

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

SUPPLEMENTAL COMPLIANCE REPORT  
OF  
EMINENCE CONSOLIDATED SCHOOL CORPORATION  
MORGAN COUNTY, INDIANA  
July 1, 2021 to June 30, 2023



**FILED**  
04/16/2024



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Transmittal Letter .....	3
Audit Results and Comments:	
Overdrawn Cash Balances .....	4
Prepaid School Meal Accounts.....	5
Average Daily Membership (ADM) - Lack of Records.....	5-6
Official Response .....	7
Exit Conference.....	8

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	(Vacant) Jessica Casteel Ida Ringler	07-01-21 to 10-03-21 10-04-21 to 09-04-22 09-05-22 to 06-30-24
Superintendent of Schools	Wesley Hammond	07-01-21 to 06-30-24
President of the School Board	Jeff Saucerman Andrew Finney	07-01-21 to 01-10-23 01-11-23 to 06-30-24



**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](http://www.in.gov/sboa)

TO: THE OFFICIALS OF THE EMINENCE CONSOLIDATED SCHOOL CORPORATION, MORGAN COUNTY, INDIANA

This report is supplemental to the audit report of the Eminence Consolidated 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/](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

April 4, 2024

EMINENCE CONSOLIDATED SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS

**OVERDRAWN CASH BALANCES**

The same comment also appeared in prior Report B60635.

*Condition and Context*

The financial statement presented for audit included the following funds with overdrawn cash balances as of June 30, 2022 and 2023:

Fund	Amount Overdrawn 06-30-22	Amount Overdrawn 06-30-23
Formative Assessment	\$ 3,324	\$ 3,324
Geer Grant 20/21	43,990	43,990
Title I Fy 20/21	36,429	37,095
Rural Schools and Low Incm Program	4,402	-
Title I B	-	56,326
Student Support Title Iv	-	95
Title Ii Part A Fy20	23,623	27,402
Title 2 Part A Support	-	2,274
Rural Schools-Direct	-	23,484
Elem And Sec School Emergency	54,814	54,814
Elementary And Secondary School Emergenc	159,270	174,153
Dlg Micro	28,600	28,600
Dlg Curriculum	1,450	1,450
Title I Fy 18/19	6,022	9,022
1003G 19/20	46,979	46,979
1003G 20/21	151,138	151,138
Title I 1003G	6,920	6,920
Other Federal	18,750	18,750
Fica	678	754
Payroll Withholdings	572	572
Totals	<u>\$ 586,961</u>	<u>\$ 687,142</u>

Cash balances of some of the School Corporation's funds were overdrawn due to grants operating on a reimbursement basis. Grants operating on a reimbursement basis require the School Corporation to expend funds prior to requesting reimbursement of costs. Several of these grant reimbursement requests were not timely.

*Criteria*

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

EMINENCE CONSOLIDATED SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

**PREPAID SCHOOL MEAL ACCOUNTS**

*Condition and Context*

The School Corporation is required to balance monthly the Prepaid School Lunch Accounts fund with the total of the individual student meal accounts balances. For fiscal year 2021-2022, the detailed report of student lunch balances was not provided. For 2022-2023, the detailed report was provided but did not agree to amount reported in the Prepaid School Lunch Accounts fund. The detailed records reported \$984 less than the Prepaid School Lunch Accounts fund balance.

*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)

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

*Condition and Context*

Twenty-two of the twenty-seven brick and mortar students tested for ADM were missing proof of residency. Four of the five virtual students tested were missing proof of residency. The School Corporation's proof of residency documentation should be retained for each student.

*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."

EMINENCE CONSOLIDATED SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

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)



*Eminence Community School Corporation*

6764 SR42 North  
Eminence, IN 46125  
(765) 528-2101

OFFICIAL RESPONSE

Date: April 9, 2024

Indiana State Board of Accounts  
302 West Washington St. Room E418  
Indianapolis, IN 46204-2765

Re: Eminence Community School Audit  
FY 2022 and FY 2023

*Federal Funds Balances*

*In transitioning corporation personnel, it was realized grant monies had been expended without reimbursements requested and/or reimbursements had been receipted to incorrect funds. Before the State Board of Accounts audit team noted the fund balances, efforts had begun to request reimbursements and to make transfers to the proper revenue funds and will continue until all funds are in order.*

*ADM Proof of Residency*

*Even though requiring ADM proof of residency for enrollment is a school board policy, it was not a consistent practice in the school buildings when it was determined students could attend their school of choice within Indiana. Following the advice of the audit team, going forward, proof of residency will be a required document for students when enrolling with Eminence Schools.*

*Prepaid Lunch/Student Account Balances*

*The corporation staff believes the prepaid fund balance is not consistent to the cafeteria accounts fund due to sales reports used at times, in error, to transfer monies. Only prepaid sales reports should be used when transferring from prepaid to revenue. In correcting the cafeteria prepaid fund balance, the corporation staff will follow the paper trail since the fund's inception to determine error(s) made when transferring monies from the prepaid fund to the cafeteria revenue. All errors will be corrected to balance the funds.*

Ida Ringler, Treasurer  
Eminence Community Schools

EMINENCE CONSOLIDATED SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on April 4, 2024, with Ida Ringler, Treasurer; Wesley Hammond, Superintendent of Schools; Andrew Finney, President of the School Board; and Susan Shupe, Deputy Treasurer.