

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

SUPPLEMENTAL COMPLIANCE REPORT
OF

CENTER GROVE COMMUNITY
SCHOOL CORPORATION
JOHNSON COUNTY, INDIANA

July 1, 2017 to June 30, 2019



FILED
03/18/2020

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Sandra London	07-01-17 to 06-30-20
Superintendent of Schools	Richard Arkanoff	07-01-17 to 06-30-20
President of the School Board	Jack L. Russell Scott Alexander Carol Tumey Robert Daniels	07-01-17 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
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TO: THE OFFICIALS OF THE CENTER GROVE COMMUNITY SCHOOL CORPORATION, JOHNSON COUNTY, INDIANA

This report is supplemental to our audit report of the Center Grove 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 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

March 9, 2020

CENTER GROVE COMMUNITY SCHOOL CORPORATION
AUDIT RESULT AND COMMENT

PREPAID SCHOOL MEAL ACCOUNTS

Condition and Context

The School Corporation did not perform monthly reconciliements of the students' individual meal account balances to the Prepaid Food fund (clearing account). The Prepaid Food fund balance at June 30, 2018 and 2019, was greater than the subsidiary records of student accounts by \$10,591 and \$15,380, respectively.

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)

TO: State Board of Accounts
FROM: Paul G. Gabriel
DATE: March 17, 2020
SUBJECT: Response to Audit Result and Comment

Below is our response to the Audit Result and Comment regarding Prepaid School Meal Accounts:

The School Corporation will work to create a report that will report the positive balances on every student's meal account. That report will be compared to the fund 8400 activity at the end of each month by the Food Services Treasurer. The balance in fund 8400 should be reconciled to the student balance report. The Food Service Director will verify that this comparison and reconciliation is completed each month.

We will begin this process as soon as we can get the report created and plan to have this process fully implemented no later than June 30, 2020.

CENTER GROVE COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on March 9, 2020, with Sandy London, Treasurer; Richard Arkanoff, Superintendent of Schools; Paul Gabriel, Chief Financial Officer; Robert Daniels, President of the School Board; and Shannen Maples, Food Service Director.