

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

**FOR
Franklinton High School**

**AS OF AND FOR THE PERIOD
July 1, 2015 through June 30, 2016**

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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, 2015 through June 30, 2016. 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 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. There were no exceptions to school board policy concerning bank reconciliation procedures in the months I tested. The beginning bank balance at July 1, 2015 was \$140,626, and the balance at June 30, 2016 was \$118,956, resulting in a net decrease of \$21,670 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 34 disbursements. Out of the 34 disbursements, one disbursement had an invoice with a date prior to the requisition and purchase order. I also found 2 disbursements paid with a statement and not an invoice.

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 but one receipt. 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 asked school staff if they had copies of the completed forms for some of the fundraisers and it was expressed that the school did not use the forms. It appears fundraisers were being conducted without proper approval and accounting to Central Office as required by the school board.

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 an inconsistent use of the form. The events that were supported by a form used an old form and not the current form that has the elements described above. While it was possible to trace the total gate proceeds reported on the form back to the accounting records, the number of tickets sold and ticket prices were not reported. I could not retrace the number of tickets sold and the ticket price of each. In a few cases, a form was not completed at all.

Athletic Concessions

For the bank 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	21,156	2,403	873	1,685	3,043
Profit %	38%	47%	40%	44%	41%

Reconciliation forms are required to account for the concession proceeds; 3 signatures are required on the form. There was inconsistent use of the form. Sometimes 1 person or 2 people signed.

School Concessions

Drink and snack concession profits support the school's positive behavior initiatives. The gross profit generated for the school year was \$5,083 and the gross profit percentage was 26%.

This seems relatively low compared to the other schools in the District. 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 1,395 items contained on the school's property inventory, I selected a sample of 764 (55%). I found all but one of the the 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. The item we could not locate was an Epson projector purchased on 4/1/15.

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, 2008 through June 30, 2009. Results of that examination revealed some issues with timeliness of the bank deposits, an issue with a check written out to cash for staff to purchase materials at a seminar, low gross profit on some of the ball and band concessions, and some inventory items that 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 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.

Yours truly,

Minda Raybourn

Minda B. Raybourn
Franklinton, LA
January 30, 2017

Corrective Action Plan for Franklinton High School

Cash Disbursements

Problem: An invoice with a date prior to the requisition and purchase order was discovered. Two disbursements were paid with a statement rather than an invoice.

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. In addition, bills should never be paid from a statement, but always from an invoice.

Cash Receipts

Problem: A computer-generated receipt was not found for one transaction.

Plan: A computer generated receipt must be produced for every transaction.

Fundraisers

Problem: Fundraiser Request forms and Fundraiser Financial Report forms were not used.

Plan: Fundraiser Request Forms will be completed and submitted to the superintendent before the fundraisers begin. 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: Inconsistent use of the ticket reconciliation for athletic events, and when used, the wrong form was used.

Plan: The correct form will be used for each athletic event. All business forms needed by the schools are available on the School Board's web site.

Athletic Concessions

Problem: There was inconsistent use of the cash reconciliation form for athletic concessions. When used, the form did not always have the three required signatures.

Plan: Use the Cash Reconciliation form for each athletic concession and always have three people sign that the amounts are correct as counted.

School Concessions

Problem: At 26%, the schools regular concession gross profit percentage was low compared to other schools.

Plan: School staff should scrutinize the inventory to see if they might purchase items less expensively in another market. The staff should then set the sales price to realize a larger gross profit.

Fixed Asset Inventory

Problem: An item on the inventory list, an Epson projector, could not be located.

Plan: When items are purchased, they should immediately be tagged and placed on the inventory list. If an item is disposed of or moved to another location, the proper paperwork should be completed and sent to the inventory clerk at Central Office.