

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

JAY SCHOOL CORPORATION

JAY COUNTY, INDIANA

July 1, 2018 to June 30, 2020



FILED

03/23/2021

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Business Manager/Treasurer	Bradley DeRome	07-01-18 to 01-08-19
	Violet Current (interim)	01-09-19 to 03-03-19
	Tarina Morris	03-04-19 to 11-17-20
	Shannon Current (interim)	11-18-20 to 06-30-21
Superintendent of Schools	Jeremy Gulley	07-01-18 to 06-30-21
President of the School Board	Phil Ford	01-01-18 to 12-31-21



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE JAY SCHOOL CORPORATION, JAY COUNTY, INDIANA

This report is supplemental to our audit report of the Jay School Corporation (School Corporation), for the period from July 1, 2018 to June 30, 2020. 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

March 18, 2021

JAY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

OVERDRAWN CASH BALANCES

This same comment appeared in the immediately prior Report B52715.

Condition and Context

The cash balance of the Prepaid Food/Trust Account fund was overdrawn by \$72,831 as of June 30, 2019, and \$69,812 as of June 30, 2020. The cash balance of the Construction fund was overdrawn by \$137,472 as of June 30, 2020.

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)

COLLECTION OF AMOUNTS DUE

The same comment also appeared in the immediately prior Report B52715.

Condition and Context

The Prepaid Food/Trust Account fund, which represents student prepaid school lunch and breakfast balances had cash balances at June 30, 2019 and 2020, of (\$72,831) and (\$69,812), respectively. Some students had accumulated an unpaid balance in excess of \$280, which is the equivalent of 100 unpaid lunches. The School Board passed *The High School, Elementary and Middle School Cafeteria Procedures - Charging Meals*, Section 1, which states, "Only full meals may be charged. The charging limit is five (5) meals. Ala carte items may not be charged, including additional food and milk." The Prepaid Food/Trust Account fund negative balance was (\$54,548) at the end of December 2020. If the School Board writes off the unpaid balances, they must be approved by the School Board as uncollectible.

Criteria

Units have a responsibility to collect amounts owed to the unit pursuant to procedures authorized by law. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

The Jay School Corporation

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OFFICIAL RESPONSE

March 19, 2021

Indiana State Board of Accounts
302 West Washington St. Room E418
Indianapolis, IN 46204-2765

Re:

The audit that was conducted in March of 2021, to cover the timeframe from July 1, 2018 to June 30, 2020, resulted with 1 finding and 2 repeat comments that required Corrective Action Plans. There is a root cause of the repeat comments that I would like to address. During the audit period, there were significant staffing changes within our business office. We began the audit period with Brad DeRome as our Business Manager/Treasurer. After he retired, we had an Interim Business Manager, Violet Current, and then filled the position with Tarinna Morris. During this same time frame, we also had several other changes in the business office. Our Accounts Payable Clerk resigned and we replaced her with Amy Reinhart. Then in June 2020, our Deputy Treasurer, Violet Current, decided to retire effective July 1, 2020 so there was cross-training for her replacement. I, Shannon Current, Payroll Coordinator, was to be her replacement. At the same time I was training to become the next Deputy Treasurer, I was training Amy Reinhart, Accounts Payable Clerk, to become my replacement as Payroll Coordinator. In addition to this training, Amy Reinhart was training Irene Taylor to become the next Accounts Payable Clerk. As you can see, the instability within the business office would be reasonable cause for repeat comments.

It is important to note for our next audit that the staff changes mentioned above, were still in transition after July 1, 2020. Then in November of 2020, our Business Manager/Treasurer, Tarinna Morris, passed away. Until March 16, 2021, I, Shannon Current, was the Interim Business Manager/Treasurer. Effective March 16, 2021, I became the new Business Manager/Treasurer.

Shannon Current
Business Manager/Treasurer

JAY

LTC (Ret.) Jeremy Gulley, Superintendent
Trent Paxson, Ed.S, Assistant Superintendent for Instruction

Shannon Current, Business Manager/Treasurer
Ann Van Horn, Special Education Director

JAY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on March 18, 2021, with Jeremy Gulley, Superintendent of Schools; Shannon Current, interim Business Manager/Treasurer; Irene Taylor, Deputy Treasurer; Trent Paxson, Assistant Superintendent of Schools; Phil Ford, President of the School Board; and Donna Geesaman, School Board member.