

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

VINCENNES COMMUNITY SCHOOL CORPORATION

KNOX COUNTY, INDIANA

July 1, 2012 to June 30, 2014



**FILED**  
11/20/2015



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Debbie Groves	07-01-12 to 12-31-15
Superintendent of Schools	Gregory T. Parsley	07-01-12 to 12-31-15
President of the School Board	Bryan L. Thais Lynne M. Bobe Aaron M. Bauer Patrick P. Hutchison	07-01-12 to 12-31-12 01-01-13 to 12-31-13 01-01-14 to 12-31-14 01-01-15 to 12-31-15



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AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

TO: THE OFFICIALS OF THE VINCENNES COMMUNITY  
SCHOOL CORPORATION, KNOX COUNTY, INDIANA

This report is supplemental to our audit report of the Vincennes 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 Federal Findings and 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/](http://www.in.gov/sboa/).

The Federal Finding, identified in the above referenced audit report, is included in this report and should be viewed in conjunction with the Audit Results and Comments as described below.

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 Corrective Action Plan for the Federal Finding incorporated within this report, was not verified for accuracy.

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

September 16, 2015

VINCENNES COMMUNITY SCHOOL CORPORATION  
FEDERAL FINDING

***FINDING 2014-001 - PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS***

Management of the School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The School Corporation should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

During the audit of the SEFA, the following errors were identified: the Child Nutrition Cluster was omitted for the 2013-2014 school year, the Special Education Cluster was overstated for both years, and several grant names were reported incorrectly. Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA presented in this report.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with section .310."

VINCENNES COMMUNITY SCHOOL CORPORATION  
FEDERAL FINDING  
(Continued)

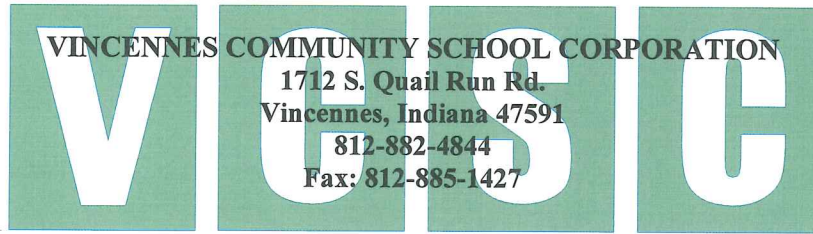
OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

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**DEBBIE GROVES**  
CORPORATION TREASURER  
**MARY ANN BIBLE**  
ADMINISTRATIVE ASSISTANT  
TO THE SUPERINTENDENT

**CORRECTIVE ACTION PLAN**

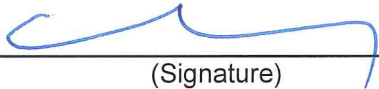
***FINDING 2014 – 001 – PREPERATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS***

Contact Person Responsible for Corrective Action: Debbie Groves, Treasurer  
Contact Phone Number: 812-882-4844

Description of Corrective Action Plan:

Effective immediately, the Vincennes Community School Corporation will include all Federal Awards as required. SEFA will be prepared by the treasurer, verified for accuracy by the Federal Programs Coordinator and the information will be uploaded to Gateway by the treasurer as required.

Anticipated Completion Date: 7/1/2015

  
\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
Superintendent  
(Title)

\_\_\_\_\_  
7/1/2015  
(Date)



VINCENNES COMMUNITY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS

***PREPAID FOOD ACCOUNT***

Reconcilements between the detailed report of student meal account balances maintained in the point of sale system and the prepaid food fund maintained in the school ledger were not performed during the audit period. At June 30, 2014, the detailed records were \$4,570 more than the control account.

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). Subsidiary records by student should be routinely reconciled to the cash balance and at month end. (The School Administrator and Uniform Compliance Guidelines Vol.183)

***DISPOSITION OF ASSETS***

In May 2013, the School Corporation sold three mowers that had estimated value of more than \$1,000 each, by an email conducted auction. No information presented for audit indicated the sale was advertised or that the assets were sold at a public sale or by sealed bids.

Indiana Code 5-22-22-4(a) states:

"If the property to be sold is:

- (1) one (1) item, with an estimated value of one thousand dollars (\$1,000) or more; or
- (2) more than one (1) item, with an estimated total value of five thousand dollars (\$5,000) or more;

the purchasing agency may engage an auctioneer licensed under IC 25-6.1 to advertise the sale and conduct a public auction."

VINCENNES COMMUNITY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

Indiana Code 5-22-22-5 states:

"(a) If:

- (1) an auctioneer is not engaged under section 4 of this chapter; or
- (2) the surplus property is not sold through an Internet auction site under section 4.5 of this chapter;

the purchasing agency shall sell the property at a public sale or by sealed bids delivered to the office of the purchasing agency before the date of sale.

- (b) Advertisement of the sale shall be made in accordance with IC 5-3-1.
- (c) All sales shall be made to the highest responsible bidder."

**EDUCATIONAL FEES**

The School Corporation charged a technology fee and a class assessment fee to each student in addition to various course fees without seeking the advice of an attorney regarding compliance with the constitutional provisions.

Fees should only be collected as specifically authorized by statute or properly authorized resolutions or ordinances, as applicable, which are not contrary to statutory or Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

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 Indiana Public School Corporations, Chapter 8)

VINCENNES COMMUNITY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on July 13, 2015, with Gregory T. Parsley, Superintendent of Schools; Patrick P. Hutchison, President of the School Board; Debbie Groves, Treasurer; and Madonna Williams, Business Manager.

The contents of this report were also discussed on September 16, 2015, with Gregory T. Parsley, Superintendent of Schools; Karla Smith, Vice President of the School Board; and Debbie Groves, Treasurer.