

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

WAWASEE COMMUNITY SCHOOL CORPORATION

KOSCIUSKO COUNTY, INDIANA

July 1, 2013 to June 30, 2015



FILED
07/27/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Jim Evans	07-01-13 to 06-30-17
Superintendent of Schools	Dr. Thomas R. Edington	07-01-13 to 06-30-17
President of the School Board	Rebecca L. Linnemeier	01-01-13 to 12-31-17



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 WAWASEE COMMUNITY SCHOOL
CORPORATION, KOSCIUSKO COUNTY, INDIANA

This report is supplemental to our audit report of the Wawasee Community School Corporation (School Corporation), for the period from July 1, 2013 to June 30, 2015. It has been provided as a separate report so that the reader may easily identify any Federal Findings that pertain to the School Corporation. It should be read in conjunction with our Financial Statement and Federal Single Audit Report of the School Corporation, which provides our opinions on the School Corporation's financial statement and federal program compliance. This report may be found at www.in.gov/sboa/.

The Federal Findings, identified in the above referenced audit report, are included in this report and should be viewed in conjunction with the Audit Result and Comment as described below.

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 Result and Comment contained herein describes the identified reportable instance 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 Corrective Action Plan for the Federal Findings, incorporated within this report, was not verified for accuracy.

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

May 17, 2017

WAWASEE COMMUNITY SCHOOL CORPORATION
FEDERAL FINDINGS

FINDING 2015-001 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Condition

There was the following deficiency in the internal control system of the School Corporation related to financial transactions and reporting that constituted a material weakness.

Lack of Segregation of Duties: The School Corporation had not separated incompatible activities related to receipts. One person was solely responsible for recording receipts, preparing the bank deposit, and taking the bank deposit to the bank without evidence of oversight, review, or approval. Segregation of duties was not evident, nor was there adequate oversight and approval of the receipt transactions.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

Cause

Management had not established a proper system of internal control for receipts.

Effect

The failure to establish controls could have enabled material misstatements or irregularities to remain undetected.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

WAWASEE COMMUNITY SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

FINDING 2015-002 - INTERNAL CONTROLS OVER CHILD NUTRITION CLUSTER

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2014, FY 2015

Pass-Through Entity: Indiana Department of Education

Condition

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the following compliance requirements: Eligibility, Procurement and Suspension and Debarment, Program Income, Reporting, and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP).

Eligibility

The School Corporation had not established an effective control over the determination of eligibility for free and reduced price applications. One employee determined eligibility during the audit period without an acceptable oversight or review process.

Procurement and Suspension and Debarment

The School Corporation utilized an educational service center for Food Service bids. The educational service center administered the bidding process as well as verified that the vendors were not suspended or debarred. The educational service center made a recommendation to the School Corporation for the winning bids. However, there were no controls in place to ensure that the School Corporation and School Board formally approved the bids or awarded the contracts to the successful bidders. An oversight, review, or approval process had not been established.

Program Income (School Breakfast Program and National School Lunch Program only)

The School Corporation had not established an effective control over verifying the proper recording of daily cash receipts and their deposit into the bank, and over the proper determination and posting of program income. The School Corporation was not reviewing the daily recorded cash receipts for all of its schools to ensure that all cash was deposited, nor were they maintaining a separate fund for prepaid meals to ensure proper determination of program income.

Reporting

The School Food Authority (SFA) Verification Collection Reports and Annual Financial Reports were prepared and submitted by one employee. An oversight, review, or approval process had not been established.

WAWASEE COMMUNITY SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)

The School Corporation performed the necessary verifications; however, there was no documentation that an oversight or review process had been established to ensure the accuracy of the verifications performed.

Context

Internal control issues were systemic, occurring throughout the audit period.

Criteria

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. . . ."

Cause

Management had not developed a system of internal controls that segregated key functions.

