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*Donna W. Alonzo*

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

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tor and, where appropriate, at the  
office of the parish clerk of court

Washington Parish School Board  
Franklinton, LA

Release Date 2-16-00

We 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 office with respect to compliance with policy and procedures concerning individual school activity accounts and school property inventory at two parish schools. 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, we 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.

We 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. We also inspected property items to determine if they were identified as property of the school and numbered in accordance with the property inventory list. We examined the records for the schools' 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. We tested bank deposits against prenumbered receipts for propriety and traced them to the activity account ledger. We calculated gross profit percentages on concession sales and performed reasonableness test on other receipt categories where applicable.

WESLEY RAY ELEMENTARY SCHOOL

Bank Reconciliation - 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

month balances to verify proper cutoffs for transactions recorded in the correct period and that balances were carried forward properly. There were no exceptions to school board policy concerning bank reconciliation procedures in the months we tested. The bank balance at the beginning of school was \$4013. and the balance at June 30, 1999, was \$12,312. resulting in an increase of \$10,212.

Cash disbursements - Great improvement was noted concerning compliance with the purchasing policy at Wesley Ray Elementary. The majority of items examined were properly approved, documented and recorded in the accounts of the school. Requisitions, purchase orders and invoices were signed by the principal for all of the items tested. The records were neat and orderly thus allowing the verification process to be accomplished in an efficient manner. Wesley Ray Elementary School appears to be in compliance with the purchasing policies and procedures of the Washington Parish School Board.

Cash receipts - Deposits are made daily. Procedures for safeguarding and accounting for cash receipts have been improved. Receipts are balanced with the daily recap and properly recorded in the activity account ledger. Deposit tickets were complete and agreed with the daily report. We suggested that the deposit ticket be attached to the daily receipts recap and the receipt numbers be detailed on the daily recap also. We also suggested that when more than one deposit per day is made that each deposit be listed and totaled on the daily recap form. From the evidence examined, Wesley Ray Elementary School appears to be in compliance with school board policies regarding cash receipts.

Concessions and other fund raisers - We calculated the gross profit percentage for the school's concession operations for the school year to be 29.33%. All invoices for concession purchases were paid on a current basis and receipts appear to be properly accounted for. Fund raisers for the year netted a gross profit of 48.89 % and school pictures netted the school a gross profit of 25.02%. Each of these areas appear to have been properly accounted for.

Fixed asset inventory - We examined a sample of items from the property inventory list for its physical existence on school property and for the appropriate identification markings. We were able to easily locate all but one item, which was later located by school personnel, and all the items we examined were properly identified. We also chose a sample of items on the school premises and traced them to the fixed asset inventory list to verify their inclusion. Each item chosen was found on the list, in the appropriate room. Items purchased from the school's activity account were found on the property inventory list. Mrs. Cheryl Watts has done an excellent job of identifying items as the property of the school with their identifying number and tracking items moved throughout the school. Wesley Ray's property inventory list is in excellent condition.

Prior report findings - We reviewed our prior report findings and performed test to determine if any procedural changes or improvements have been implemented to correct such findings and we found that each finding of noncompliance with school board policy appears to have been resolved.

### **FRANKLINTON JUNIOR HIGH SCHOOL**

Bank Reconciliation - Each month tested was mathematically correct and the reconciled balance equaled the activity account ledger. We discovered several old outstanding checks that need to be settled. Beginning and ending balances were traced to prior and subsequent month activity ledgers to verify proper cutoffs with transactions recorded in the correct period and to verify that balances were carried forward properly. There were no exceptions to school board policy concerning bank reconciliation procedures in the months we tested. The bank balance at the beginning of the school year was \$8896. and the balance at June 30, 1999 was \$17,274., resulting in an increase of \$8,378.

