

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

SWITZERLAND COUNTY SCHOOL CORPORATION

SWITZERLAND COUNTY, INDIANA

July 1, 2012 to June 30, 2014



FILED
05/20/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Wilma S. Swango	07-01-12 to 06-30-16
Superintendent of Schools	Michael L. Jones	07-01-12 to 06-30-16
President of the School Board	James Phipps	01-01-12 to 12-31-12
	Nancy Peters	01-01-13 to 12-31-13
	Andy Truitt	01-01-14 to 12-31-14
	Wayne Daugherty	01-01-15 to 12-31-15
	Nancy Peters	01-01-16 to 12-31-16



STATE OF INDIANA
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TO: THE OFFICIALS OF THE SWITZERLAND COUNTY SCHOOL
CORPORATION, SWITZERLAND COUNTY, INDIANA

This report is supplemental to our audit report of the Switzerland County 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/.

The Federal Findings, identified in the above referenced audit report, are 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 Findings, incorporated within this report, was not verified for accuracy.

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

February 25, 2016

SWITZERLAND COUNTY SCHOOL CORPORATION
FEDERAL FINDINGS

FINDING 2014-001 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted a deficiency in the internal control system of the School Corporation related to financial transactions and reporting. We believe the following deficiency constitutes a material weakness:

Lack of Segregation of Duties: Control activities should be selected and developed at various levels of the School Corporation to reduce the risks to the achievement of financial reporting objectives. The School Corporation has not separated incompatible activities related to receipts. The failure to establish these controls could enable material misstatements or irregularities to remain undetected.

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)

FINDING 2014-002 - PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

We noted the following deficiency in the internal control system of the School Corporation related to the reporting of federal awards. We believe the following deficiency constitutes a material weakness:

Lack of Segregation of Duties: Control activities should be selected and developed at various levels of the School Corporation to reduce the risks to the achievement of financial reporting objectives. The School Corporation has not separated incompatible activities related to the preparation of the Schedule of Expenditures of Federal Awards. The failure to establish these controls could enable material misstatements or irregularities to remain undetected.

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)

SWITZERLAND COUNTY SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

FINDING 2014-003 - INTERNAL CONTROLS OVER CHILD NUTRITION CLUSTER

Federal Agency: Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program
CFDA Number: 10.553, 10.555
Federal Award Number and Year (or Other Identifying Number): FY12-13, FY 13-14
Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the following compliance requirements: Cash Management, Eligibility, Program Income, and Reporting.

Cash Management and Reporting

The claims for reimbursement reports and the annual financial reports were prepared and submitted by the Food Service Director, who also monitors the cash balance in the School Lunch fund when submitting reports. There was no control in place to ensure the reimbursement reports or the annual financial reports were accurate prior to submission, and that the School Corporation complied with Cash Management requirements.

Eligibility

The free or reduced price lunch applications were approved by the Food Service Director. The applications were also verified by the Food Service Director. There was no control in place to ensure the eligibility determinations were accurate.

Program Income

Cafeteria collections for school lunch accounts are remitted monthly to the School Corporation by the Extra-Curricular Account Treasurer. There was no control in place to ensure the amount remitted was accurate and in agreement with the Extra-Curricular Account records.

The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the programs. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

SWITZERLAND COUNTY SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls could enable material noncompliance to go undetected. Non-compliance of the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above.

FINDING 2014-004 - SPECIAL TEST AND PROVISIONS

Federal Agency: Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program
CFDA Number: 10.553, 10.555
Federal Award Number and Year (or Other Identifying Number): FY12-13, FY13-14
Pass-Through Entity: Indiana Department of Education

Internal Control

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the Special Test and Provisions compliance requirements for Verification of Free and Reduced Price Applications and Paid Lunch Equity.

Special Test and Provision - Verification of Free and Reduced Price Applications

The free or reduced price lunch applications were approved by the Food Service Director. The applications were also verified by the Food Service Director. There was no control in place to ensure the verifications were properly completed.

Special Test and Provision - Paid Lunch Equity

The annual calculation for paid lunch equity was prepared by the Food Service Director. There was no control in place to ensure the calculation was accurate.

The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to

SWITZERLAND COUNTY SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the programs. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

Compliance

The School Corporation did not retain the Paid Lunch Equity calculations for the fiscal years ended June 30, 2013 and 2014, to demonstrate compliance with Paid Lunch Equity requirements.

