

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, 2013 to June 30, 2017



FILED
02/14/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Karen Saucerman	07-01-13 to 12-04-14
	(Vacant)	12-05-14 to 01-19-15
	Michele Tracy	01-20-15 to 06-30-19
Superintendent of Schools	Terry Terhune	07-01-13 to 07-01-15
	Jeff Gibboney	08-04-15 to 06-06-17
	Laura Penman	06-08-17 to 06-30-19
President of the School Board	Kathy Decker	01-01-13 to 12-31-13
	Diana Rumbaugh	01-01-14 to 12-31-14
	Crystal Pottorff	01-01-15 to 12-31-15
	Mike Newby	01-01-16 to 12-31-17
	Andrew Finney	01-01-18 to 12-31-18



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

This report is supplemental to our audit report of the Eminence Consolidated School Corporation (School Corporation), for the period from July 1, 2013 to June 30, 2017. 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 our Financial Statements Audit 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 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 Official Response to the Audit Result and Comment, incorporated within this report, was not verified for accuracy.

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

December 19, 2018

EMINENCE CONSOLIDATED SCHOOL CORPORATION
AUDIT RESULT AND COMMENT

OVERDRAWN CASH BALANCES

The financial statements presented in this report included the following funds with overdrawn cash balances:

<u>Year Ending</u>	<u>Fund</u>	<u>Amount Overdrawn</u>
06-30-14	Payroll Withholding	\$ 42,636
06-30-15	Art Supply Donation	240
06-30-15	Payroll Withholding	67,302
06-30-16	Art Supply Donation	240
06-30-16	Payroll Withholding	79,101
06-30-17	Art Supply Donation	240
06-30-17	Payroll Withholding	67,573

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 governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)



Eminence Community School Corporation

6764 SR42 North
Eminence, IN 46125
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OFFICIAL RESPONSE

December 20, 2018

Upon completion of the Eminence Community School Corporation (ECSC) Indiana State Board of Accounts audit for the period of July 1, 2013 through June 30, 2017, it was noted that the total for all clearing accounts is carrying a negative balance. In November 2014, the Eminence Community Schools' treasurer submitted a resignation letter, with the intent to finalize all financial documents for the 2014 calendar year. In hiring new staff without experience in the treasurer's position, ECSC sought training for the new employees from an outside consultant. During this training, the consultant discovered an error in using the clearing accounts for past transactions. Corporation responsibilities for insurance, etc., was being paid from the clearing account, in addition to, deductions withheld from employees' paychecks. Only employee payroll deductions were credited to the clearing accounts, resulting in a negative balance. With the assistance of said consultant, the error was corrected. ECSC will gradually transfer monies to correct negative balances.

Sincerely,

Laura L. Penman

Laura L. Penman, Superintendent
Eminence Community School Corporation

EMINENCE CONSOLIDATED SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on December 19, 2018, with Michele Tracy, Treasurer; Susan Shupe, Deputy Treasurer; Laura Penman, Superintendent of Schools; and Todd Shupe, School Board member.