

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

ELWOOD COMMUNITY SCHOOL CORPORATION

MADISON COUNTY, INDIANA

July 1, 2018 to June 30, 2020



FILED

05/05/2021

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Joa Griffith Linda Jones	07-01-18 to 04-14-19 04-15-19 to 06-30-21
Superintendent of Schools	Dr. Casey Smitherman Dr. Joe Brown	07-01-18 to 02-01-19 02-02-19 to 06-30-21
President of the School Board	Robert Savage Paul Brent Kane Corie Lovell Robert Savage	07-01-18 to 12-31-18 01-01-19 to 12-31-19 01-01-20 to 12-31-20 01-01-21 to 06-30-21



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE ELWOOD COMMUNITY SCHOOL
CORPORATION, MADISON COUNTY, INDIANA

This report is supplemental to our audit report of the Elwood Community 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

April 23, 2021

ELWOOD COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

TRAINING ON INTERNAL CONTROL STANDARDS

A similar comment also appeared in prior Report B52892, entitled *CERTIFICATION AND TRAINING ON INTERNAL CONTROL STANDARDS*.

Condition and Context

Of the 41 employees that we determined should have received training over internal control standards, 9 did not receive the training.

Criteria

Indiana Code 5-11-1-27(g) states in part:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that: . . .

- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

PREPAID SCHOOL MEAL ACCOUNTS

The same comment also appeared in prior Reports B45374, B51788, and B52892.

Condition and Context

The School Corporation's food service program allowed students to prepay for meals. Individual student accounts were established to account for payments made on students' accounts. The School Corporation was unable to reconcile the Prepaid Lunch fund (8400) to the subsidiary records of the individual student accounts. Therefore, the School Corporation was unable to provide an accurate listing of the prepaid food subsidiary report showing the detail of the prepaid lunch ending balance.

ELWOOD COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Prepaid meal payments were receipted daily into the Prepaid Lunch fund. The total amount of meals consumed were also transferred daily. Reconcilements were performed at the end of fiscal year 2018-2019, but there was an unidentified difference of \$179. At the end of fiscal year 2019-2020, an amount was transferred into the Prepaid Lunch fund to cover the negative balances in student accounts, but the negative balances were not removed from the student accounts as officials were sending the accounts to collections. This resulted in a variance of \$36,660.

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 Fund 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 Fund 8400 be reconciled with the total of the individual meal accounts. (The School Bulletin and Uniform Compliance Guidelines, February 2019)

ELWOOD COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on April 23, 2021, with Linda Jones, Treasurer; Dr. Joe Brown, Superintendent of Schools; and Robert Savage, President of the School Board.