

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

WEST NOBLE SCHOOL CORPORATION

NOBLE COUNTY, INDIANA

July 1, 2018 to June 30, 2020



FILED

06/15/2021

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Barbara Fought	07-01-18 to 06-30-21
Superintendent of Schools	Galen Mast	07-01-18 to 06-30-21
President of the School Board	Todd Moore Travis Stohlman Joe Hutsell	01-01-18 to 12-31-18 01-01-19 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 WEST NOBLE SCHOOL CORPORATION, NOBLE COUNTY, INDIANA

This report is supplemental to our audit report of the West Noble 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

June 2, 2021

WEST NOBLE SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

OVERDRAWN CASH BALANCES

Repeat Comment

A similar comment also appeared in prior Report B52772, entitled *OVERDRAWN CASH BALANCES*.

Condition and Context

The financial statement presented in the Financial Statement Audit Report included the Curricular Materials fund with overdrawn cash balances at June 30, 2019 and 2020, in the amount of \$308,797 and \$302,662, respectively; and the Payroll Clearing fund with an overdrawn cash balance at June 30, 2020, in the amount of \$3,437.

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)

PREPAID SCHOOL MEAL ACCOUNTS

Repeat Comment

A similar comment also appeared in prior Reports B45705 and B49685, entitled *SCHOOL FOOD SYSTEMS - PREPAID FOOD ACCOUNTS*, and B52772, entitled *PREPAID SCHOOL MEAL ACCOUNTS*.

Condition and Context

The School Corporation had established a Prepaid School Lunch fund (clearing account) and transferred sales to the School Lunch fund monthly. Transfers were based on Food Service sales reports but were not recorded properly in the School Corporation's financial records. The School Corporation did not perform monthly reconciliements of all the students' individual meal account balances to the Prepaid School Lunch fund (clearing account). Ending cash balance information from the school lunch software to verify the ending balance of the Prepaid School Lunch fund reconciled to the students' individual meal account balance was not available for audit.

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)

West Noble School Corporation

GALEN MAST, Superintendent
SARAH WILSON, Curriculum Director

BOARD OF TRUSTEES
Joe Hutsell, President
John Schwartz, Vice President
David Peterson, Secretary
Paul Fought, Member
Todd Moore, Member
Joe Saggars, Member
Travis Stohlman, Member

OFFICIAL RESPONSE

June 2, 2021

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

Re: PrePaid School Meal Accounts(ARC)

West Noble School Corporation changed to the SkyWard School Lunch program at the beginning of the 20/21 school year. The program offers reports to help balance the student's accounts with Fund 8400. The Treasurer and the Food Service Director are working together to balance the accounts. The plan is to have the balancing of the student's accounts done monthly for the 21/22 school year.

Barbara Fought
Treasurer

WEST NOBLE SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on June 2, 2021, with Barbara Fought, Treasurer; Galen Mast, Superintendent of Schools; and Joe Hutsell, President of the School Board.