2. Observed that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under #B above randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by: – **No exceptions noted.**
 1. Observed that transaction supported by an original itemized receipt that identifies precisely what was purchased.
 2. Observed transaction supported by written documentation of the business/public purpose.
 3. Observed transaction is by supported documentation of the individuals participating in meals (for meal charges only).

CENTRAL COMMUNITY SCHOOL SYSTEM

AGREED UPON PROCEDURES – CENTRAL MIDDLE SCHOOL **SCHEDULE B**

JULY 1, 2024 - JUNE 30, 2025

Hannis T. Bourgeois, LLP was on site at Central Middle School to conduct agreed upon procedures. The agreed-upon procedures performed, and the findings are as follows:

Procedure 1:

Policies and Procedures - Obtain the following information related to procedures and processes for Central Middle School activity funds:

- A. Organizational chart including the identification of persons responsible for initiating, preparing, and approving financial information. **No exceptions.**
- B. Listing of persons authorized to do the following:
 1. Deposits/Receipts: **No exceptions.**
 - a. Reconciling deposits to participants on gate tickets.
 - b. Preparing deposit slip.
 - c. Who makes the deposit at the bank.
 - d. Who receives the deposit.
 - e. Who records the deposit in the accounting system (Active Network).
 - f. Who reviews and approves step B.1.e.
 2. Expenditures: **No exceptions.**
 - a. Initiating transactions.
 - b. Approving transactions.
 - c. Placing orders.
 - d. Preparing checks.
 - e. Signing checks.
 - f. Recording transactions in accounting records.
 3. Bank Reconciliations: **No exceptions.**
 - a. Who receives, opens, and approves bank statement prior to the reconciliation process.
 - b. Who reconciles the bank statement.
 - c. Who reviews and approves the bank reconciliation.
 4. Who reviews and approves the balances in each activity fund.
No exceptions.

Procedure 2:

Test of Deposits/Receipts:

- A. Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee. **No exceptions.**
- B. Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected. **No exceptions.**
- C. Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period to obtain supporting documentation and: **No exceptions.**
 1. Observe that receipts are sequentially pre-numbered.
 2. Verify that ticket sales are accounted for by number and reconciled to the receipts, bank deposits and bank entries.
 3. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 4. Trace the deposit slip total to the actual deposit per the bank statement.
 5. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the deposit is less than \$100).
 6. Trace the actual deposit per the bank statement to the general ledger and determine that deposit is credited to the correct activity fund.
 7. Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.
 8. Review deposit to determine that personal checks are not cashed from student activity funds.

Procedure 3:

Purchasing:

- A. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Using this population, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period) and obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

1. Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system. **No exceptions.**
2. Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase. **No exceptions.**
3. Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice. **No exceptions.**
4. Ensure that the activity account from which each payment is to be taken is written on each check or the check voucher and verify that proper distribution was made to those funds. **No exceptions.**
5. Confirm that expenditures are not made on the basis of vendor statements. **No exceptions.**
6. Determine if expenditures are in compliance with state laws and regulations including bid laws, if applicable. **No exceptions.**
7. Review cancelled checks for proper signatures and appropriate endorsements. **No exceptions.**
8. Determine that payment is not for salary. **No exceptions.**
9. If disbursement is to an individual, determine that it is an appropriate approved expense or reimbursement. **No exceptions.**
10. Investigate checks made payable to "cash." **No exceptions.**

B. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system. **No exceptions.**

C. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases. **No exceptions.**

D. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks. **No exceptions.**

E. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions. **N/A, no signature stamp or signature machine is used.**

Procedure 4:

Transfers between activity funds:

A. Select 10 transfers between funds to ensure properly approved and for the established purposes and conditions of the fund. **No exceptions.**

Procedure 5:

Petty Cash:

- A. Review petty cash reconciliation for one time period to ensure petty cash expenditures are in compliance with purposes and conditions of the fund. **No exceptions.**
- B. Verify that appropriate safeguards are maintained for petty cash funds. **No exceptions.**

Procedure 6:

Cash in Bank:

