

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

SOUTHEAST FOUNTAIN SCHOOL CORPORATION

FOUNTAIN COUNTY, INDIANA

July 1, 2021 to June 30, 2023



FILED

03/14/2024

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
Audit Results and Comments:	
Average Daily Membership (ADM) - Lack of Records.....	4
Prepaid School Meal Accounts.....	5
Annual Financial Report	5
Exit Conference.....	6

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Cynthia C. Alward	07-01-21 to 12-31-24
Superintendent of Schools	Dr. Tania Grimes	07-01-21 to 06-30-24
President of the School Board	Crystal Brewer Scott Minick Kim Sowers Josh Foxworthy	01-01-21 to 12-31-21 01-01-22 to 12-31-22 01-01-23 to 12-31-23 01-01-24 to 12-31-24



STATE OF INDIANA
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

TO: THE OFFICIALS OF THE SOUTHEAST FOUNTAIN SCHOOL
CORPORATION, FOUNTAIN COUNTY, INDIANA

This report is supplemental to the audit report of the Southeast Fountain School Corporation (School Corporation), for the period from July 1, 2021 to June 30, 2023. 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 the Financial Statement Audit Report of the School Corporation, which provides our opinions on the School Corporation's financial statement. 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.

Beth Kelley, CPA, CFE
Deputy State Examiner

March 5, 2024

SOUTHEAST FOUNTAIN SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

AVERAGE DAILY MEMBERSHIP (ADM) - LACK OF RECORDS

The same comment also appeared in prior Report B59136.

Condition and Context

The School Corporation failed to provide proof of Indiana residency documentation for 21 of 28 (75%) brick and mortar students selected for testing. Additionally, the School Corporation failed to provide copies of student birth certificates for 3 of 28 (3%) of the students selected for testing.

The School Corporation failed to provide proof of Indiana residency documentation for 2 of 9 (22%) virtual attending students selected for testing. The School Corporation failed to provide copies of student birth certificates for 2 of 9 (22%) of the students tested and could not provide an attendance record within two weeks of the count date for 1 of the students tested.

Criteria

Indiana Code 5-15-6-3 states:

"No financial records or records relating to financial records shall be destroyed until the earlier of the following actions:

1. The audit of the records by the state board of accounts has been completed, report filed, and any exceptions set out in the report satisfied.
2. The financial record or records have been copied or reproduced in accordance with a retention schedule or with the written consent of the administration."

Officials shall maintain records (enrollment cards, rosters, reporting forms, etc.) which substantiate the number of students claimed 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 a 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 School Corporations, Chapter 9)

SOUTHEAST FOUNTAIN SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

PREPAID SCHOOL MEAL ACCOUNTS

Condition and Context

Monthly reconcilements of all the students' individual account balances to the School Lunch Clearing fund (prepaid school lunch accounts) were not performed. An attempt was made to reconcile quarterly, but was not consistent for fiscal year 2022-2023. A detailed listing of student balances was provided for June 30, 2023, but it did not reconcile to the School Lunch Clearing fund balance. The School Lunch Clearing fund balance was overstated by \$27,750, and the School Lunch fund was understated by \$27,750.

Criteria

SBOA opinion is that money a student puts into their individual meal account (prepaid food account) 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 it is in the student's individual account the balance it should not be included in the School Lunch fund. It is required that you set up a Prepaid School Lunch Accounts fund clearing account. When a student brings in a deposit the receipt would be recorded to the Prepaid School Lunch Accounts fund. Periodically, after the student has charged meals, you should disburse the amount charged from the Prepaid School Lunch Accounts fund and receipt it into the School Lunch fund. At this point it is considered program income and should be included on any reports that are required to be completed. Also, on a monthly basis the balance of the Prepaid School Lunch Accounts fund should be reconciled with the total of the individual meal accounts. The School Food Prescribed Forms and any approved computerized Forms will be required to be maintained in the following manner to accurately account for prepaid items. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 10)

ANNUAL FINANCIAL REPORT

The same comment appeared in a Management Letter addressed to the Officials of the School Corporation for the audit period ending June 30, 2021.

Condition and Context

The Annual Financial Report for fiscal year 2022-2023 was submitted on September 25, 2023, which was 27 days past the due date.

Criteria

The Annual Financial Report (AFR) required under IC 5-11-1-4(a) shall be filed with the state examiner not later than sixty (60) days after the close of each fiscal year. (Accounting and Uniform Guidelines Compliance Manual for Indiana Public School Corporations, Chapter 1)

SOUTHEAST FOUNTAIN SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on March 5, 2024, with Scott Minick, School Board member; Josh Foxworthy, President of the School Board; Dr. Tania Grimes, Superintendent of Schools; and Cynthia C. Alward, Treasurer.