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirements listed above.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2015-003 - ALLOWABLE COSTS/COST PRINCIPLES

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2014, FY 2015

Pass-Through Entity: Indiana Department of Education

WAWASEE COMMUNITY SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

The School Corporation operated a Food Service Program that was the recipient of federal funding from the School Breakfast Program, National School Lunch Program, and Summer Food Service Program for Children. All transactions related to the Food Service Program were recorded in the School Lunch fund. This included, but was not limited to, the following: salaries and benefits, food purchases, supplies, and all revenue generated by the Food Service Program.

Context

Management of the School Corporation had not established an effective internal control system, to ensure that only allowable and adequately documented disbursements were paid with the Food Service Program funds. Funds related to food service were used to pay a portion of an administrative employee's salary for fiscal years 2013-2014 and 2014-2015. The administrative employee did not maintain Personnel Activity Reports to support the distribution of a portion of their salary to the School Lunch fund.

Criteria

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. . . ."

OMB Circular A-87, Attachment B, section 8h, states in part:

". . . (4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:

- (a) More than one federal award,
- (b) A Federal award and a non-federal award,
- (c) An indirect cost activity and a direct cost activity, . . .

(5) Personnel activity reports or equivalent documentation must meet the following standards:

- (a) They must reflect an after the fact distribution of the actual activity of each employee,
- (b) They must account for the total activity for which each employee is compensated,
- (c) They must be prepared at least monthly and must coincide with one or more pay periods, and

WAWASEE COMMUNITY SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

(d) They must be signed by the employee. . . ."

Cause

Management had not developed a system of internal controls that segregated key functions.

Effect

The failure to establish internal controls enabled noncompliance to go undetected. The failure to comply with the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

Questioned costs identified totaled \$15,278.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2015-004 - CASH MANAGEMENT

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2014, FY 2015

Pass-Through Entity: Indiana Department of Education

Condition

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Cash Management compliance requirement.

The School Corporation had designed but did not implement adequate policies and procedures to ensure that the School Lunch fund cash balances were maintained in compliance with the Cash Management requirements.

The School Corporation Food Service department maintained a cash balance in excess of federal regulations. The School Corporation's average expenditures for three months in the School Lunch fund for FY 2014 and FY 2015 were \$350,859 and \$332,970, respectively. The month-end cash balances in FY 2014 ranged from \$581,264 to \$722,244. The month-end cash balances in FY 2015 ranged from \$640,089 to \$825,880.

WAWASEE COMMUNITY SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

Context

All month-end cash balances in FY 2014 and FY 2015 were examined and all 24 months' balances exceeded the School Corporation's average expenditures for 3 months.

Criteria

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. . . ."

7 CFR 210.14(b) states:

"*Net cash resources.* The school food authority shall limit its net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit school food service or such other amount as may be approved by the State agency in accordance with §210.19(a)."

7 CFR 220.7(e) states in part:

"Each school food authority approved to participate in the program shall . . . with respect to participating schools under its jurisdiction: . . .

(iv) Limit its net cash resources to an amount that does not exceed three months average expenditure for its nonprofit school food service or such other amount as may be approved by the State agency; . . ."

Cause

The School Corporation had not implemented an effective internal control system related to the grant agreement and the compliance requirement for Cash Management.

Effect

The failure to establish internal controls enabled noncompliance to go undetected. The failure to comply with the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the Cash Management compliance requirement.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

WAWASEE COMMUNITY SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

FINDING 2015-005 - REPORTING

Federal Agency: Department of Education

Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14212-045-PN01, 14213-045-PN01,
14214-045-PN01, 14215-142-PN01,
45713-045-PN01, 45714-045-PN01,
45715-142-PN01, 99914-045-TA01

Pass-Through Entity: Indiana Department of Education

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirement.

The School Corporation was a member school of the North Central Indiana Special Education Cooperative (Cooperative). The grant agreements for the federal programs are between the Indiana Department of Education (IDOE) and each member school of the Cooperative. During FY 2013-2014, the fiscal agent of the Cooperative filed the Requests for Reimbursement for the member schools. Because the grant agreements are between the IDOE and each member school of the Cooperative, each member school is ultimately responsible for ensuring compliance with the requirements.

