



**PATRICK HENRY LOCAL SCHOOL DISTRICT  
HENRY COUNTY**

**AGREED UPON PROCEDURES**

**FOR THE YEARS ENDED JUNE 30, 2006, 2007, AND 2008**



**Mary Taylor, CPA**  
Auditor of State



**PATRICK HENRY LOCAL SCHOOL DISTRICT  
HENRY COUNTY**

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Patrick Henry Local School District  
Henry County  
6900 State Route 18  
Hamler, Ohio 43524-9781

To the Superintendent and Treasurer:

We have performed the procedures enumerated below as of June 30, 2008, 2007, and 2006, which were agreed to by the addressees, solely to assist you in determining accountability over yearbook activity revenue and athletic event program (brochure) revenue. Management is responsible for Patrick Henry Local School District's (the District) monitoring of yearbook activity revenue and athletic event program revenue and determining if the revenues were properly accounted for. We will follow the American Institute of Certified Public Accountants' attestation standards for agreed upon procedures engagements. The sufficiency of the procedures is solely the responsibility of the addressees. Consequently, we make no representation regarding the sufficiency of the procedures described below for the purposes for which this report has been requested or for any other purposes. Our procedures were as follows:

1. We computed what was recorded for high school yearbook sales revenue based on what was recorded in the High School Secretary's receipt books and deposit list furnished to us by the Treasurer for fiscal years 2006. The amount recorded for high school yearbook sales revenue was based on the descriptions recorded in the High School Secretary's receipt books and deposit list furnished to us by the Treasurer for fiscal years 2006 was \$8,285.

We attempted to compute what was recorded for high school yearbook sales revenue based on what was recorded in the High School Secretary's receipt books and deposit list furnished to us by the Treasurer for fiscal years 2007, and 2008. Documentation was not available to divide the receipts between high school yearbook sales and athletic event program sales for fiscal years 2007 and 2008. Therefore we are unable to provide assurance as to what was recorded for high school yearbook sales for fiscal year 2007 and 2008. However, we did utilize the High School Secretary's receipt books and deposit lists to compute high school yearbook and athletic event program sales in total and compared that total to the total high school yearbook and athletic event program sales recorded in the District's Receipt Ledgers for fiscal years 2007 and 2008. The total receipts recorded for high school yearbook and athletic event program sales were \$8,186.10 and \$8,169 for fiscal years 2007 and 2008, respectively.

2. We compared those totals from step 1 to a projection of revenue we prepared for each respective year based on vendor invoices which lists the number of yearbooks acquired, sale price(s) of the yearbooks, and the remaining yearbooks on hand for each respective year. This information was furnished to us by the Treasurer. Due to the lack of documentation to show the breakdown of receipts between high school yearbook sales and athletic event program sales, we combined the results of step two with step four below.
3. We attempted to compute what was recorded for high school athletic event program sales revenue for the fall and winter sports based on what was recorded in the High School Secretary's receipt books and deposit list furnished to us by the Treasurer for fiscal years 2007 and 2008. Adequate documentation was not available to divide the receipts between high school yearbook sales and athletic event program sales. Therefore we are unable to provide assurance as to what was recorded for athletic event program sales. We combined the results of steps 2 and 3 with step 4 below.
4. We compared the totals from step 3 to a projection of revenue we prepared for each respective year based on vendor invoices which lists the number of programs acquired, sale price(s) of the programs, and the remaining athletic event programs on hand for each respective year. This information was furnished to us by the Treasurer. Due to the lack of documentation to show the breakdown of receipts between high school yearbook sales and athletic event program sales, we combined the results of step two above with step four.

A comparison of high school yearbook sales revenues and athletic event program sales to a projection of revenue for each respective year resulted in total cash receipt shortages of \$1,041.00, \$1,102.90, and \$516.00 for the fiscal years ended June 30, 2008, 2007, and 2006, respectively as illustrated in exhibits 1, 2, and 3.

