

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

SHELBYVILLE CENTRAL SCHOOLS

SHELBY COUNTY, INDIANA

July 1, 2017 to June 30, 2019



FILED

03/24/2020

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Nathaniel Day	07-01-17 to 03-23-18
	(Vacant)	03-24-18 to 03-25-18
	Salli S. Rooks (interim)	03-26-18 to 06-30-18
	Michelle Babcock	07-01-18 to 06-30-20
Superintendent of Schools	David A. Adams	07-01-17 to 06-30-19
	Mary Harper	07-01-19 to 06-30-20
President of the School Board	David Finkel	01-01-17 to 12-31-17
	Mike Warble	01-01-18 to 12-31-19
	Gayle Wiley	01-01-20 to 12-31-20



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

TO: THE OFFICIALS OF THE SHELBYVILLE CENTRAL SCHOOLS, SHELBY COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the Shelbyville Central Schools (School Corporation), for the period of July 1, 2017 to June 30, 2019, and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement and have issued our report thereon dated February 3, 2020, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

February 3, 2020



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

TO: THE OFFICIALS OF THE SHELBYVILLE CENTRAL SCHOOLS, SHELBY COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Shelbyville Central Schools' (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2017 to June 30, 2019. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2017 to June 30, 2019.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE
(Continued)

Report on Internal Control over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE
(Continued)

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statement of the School Corporation, as of and for the period of July 1, 2017 to June 30, 2019, and the related notes to the financial statement. We issued our report thereon dated February 3, 2020, which contained a dual opinion on the financial statement. An adverse opinion was issued regarding the presentation in accordance with U.S. Generally Accepted Accounting Principles, and an unmodified opinion was issued regarding the presentation in accordance with the Regulatory Basis of Accounting. Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement as a whole.


Paul D. Joyce, CPA
State Examiner

February 3, 2020

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the School Corporation. The schedule and notes are presented as intended by the School Corporation.

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SHELBYVILLE CENTRAL SCHOOLS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2018 and 2019

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-18	Total Federal Awards Expended 06-30-18	Passed Through to Subrecipient 06-30-19	Total Federal Awards Expended 06-30-19
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
School Breakfast			FY17-18	\$ -	\$ 374,747	\$ -	\$ -
School Breakfast			FY18-19	-	-	-	451,445
Total - School Breakfast Program				-	374,747	-	451,445
National School Lunch Program	Indiana Department of Education	10.555					
School Lunch			FY17-18	-	998,943	-	-
School Lunch - Snack			FY17-18	-	46,505	-	-
School Lunch - Commodities			FY17-18	-	261,321	-	-
School Lunch			FY18-19	-	-	-	1,024,331
School Lunch - Snack			FY18-19	-	-	-	55,778
School Lunch - Commodities			FY18-19	-	-	-	181,924
Total - National School Lunch Program				-	1,306,769	-	1,262,033
Summer Food Service Program for Children	Indiana Department of Education	10.559					
Summer Food Services			FY16-17	-	46,165	-	-
Summer Food Services			FY17-18	-	3,119	-	40,553
Summer Food Services			FY18-19	-	-	-	4,082
Total - Summer Food Service Program for Children				-	49,284	-	44,635
Total - Child Nutrition Cluster				-	1,730,800	-	1,758,113
Child and Adult Care Food Program	Indiana Department of Education	10.558					
Supper Program			FY16-17	-	61,239	-	-
Supper Program			FY17-18	-	136,312	-	40,523
Supper Program			FY18-19	-	-	-	151,875
Total - Child and Adult Care Food Program				-	197,551	-	192,398
Total - Department of Agriculture				-	1,928,351	-	1,950,511

SHELBYVILLE CENTRAL SCHOOLS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2018 and 2019

