

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

SUPPLEMENTAL COMPLIANCE REPORT
OF

WEST LAFAYETTE COMMUNITY
SCHOOL CORPORATION
TIPPECANOE COUNTY, INDIANA

July 1, 2015 to June 30, 2017



FILED
01/11/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Tim Clary Ross Sloat	07-01-15 to 12-31-15 01-01-16 to 12-31-18
Superintendent of Schools	Dr. Rocky D. Killion	07-01-15 to 06-30-19
President of the School Board	Alan R. Karpick	07-01-15 to 06-30-19



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION, TIPPECANOE COUNTY, INDIANA

This report is supplemental to our audit report of the West Lafayette Community School Corporation (School Corporation), for the period from July 1, 2015 to June 30, 2017. It has been provided as a separate report so that the reader may easily identify any Federal Findings and Audit Results and Comments 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 and Official Response to the Audit Result and Comment, incorporated within this report, were not verified for accuracy.

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

November 28, 2018

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
FEDERAL FINDINGS

FINDING 2017-001

Subject: Child Nutrition Cluster - 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): SY 15-16, SY 16-17
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Cash Management
Audit Findings: Material Weakness, Modified Opinion

Condition

The School Corporation had not designed or implemented adequate, effective internal controls to ensure that the School Lunch fund monthly cash balances (net cash resources) were limited to three months average expenditures in compliance with cash management requirements. There was no oversight, review, or monitoring of the cash balances.

The School Corporation did not comply with the cash management requirement that they limit cash balances (net cash resources) to three months average expenditures.

Context

The lack of controls and the noncompliance were systemic issues throughout the audit period. The cash balances (net cash resources) in the School Lunch fund exceeded the 3 months average expenditures for 18 of the 24 months in 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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

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:

". . . the School Food Authority 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; and . . ."

Cause

The School Corporation's management had not designed or implemented an effective internal control system that would have ensured compliance with the cash management requirements.

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected and 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 an effective internal control system to ensure compliance and comply with 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.

FINDING 2017-002

Subject: Child Nutrition Cluster - Eligibility, Reporting, and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)

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): SY 15-16, SY 16-17

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Eligibility, Reporting, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)

Audit Findings: Material Weakness, Modified Opinion

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

Repeat Finding

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2015-002.

Condition

The School Corporation had not designed or implemented adequate, effective internal controls to ensure that supporting documentation was adequately safeguarded and maintained. In the 2015-2016 school year, supporting documentation related to Eligibility, Reporting, and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) was damaged and was disposed of. Therefore, it could not determine if the proper eligibility determinations were made, the School Food Authority (SFA) Verification Collection Reports were accurate, or if proper determinations were made for the Special Tests and Provisions - Verification of Free and Reduced Price Applications.

In the 2016-2017 school year, the School Food Authority (SFA) Verification Collection Report did not have supporting documentation for the reported information. There was no report or documentation as to how many applications were turned in at that time and all applications were stored in a box with no distinction of when they were received.

Context

The lack of controls was a systemic issue throughout the audit period. The failure to maintain and provide for audit adequate supporting documentation related to the Eligibility, Reporting, and Special Tests and Provisions - Verification of Free and Reduced Price Applications compliance requirements applied to the 2015-2016 school year.

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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

2 CFR 200.333 states in part:

"Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. . . ."

Cause

The School Corporation's management had not designed or implemented an effective internal control system to ensure that documentation was maintained and made available for audit related to the Eligibility, Reporting, and Special Tests and Provisions - Verification of Free and Reduced Price Applications compliance requirements.

Effect

The failure to retain or provide appropriate supporting documentation prevented the determination of the School Corporation's compliance with the Eligibility, Reporting, and Special Tests and Provisions - Verification of Free and Reduced Price Applications compliance requirements.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure that documentation will be maintained and made available for audit related to the Eligibility, Reporting, and Special Tests and Provisions - Verification of Free and Reduced Price Applications compliance requirements.

Views of Responsible Officials

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

FINDING 2017-003

Subject: Child Nutrition Cluster - Procurement and Suspension and Debarment
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): SY 15-16, SY 16-17
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2015-003.

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

Condition

The School Corporation did not perform, nor did they obtain documentation that its purchasing service performed the required procurement and suspension and debarment procedures. The School Corporation used a purchasing service, but was unable to provide documentation that any procurement processes were performed at the local level. Additionally, the School Corporation did not perform any of the required procedures to ensure that vendors were not suspended or debarred from participation in federal awards.

Context

The lack of controls and noncompliance were systemic issues 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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CFR 200.320 states in part:

"The non-Federal entity must use one of the following methods of procurement.

- (a) Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (§ 200.67 Micro-purchase). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.
- (b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

- (c) Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in paragraph (c)(1) of this section apply. . . ."

2 CRF 180.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified.

You do this by:

- (a) Checking the SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

Cause

The School Corporation's management had not developed a system of internal controls that would have ensured compliance with the Procurement and Suspension and Debarment compliance requirement.