5. We computed what was recorded for yearbook advertisement sales/high school event program advertisements sales based on what was recorded in the High School Secretary's receipt books and deposit list furnished to us by the Treasurer for fiscal year 2007 and 2008. We also computed what was recorded for the year book advertisement sales in the High School Secretary's receipt books and deposit list furnished to us by the Treasurer for fiscal year 2006. The total receipts recorded for yearbook advertisement sales/high school event program advertisements sales for fiscal year 2006, 2007 and 2008 was \$2,850.00 and \$7,081.50, and \$8,439.15, respectively.
6. We compared the totals from step 5 to a projection of revenue we prepared for each respective year based on actual advertisements in the yearbook(s)/athletic event program(s), and ad rates furnished to us by the Treasurer for fiscal years 2007 and 2008. We also compared the totals from step 5 to a projection of revenue we prepared for each respective year on actual advertisements in the yearbook, and ad rates furnished to us by the Treasurer for fiscal year 2006. This procedure was included with steps eight and nine below.

7. We inspected all the receipt copies and deposit lists issued by the High School Secretary to the Yearbook Advisor for fiscal year 2008 for yearbooks sold and determine the total cash the High School Secretary acknowledged receiving from the Yearbook Advisor based on whether the receipts indicated cash or checks being received from the Yearbook Advisor. Adequate documentation was not available to divide the receipts between high school yearbook sales and athletic event program sales. Therefore, we are unable to provide assurance as to the allocation between high school yearbook sales and athletic event program sales. Based on the information we were provided, we determined the amount of total cash received by the High School Secretary for fiscal year 2008 was \$1,904.50 of which we estimate \$681 could have been from yearbook sales.
8. We prepared a list of all advertisements, including the business name and size of advertisement, we observed in the school year books for fiscal years 2006, 2007, and 2008, and the athletic event programs for fiscal years 2007 and 2008. We compared the list of advertisements to the list of payments per the deposit lists and prepared a list of possible delinquent accounts, overpayments, and businesses which paid and did not receive an advertisement. This procedure was included with steps six and nine and illustrated in Exhibits 4, 5, and 6.
9. We sent positive confirmations to the businesses, which paid more or less than was owed, requesting they confirm whether and how much they paid for an advertisement. The confirmation letters were prepared on District letterhead and signed by the Treasurer. This letter instructed vendors to mail responses back to the Auditor of State. This information was used in the projection of advertisement revenues as noted in step six and eight.

Projected revenues for school yearbook advertisements and athletic event program advertisements were equal to actual receipts per the secretary receipts and deposits lists for Fiscal Years 2006, 2007, and 2008, as illustrated in Exhibits 4, 5 and 6.

10. The Treasurer had a list of students, who claimed they paid for a yearbook in fiscal year 2008 but were not included on the list of students which paid for a year book. We prepared a letter to the students and their parents and had them attest to the fact they paid for a yearbook, how much they paid, and whether they paid cash or check for the yearbook. The letter was prepared on District letterhead and signed by the Treasurer. The letter instructed students and their parents to return the completed form back to the District Treasurer's Office. Our responsibility was to prepare the letter. We were not responsible for receiving the completed forms from the students.

We were not engaged to and did not audit yearbook and athletic event program revenues, the objective of which would be the expression of an opinion on yearbook and athletic event program revenues. Accordingly, we did not express such as opinion. Had we performed additional procedures, other matters might have come to our attention that we would have reported to you.

This report is intended solely for the information and use of the addressees listed above and is not intended to be and should not be used by anyone else.

### **Finding 1 - Finding for Recovery**

The District sold yearbooks and yearbook advertisements for the years ended June 30, 2008, 2007, and 2006. In addition, athletic programs and athletic program advertisements were sold by the District for the years ended June 30, 2008 and 2007. There were shortages in the collections of these revenues when compared to projections of what should have been received and what was receipted and recorded in the District's Receipt Ledgers. The following table summarizes the shortages for each fiscal year:

Year Ended June 30, 2008	\$ 1,041.00
Year Ended June 30, 2007	1,102.90
Year Ended June 30, 2006	<u>516.00</u>
Total Shortage	<u><u>\$ 2,659.90</u></u>

In accordance with the foregoing facts, and pursuant to the Ohio Revised Code Section 117.28, a Finding for Recovery for public monies collected but not accounted for is hereby issued against Jodi Johns, Former Yearbook Advisor and Schools of Ohio Risk Sharing Authority, her bonding company, jointly and severally, in the amount of two thousand six hundred fifty-nine and ninety cents and in favor of the District's Student Activity Fund 200-9682.