Context

The fiscal agent's Treasurer prepared and submitted the Requests for Reimbursement with no oversight in place.

Data Collection reports were prepared and submitted by one employee of the School Corporation with no oversight in place.

Criteria

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. . . ."

Cause

Management had not developed a system of internal controls that segregated key functions.

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirement. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirement and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

WAWASEE COMMUNITY SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the Reporting compliance requirement. We also recommended that the School Corporation monitor and have proper oversight of the Cooperative.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2015-006 - ALLOWABLE COSTS/COST PRINCIPLES

Federal Agency: Department of Education

Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14212-045-PN01, 14213-045-PN01,
14214-045-PN01, 14215-142-PN01,
45713-045-PN01, 45714-045-PN01,
45715-142-PN01, A58-3-13DL-1418,
99914-045-TA01

Pass-Through Entity: Indiana Department of Education

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

The School Corporation failed to maintain the required Semi-Annual Certifications for all personnel paid solely from federal funds.

Context

The lack of controls and failure to maintain Semi-Annual Certifications were a systemic problem during the audit period.

Criteria

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. . . ."

WAWASEE COMMUNITY SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

OMB Circular A-87, Attachment B, section 8h states in part:

" . . . (3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee. . . ."

Cause

Management had not established an effective internal control system related to the grant agreement and the compliance requirement for Allowable Costs/Cost Principles.

Effect

The failure to establish internal controls enabled noncompliance to go undetected. The failure to comply with the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and Allowable Costs/Cost Principles compliance requirement. We also recommended that the School Corporation comply with the Allowable Costs/Cost Principles requirements of the program.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2015-007 - SPECIAL TESTS AND PROVISIONS - ANNUAL REPORT CARD, HIGH SCHOOL GRADUATION RATE

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): 13-4345, 14-4345, 15-4345

Pass-Through Entity: Indiana Department of Education

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

WAWASEE COMMUNITY SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

Context

Special Tests and Provisions - Annual Report Card, High School Graduation Rate documentation was maintained by the School Corporation; however, there was no evidence of an oversight, review, or approval process.

Criteria

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. . . ."

Cause

Management had not developed a system of internal controls that segregated key functions.

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirement. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirement and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

WAWASEE COMMUNITY SCHOOL CORPORATION

DR. THOMAS EDINGTON

MRS. JOY GOSHERT
Assistant Superintendent of Schools

MR. JAMES FLECKER
Director of Personnel & Legal Services Superintendent of Schools

#1 Warrior Path, Building #2
Syracuse, Indiana 46567-9170
Website: www.wawasee.k12.in.us
Telephone: 574/457-3188
Fax: 574/457-4962

MR. JIM EVANS
Director of Finance

DR. SANDRA WEAVER
Director of Special Services

CORRECTIVE ACTION PLAN

FINDING 2015-001

Contact Person Responsible for Corrective Action: Jim Evans
Contact Phone Number: 574-457-3188

Description of Corrective Action Plan:

Prior to making the bank deposit, a second person in the office will review and approve the deposit.

Anticipated Completion Date: June 1, 2017

FINDING 2015-002

Contact Person Responsible for Corrective Action: Jim Evans
Contact Phone Number: 574-457-3188

Description of Corrective Action Plan:

Eligibility: In June, 2017, the school corporation centralized the Free and Reduced verification process. One employee is dedicated to the Free and Reduced application submission, review and documentation process for all schools. This will ensure that all applications are processed and documented in the same manner. Further, the Free and Reduced application person, as well as the Food Service Coordinator and bookkeepers from each school attended a mandatory training session on July 20, 2016.

All applications for Free and Reduced lunches will have a second person review the process to provide acceptable oversight.

