

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

SUPPLEMENTAL COMPLIANCE REPORT
OF

GREENFIELD-CENTRAL COMMUNITY
SCHOOL CORPORATION
HANCOCK 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>
Treasurer	Ruthann Fisher	07-01-17 to 12-31-20
Superintendent of Schools	Dr. Harold E. Olin	07-01-17 to 06-30-20
President of the School Board	Retta Livengood Daniel Brown	07-01-17 to 12-31-17 01-01-18 to 12-31-20



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TO: THE OFFICIALS OF THE GREENFIELD-CENTRAL COMMUNITY
SCHOOL CORPORATION, HANCOCK COUNTY, INDIANA

This report is supplemental to our audit report of the Greenfield-Central Community School Corporation (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

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

PREPAID SCHOOL MEAL ACCOUNTS

Condition and Context

The School Corporation did not reconcile the 8400 Prepaid Lunch fund with the subsidiary records of the individual student meal accounts. As of June 30, 2018, there was a cash balance deficit of \$3,827 in the 8400 Prepaid Lunch fund while the balance of the meal accounts was \$34,663. As of June 30, 2019, there was a cash balance deficit of \$9,716 in the 8400 Prepaid Lunch fund while the balance of the meal accounts was \$38,020.

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)

COMPENSATION AND BENEFITS

The same comment also appeared in prior Report B52053.

Condition and Context

The Greenfield-Central Community School Corporation Administrative Contract and Fringe Benefits Addendum (Administrator Addendum) from 2017-2018 and 2018-2019 (effective June 12, 2018) stated: "Administrators, who participated in the Greenfield-Central Community School Corporation's (Corporation) Health Insurance program in the 2016 plan year, shall have the opportunity to select a health insurance plan from the plans offered in 2017, and the Corporation will pay all but \$4,000 of the highest annual premium rate. The board share established for this group in 2017 will be used as the defined benefit for subsequent plan years. The Corporation will pay all but \$1,000 of the standard Consumer-Driven Health Plan (CDHP1) for Administrators hired after January 1, 2017."

The Administrator Addendum from 2018-2019 (effective January 1, 2019) stated: "Specific to health insurance, the Board provides two plans for administrators:

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Plan A - The board will pay \$30,000 for a family health plan/\$11,000 for a single plan that includes the cost of the premium, a stipend for a HSA, and an additional insurance credit for health related expenses that may be incurred by the employee and his/her family members in calendar year 2019. (Note: The family plan benefit within Plan A will be reduced to \$29,000 in 2020 and \$28,000 in 2021.)

Plan B - The board will pay the full premium of the standard Consumer-Driven Health Plan (CDHP1) and also allocate \$3,500 toward a HSA for administrators hired after January 1, 2017."

The administrators who chose a lower premium insurance plan were paid the difference between the premiums through an insurance credit, which was included as additional compensation, which negated any employee contribution to the insurance premium. Certain administrative employees had received compensation for health insurance premiums and had not paid any part of the premiums.

Based upon the insurance rates for fiscal years 2017-2018 and 2018-2019, the School Corporation had provided insurance rebates to administrators and at least three administrative support staff of \$495,253.77 and \$349,170.50, respectively.

A new Administrator Addendum was implemented effective July 1, 2019 that eliminated insurance credits and no additional insurance credits were paid to administrators or administrative support staff.

Criteria

IC 5-10-8-2.6 allows for the school corporation to provide programs of insurance for all its employees and retired employees. Group insurance may cover both instructional and non-instructional employees or a person who provides personal services to the unit under contract during the contract period. However, it also allows for a school corporation to exclude part-time employees and persons who provide services to the unit under contract from any group insurance coverage that the public employer provides to the employer's full-time employees. Finally, it provides that a public employer may pay, as supplemental wages, an amount equal to the deductible portion of group health insurance as long as payment of the supplemental wages will not result in the payment of the total cost of the insurance by the public employer.

Official Opinion 21 issued June 17, 1957, by the Attorney General held that according to IC 19-10-4 (now IC 5-10-8), governmental units may participate in paying for group insurance to any extent short of full payment so long as the requirement regarding the appropriation of funds is fulfilled.

The Attorney General in Official Opinion 44 issued in 1966, provided that a governmental unit may contribute toward the insurance on legal dependents of the employee, that is, the dependents for whom the employee is required by law to pay their medical expenses. This would include the employee's spouse and minor dependent children.

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on February 27, 2020, with Ruthann Fisher, Treasurer; Nathaniel Day, Business Manager; Dr. Harold E. Olin, Superintendent of Schools; Daniel Brown, President of the School Board; John Rihm, Secretary of the School Board; Rebecca Taylor, School Board member; and Amanda Stout, Director of Food Services.