- A. Obtain bank statements and reconciliations for all months in the fiscal period and report whether:
 1. Bank reconciliations have been prepared for each month. **No exceptions.**
 2. If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period. **No exceptions.**
 3. Select two (2) months bank reconciliations to perform the following:
 - a. Reconcile book balances to bank statements to accounting records. **No exceptions.**
 - b. Total/sum reconciling items. **No exceptions.**
 - c. Investigate any long-outstanding reconciling items - deposits or checks. **No exceptions.**
 - d. Verify that reconciliations are being done timely. **No exceptions.**
 - e. Verify that reconciliations are properly signed and approved. **No exceptions.**
 - f. Verify that reconciliations are submitted to the main office. **No exceptions.**

Procedure 7:

Fixed Assets:

- A. Obtain a copy of the school's detail fixed asset listing which includes identifying asset tag numbers. **No Exceptions.**
- B. Select five assets on the school's detail fixed asset listing to find the asset at the location.

Exception - One of the five assets selected for testing were listed on the detail fixed asset listing but was not able to be sighted at the school/location.

Management's Response - All fixed asset recording and tracking is handled at the district level, not at the school level. All procedures have been reviewed and missed items have been accounted for during the audit process. Management has taken steps to ensure proper accountability moving forward.

- C. Select five assets at the school location to trace asset using the asset tag number to the detail fixed asset listing.

Exception - One of the five assets selected for testing that was sighted on the school grounds was not listed on the detail fixed asset listing.

Management's Response - All fixed asset recording and tracking is handled at the district level, not at the school level. All procedures have been reviewed and missed items have been accounted for during the audit process. Management has taken steps to ensure proper accountability moving forward.

Procedure 8:

Credit Cards:

- A. Obtain a copy of school's active credit card listing which includes the card number and name of the persons who maintained possession of the cards. **No exceptions.**
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation. **No exceptions.**
 1. Observed there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 2. Observed that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under #B above randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by: **No exceptions.**
 1. Observed that transaction supported by an original itemized receipt that identifies precisely what was purchased.
 2. Observed transaction supported by written documentation of the business/public purpose.
 3. Observed transaction is by supported documentation of the individuals participating in meals (for meal charges only).

CENTRAL COMMUNITY SCHOOL SYSTEM

AGREED UPON PROCEDURES - CENTRAL INTERMEDIATE SCHOOL SCHEDULE C

JULY 1, 2024 - JUNE 30, 2025

Hannis T. Bourgeois, LLP was on site at Central Intermediate School to conduct agreed upon procedures. The agreed-upon procedures performed, and the findings are as follows:

Procedure 1:

Policies and Procedures - Obtain the following information related to procedures and processes for Central Intermediate School activity funds:

- A. Organizational chart including the identification of persons responsible for initiating, preparing, and approving financial information. **No exceptions.**
- B. Listing of persons authorized to do the following:
 1. Deposits/Receipts: **No exceptions.**
 - a. Reconciling deposits to participants on gate tickets.
 - b. Preparing deposit slip.
 - c. Who makes the deposit at the bank.
 - d. Who receives the deposit.
 - e. Who records the deposit in the accounting system (Active Network).
 - f. Who reviews and approves step B.1.e.
 2. Expenditures: **No exceptions.**
 - a. Initiating transactions.
 - b. Approving transactions.
 - c. Placing orders.
 - d. Preparing checks.
 - e. Signing checks.
 - f. Recording transactions in accounting records.
 - g. Who approves and adds vendors to vendor listing. Provide a listing of the approved vendors.
 3. Bank Reconciliations: **No exceptions.**
 - a. Who receives, opens, and approves bank statement prior to the reconciliation process.
 - b. Who reconciles the bank statement.
 - c. Who reviews and approves the bank reconciliation.
 4. Who reviews and approves the balances in each activity fund.
No exceptions.

