

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

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

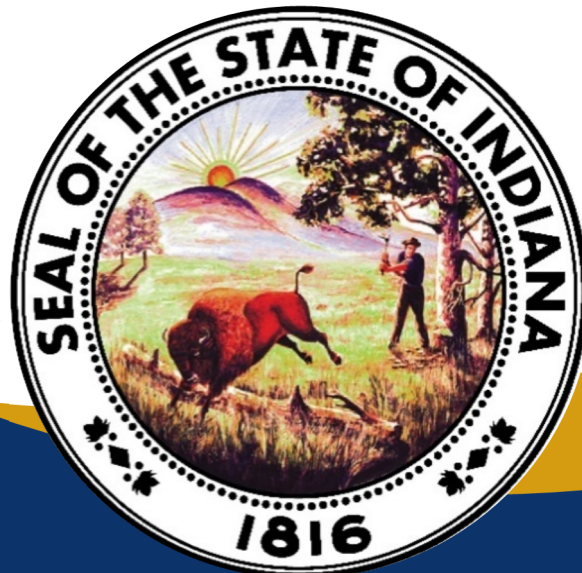
COMPLIANCE EXAMINATION REPORT

OF

RICHMOND COMMUNITY SCHOOLS

WAYNE COUNTY, INDIANA

July 1, 2022 to June 30, 2024



**FILED**

04/01/2025



Paul D. Joyce, CPA  
State Examiner

# INDIANA STATE BOARD OF ACCOUNTS

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April 1, 2025

To: The Officials of the Richmond Community Schools  
Richmond Community Schools  
Wayne County, Indiana

This report is supplemental to the audit report of Richmond Community Schools (School Corporation), for the period July 1, 2022 to June 30, 2024. It has been provided as a separate report so that the reader may easily identify any findings that pertain to the School Corporation. It should be read in conjunction with the financial statement audit report of the School Corporation, which provides an opinion on the School Corporation's financial statements. This report may be found at [www.in.gov/sboa/](http://www.in.gov/sboa/).

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of the School Corporation and perform procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The findings contained herein describe the identified reportable instances of noncompliance found as a result of these procedures.

We have reviewed the supplemental report of Richmond Community Schools prepared by Crowe LLP, Independent Public Accountants, for the period July 1, 2022 to June 30, 2024. In our opinion, the supplemental report was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

We call your attention to the findings in the report on pages 3 and 4.

The report is filed with this letter in our office as a matter of public record.

Tammy R. White, CPA  
Deputy State Examiner

**COMPLIANCE EXAMINATION OF**  
**RICHMOND COMMUNITY SCHOOLS**  
Wayne County, Indiana  
July 1, 2022 through June 30, 2024

RICHMOND COMMUNITY SCHOOLS

Wayne County, Indiana  
July 1, 2022 through June 30, 2024

CONTENTS

SCHEDULE OF OFFICIALS .....	1
INDEPENDENT ACCOUNTANT'S REPORT .....	2
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS:	
2024-001: SCHEDULES IN ANNUAL FINANCIAL REPORT – OTHER INFORMATION .....	3
2024-002: RECONCILEMENT OF THE PREPAID SCHOOL LUNCH ACCOUNT .....	3
2024-003: CAPITAL ASSETS .....	4
EXIT CONFERENCE .....	5

RICHMOND COMMUNITY SCHOOLS  
SCHEDULE OF OFFICIALS  
July 1, 2022 through June 30, 2024

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<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Karen Scalf	07-01-22 to 06-30-23
	Jamie Bolser	07-01-23 to 04-28-24
	Melissa Swafford	04-29-24 to 06-30-24
Superintendent of Schools	Dr. Curtis Wright	07-01-22 to 06-30-24
President of the School Board	John Weber	01-01-22 to 12-31-22
	Nicole Stults	01-01-23 to 12-31-23
	Brad Walton	01-01-24 to 02-28-24
	Kristen Brunton	02-29-24 to 12-31-24

## INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and  
Management of Richmond Community Schools

We have examined Richmond Community Schools' ("School Corporation") compliance with the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Indiana Public School Corporations* during the period of July 1, 2022 through June 30, 2024. Management of the School Corporation is responsible for the School Corporation's compliance with the specified requirements. Our responsibility is to express an opinion on the School Corporation's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the School Corporation complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the School Corporation complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our qualified opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the School Corporation's compliance with specified requirements.

Our examination disclosed material noncompliance with the *Accounting and Uniform Compliance Guidelines Manual For Indiana Public School Corporations* applicable to the School Corporation during the period of July 1, 2022 through June 30, 2024, as described in items 2024-001, 2024-002, and 2024-003 on the following Schedule of Examination Findings and Results.