Anticipated Completion Date: June, 2017

FINDING 2015-002

Contact Person Responsible for Corrective Action: Jim Evans
Contact Phone Number: 574-457-3188

Description of Corrective Action Plan:

Procurement, Suspension and Debarment: Wawasee Community School Corporation (WCSC) is a member of the Northern Indiana Educational Service Center (NIESC). The WCSC utilizes the NIESC for cooperative purchasing for Dairy and Bakery products. If the WCSC utilizes the procurement process provided by the NIESC, the bids that are awarded by the NIESC will be approved by the WCSC school board of trustees.



Anticipated Completion Date: January 9, 2018

FINDING 2015-002

Contact Person Responsible for Corrective Action: Jim Evans
Contact Phone Number: 574-457-3188

Description of Corrective Action Plan:

Program Income: The school corporation will establish a system to review the daily cash receipts of each school and their bank deposits. In addition, the school will utilize fund 8400 to receipt money from prepaid meals to ensure proper determination of program income.

Anticipation Completion Date: September 30, 2017

FINDING 2015-002

Contact Person Responsible for Corrective Action: Jim Evans
Contact Phone Number: 574-457-3188

Description of Corrective Action Plan:

Reporting: When the Verification Certification Reports and Annual Expenditure Reports are prepared, they will be reviewed by a second person for oversight and review and approval.

Anticipated Completion Date: December 31, 2017

FINDING 2015-002

Contact Person Responsible for Corrective Action: Jim Evans
Contact Phone Number: 574-457-3188

Description of Corrective Action Plan:

Special Tests and Provisions: Verification of Free and Reduced Price Applications (NSLP): When the verification of current free and reduced applications is completed, documentation will be provided that the verification process was reviewed to ensure accuracy to the verifications performed.

Anticipated Completion Date: April 1, 2018

FINDING 2015-003

Contact Person Responsible for Corrective Action: Jim Evans
Contact Phone Number: 574-457-3188

Description of Corrective Action Plan:

Funds from the Hot Lunch account will not be used to pay salaries for corporation administrative personnel.

Anticipated Completion Date: July 1, 2017

FINDING 2015-004


Contact Person Responsible for Corrective Action: Jim Evans
Contact Phone Number: 574-457-3188

Description of Corrective Action Plan:

Beginning in July, 2016 with permission from the Indiana Department of Education Division of School and Community Nutrition, the school began to purchase equipment for the kitchen at the Milford School. Additionally, the school corporation will use Indirect Cost Rates to reimburse the school's general fund from the

Hot Lunch Fund. The school corporation believes that by taking these actions, the account balance of the Hot Lunch Fund will be reduced to below \$352,062.00.

Anticipated Completion Date: July 1, 2019



Signature

Dir. of Finance

Title

5/17/17

Date

WAWASEE COMMUNITY SCHOOL CORPORATION

MRS. JOY GOSHERT
Assistant Superintendent of Schools

MR. JAMES FLECKER
Director of Personnel & Legal Services

#1 Warrior Path, Building #2
Syracuse, Indiana 46567-9170
Website: www.wawasee.k12.in.us
Telephone: 574/457-3188
Fax: 574/457-4962

DR. THOMAS EDINGTON
Superintendent of Schools

MR. JIM EVANS
Director of Finance

DR. SANDRA WEAVER
Director of Special Services

Finding 2015-005 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action Plan: Sandra Weaver
Contact Phone Number: 574-457-3188

Views of Responsible Official:

Since signatures were not required we overlooked initialing the reports so there was no documentation that we had reviewed these reports

Description of Corrective Action Plan:

The director of special services and the administrative assistant for the program will review the data collection reports and initial and date these reports so as to establish correct internal controls. Once the data collection reports have been reviewed they will be sent to the Treasurer.