Cash disbursements - While vast improvement is evident concerning application of the purchasing policy, there were items discovered without proper documentation. Out of our sample of 30 items, 8 were not properly executed or documented, representing 27% of the sample. In some instances, the order of the purchase was not proper, in other items, invoices were not present. There were a couple of expenditures for meals for faculty members and Secretary's Day paid from the general account, these type expenditures should be paid from courtesy funds. On the whole, the purchase procedures at Franklinton Junior High School are moving toward compliance with school board policy.

Cash receipts - Deposits are made daily. Procedures for safeguarding and accounting for cash receipts have been vastly improved. Receipts were present for all collections, balanced with the daily recap, properly recorded in the activity ledger and deposited at the bank. The paper trail documenting receipts is excellent. The secretary receives money from faculty members each morning, prepares receipts, signs and sends the receipts back to faculty member for their verification and signature. These signed receipts are maintained with the daily recap on which receipt numbers are detailed and deposit amounts are recorded. Ticket reconciliation forms were completed for all athletic events, with money balanced to tickets and deposited timely. From the documentation examined, Franklinton Junior High School appears to be in compliance with school board policies regarding cash receipts.

Concession operations - The gross profit percentage for the school's concession was computed to be 37%, netting a profit to the school in the amount of \$4641. Coke operations netted a 25% gross profit prior to the conversion to a full service contract. For the school year, coke operations netted the school \$2843. All

invoices for concession purchases were paid on a current basis and receipts appear to be properly accounted for.

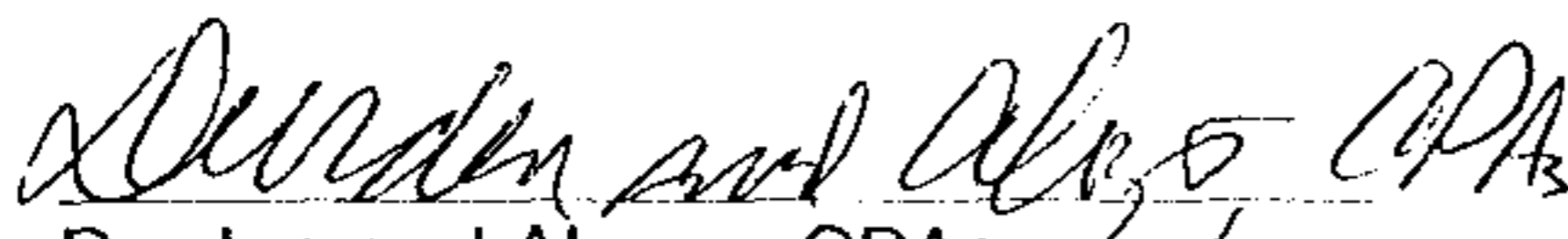
Fixed asset inventory - We reviewed the fixed asset inventory for Franklinton Junior High School for the previous year and found it to be in excellent condition, therefore, our examination this year was limited. We randomly selected one item from each room to verify existence and identification. This selection amounted to fifty-four (54) items from the physical inventory list. Of the items selected fifty-one (95%) could be located, and all fifty-one were tagged or identified as property of Franklinton Junior High. We also randomly selected items from the school to insure the property item was included on the physical inventory listing and was identified as property of the school. A total of sixty-seven (67) items were selected and of those items, only five were not on the listing and four were not tagged. The physical inventory list is maintained in good order. Items were listed by room with transfers between rooms noted on Mrs. Rush's listing. We were able to locate property with little effort. Our only suggestion would be to emphasize to the faculty the importance of completing the transfer form when moving property from one location to another and submitting the form to the individual in charge of maintaining the inventory list. We also verified that two items of property purchased from school activity accounts were included on the inventory list and we were able to verify their physical existence at the school, or an explanation of their location. Overall, the control and accounting for fixed assets at Franklinton Junior High School appears to be in excellent condition.

Prior report findings - We reviewed our prior report findings and performed test to determine if any procedural changes or improvements have been implemented to correct such findings and each finding of noncompliance with school board policy appears to have been resolved.

We were 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, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our 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,

  
Durden and Alonzo, CPAs

August 26, 1999