### **Finding 2**

1. The Student Advisor was primarily responsible for the functions related to the handling of student activity cash receipts without evidence of monitoring controls in effect.
2. There was no evidence the Student Advisor issued receipts for yearbook sales and yearbook advertisements.
3. A list of delinquent accounts was not maintained for yearbook advertisements.
4. The Student Advisor did not complete the second half of sales project potential forms after the yearbook sales and yearbook advertisements for the years ended June 30, 2008, 2007, and 2006, and the athletic program sales and advertisements for the June 30, 2008 and 2007. Since the second half of the sales potential forms were not completed, the sales were not verified to the financial statements to verify collections were deposited to the Treasurer.

This resulted in loss of revenues for the years ended June 30, 2008, 2007, and 2006. To improve controls, we recommend:

1. The Student Advisor issue triplicate pre-numbered receipts for each individual/business which money is collected from for yearbook sales, yearbook advertisements, and athletic program advertisements.
2. The Student Advisor give one copy of the receipts to each individual/business making a payment, one copy to the High School Secretary with the money collected, and one copy should be maintained by the student advisor.
3. The High School Secretary adds up the Student Advisor receipts to ensure they match the amount collected before issuing a receipt to the Student Advisor.
4. A list be maintained of all businesses that ordered advertisements, which includes the amount owed and the date paid.
5. The Student Advisor follows up on any delinquent advertisers.



**Finding 2 – (Continued)**

6. The Student Advisor complete the second half of the sales potential form showing what should have been collected compared to what was actually collected.
7. The Treasurer compares the actual collections on the sales potential form to the District records.
8. The Treasurer periodically review yearbook and athletic program records and ensure procedures are in place for the proper maintenance of these records.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

February 4, 2009

**PATRICK HENRY LOCAL SCHOOL DISTRICT  
HENRY COUNTY**

**For the Fiscal Years Ended June 30, 2008, 2007, and 2006**

**Exhibit 1**

**Yearbook Sales for Fiscal Year 2006**

	Number of Yearbooks	Price	Projected Revenues
Number of Yearbooks Purchased	205		
Less: Number of Yearbooks Donated	(4)		
Less: Number of Yearbooks Unsold	(7)		
<b>Total Fiscal Year 2006 Yearbooks Sold</b>	194		
2006 Yearbooks Sold @ \$48	42	\$ 48.00	\$ 2,016.00
2006 Yearbooks Sold @ \$45	46	45.00	2,070.00
2006 Yearbooks Sold @ \$43	83	43.00	3,569.00
2006 Yearbooks Sold in FY 2007	11		
2006 Yearbooks Sold at Estimated Price	12	43.00	516.00
<b>Total Fiscal Year 2006 Yearbooks Sold</b>	194		8,171.00
Plus Fiscal Year 2004 Yearbooks Sold in Fiscal Year 2006	2	45.00	90.00
Plus Fiscal Year 2005 Yearbooks Sold in Fiscal Year 2006	12	45.00	540.00
Projected Revenues for Fiscal Year 2006 Yearbook Sales			8,801.00
Collections per Secretary Receipts and Deposit Lists			8,285.00
Shortage			\$ (516.00)

