

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

SUPPLEMENTAL COMPLIANCE REPORT  
OF

HUNTINGTON COUNTY COMMUNITY  
SCHOOL CORPORATION  
HUNTINGTON COUNTY, INDIANA

July 1, 2018 to June 30, 2020



**FILED**  
06/08/2021



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
Exit Conference.....	5

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Edette L. Eckert	07-01-18 to 06-30-21
Superintendent of Schools	J. Randall Harris (Vacant) Charles D. Daugherty	07-01-18 to 04-30-19 05-01-19 to 05-27-19 05-28-19 to 06-30-21
President of the School Board	Mathew J. Roth	07-01-18 to 06-30-21



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TO: THE OFFICIALS OF THE HUNTINGTON COUNTY COMMUNITY  
SCHOOL CORPORATION, HUNTINGTON COUNTY, INDIANA

This report is supplemental to our audit report of the Huntington County 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/](http://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 25, 2021

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION  
AUDIT RESULT AND COMMENT

**PREPAID SCHOOL MEAL ACCOUNTS**

A similar comment appeared in prior Report B52598, entitled *PREPAID SCHOOL MEAL ACCOUNTS RECONCILEMENT*.

*Condition and Context*

The transfer of income from the School Lunch - Prepaid Food fund 8400 to the School Lunch fund 800 was not handled properly. The School Corporation receipts all food service collections into the School Lunch - Prepaid Food fund and then transfers those receipts to the School Lunch fund based upon the Prepaid Liability Report, which is not the report that should be used to make these transfers. The transfers should be based upon the prepaid money used from the Meal and Revenue Report. The end of month reconciliation of the School Lunch - Prepaid Food fund balance to the total individual meal amounts is not performed. Instead, an adjusting entry is made to the School Lunch - Prepaid Food fund to match the ending balance of the food service reports.

*Criteria*

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

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)

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on May 25, 2021, with Edette L. Eckert, Treasurer; Scott Bumgardner, Business Manager; and Charles D. Daugherty, Superintendent of Schools.