

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

COWAN COMMUNITY SCHOOL CORPORATION

DELAWARE COUNTY, INDIANA

July 1, 2014 to June 30, 2018



FILED
12/13/2019

TABLE OF CONTENTS

| <u>Description</u> | <u>Page</u> |
|---|-------------|
| Schedule of Officials | 2 |
| Transmittal Letter | 3 |
| Audit Result and Comment: Reconciliation of the Prepaid Food Account | 4 |
| Exit Conference..... | 5 |

SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|----------------------------------|--------------------|----------------------|
| Treasurer | Janet L. McIntosh | 07-01-14 to 12-31-19 |
| Superintendent of Schools | Dennis G. Chambers | 07-01-14 to 12-31-19 |
| President of the School Board | Michael R. VanHorn | 01-01-14 to 12-31-14 |
| | Michael Downham | 01-01-15 to 12-31-15 |
| | Paul Hansard | 01-01-16 to 12-31-16 |
| | Vick Conway | 01-01-17 to 12-31-17 |
| | Alan Wright | 01-01-18 to 12-31-18 |
| | Michael R. VanHorn | 01-01-19 to 12-31-19 |



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 COWAN COMMUNITY SCHOOL
CORPORATION, DELAWARE COUNTY, INDIANA

This report is supplemental to our audit report of the Cowan Community School Corporation (School Corporation), for the period from July 1, 2014 to June 30, 2018. 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 statements. 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

November 26, 2019

COWAN COMMUNITY SCHOOL CORPORATION
AUDIT RESULT AND COMMENT

RECONCILEMENT OF THE PREPAID FOOD ACCOUNT

A similar comment also appeared in prior Report B45408.

Condition and Context

The School Corporation maintains a Prepaid Lunch fund (8400 fund). The subsidiary records, which maintain a balance by student, were not reconciled to the cash balance of the Prepaid Lunch fund at the end of each month.

Criteria

When a student puts money into their individual meal account, it 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 money is in the student's individual account, the balance should not be included in Fund 800 School Lunch. A school should set up a clearing account with the fund number of 8400 Prepaid School Lunch Accounts which is included in Chapter 4 of the State Board of Accounts Uniform Compliance Guidelines for Indiana Public School Corporations. When a student brings in a deposit the receipt should be recorded to Fund 8400 using receipt account 1630 Special Functions. After the student has charged meals, you should disburse the amount charged from Fund 8400 using expenditure account 31900 Other Food Services and receipt this into Fund 800 using the Food Services receipt accounts 1611-1623 at the time established in a written school policy to ensure accurate monthly reporting. At this point the receipts are considered program income and should be included on any reports that are required to be completed. Also, on a monthly basis it is required that the balance of the 8400 fund be reconciled with the total of the individual meal accounts. (The School Bulletin and Uniform Compliance Guidelines, February 2019)

COWAN COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on November 26, 2019, with Janet L. McIntosh, Treasurer; Dennis G. Chambers, Superintendent of Schools; Tim Brown, Assistant Superintendent of Schools; and Michael R. VanHorn, President of the School Board.