**PATRICK HENRY LOCAL SCHOOL DISTRICT  
HENRY COUNTY**

**For the Fiscal Years Ended June 30, 2008, 2007, and 2006**

**Exhibit 2**

**Yearbook and Program Sales for Fiscal Year 2007**

	Number of Yearbooks	Price	Projected Revenues
<b>Projected Revenues for Fiscal Year 2007 Yearbook Sales:</b>			
Number of Yearbooks Purchased	217		
Less: Number of Yearbooks Donated	(4)		
Less: Number of Yearbooks Unsold	(42)		
<b>Total Fiscal Year 2007 Yearbooks Sold</b>	<b>171</b>		
Fiscal Year 2007 Yearbooks Sold @ \$45	75	\$ 45.00	\$3,375.00
Fiscal Year 2007 Yearbooks Sold @ \$47	52	47.00	2,444.00
Fiscal Year 2007 Yearbooks Sold @ \$48	6	48.00	288.00
Fiscal Year 2007 Yearbooks Sold @ \$50	3	50.00	150.00
Fiscal Year 2007 Yearbooks Sold in FY 2008	7		
Fiscal Year 2007 Yearbook Sold at Estimated Price	28	45.00	1,260.00
<b>Total Fiscal Year 2007 Yearbooks Sold</b>	<b>171</b>		<b>7,517.00</b>
Plus Fiscal Year 2006 Yearbooks Sold in Fiscal Year 2007	11	48.00	528.00
Projected Revenues for Fiscal Year 2007 Yearbook Sales			<b>\$ 8,045.00</b>
	Number of Program	Price	Projected Revenues
<b>Projected Revenue for Fiscal Year 2007 Athletic Program Sales:</b>			
Number of Athletic Programs Purchased	680		
Less: Number of Athletic Programs Unsold	(58)		
Total Athletic Programs Sold	<b>622</b>		
Projected Revenues for Fiscal Year 2007 Athletic Program Sales	622	\$ 2.00	<b>\$ 1,244.00</b>
Total Projected Revenues for Yearbook Sales and and Athletic Program Sales			\$ 9,289.00
Total Collections Per Secretary Receipts and Deposit List for Yearbook and Athletic Program Sales			8,186.10
Shortage			<b>\$ (1,102.90)</b>

**PATRICK HENRY LOCAL SCHOOL DISTRICT  
HENRY COUNTY**

**For the Fiscal Years Ended June 30, 2008, 2007, and 2006**

**Exhibit 3**

**Yearbook and Program Sales for Fiscal Year 2008**

	<u>Number of Yearbooks</u>		<u>Price</u>	<u>Projected Revenues</u>
Number of Yearbooks Purchased	205			
Less: Number of Yearbooks Donated	(4)			
Less: Number of Yearbooks Unsold	<u>(37)</u>			
<b>Total Fiscal Year 2008 Yearbooks Sold</b>	<b>164</b>			
Fiscal Year 2008 Yearbooks Sold @ \$45	90	\$	45.00	\$ 4,050.00
Fiscal Year 2008 Yearbooks Sold @ \$50	53		50.00	2,650.00
Fiscal Year 2008 Yearbooks Sold @ \$48	8		48.00	384.00
Fiscal Year 2008 Yearbooks Included with Advertisement	1			
Fiscal Year 2008 Yearbook Sold at Estimated Price	<u>12</u>		45.00	<u>540.00</u>
<b>Total Fiscal Year 2008 Yearbooks Sold</b>	<b>164</b>			<b>7,624.00</b>
Fiscal Year 2007 Yearbooks Sold @ \$50	1		50.00	50.00
Fiscal Year 2007 Yearbooks Sold @ \$48	6		48.00	288.00
Projected Revenues for Fiscal Year 2008 Yearbook Sales				<u><u>7,962.00</u></u>

	<u>Number of Program</u>		<u>Price</u>	<u>Projected Revenues</u>
<b>Projected Revenue for Fiscal Year 2008 Athletic Program Sales:</b>				
Number of Athletic Programs Purchased	635			
Less: Number of Athletic Programs Still on Hand	<u>(11)</u>			
Total Athletic Programs Sold	624			
Projected Revenues for Fiscal Year 2008 Athletic Program Sales	624	\$	2.00	<u><u>\$ 1,248.00</u></u>
Total Projected Revenues for Yearbook Sales and and Athletic Program Sales				9,210.00
Total Collections Per Secretary Receipts and Deposit List for Yearbook and Athletic Program Sales				<u>8,169.00</u>
Shortage				<u><u>(\$1,041.00)</u></u>

**PATRICK HENRY LOCAL SCHOOL DISTRICT  
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**For the Fiscal Years Ended June 30, 2008, 2007, and 2006**