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected, which 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 to ensure compliance and comply with the Procurement and Suspension and Debarment 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 2017-004

Subject: Child Nutrition Cluster - Program Income, Special Tests and Provisions - School Food Accounts

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): SY 15-16, SY 16-17

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Program Income, Special Tests and Provisions - School Food Accounts

Audit Finding: Material Weakness

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

Condition

The School Corporation had not designed or implemented adequate effective internal controls to ensure that the transfers of Program Income were accurate. The Deputy Treasurer transferred the program income from the Clearing fund to the School Lunch fund without an oversight, review, or approval process.

The School Corporation had not designed or implemented adequate internal controls for the Special Tests and Provisions - School Food Accounts compliance requirement. The Deputy Treasurer received the ACH notifications for the reimbursements and did not ensure that the amount received agreed to the Sponsor Claims (claims for reimbursement).

Context

The lack of controls was a systemic issue 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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

Cause

The School Corporation's management had not developed a system of internal controls to ensure compliance with the Program Income and Special Tests and Provisions - School Food Accounts compliance requirements.

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.

WEST LAFAYETTE 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 related to the grant agreement and the Program Income and Special Tests and Provisions - School Food Accounts compliance requirements.

Views of Responsible Officials

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

FINDING 2017-005

Subject: Child Nutrition Cluster - Special Tests and Provisions - Paid Lunch Equity

Federal Agency: Department of Agriculture

Federal Program: National School Lunch Program

CFDA Number: 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): SY 15-16, SY 16-17

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Paid Lunch Equity

Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2015-004.

Condition

The School Corporation had not designed or implemented adequate, effective policies and procedures to ensure that the required paid lunch equity calculations were completed during the audit period. Paid lunch equity calculations were completed starting in the 2018-2019 school year.

Context

The lack of controls and noncompliance were systematic issues 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. . . ."

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

7 CFR 210.14(e) states in part:

"*Pricing paid lunches.* For each school year beginning July 1, 2011, school food authorities shall establish prices for paid lunches in accordance with this paragraph.

(1) *Calculation procedures.* Each school food authority shall:

- (i) Determine the average price of paid lunches. The average shall be determined based on the total number of paid lunches claimed for the month of October in the previous school year, at each different price charged by the school food authority.
- (ii) Calculate the difference between the per meal Federal reimbursement for paid and free lunches received by the school food authority in the previous school year (*i.e.*, the reimbursement difference);
- (iii) Compare the average price of a paid lunch under paragraph (e)(1)(i) of this section to the difference between reimbursement rates under paragraph (e)(1)(ii) of this section. . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Special Tests and Provisions - Paid Lunch Equity compliance requirement.

Effect

The failure to establish an effective internal control system enabled noncompliance with the Special Tests and Provisions - Paid Lunch Equity compliance requirement to go undetected, which 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 to ensure compliance and comply with the Special Tests and Provisions - Paid Lunch Equity compliance requirement.

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

Views of Responsible Officials

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

FINDING 2017-006

Subject: Title I Grants to Local Educational Agencies - Cash Management, Reporting
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): 15-7875, 16-7875, 17-7875
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Cash Management, Reporting
Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2015-005.

Condition

The School Corporation had not designed or implemented adequate policies and procedures to ensure that program funds were expended prior to requesting reimbursements and that the monthly reimbursement requests (reports) were accurate prior to submission. A documented review of the reports was not performed prior to submission.

Context

The lack of controls was a systemic issue 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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

Cause

The School Corporation's management had not developed a system of internal controls to ensure compliance with the Cash Management and Reporting compliance requirements.

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 listed above. 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 to ensure compliance with the Cash Management and Reporting compliance requirements.

Views of Responsible Officials

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

West Lafayette Community School Corporation

1130 North Salisbury Street · West Lafayette, Indiana 47906-2447
(765) 746-1602 • FAX (765) 746-1644 • www.wl.k12.in.us

CORRECTIVE ACTION PLAN

FINDING 2017-001 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Courtney FitzSimons/Janelle Wade
Contact Phone Number: 765-746-1602

Views of Responsible Official:

Description of Corrective Action Plan:

With new kitchens opening at the two other school buildings, there will be a need for more staff. As a result, the cash balance will not continue to be as excessive as it has been in years past. In addition, the newly hired Food Service Director will oversee more of the financial management of the accounts and be in communication with the Business Office.

Anticipated Completion Date: In progress now as more staff has been hired and one of two kitchens has opened.



Signature

CFO

Title

11/28/18

Date

West Lafayette Community School Corporation

1130 North Salisbury Street · West Lafayette, Indiana 47906-2447
(765) 746-1602 • FAX (765) 746-1644 • www.wl.k12.in.us

CORRECTIVE ACTION PLAN

FINDING 2017-002 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Courtney FitzSimons
Contact Phone Number: 765-746-0421

Views of Responsible Official:

Description of Corrective Action Plan:

As planned, WLCSC hired a new Food Service Director after the 2013-2015 audit was completed. Courtney FitzSimons is the new Food Service Director for WLCSC, and has hired some additional staff to help with the shortage. She has stepped in to help keep the department in compliance, by serving as a second set of eyes for Free & Reduced applications and verifications. Reports will be double-checked by Courtney for accuracy before submission.