7 CFR 210.14(e) states in part:

"*Pricing paid lunches.* For each school year beginning July 1, 2011, school food authorities shall establish prices for paid lunches in accordance with this paragraph.

(1) *Calculation procedures.* Each school food authority shall:

(i) Determine the average price of paid lunches. The average shall be determined based on the total number of paid lunches claimed for the month of October in the previous school year, at each different price charged by the school food authority.

(ii) Calculate the difference between the per meal Federal reimbursement for paid and free lunches received by the school food authority in the previous school year (*i.e.*, the reimbursement difference);

(iii) Compare the average price of a paid lunch under paragraph (e)(1)(i) of this section to the difference between reimbursement rates under paragraph (e)(1)(ii) of this section. . . ."

7 CFR 210.15(b) states in part:

"*Recordkeeping summary.* In order to participate in the Program, a school food authority or a school, as applicable, must maintain records to demonstrate compliance with Program requirements. These records include but are not limited to: . . .

(6) Records to document compliance with the requirements in §210.14(e) . . ."

The failure to establish internal controls enabled material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirement could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirement listed above that have a direct and material effect to the programs.

SWITZERLAND COUNTY SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

FINDING 2014-005 - SPECIAL TEST AND PROVISIONS

Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Number and Year (or Other Identifying Number): 12-7775, 13-7775, 14-7775
Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the Special Test and Provisions compliance requirements for Schoolwide Programs; Comparability; Highly Qualified Teachers and Paraprofessionals; and Annual Report Card, High School Graduation Rate.

Schoolwide Programs

The Title I Director is responsible for revisions to the school wide plan and submission to the state. No evidence was presented to indicate that a control was in place to ensure that these items were completed.

Comparability

The Title I Director is responsible for comparability calculations and submission to the state. There was no control in place to ensure the comparability calculation was accurate prior to submission.

Highly Qualified Teachers and Paraprofessionals

The School Corporation has not designed or implemented adequate policies or procedures to ensure compliance with the Special Test and Provisions for highly qualified teachers and paraprofessionals.

Annual Report Card, High School Graduation Rate

The High School Guidance Counselor obtains documentation to support a student's removal from the cohort. There was no oversight or review process in place to ensure compliance with the Special Test and Provisions for Annual Report Card, High School Graduation Rate.

The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirement. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

SWITZERLAND COUNTY SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls could enable material noncompliance to go undetected. Non-compliance of the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above.

FINDING 2014-006 - INTERNAL CONTROLS OVER SPECIAL EDUCATION CLUSTER (IDEA)

Federal Agency: Department of Education

Federal Program: Special Education - Grants to States, Special Education - Preschool Grants

CFDA Number: 84.027, 84.173

Federal Award Number and Year (or Other Identifying Number): 14211-038-PN01, 14212-038-PN01,
14213-038-PN01, 14214-038-PN01,
99914-038-TA01, 45711-038-PN01,
45712-038-PN01, 45713-038-PN01,
45714-038-PN01

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the following compliance requirements: Cash Management, Period of Availability of Federal Funds, and Reporting.

The School Corporation designated Madison Area Educational Special Services Unit (MAESSU) as the fiscal agent to receive and manage the funding of the Special Education programs. We noted the following deficiencies in the internal control system:

Cash Management

Requests for Reimbursement are prepared by MAESSU's Business Manager. There was no segregation of duties, such as oversight, review, or approval process in place at the School Corporation to ensure that expenditures were paid prior to requesting reimbursement.

Period of Availability of Federal Funds

MAESSU's Business Manager monitors expenditures for compliance with Period of Availability of Federal Fund requirements. There was no segregation of duties, such as oversight, review, or approval process in place at the School Corporation to ensure expenditures were incurred within the period of availability.

SWITZERLAND COUNTY SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

Reporting

The Requests for Reimbursement and Final Expenditure Reports are prepared and submitted by MAESSU's Business Manager. There was no segregation of duties, such as oversight, review, or approval process in place at the School Corporation to ensure that the Requests for Reimbursement and Final Expenditure Reports were accurate prior to submission.

The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the programs. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls could enable material noncompliance to go undetected. Non-compliance of the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above.