Procedure 2:

Test of Deposits/Receipts:

- A. Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee. **No exceptions.**
- B. Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected. **No exceptions.**
- C. Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period to obtain supporting documentation and: **No exceptions.**
 1. Observe that receipts are sequentially pre-numbered.
 2. Verify that ticket sales are accounted for by number and reconciled to the receipts, bank deposits and bank entries.
 3. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 4. Trace the deposit slip total to the actual deposit per the bank statement.
 5. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the deposit is less than \$100).
 6. Trace the actual deposit per the bank statement to the general ledger and determine that deposit is credited to the correct activity fund.
 7. Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.
 8. Review deposit to determine that personal checks are not cashed from student activity funds.

Procedure 3:

Purchasing:

- A. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Using this population, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period) and obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

1. Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system. **No exceptions.**
2. Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase. **No exceptions.**
3. Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice. **No exceptions.**
4. Ensure that the activity account from which each payment is to be taken is written on each check or the check voucher and verify that proper distribution was made to those funds. **No exceptions.**
5. Confirm that expenditures are not made on the basis of vendor statements. **No exceptions.**
6. Determine if expenditures are in compliance with state laws and regulations including bid laws, if applicable. **No exceptions.**
7. Review cancelled checks for proper signatures and appropriate endorsements. **No exceptions.**
8. Determine that payment is not for salary. **No exceptions.**
9. If disbursement is to an individual, determine that it is an appropriate approved expense or reimbursement. **No exceptions.**
10. Investigate checks made payable to "cash." **No exceptions.**

B. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system. **No exceptions.**

C. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases. **No exceptions.**

D. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks. **No exceptions.**

E. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions. **N/A, no signature stamp or signature machine is used.**

Procedure 4:

Transfers between activity funds:

A. Select 10 transfers between funds to ensure properly approved and for the established purposes and conditions of the fund. **No exceptions.**

Procedure 5:

Petty Cash:

- A. Review petty cash reconciliation for one time period to ensure petty cash expenditures are in compliance with purposes and conditions of the fund. **No exceptions.**
- B. Verify that appropriate safeguards are maintained for petty cash funds. **No exceptions.**

Procedure 6:

Cash in Bank:

- A. Obtain bank statements and reconciliations for all months in the fiscal period and report whether:
 1. Bank reconciliations have been prepared for each month. **No exceptions.**
 2. If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period. **No exceptions.**
 3. Select two (2) months bank reconciliations to perform the following:
 - a. Reconcile book balances to bank statements to accounting records. **No exceptions.**
 - b. Total/sum reconciling items. **No exceptions.**
 - c. Investigate any long-outstanding reconciling items - deposits or checks. **No exceptions.**
 - d. Verify that reconciliations are being done timely. **No exceptions.**
 - e. Verify that reconciliations are properly signed and approved. **No exceptions.**
 - f. Verify that reconciliations are submitted to the main office. **No exceptions.**

Procedure 7:

Fixed Assets:

- A. Obtain a copy of the school's detail fixed asset listing which includes identifying asset tag numbers. **No Exceptions.**
- B. Select five assets on the school's detail fixed asset listing to find the asset at the location.

Exception - One of the five assets selected for testing were listed on the detail fixed asset listing but was not able to be sighted at the school/location.

Management's Response - All fixed asset recording and tracking is handled at the district level, not at the school level. All procedures have been reviewed and missed items have been accounted for during the audit process. Management has taken steps to ensure proper accountability moving forward.

- C. Select five assets at the school location to trace asset using the asset tag number to the detail fixed asset listing. **No Exceptions.**

Procedure 8:

Credit Cards:

- A. Obtain a copy of school's active credit card listing which includes the card number and name of the persons who maintained possession of the cards. – **Not applicable. There were no school issued credit cards issued or used during the period July 1, 2024 through June 30, 2025.**
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation. – **Not applicable. See 8A above.**
 1. Observed there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 2. Observed that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under #B above randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by: – **Not applicable. See 8A above.**
 1. Observed that transaction supported by an original itemized receipt that identifies precisely what was purchased.
 2. Observed transaction supported by written documentation of the business/public purpose.
 3. Observed transaction is by supported documentation of the individuals participating in meals (for meal charges only).