**Exhibit 4**

**Test of Yearbook/Athletic Program Advertisement Revenues for Fiscal Year 2006**

	<u>Number of Advertisements</u>	<u>Price Per Advertisement</u>	<u>Projected Revenue</u>
Yearbook Business Advertisements:			
Patron	5	\$ 50.00	\$ 250.00
1/8 Page	14	65.00	910.00
1/4 Page	6	90.00	540.00
1/2 Page	8	105.00	840.00
Full Page	5	155.00	775.00
Yearbook Parent Advertisements:			
1/12 Page	7	25.00	175.00
1/4 Page	1	50.00	50.00
Subtotal			<u>3,540.00</u>
Adjustment for Advertisements Printed in Error and Donated Funds			(40.00)
Confirmed Delinquents			<u>(650.00)</u>
Projected Yearbook/Athletic Program Advertisement Revenues			<u>2,850.00</u>
Total Collections Per Secretary Receipts and Deposit Lists for Yearbook/Athletic Program Advertisements for Fiscal Year 2006			<u>2,850.00</u>
Overage/(Shortage)			<u><u>          </u></u>

**PATRICK HENRY LOCAL SCHOOL DISTRICT  
HENRY COUNTY**

**For the Fiscal Years Ended June 30, 2008, 2007, and 2006**

**Exhibit 5**

**Test of Yearbook/Athletic Program Advertisement Revenues for Fiscal Year 2007**

	<u>Number of Advertisements</u>	<u>Price Per Advertisement</u>	<u>Projected Revenue</u>
Yearbook Business Advertisements:			
Patron	11	\$ 50.00	\$ 550.00
1/8 Page	18	65.00	1,170.00
1/4 Page	6	85.00	510.00
1/2 Page	7	105.00	735.00
Full Page	1	175.00	175.00
Program Business Advertisements:			
Patron	8	50.00	400.00
1/8 Page	0	65.00	
1/4 Page	29	85.00	2,465.00
1/2 Page	14	105.00	1,470.00
Full Page	2	175.00	350.00
Back Page	1	220.00	220.00
Total			<u>8,045.00</u>
Less Discount for Purchasing Yearbook and Athletic Program Advertisement			(178.50)
Adjustment for Advertisements Printed in Error and Donated Funds			997.00
Confirmed Delinquents			(1,667.00)
Unconfirmed Delinquents			<u>(115.00)</u>
Projected Revenues			<u>7,081.50</u>
Total Collections Per Secretary Receipts and Deposit Lists for Yearbook/Athletic Program Advertisements for Fiscal Year 2007			<u>7,081.50</u>
Overage/(Shortage)			<u><u>                    </u></u>

**PATRICK HENRY LOCAL SCHOOL DISTRICT  
HENRY COUNTY**

**For the Fiscal Years Ended June 30, 2008, 2007, and 2006**

**Exhibit 6**

**Test of Yearbook/Athletic Program Advertisement Revenues for Fiscal Year 2008**

	<u>Number of Advertisements</u>	<u>Price Per Advertisement</u>	<u>Projected Revenue</u>
Yearbook Business Advertisements:			
Patron	14	\$ 50.00	\$ 700.00
1/8 Page	26	65.00	1,690.00
1/4 Page	15	85.00	1,275.00
1/2 Page	9	110.00	990.00
Full Page	2	175.00	350.00
Yearbook Parent Advertisements:			
1/8 Page (No picture)	2	25.00	50.00
1/8 Page (With picture)	3	40.00	120.00
1/4 Page	2	50.00	100.00
1/2 Page	1	50.00	50.00
Program Business Advertisements:			
Patron	6	50.00	300.00
1/8 Page	0	65.00	
1/4 Page	20	85.00	1,700.00
1/2 Page	17	110.00	1,870.00
Full Page	4	175.00	700.00
Subtotal			9,895.00
Less Discount for Purchasing Yearbook and Athletic Program Advertisement			(272.50)
Adjustment for Advertisements Printed in Error and Donated Funds			541.65
Confirmed Delinquents			(1,800.00)
Overpayment and Delinquents of Parent Ads			75.00
Projected Revenues			<u>8,439.15</u>
Total Collections Per Secretary Receipts and Deposit Lists for Yearbook/Athletic Program Advertisements for Fiscal Year 2008			<u>8,439.15</u>
Overage/(Shortage)			<u><u>          </u></u>







**Mary Taylor, CPA**  
Auditor of State

**PATRICK HENRY LOCAL SCHOOL DISTRICT**  
**HENRY COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED**  
**FEBRUARY 26, 2009**