



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

Mr. Curtis Gilbert, Secretary/Treasurer  
Missionary Baptist Association of Texas  
Overton, Texas

We have performed the procedures enumerated below for the review of recordation accuracy within the cash transactions, which were agreed to by the Secretary/Treasurer of Missionary Baptist Association of Texas (Organization) solely to assist the users in evaluating the Organization's accounting records for the year ended August 31, 2021. The Organization's management is responsible for the financial activities and records. The Organization has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of reviewing recordation accuracy within cash transactions, and for establishing and maintaining internal controls, including ongoing monitoring activities in accordance with the officers' criteria and laws and regulations. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### CASH:

- A sample of ten deposits transacted during the period September 1, 2020 through August 31, 2021 were selected from the transaction register and agreed to the general ledger, bank statement and deposit slip without exception.
- To determine a proper cut-off was accomplished at year-end, all checks, dated prior to August 31, 2021, were traced to the outstanding check list on the August 2021 reconciliation and cleared in September except for one check. Check #2525, in the amount of \$1,500, remained outstanding at month end due to the check not being deposited until October 1, 2021. All other checks dated prior to year-end were noted to have been properly included in the 2020 fiscal year financials, and a proper cut-off was achieved.
- For August 31, 2021, and two random month-ends in fiscal year 2020 (November 30, 2020, and June 30, 2021), the reconciliations of cash on deposit were obtained. Bank balances noted on the reconciliations were agreed to the balances in the respective general ledger accounts and to statements from banks. An out-of-balance condition of \$198.43 was noted on the June 30, 2021 reconciliation and was noted to be the result of a timing difference of when an automatic expense was posted to the general ledger. The out-of-balance condition was cleared the following month.

### DISBURSEMENTS:

- A judgmental sample of 15 checks transacted during the period September 1, 2020, through August 31, 2021 were traced to their supporting invoices and expenditure approval forms without exception. Documentation of appropriate approval for payment was noted to be present on all expense checks. In addition, all checks were properly recorded in the general ledger. No exceptions were noted.
- The canceled checks in each statement selected for testing (November 2020, June 2021, and August 2021) were examined to determine that authorized check signers signed checks and that the appropriate number of signatures was present. In addition, other statements during the 2021 fiscal year were scanned to determine the appropriate number of signatures were present on canceled checks. No exceptions were noted.

**INVESTMENTS:**

- The balance noted on the most recent Security Benefit annuity statement (June 30, 2021) was compared to the investment and interest income balance in Quickbooks as of June 30, 2021. Based on review of information provided, it was noted that changes in the quarterly statements are booked to Quickbooks when the statements are received. No differences were noted.

**OTHER:**

- Cash receipt and disbursement processes were discussed with the Organization's treasurer. Based on these discussions, it was noted that cash receipts primarily consist of donations which are logged on a spreadsheet by two clerks. The checks are deposited on a weekly basis by the treasurer after the deposit total is matched to the donation total noted on the spreadsheet prior to being input to Quickbooks. In addition, it was noted that a proper segregation of duties is not in place regarding cash as the treasurer maintains the check stock, is responsible for depositing all cash receipts, transacting all disbursements, and for maintaining the Quickbooks file.

**Recommendation:**

*To help segregate duties among the small staff, it is recommended one of the Organization officers review the imaged check copies on the monthly bank statements to ensure cash receipts and disbursements are consistent with the decisions made and communicated at the monthly meetings.*

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We were engaged by the Organization to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on reviewing the financial activities and records. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Organization and is not intended to be and should not be used by anyone other than those specified parties.

*Henry + Peters, P.C.*

Tyler, Texas  
October 29, 2021