

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

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

COMPLIANCE EXAMINATION REPORT

OF

LEBANON COMMUNITY SCHOOL CORPORATION

BOONE COUNTY, INDIANA

July 1, 2022 to June 30, 2024



FILED

03/26/2025



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

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March 26, 2025

To: The Officials of the Lebanon Community School Corporation
Lebanon Community School Corporation
Boone County, Indiana

This report is supplemental to the audit report of Lebanon Community School Corporation (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/.

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 Lebanon Community School Corporation 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 page 3.

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

Tammy R. White, CPA
Deputy State Examiner

LEBANON COMMUNITY SCHOOL CORPORATION

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

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LEBANON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF OFFICIALS
July 1, 2022 through June 30, 2024

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Zach Dennis	07-01-22 to 06-30-24
Superintendent of Schools	Jon Milleman	07-01-22 to 06-30-24
President of the School Board	Elizabeth Keith Craig Parks	01-01-22 to 12-31-22 01-01-23 to 12-31-24

INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and
Management of Lebanon Community School Corporation

We have examined Lebanon Community School Corporation's ("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 and 2024-002 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
Crowe LLP

Indianapolis, Indiana
March 3, 2025

LEBANON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
July 1, 2022 through June 30, 2024

FINDING 2024-001: RECONCILEMENT OF THE PREPAID FOOD 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)

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 \$53,115 compared to the funds ledger balance of \$20,129. At June 30, 2024, the subsidiary ledger had a prepaid balance of \$49,821 compared to the funds ledger balance of \$6,209.

FINDING 2024-002: AVERAGE DAILY MEMBERSHIP (ADM) TESTING

Criteria: Officials shall maintain records (enrollment cards, records, rosters, reporting forms, etc.) which substantiate the number of students claim for ADM. The building level official (Principal, Assistant Principal, etc.) is responsible for reporting ADM to the School Corporation Central Office, must provide a written certification of ADM to properly document responsibility. The certification must at minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed (Accounting and Uniform Compliance Guidelines Manual for Indiana Public Schools, Part 9).

Condition: During ADM testing, it was noted for 1 virtual student in our sample of 27 virtual students selected for testing, was not regularly attending class during school year 2023-2024. The student had no attendance in the two weeks prior to each ADM count date sampled.

The noncompliance was isolated to the virtual students sampled; no issues were noted in the sample of 28 brick and mortar students tested for enrollment and attendance records.

Due to the attendance issues reported above, school officials need to contact the Indiana Department of Education, Division of School Finance, to review the issues identified and determine if any steps to need to be taken to correct any attendance reporting or funding issues.

LEBANON COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE
July 1, 2022 through June 30, 2024

The contents of this report were discussed on March 3, 2025 with Zach Dennis, Assistant Superintendent of Business & Operations, Jon Milleman, Superintendent, and Lisa Hutcheson, Board President.