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## REPORT

**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, 2009 through June 30, 2010**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/1/10

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, 2010. 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, 2009 was \$84,825, and the balance at June 30, 2010 was \$78,689, resulting in a net decrease of \$6,136 for the year ended.

Cash disbursements - For the 25 items tested for the school year ended 6/30/10, 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 not properly utilized for the athletic events. My examination of the athletic funds did not indicate a proper accounting for gate receipts and ticket inventory for the events supported by ticket reconciliation forms. The football game receipts were not supported by any ticket reconciliations. The basketball receipts only had one form which was for the first game of the season. All baseball game receipts but one were supported by ticket reconciliation forms. All softball game receipts were supported by forms. We recommend that all coaches and staff be made aware of the school board's policies regarding the accounting of athletic funds.

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. No reconciliation forms were used to support the concession sales. We suggest reconciliation forms be turned into to the school secretary to indicated two people have counted the money after each game.

At the beginning of each athletic ball season, checks were made out to each coach for start up money. When the season was over, coaches returned the money to the office and it was deposited to the bank. Normally, start up money is distributed to the coaches before each game and deposited back into the school's account after the game. However, with Mt. Hermon School's location and the lack of a local bank in Mt. Hermon, it is illogical to make staff at Mt. Hermon go to the bank each week for the start up money.

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 for the year ended 6/30/2010. The commissions totaled \$1,961. 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 \$2,038. The funds were transferred to the general fund at the end of the year.
- 3) Book Fair-Mt. Hermon held book fairs during the school year. The profits made were \$1,216 (24.40%) which went toward the Library fund.
- 4) Fall Festival-Mt. Hermon holds a Fall Festival every year that benefits the PTO. The festival in 2009 made \$1,183 (45.52%).

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

- 1) Basketball boosters-concession stand at basketball games—Gross profit of 47.29%  
Profits from these sales are used to support the basketball program.
- 2) Baseball-concession stand at baseball games-Gross profit of 46.07%  
Profits from these sales are used to support the baseball program.
- 3) Softball boosters-concession stand at softball games-Gross Profit of 67.00%  
Profits from these sales are used to support the softball program.
- 4) Football concessions-Gross profit of 43.25%  
Profits from these sales are used to support the football program.

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 586 items contained on the school's property inventory, I selected a sample of 130 (22%). I found 98% of 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. Of the 65 items selected from the inventory list I was unable to locate one item. The one missing item is a gateway laptop. Many of the laptops were located in room 211, which is a locked storage room.

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. However, it is my understanding that teachers are required to prepare an inventory list for their respective rooms at the beginning and end of each school year. It should be stressed to the teachers the importance of completing proper transfer sheets when items are permanently moved from one room to another. 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 near perfection, and any improvement would be difficult to find.

Prior examination report findings – The prior examination of Mt. Hermon School was for the period July 1, 1999 through June 30, 2000. There were no adverse findings as a result of that examination.

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 B. Raybourn, CPA

August 19, 2010