

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

GREATER CLARK COUNTY SCHOOLS

CLARK COUNTY, INDIANA

July 1, 2017 to June 30, 2019



FILED
03/11/2020

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chief Financial Officer/Treasurer	Dr. Thomas Dykiel	07-01-17 to 06-30-20
Superintendent of Schools	Dr. Andrew T. Melin (Vacant) Mark Laughner (interim) Mark Laughner	07-01-17 to 01-02-19 01-03-19 to 01-21-19 01-22-19 to 06-30-19 07-01-19 to 06-30-22
President of the School Board	Christina Gilkey Teresa Bottorff-Perkins Katie Hutchinson Janelle Fitzpatrick	01-01-17 to 12-31-17 01-01-18 to 12-31-18 01-01-19 to 12-31-19 01-01-20 to 12-31-20



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE GREATER CLARK COUNTY SCHOOLS, CLARK COUNTY, INDIANA

This report is supplemental to our audit report of the Greater Clark County Schools (School Corporation), for the period from July 1, 2017 to June 30, 2019. 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 Statement Audit Report of the School Corporation, which provides our opinions 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 Results and Comments contained herein describe the identified reportable instances 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 Results and Comments, incorporated within this report, was not verified for accuracy.

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

February 27, 2020

GREATER CLARK COUNTY SCHOOLS
AUDIT RESULTS AND COMMENTS

OVERDRAWN CASH BALANCES

Condition and Context

The same comment also appeared in prior Reports B47203 and B52185.

The financial statement presented in the Financial Statement Audit Report of the School Corporation included the following funds with overdrawn cash balances at June 30:

Fund	Amount Overdrawn June 30, 2018	Amount Overdrawn June 30, 2019
Retirement/Severance Bond Debt Service	\$ 550,233	\$ -
School Lunch	472,988	47,765
CPR Training Programs	158	882
After School Enrichment Prog	-	155
Prepaid Meals	79,360	76,384

Criteria

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)

PREPAID SCHOOL MEAL ACCOUNTS

Condition and Context

A review of the Prepaid School Meal Accounts indicated the following issues:

GREATER CLARK COUNTY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

1. The Deputy Treasurer transfers the financial activity for student paid meals from Fund #8400, Prepaid Meals fund, to Fund #800, School Lunch fund in the ledgers on a monthly basis without actually moving the cash from the food service bank account to the regular bank account.
2. Food Services performed catering services for School Corporation events. The collections for catering charges were deposited into the food service bank account and recorded as receipts to Fund #800, School Lunch fund. The cash was not physically moved from the food service bank account to the regular checking account.
3. A monthly reconciliation between Fund #8400, Prepaid Meals fund, and the detail records by student was not presented for audit. At June 30, 2019, the balance in Prepaid Meals fund was negative \$76,384 and the balance for the detail records was positive \$22,933.

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 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)

GREATER CLARK COUNTY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on February 27, 2020, with Dr. Thomas Dykiel, Chief Financial Officer/Treasurer; Mark Laughner, Superintendent of Schools; Janelle Fitzpatrick, President of the School Board; and Jennifer Cato, Deputy Treasurer.