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-18	Total Federal Awards Expended 06-30-18	Passed Through to Subrecipient 06-30-19	Total Federal Awards Expended 06-30-19
Department of Education							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
Special Education Part B Section 611			14217-082-PN01	-	838,688	-	-
Special Education Part B Section 611			14217-082-PN01	-	-	-	77,499
Special Education Part B Section 611			14218-082-PN01	-	665,723	-	-
Special Education Part B Section 611			18611-082-PN01	-	-	-	255,788
Special Education Part B Section 611			19611-082-PN01	-	-	-	791,743
				-	-	-	-
Total - Special Education Grants to States				-	<u>1,504,411</u>	-	<u>1,125,030</u>
Special Education Preschool Grants							
Special Education Preschool Grants	Indiana Department of Education	84.173					
Special Education Part B Section 619			18619-082-PN01	-	-	-	5,998
Special Education Part B Section 619			19619-082-PN01	-	-	-	22,764
Special Education Part B Section 619			45717-082-PN01	-	35,211	-	-
Special Education Part B Section 619			45718-082-PN01	-	28,850	-	-
				-	-	-	-
Total - Special Education Preschool Grants				-	<u>64,061</u>	-	<u>28,762</u>
Total - Special Education Cluster (IDEA)				-	<u>1,568,472</u>	-	<u>1,153,792</u>
Title I Grants to Local Educational Agencies							
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I			S010A160014	-	270,842	-	-
Title I			S010A170014	-	423,042	-	162,812
Title I			S010A180014	-	-	-	428,307
				-	-	-	-
Total - Title I Grants to Local Educational Agencies				-	<u>693,884</u>	-	<u>591,119</u>
English Language Acquisition State Grants							
English Language Acquisition State Grants	Indiana Department of Education	84.365					
Title III			01116-085-PN01	-	42,317	-	-
Title III			01117-085-PN01	-	-	-	41,628
Title III			01118-085-PN01	-	-	-	26,309
				-	-	-	-
Total - English Language Acquisition State Grants				-	<u>42,317</u>	-	<u>67,937</u>

SHELBYVILLE CENTRAL SCHOOLS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2018 and 2019

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-18	Total Federal Awards Expended 06-30-18	Passed Through to Subrecipient 06-30-19	Total Federal Awards Expended 06-30-19
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
Title II			S367A160013	-	-	-	100,172
Title II			S367A170013	-	-	-	83,810
Title II			S367A180013	-	-	-	9,391
Total - Supporting Effective Instruction State Grants				-	-	-	193,373
Student Support and Academic Enrichment Program	Indiana Department of Education	84.424					
Title IV			S424A180015	-	-	-	7,663
Total - Department of Education				-	2,304,673	-	2,013,884
<u>Department of Health and Human Services</u>							
Medicaid Cluster							
Medical Assistance Program	Indiana Department of Education	93.778					
Medical Assistance Program			FY2018	-	13,679	-	-
Medical Assistance Program			FY2019	-	-	-	13,904
Total - Medical Assistance Program				-	13,679	-	13,904
Total - Medicaid Cluster				-	13,679	-	13,904
Opioid STR	Indiana Department of Education	93.788					
Cures Substance Abuse			1H79TIO81689-01	-	-	-	105,049
Assistance Programs for Chronic Disease Prevention and Control	Indiana Department of Education	93.945					
Chronic Disease Prevention and Control			93945SCEHD18	-	1,000	-	1,406
Total - Department of Health and Human Services				-	14,679	-	120,359
Total federal awards expended				\$ -	\$ 4,247,703	\$ -	\$ 4,084,754

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

SHELBYVILLE CENTRAL SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2018 and 2019. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

The Uniform Guidance requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$750,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

B. Other Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

Note 2. Indirect Cost Rate

The School Corporation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

SHELBYVILLE CENTRAL SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	no

Identification of Major Programs and type of auditor's report issued on compliance for each:

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
84.010	Child Nutrition Cluster	Unmodified
	Special Education Cluster (IDEA)	Unmodified
	Title I Grants to Local Educational Agencies	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?	no
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Section II - Financial Statement Findings

No matters are reportable.

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

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AUDITEE-PREPARED DOCUMENT

The subsequent document was provided by management of the School Corporation. The document is presented as intended by the School Corporation.

Shelbyville Central Schools

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317-392-2505 • 317-392-5737 fax • www.shelbycs.org

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2017-001 (Auditor Assigned Reference Number)

Fiscal year in which the finding initially occurred: FY10/11
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: NA
Contact Person Responsible for Corrective Action: Michelle Babcock
Contact Phone Number: 317-392-2505 ext. 1254

Status of Audit Finding:

SCS has established internal controls over deposits and bank reconciliations. The deposit tickets are written up by one person, reviewed by another and then confirmed by business manager when the bank statements are reconciled every month. The deposits are entered into our software system and then checked against the deposit record by another person who signs off on the deposits. The business manager reconciles the bank statements every month and another person reviews and signs off on the statements.

FINDING 2017-002 (Auditor Assigned Reference Number)

Fiscal year in which the finding initially occurred: FY12/13
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: NA
Contact Person Responsible for Corrective Action: Michelle Babcock
Contact Phone Number: 317-392-2505 ext. 1254

Status of Audit Finding:

SCS has internal controls over the preparation of Schedule of Expenditures of Federal Awards. The Business Manager compiles the data to report; the Superintendent or Assistant Superintendent reviews and approves the report prior to its submittal.