Switzerland County School Corporation

Switzerland Co. High School
1020 W. Main Street
Vevay, Indiana 47043

Office of Superintendent
1040 W. Main Street
Vevay, Indiana 47043
(812) 427-2611 / 2612
Fax (812) 427-2044

Jefferson - Craig Elementary School
1002 W. Main Street
Vevay, Indiana 47043

Switzerland Co. Middle School
1004 W. Main Street
Vevay, Indiana 47043

Switzerland Co. Elementary School
P.O. Box 87
East Enterprise, Indiana 47019

CORRECTIVE ACTION PLAN

FINDING 2014-001 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND RECORDING

Contact Person Responsible for Corrective Action: Wilma Swango, Business Manager
Contact Phone Number: 812-427-2673

Description of Corrective Action Plan:

Lack of Segregation of Duties: Control activities will be developed at various levels of Switzerland County School Corporation to reduce the risks to achievement of financial reporting objectives. All receipts will be signed by the Treasurer. Receipts will be keyed into the financial accounting system by the Business Office Assistant who will balance the edit to the receipts and sign it. For all manual deposits, a tape showing the total of the receipts will be signed. A similar tape of the deposit ticket total with all cash itemized will be signed by the depositor who will be a different person.

SCSC will strive to maintain controls over receipting, disbursing, recording and accounting for financial activities in order to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making.

Anticipated Completion Date: January 1, 2016

FINDING 2014-002 - PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Contact Person Responsible for Corrective Action: Wilma Swango, Business Manager
Contact Phone Number: 812-427-2673

Description of Corrective Action Plan:

Lack of Segregation of Duties: Switzerland County School Corporation will separate incompatible activities related to the preparation of the Schedule of Expenditures of Federal Awards (SEFA). When SEFA is recorded and uploaded into Gateway, the recorder will print and sign the report. In addition, the report will be reviewed by either the Grant Writer or the Superintendent will also review and sign the printed report.

SCSC will continue to improve internal controls to provide reasonable assurance regarding the reliability of financial records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations.

Anticipated Completion Date: February 1, 2016

Switzerland County School Corporation is committed to equal opportunity and does not discriminate on the basis of age, race, color, sex, handicapping conditions, or national origin including limited English proficiency, in any employment opportunity. No person is excluded from participation in, denied the benefits of, or otherwise subjected to unlawful discrimination on such basis under any educational program or student activity.

A Commitment To Excellence

www.switzerland.k12.in.us

FINDING 2014-003 - INTERNAL CONTROLS OVER CHILD NUTRITION CLUSTER

Contact Person Responsible for Corrective Action: Wilma Swango, Business Manager and Gayla Bullock, Food Service Director
Contact Phone Number: 812-427-2611 and 812-427-2626

Description of Corrective Action Plan:

Cash Management and Reporting: Claims for reimbursement will continue to be prepared by the Food Service Director. They will be reviewed and signed by the Café Secretary. Annual financial reports will continue to be submitted by the Food Service Director. They will be verified by the Corporation Treasurer.

Eligibility: Free and reduced lunch applications will be approved by the Food Service Director. They will be verified by the Café Secretary.

Program Income: Cafeteria collections for school lunch accounts will continue to be remitted monthly by the School ECA Treasurers. The ECA Treasurers will include a signed monthly report showing daily income. In addition, the Food Service Director and Café Secretaries will sign and submit a monthly report showing revenue received by Food Service for the month. A Business Office representative will verify the amounts submitted by the ECA Treasurer and the Café reports balance.

This internal control system should provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented or detected and corrected on a timely basis.

Anticipated Completion Date: January 1, 2016

FINDING 2014-004 - SPECIAL TEST AND PROVISIONS

Contact Person Responsible for Corrective Action: Wilma Swango, Business Manager and Gayla Bullock, Food Service Director
Contact Phone Number: 812-427-2611 and 812-427-2626

Description of Corrective Action Plan:

Verification of Free and Reduced Price Applications: Free and reduced price lunch applications will continue to be approved by the Food Service Director. Three percent of the applications will be verified by the Café Secretary.

Paid Lunch Equity: The annual calculation for paid lunch equity will still be prepared by the Food Service Director. The documentation will be reviewed and signed by the Business Manager. We will retain these records to demonstrate compliance.

It is our goal to make sure that proper oversight, reviews and approvals take place and to have a separation of functions over certain activities related to the program.