Anticipated Completion Date: Completed in Fall of 2018



Signature



Title



Date

West Lafayette Community School Corporation

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CORRECTIVE ACTION PLAN

FINDING 2017-003 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Courtney FitzSimons
Contact Phone Number: 765-746-0421

Views of Responsible Official:

Description of Corrective Action Plan:

WLCSC hired a DOE-approved Food Service Director, Courtney FitzSimons, during the summer of 2018. She put together a plan, which complies with procurement, suspension and debarment procedures. The School Board was presented with the recommendation to join West Indy Coop, ending our relationship with HPS. In addition, bids were taken for milk, bread, and sanitation. They were taken to the School Board for approval.

Anticipated Completion Date: Completed in Fall of 2018



Signature

CFO

Title

11/28/18

Date

West Lafayette Community School Corporation

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CORRECTIVE ACTION PLAN

FINDING 2017-004 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Courtney FitzSimons/Ross Sloat and Janelle Wade
Contact Phone Number: 765-746-1602

Views of Responsible Official:

Description of Corrective Action Plan:

The Deputy Treasurer receives the Treasurer of the State ACH notifications for the Lunch/Breakfast Program reimbursements each month. The funds are automatically deposited into the corporation's bank account and entry for revenue is made into the financial software. A copy of the receipt is sent to the Food Service Director and/or Assistant Food Service Director for verification that the amount matches what was submitted to the State for that month.

In addition, the monthly transfers in the financial software system from Prepaid Lunch Account Fund 8400 to Fund 0800 will be reviewed and initialed by WLCSC CFO to verify reports and correct amounts.

Anticipated Completion Date: Started in Fall 2018



Signature

CFO

Title

11/28/18

Date

West Lafayette Community School Corporation

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CORRECTIVE ACTION PLAN

FINDING 2017-005 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Courtney FitzSimons
Contact Phone Number: 765-746-0421

Views of Responsible Official:

Description of Corrective Action Plan:

WLCSC Food Service Department will determine the necessity of increasing lunch prices annually. The FS Department will utilize the Paid Lunch Equity calculator to compare the difference between price paid and Federally reimbursed and free lunches with the average price of paid lunch. The Interim CFO will review and sign off on the results. If price change is necessary, it will be presented to the School Board for approval.

Anticipated Completion Date: Completed in Fall of 2018



Signature

CFO

Title

11/28/18

Date

West Lafayette Community School Corporation

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(765) 746-1602 • FAX (765) 746-1644 • www.wl.k12.in.us

CORRECTIVE ACTION PLAN

FINDING 2017-006 (Auditor Assigned Reference Number)


Contact Person Responsible for Corrective Action: Ross Sloat/Janelle Wade
Contact Phone Number: 765-746-1602

Views of Responsible Official:

Description of Corrective Action Plan:

The Deputy Treasurer completes the Title I reimbursement reports and prints them. Then, the CFO signs off on the form to acknowledge that he has reviewed the information. This new process has been done since the last audit when said finding was given, and a copy kept in the Title I file for reference.

Anticipated Completion Date: Completed in Spring of 2018, following the 2013-15 SBOA Audit.



Signature

CFO

Title

11/28/18

Date

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
AUDIT RESULT AND COMMENT

OVERDRAWN CASH BALANCES

The financial statement presented in the Financial Statement and Federal Single Audit Report of the School Corporation included the following funds with overdrawn cash balances at June 30, 2016, and June 30, 2017, which were not attributed to timing of reimbursements:

Fund	Amount Overdrawn	
	06-30-16	06-30-17
Common School Loan A2798 (#19)	\$ 25,176	\$ 29
WVEC Payroll	30,048	35,926
COBRA	15,934	19,939
ECA Receipts	-	848

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)

West Lafayette Schools Business Office

1130 North Salisbury Street ▪ West Lafayette, Indiana 47906-2447
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December 4, 2018

State Board of Accounts
302 West Washington Street, Room E 418
Indianapolis, Indiana 46204-2765

Re: **OFFICIAL RESPONSE** to RESULTS AND COMMENTS

To Whom It May Concern:

We are writing in regards to the Exit Conference Form 4, Acknowledgement of Decision for Official Response on the Financial Statement and Single Audit Report of Cash Balances for fiscal year ending June 30, 2016, and June 30, 2017.

Overdrawn Cash Balances of the following funds:

Common School Loan A279
WVEC Payroll
COBRA
ECA Receipts

Response


The indicated funds are "reimbursable funds", therefore due to the timing of claim submission and the receipt of the funds, at times the funds may be overdrawn for a short period of time.

If any additional information is required, please let us know.

Sincerely,



Ross Sloat, Interim CFO



Janelle Wade, Deputy Treasurer

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on November 28, 2018, with Dr. Rocky D. Killion, Superintendent of Schools; Ross Sloat, Treasurer; Janelle Wade, Deputy Treasurer; Karen Springer, Vice President of the School Board; Melissa Prochnau, School Board member; Robert C. Reiling, General Council; and Courtney Fitzsimons; Food Service Director.