FINDING 2017-003 (Auditor Assigned Reference Number)

Fiscal year in which the finding initially occurred: FY12/13
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education
Contact Person Responsible for Corrective Action: Michelle Babcock and Assistant Superintendent Kathleen Miltz
Contact Phone Number: 317-392-2505 ext. 1254

Status of Audit Finding:

SCS has established internal controls over grant reporting and cash management. The Business Manager provides supporting documentation for grant reimbursements, which are reviewed and approved by the Assistant Superintendent. Appropriation reports are provided in a shared drive or printed for the grant coordinator to review on a monthly basis. The reports are reviewed and approved by another employee other than the preparer.

FINDING 2017-004 (Auditor Assigned Reference Number)

Fiscal year in which the finding initially occurred: FY12/13

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Michelle Babcock and Assistant Superintendent Kathleen Miltz

Contact Phone Number: 317-392-2505 ext. 1254

Status of Audit Finding:

The Business Manager prepares the reimbursement requests. The Business Manager provides supporting documentation for grant reimbursements, i.e. expenditure reports, appropriation reports, fund detail reports, which are reviewed and approved by the Assistant Superintendent. The supporting documentation is kept with the grant file.

FINDING 2017-005 (Auditor Assigned Reference Number)

Fiscal year in which the finding initially occurred: FY12/13

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Michelle Babcock & Andy Hensley

Contact Phone Number: 317-392-2505 ext. 1254

Status of Audit Finding:

The Business Manager prepares the reimbursement requests. The Business Manager provides supporting documentation for grant reimbursements, i.e. expenditure reports, appropriation reports, fund detail reports, which are reviewed and approved by the Grant Coordinator – Director of Special Services Andy Hensley. The Grant Coordinator serves as the second signer after the documentation is reviewed and approved. In the event the Grant Coordinator is not available, the Superintendent or Assistant Superintendent signs as the second signer. The supporting documentation is kept with the grant file.

FINDING 2017-006 (Auditor Assigned Reference Number)

Fiscal year in which the finding initially occurred: FY14/15

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Michelle Babcock and Nick Koenig

Contact Phone Number: 317-392-2505 ext. 1254

Status of Audit Finding:

SCS and Chartwells has developed internal controls over the Child Nutrition Cluster. The Director of Food Services, prepares the documentation for claim reimbursements. The documents are reviewed and approved by the Business Manager then they are submitted by the Director of Food Services. The revenue and expenditures are set up to be complaint. We have a plan to purchase equipment to bring our net cash down to the three-month average expenditures. The PLE calculations were prepared and reviewed by both the Business Manager and the Director of Food Services.

FINDING 2017-007 (Auditor Assigned Reference Number)

Fiscal year in which the finding initially occurred: FY14/15

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Michelle Babcock and Nick Koenig

Contact Phone Number: 317-392-2505 ext. 1254

Status of Audit Finding:

SCS has developed internal controls over the prepaid and cafeteria operating funds. The monies paid from patrons and parents are deposited into the prepaid fund 8400. Reports are run from the cafeteria software system showing purchases from the POS system. The transfers are then made from the prepaid fund 8400 into the cafeteria operating fund 800. The Business Manager and Director of Food Services both review these items to ensure correct balancing.

FINDING 2017-008 (Auditor Assigned Reference Number)

Fiscal year in which the finding initially occurred: FY16/17

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Michelle Babcock and Nick Koenig

Contact Phone Number: 317-392-2505 ext. 1254

Status of Audit Finding:

SCS Business Manager and Chartwells Director of Food Services meet on a monthly basis and review end of month documents that are on a shared drive to ensure the accuracy of reporting documents and maintaining records. The documents are retained in both the Food Service Department and Business Office and the shared drive.

FINDING 2017-009 (Auditor Assigned Reference Number)

Fiscal year in which the finding initially occurred: FY14/15

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Michelle Babcock and Nick Koenig

Contact Phone Number: 317xt-392-2505 ext. 1254

Status of Audit Finding:

SCS and Chartwells work together to ensure that records are retained. Verification of Free and Reduced Price Applications are verified by the proper percentage required and documentation is kept. Verification that income information is entered correctly is reviewed by a second person. Multiple people review the applications and sign off accordingly.

FINDING 2017-010 (Auditor Assigned Reference Number)

Fiscal year in which the finding initially occurred: FY16/17

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Michelle Babcock and Nick Koenig

Contact Phone Number: 317-392-3502 ext. 1254

Status of Audit Finding:

SCS and Chartwells works together to maintain the equipment. A review of assets and equipment was conducted and the equipment was tagged accordingly. The asset review will be revisited every other year and any additional items will be documented as inventory is added.



(Signature)(jc1)

Business Manager

(Title)

March 3, 2020

(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

OTHER REPORTS

In addition to this report, other reports may have been issued for the School Corporation. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.