

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

ELKHART COMMUNITY SCHOOLS

ELKHART COUNTY, INDIANA

July 1, 2021 to June 30, 2023



**FILED**

03/25/2024



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Kevin E. Scott Zachary E. Quiett	07-01-21 to 01-08-24 01-09-24 to 06-30-24
Superintendent of Schools	Dr. Steven W. Thalheimer (Vacant) Mark T. Mow (interim) Dr. Larry A. Huff	07-01-21 to 06-30-23 07-01-23 to 07-16-23 07-17-23 to 02-29-24 03-01-24 to 06-30-24
President of the School Board	Roscoe L. Enfield, Jr. Dacey S. Davis Troy Scott	07-01-21 to 12-31-21 01-01-22 to 12-31-23 01-01-24 to 06-30-24



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE ELKHART COMMUNITY SCHOOLS, ELKHART COUNTY, INDIANA

This report is supplemental to the audit report of the Elkhart Community Schools (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/](http://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 19, 2024

ELKHART COMMUNITY SCHOOLS  
AUDIT RESULTS AND COMMENTS

**AVERAGE DAILY MEMBERSHIP (ADM) - LACK OF RECORDS**

A similar comment appeared in prior Report B59291, entitled *AVERAGE DAILY MEMBERSHIP (ADM) - LACK OF RECORDS*.

*Condition and Context*

The School Corporation did not follow its adopted policy for residency verification related to eligible pupils. The School Corporation did not have adequate records for 44 of the 64 students tested to determine whether the students were properly enrolled and reported correctly for the Average Daily Membership requirement.

*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)

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

ELKHART COMMUNITY SCHOOLS  
AUDIT RESULTS AND COMMENTS  
(Continued)

**TRAINING ON INTERNAL CONTROL STANDARDS**

*Condition and Context*

The School Corporation did not ensure that all required personnel received the internal control training as required by Indiana Code 5-11-1-27 (g).

*Criteria*

Indiana Code 5-11-1-27(g) states in part:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that: . . .

- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

**CERTIFICATION ON INTERNAL CONTROL STANDARDS**

*Condition and Context*

For fiscal years 2021-2022 and 2022-2023, the School Corporation certified in the Indiana Gateway for Government Units financial reporting system that all personnel had received the training over internal control standards; however, documentation could not be provided to support that the required employees had completed the training.

*Criteria*

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity 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](#)."

ELKHART COMMUNITY SCHOOLS  
EXIT CONFERENCE

The contents of this report were discussed on March 19, 2024, with Zachary E. Quiett, Treasurer; Erica Purvis, Controller; Jennifer Lee, Supervisor of Accounting, Audits, and Investments; Dr. Larry A. Huff, Superintendent of Schools; Troy Scott, President of the School Board; Anne VonDerVellen, School Board member; and Kevin E. Scott, former Treasurer.