

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

SUPPLEMENTAL COMPLIANCE REPORT
OF
SOUTHERN WELLS COMMUNITY SCHOOLS
WELLS COUNTY, INDIANA
July 1, 2015 to June 30, 2017



FILED
01/05/2018

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
Examination Result and Comment: Annual Financial Report	4
Exit Conference	5

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Vicki S. Andrews	07-01-14 to 06-30-18
Superintendent of Schools	James L. Craig Steve W. Darnell	07-01-14 to 06-30-16 07-01-16 to 06-30-18
President of the School Board	Douglas Klefeker Chad Roush Kevin Scott	01-01-14 to 12-31-14 01-01-15 to 12-31-16 01-01-17 to 12-31-17



STATE OF INDIANA
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TO: THE OFFICIALS OF THE SOUTHERN WELLS COMMUNITY
SCHOOLS, WELLS COUNTY, INDIANA

This report is supplemental to our examination report of the Southern Wells Community Schools (School Corporation), for the period from July 1, 2014 to June 30, 2016. It has been provided as a separate report so that the reader may easily identify the Examination Result and Comment that pertains to the School Corporation. It should be read in conjunction with our Financial Statement Examination Report of the School Corporation, which provides our opinion 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 Examination 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 Official Response to the Examination Result and Comment, incorporated within this report, was not verified for accuracy.

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

November 21, 2017

SOUTHERN WELLS COMMUNITY SCHOOLS
EXAMINATION RESULT AND COMMENT

ANNUAL FINANCIAL REPORT

A substantially similar comment appeared in prior Report B46385.

The School Corporation did not report complete and accurate information in the Grants section of the Gateway Annual Financial Report (AFR) as required per Indiana Code 5-11-1-4. During the inspection of the AFR, the following errors were identified:

- For the fiscal year ending June 30, 2015, no federal expenditures were reported.
- For the fiscal year ending June 30, 2016, some federal expenditures were reported; however, the reporting was incomplete.

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

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality 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. . . ."

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

SOUTHERN WELLS COMMUNITY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on November 21, 2017, with Steve W. Darnell, Superintendent of Schools; Vicki S. Andrews, Treasurer; Kevin Scott, President of the School Board; Aaron Westfall, School Board member; and Mark Durham, School Board member.