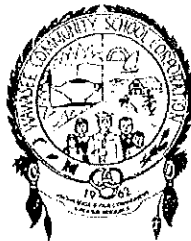
Anticipated Completion Date:

Completed on 4-28-2017

Sandra Weaver
(Signature)

Director of Special Services
(Title)

5-16-17
(Date)



WAWASEE COMMUNITY SCHOOL CORPORATION

MRS. JOY GOSHERT
Assistant Superintendent of Schools

MR. JAMES FLECKER
Director of Personnel & Legal Services

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DR. THOMAS EDINGTON
Superintendent of Schools

MR. JIM EVANS
Director of Finance

DR. SANDRA WEAVER
Director of Special Services

Finding 2015-006 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action Plan: Sandra Weaver
Contact Phone Number: 574-457-3188

Views of Responsible Official:

It appears one year was overlooked since the semi-annual certifications were in place for the previous years and the year following the audit period.

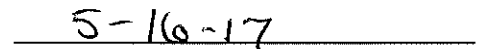
Description of Corrective Action Plan:

Semi-annual certification will be completed every six months and placed in the budget book and saved electronically in a budget file by year. Calendar reminders have been added to the google calendar maintained by the director of special services and the administrative assistant for this program.

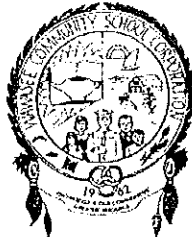
Anticipated Completion Date:
Completed on 4-28-2017


(Signature)


(Title)


(Date)

Milford (K-8), North Webster (K-5), Syracuse (K-5)



Wawasee Middle (6-8), Wawasee High (9-12)

WAWASEE COMMUNITY SCHOOL CORPORATION

MRS. JOY GOSHERT
Assistant Superintendent

DR. THOMAS EDINGTON
Superintendent

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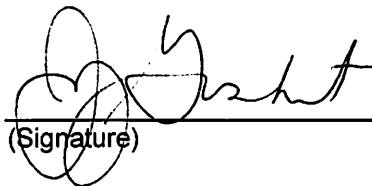
Dr. Sandra Weaver
Director of Special Services

FINDING 2015-007 – Special Tests and Provisions – Annual Report Card, High School Graduation Rate

Contact Person Responsible for Corrective Action: Joy Goshert, Assistant Superintendent
Contact Phone Number: 574-457-3188

Description of Corrective Action Plan: Wawasee Community School Corporation has a plan in place for implementation of uniform procedures and internal controls for withdrawal of students and documentation of withdrawal of students from a graduation cohort group.

Anticipated Completion Date: August 1, 2017



(Signature)

Assistant Superintendent
(Title)

May 17, 2017
(Date)

Milford (K-8), North Webster (K-5), Syracuse (K-5)



Wawasee Middle (6-8), Wawasee High (9-12)

WAWASEE COMMUNITY SCHOOL CORPORATION
AUDIT RESULT AND COMMENT

PREPAID SCHOOL LUNCH ACCOUNTS

The School Corporation did not account for prepaid meals in a separate fund on their ledger. All prepaid meals were accounted for and maintained within a School Lunch fund at each individual school on the Extra-Curricular ledger. Individual student accounts were not reconciled to a Prepaid Meal fund.

Our opinion is that money a student puts into their individual meal 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 should not be included in Fund 800 School Lunch. Our recommendation is that you set up a clearing account with the fund number of 8400. Our suggestion is when a student brings in a deposit the receipt would be recorded to fund 8400 using receipt account 1630. Periodically, after the student has charged meals, you should disburse the amount charged from 8400 using expenditure account 31900 and receipt it into fund 800 using receipt accounts 1611-1623. 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 8400 fund should be reconciled with the total of the individual meal accounts. (The School Bulletin and Uniform Compliance Guidelines, Vol. 211)

WAWASEE COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on May 17, 2017, with Dr. Thomas R. Edington, Superintendent of Schools; Jim Evans, Treasurer; Rebecca L. Linnemeier, President of the School Board; and Joy Goshert, Assistant Superintendent of Schools.