Anticipated Completion Date: March 1, 2016

FINDING 2014-005 SPECIAL TEST AND PROVISIONS

Contact Person Responsible for Corrective Action: Wilma Swango, Business Manager; Mona Crabtree, Administrative Secretary; Marla Edwards, High School Guidance Director ; Gregg Goewertt, High School Principal; and Michael Jones, Superintendent

Contact Phone Number: 812-427-2611, 812-427-2626

Description of Corrective Action Plan:

Management of Switzerland County School Corporation will establish an effective internal control system which will include segregation of duties, related to the grant agreement and the Special Test and Compliance Requirements for Schoolwide Programs; Comparability; Highly Qualified Teachers and Paraprofessionals; and Annual Report, High School Graduation Rate.

Schoolwide Programs: The Title I Director will continue to be responsible for revisions to the school wide plan and submission to the state. Revisions will be documented and signed by the Director. The Superintendent will review the revisions and submission and sign the documentation.

Comparability: The Title I Director will make comparability calculations between schools and submit them to the state. Calculations will be verified by the Business Manager.

Highly Qualified Teachers and Paraprofessionals: Adequate procedures will be implemented to ensure compliance with the Special Test and Provisions for highly qualified teachers and paraprofessionals. Such documentation will be kept by the Administrative Secretary with copies in each school.

Annual Report Card, High School Graduation Rate: The High School Guidance Counselor will obtain documentation to support a student's removal from the cohort. She meets monthly with the guidance secretary and the attendance secretary to review any enrollees and withdrawals for the month. They maintain documentation of requests for records for both. She provides information to the Tech Director for updates in STN. The Tech Director uploads student data and signs the changes. The Guidance Director keeps that with her cohort records. The High School Principal or Assistant will verify the graduation rate information prior to submission of the Annual Report Card.

Anticipated Completion Date: June 1, 2016

Finding 2014-006 – INTERNAL CONTROLS OVER SPECIAL EDUCATION CLUSTER (IDEA)

Contact Person Responsible for Corrective Action: Wilma Swango, Business Manager and Michael Jones, Superintendent

Contact Phone Number: 812-427-2611

Description of Corrective Action Plan:

Switzerland County School Corporation has designated Madison Area Special Services Unit as the fiscal agent to receive and manage the funding of the Special Education programs.

Switzerland County School Corporation management is working to maintain an effective internal control system which includes segregation of duties, related to the grant agreement and the following compliance requirements.

Cash Management: Requests for reimbursements are prepared by MAESSU's Business Manager. In October 2015 the Business Manager began obtaining the signatures of Board Members on reports.

Period of Availability: The Business Manager of MAESSU monitors expenditures for compliance with Period of Availability for Federal Fund Requirements. In October 2015 the Business Manager began having the MAESSU Board sign reports.

Reporting: The Requests for Reimbursement and Final Expenditure Reports are prepared and submitted by the MAESSU Business Manager. In October 2015, the Board Members began signing these reports.

Madison Special Services Unit will work towards maintaining internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations and the provisions of contracts or grant agreements that could have a material effect on the Federal program as stated in OMB Circular A-133, Subpart C, Section 300. Switzerland County School Corporation has been assured by MAESSU's Business Manager and Board that every effort will be maintained to accomplish fulfilling these requirements.

Anticipated Completion Date: October 31, 2015

Michael L. Jones
(Signature)

Superintendent
(Title)

2-19-2016
(Date)

SWITZERLAND COUNTY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

HONORS DIPLOMAS - INCORRECT REPORTING TO THE STATE

The information presented for audit indicates honors diploma figures on Form DOE-GR, submitted to the Indiana Department of Education (IDOE), were incorrect for the school year ending June 30, 2013. For the graduating class of 2011-2012, reported to IDOE in the fall of 2013, the School Corporation reported 17 honors diplomas, but the School Corporation records provided indicated that only 16 honors diplomas were awarded.

School Officials should contact the Indiana Department of Education, Division of School Finance, to determine possible steps to be taken to correct any overpayment/underpayment applicable to the School Corporation because of incorrect reporting. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

PREPAID FOOD ACCOUNT

The School Corporation accounts for the prepaid food activity within the School Lunch fund. A separate clearing account for the prepaid food account activity has not been established as prescribed.

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 (breakfasts, lunch, etc.) when known (charged by student). (The School Administrator and Uniform Compliance Guidelines, September 2008)

SWITZERLAND COUNTY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on February 25, 2016, with Wilma S. Swango, Treasurer; Michael L. Jones, Superintendent of Schools; Nancy Peters, President of the School Board; Susan J. Cord, School Board member; and Cindy Haskell, Deputy Treasurer.