In our opinion, except for the material noncompliance described in the preceding paragraph, the School Corporation complied, in all material respects, with the aforementioned requirements during the period of July 1, 2022 through June 30, 2024.

  
Crowe LLP

Indianapolis, Indiana  
March 20, 2025

RICHMOND COMMUNITY SCHOOLS  
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS  
July 1, 2022 through June 30, 2024

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**FINDING 2024-001: SCHEDULES IN ANNUAL FINANCIAL REPORT - OTHER INFORMATION**

**Criteria:** Indiana Code 5-11-1-4(a) states, "*The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7.*"

**Condition:** Financial and other information are required to be entered annually into the Annual Financial Report (AFR) via the Indiana Gateway for Government Units (Gateway) financial reporting system. The information entered into Gateway contained the following errors:

*Schedule of Leases and Debt*

- The School Corporation overstated the annual lease payments by \$50,500 compared to the underlying amortization schedules.
- The School Corporation overstated the debt ending principal balance by \$1,440,000 compared to the underlying amortization schedules. Additionally, the School Corporation overstated the principal due within one year by \$445,000 compared to the underlying amortization schedules.

Adjustments were posted to the Schedule of Leases and Debt in the financial statement to correct these items.

*Schedule of Payables and Receivables*

- The School Corporation reported outstanding Accounts Payable of \$82,574,527 and \$84,908,811 in Accounts Receivable on the AFR as of June 30, 2024. These amounts were materially incorrect. As of June 30, 2024, the School Corporation had Accounts Payable of \$2,723,696 and reimbursable grant activity with negative fund balances totaling \$2,992,539 which represent grant receivables outstanding.

Adjustments were posted to the Schedule of Payables and Receivables in the financial statement to present Accounts Receivable for this activity.

The same comment also appeared in prior Report B61115.

**2024-002: RECONCILEMENT OF THE PREPAID SCHOOL LUNCH ACCOUNT**

**Criteria:** When a student puts money into their individual meal account, it should not be considered income to the child nutrition program until that student goes through the lunch line and charges a meal to their account. Therefore, while money is in the student's individual account, the balance should not be included in Fund 800 School Lunch. A school should set up a clearing account with the fund number of 8400 Prepaid School Lunch Accounts which is included in Chapter 4 of the State Board of Accounts Uniform Compliance Guidelines for Indiana Public School Corporations. When a student brings in a deposit the receipt should be recorded to Fund 8400 using receipt account 1630 Special Functions. After the student has charged meals, you should disburse the amount charged from Fund 8400 using expenditure account 31900 Other Food Services and receipt this into Fund 800 using the Food Services receipt accounts 1611-1623 at the time established in a written school policy to ensure accurate monthly reporting. At this point the receipts are considered program income and should be included on any reports that are required to be completed. Also, on a monthly basis it is required that the balance of the 8400 fund be reconciled with the total of the individual meal accounts. (The School Bulletin and Uniform Compliance Guidelines, February 2019).

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(Continued)

RICHMOND COMMUNITY SCHOOLS  
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS  
July 1, 2022 through June 30, 2024

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**2024-002: RECONCILEMENT OF THE PREPAID SCHOOL LUNCH ACCOUNT** (Continued)

**Condition:** The School Corporation maintains a Prepaid Lunch fund (8400 fund). There was no reconciliation performed between the subsidiary ledger tracking prepaid student balances and the School Corporation's fund ledgers. At June 30, 2023, the subsidiary ledger had a prepaid balance of \$12,047 compared to the funds ledger balance of \$99,045. At June 30, 2024, the subsidiary ledger had a prepaid balance of \$11,883 compared to the funds ledger balance of \$157,518.

The same comment also appeared in prior Report B61115.

**2024-003: CAPITAL ASSETS**

**Criteria:** Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1).

**Condition:** The School Corporation did not have an inventory of the capital assets on hand that was complete and accurate. The School Corporation hired an outside firm to compile the capital asset listing for the year ending June 30, 2023. Assets were purchased in 2024 and were not added to the capital asset listing.

The same comment also appeared in prior Report B61115.

RICHMOND COMMUNITY SCHOOLS  
EXIT CONFERENCE  
July 1, 2022 through June 30, 2024

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The contents of this report were discussed on March 20, 2025 with Melissa Swafford, Treasurer, Karen Scaf, Assistant Superintendent of Operations, Dr. Curtis Wright, Superintendent and Kymberly Pickering, Board President.