

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

SUPPLEMENTAL COMPLIANCE REPORT
OF
COVINGTON COMMUNITY SCHOOL CORPORATION
FOUNTAIN COUNTY, INDIANA
July 1, 2012 to June 30, 2014



FILED
07/23/2015

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Trudie J. Dillon	07-01-12 to 06-30-15
Superintendent of Schools	T. Kirk Booe	07-01-12 to 06-30-15
President of the School Board	Jeffrey L. Dennis Randy Randles	07-01-12 to 06-30-13 07-01-13 to 06-30-15



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE COVINGTON COMMUNITY SCHOOL
CORPORATION, FOUNTAIN COUNTY, INDIANA

This report is supplemental to our audit report of the Covington Community School Corporation (School Corporation), for the period from July 1, 2012 to June 30, 2014. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the School Corporation. It should be read in conjunction with our Financial Statement and Federal Single Audit Report of the School Corporation, which provides our opinions on the School Corporation's financial statement and federal program compliance. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Audit Results and Comments, incorporated within this report, was not verified for accuracy.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

May 27, 2015

COVINGTON COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

EDUCATIONAL FEES

The School Corporation charges various educational fees, such as art fees, physical education locker fees, etc. The School Corporation did not obtain a written opinion from the School Corporation's Attorney to verify these fees were appropriate in regards to the Constitutional provisions. Also, these educational fees were receipted into the Corporation's Textbook Rental fund instead of the General Fund.

IC 20-26-4-1 concerning duties of the School Corporation Treasurer, states in part: "The treasurer is the official custodian of all funds of the school corporation and is responsible for the proper safeguarding and accounting for the funds. . . ." Therefore, all grant monies and properly authorized fees at an individual building should be transferred to the School Corporation Central Office on a timely and regular basis for receipting into the appropriate school corporation fund. The School Corporation Attorney should provide written guidance concerning whether fees are appropriate in regards to Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 6)

SUPPORTING DOCUMENTATION

Of the disbursements tested, \$542.69 did not include documentation to support the purchases. This amount included a travel claim for \$87.27 and a credit card disbursement for \$455.42. The travel claim was for meals and parking, and the credit card claim was for floor scrubber parts. Neither claim has receipts or detailed invoices to support the disbursements.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

PREPAID LUNCH ACCOUNT RECONCILIATIONS

The School Corporation did not use the prepaid school lunch clearing account. This account is necessary in order to maintain a control of the prepaid student lunch account balances. Subsidiary records of student lunch account balances should be reconciled to the control account monthly.

Clearing Account Number 8400 - Prepaid Food has been established to account for prepaid food. The collections are to be receipted to 8410 with 8420 representing the transfers out of the clearing account and recognition in the appropriate revenue classifications (1611 to 1614 series) in the School Lunch Fund. The transfer should be made periodically and at the end of each month to appropriately classify meals (breakfast, lunch, etc.) when known (charged by student). (The School Administrator and Uniform Compliance Guidelines Vol.183)

COVINGTON COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on May 27, 2015, with Trudie J. Dillon, Treasurer; T. Kirk Booe, Superintendent of Schools; and Randy Randles, President of the School Board.