REPORT

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

FOR
FRANKLINTON HIGH SCHOOL
FRANKLINTON, LOUISIANA

AS OF AND FOR THE PERIOD
July 1, 2002 through June 30, 2003

WILLIAM R. DURDEN
Certified Public Accountant

820 11TH AVENUE
FRANKLINTON, LOUISIANA 70438
(985)839-4413
FAX (985)839-4402

MEMBER
A.I.C.P.A.

MEMBER
L.C.P.A.

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 year ended June 30, 2003. 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 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. 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.

FRANKLINTON HIGH SCHOOL
Principal - Beverly Young
Secretary -Terri Manning
Bookkeeper-Sharon Smith

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 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.

Cash disbursements - For the items tested for the school year ended 6/30/03, 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 99.9% of 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 - Franklinton High School has very good documentation supporting their cash receipt transactions. Their receipt book is balanced to the deposit slip and to the corresponding daily cash receipt report. All items tested were easily verified and traced to the activity account ledger. Deposits are made timely and intact.

Ticket reconciliation forms are utilized for all athletic events. My examination of these forms indicated a proper accounting for gate receipts and ticket inventory for the events supported by pre-numbered ticket sales and ticket reconciliation forms. Deposits for athletic events are normally placed in the night deposit box at the bank, after the event.

Concessions - Concession operations consist of various units or groups as follows:

1) Teacher's lounge-drink sales – Gross profit (9.64%)
   Teacher's lounge-candy sales – Gross profit 44.46%
   Receipts on these sales are placed in the teacher's courtesy account. Prices on the drink machine have not been raised to reflect the rise in cost.
2) Encore concessions–drink and candy sales – Gross profit 23.67%
   Profit at year-end is transferred to the general account
3) Power aid machines: machine # 1 – Gross profit 10.95%
   machine # 2 – Gross profit 33.45%
   Profit at year-end is transferred to the general account. Machine # 1 experienced several "break-in's" during the year ended June 30, 2003.
4) Basketball boosters-concession stand at basketball games–Gross profit 72.03%
   Profits from these sales are used to support the basketball program
5) Dugout club-concession stand at baseball games-Gross Profit 41.84%
   Profits from these sales are used to support the baseball program
6) Softball boosters-concession stand at softball games-Gross profit 72.99%
   Profits from these sales are used to support the softball program
7) Band boosters: concession stand at football games – Gross Profit 53.01%
   Food booth at fair – Gross Profit 40.37% (includes cost of booth rental)
   Profits from these sales are used to support the high school band. The food booth at the fair operated at gross profits for 2002 of 14.19% and 2001 of 12.78%. Sales at the food booth for 2002 and 2001 were approximately $10,000 less than for the year ended June 30, 2003

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

Fixed asset inventory - Assets were randomly selected from the inventory list, and also from the school's premises. Four hundred sixty-one items were chosen. I found 88.8% of the items selected and of the items found 98.5% had identification numbers. The assets on the inventory list were broken down by building and then by room number, with the exception of several items that are checked out of the Library. A better checkout system needs to be adopted.

Because the items were listed by room number they were much easier to locate. Most items were clearly marked with a property number and as property belonging to Franklinton High School. Currently, a physical inventory is completed by each teacher at the beginning and end of each school year. I found no fixed assets purchased from the school activity accounts I tested. However; there is not a system in place to insure that any fixed assets purchased from activity accounts will be included on the school's inventory list. We suggest that a system be established that will enable the high school to notify the inventory personnel at the school board office when equipment is purchased. Overall the control of the fixed asset inventory at Franklinton High School is very good. The inventory list is complete and accurate, and the safeguarding of the assets is satisfactory.

Prior examination report findings – My prior examination of Franklinton High School was for the period July 1, 1997 through November 30, 1998. 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,

William R Durden

William R Durden CPA, LLC

September 19, 2003