

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

SUPPLEMENTAL COMPLIANCE REPORT
OF

DEKALB COUNTY CENTRAL UNITED
SCHOOL DISTRICT
DEKALB COUNTY, INDIANA

July 1, 2018 to June 30, 2020



FILED
06/02/2021

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
Audit Result and Comment: Prepaid School Meal Accounts.....	4
Official Response	5
Exit Conference.....	6

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Stephen W. Snider	07-01-18 to 06-30-21
Superintendent of Schools	Steven Teders	07-01-18 to 06-30-21
President of the School Board	Bruce L. Buttermore Heather M. Krebs	07-01-18 to 12-31-18 01-01-19 to 06-30-21



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TO: THE OFFICIALS OF THE DEKALB COUNTY CENTRAL UNITED
SCHOOL DISTRICT, DEKALB COUNTY, INDIANA

This report is supplemental to our audit report of the DeKalb County Central United School District (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 14, 2021

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT
AUDIT RESULT AND COMMENT

PREPAID SCHOOL MEAL ACCOUNTS

Condition and Context

The School Corporation did not transfer the correct amount of sales from the Prepaid Food Accounts fund (Fund 8400) to the School Lunch fund (Fund 800). The transfer from the Prepaid Food Accounts fund to the School Lunch fund was the difference between the ending balance in the Prepaid Food Accounts fund and the ending balance in the prepaid food trust accounts from the food service subsidiary ledgers. The actual program income generated from food service operations per the Sales Activity Reports did not agree with the amounts transferred from the Prepaid Food Accounts fund.

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)



DeKalb County Central
United School District

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Steven E. Teders, Ed.S., *Superintendent*
Loraine K. Vaughn, Ed.S., *Assistant Superintendent*
Steve Snider, *Chief Financial Officer*
Wendy Pettis, *Director of Human Resources*

AUDIT RESULT AND COMMENT

FINDING 2020-001

With regard to the repeat finding 2020-001, we adamantly disagree with the finding. The reconciliation of the 8400 Prepaid Food Service Fund into the 0800 Food Service Fund was corrected after the 2016-18 audit to include multiple sources of new data, including the Meal Magic sales report, timing differences on credit card transactions into prepaid accounts, timing differences on ECA checks from the school level into the centralized accounts, and the Prepaid Balances from Meal Magic. This process was completely overhauled and upgraded after the last audit, so we believe in its accuracy.

However, to comply with federal regulations on the transfer, we will begin making one journal entry for the sales amount using the Meal Magic monthly report. We will possibly make a second entry for any other non-reconciling items, but will leave all other timing differences as a reconciling item between the balance on the financial system fund balance report and the Meal Magic actual prepaid balance report.

We appreciate the assistance of our auditor, Josh Schmitt, in the explanation and refinement of this process in order to correct this situation.



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DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on May 14, 2021, with Stephen W. Snider, Treasurer; Steven Teders, Superintendent of Schools; and Heather M. Krebs, President of the School Board.