

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

SUPPLEMENTAL COMPLIANCE REPORT
OF
WHITLEY COUNTY CONSOLIDATED SCHOOLS
WHITLEY COUNTY, INDIANA
July 1, 2018 to June 30, 2020



FILED
05/11/2021

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Todd Fleetwood	07-01-18 to 06-30-21
Superintendent of Schools	Dr. Patricia O'Connor Dr. Laura McDermott	07-01-18 to 01-31-21 02-01-21 to 06-30-21
President of the School Board	Donald Armstrong	07-01-18 to 06-30-21



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TO: THE OFFICIALS OF THE WHITLEY COUNTY CONSOLIDATED
SCHOOLS, WHITLEY COUNTY, INDIANA

This report is supplemental to our audit report of the Whitley County Consolidated Schools (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 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

May 5, 2021

WHITLEY COUNTY CONSOLIDATED SCHOOLS
AUDIT RESULT AND COMMENT

RECONCILEMENT OF PREPAID SCHOOL LUNCH ACCOUNT FUND TO THE SUBSIDIARY LEDGER

Condition and Context

Reconcilements between the Prepaid School Lunch Account fund and the school lunch program subsidiary ledgers were not performed during the audit period. Monthly transfers were made from the Prepaid School Lunch Account fund (8400) to the School Lunch fund (800); however, the student balances in the subsidiary ledger did not agree with the Prepaid School Lunch Account fund balances during the audit period. The June 30, 2020 cash balance in the Prepaid School Lunch Account fund was \$96,100, and the student balance in the subsidiary ledger was \$53,930.

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)

Subsidiary ledger balances must reconcile to the control ledger fund balance. Every transaction should be posted to the control ledger and to the appropriate subsidiary ledger. Fund balances should reconcile between the control ledger and the subsidiary ledger. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

WHITLEY COUNTY CONSOLIDATED SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on May 5, 2021, with Todd Fleetwood, Treasurer; Dr. Laura McDermott, Superintendent of Schools; Kimberly Schlotterback, Deputy Treasurer; and Donald Armstrong, President of the School Board.