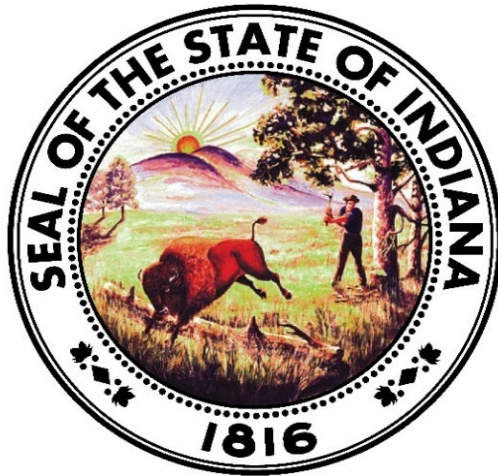


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

SUPPLEMENTAL COMPLIANCE REPORT
OF
SOUTH VERMILLION COMMUNITY SCHOOL CORPORATION
VERMILLION COUNTY, INDIANA
July 1, 2020 to June 30, 2022



FILED
02/08/2023

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Business Manager/Treasurer	Cindy Guinn	07-01-20 to 06-30-22
Director of Finance and Facilities	Micah P. Williams	07-01-22 to 06-30-23
Superintendent of Schools	David A. Chapman	07-01-20 to 06-30-23
President of the School Board	John P. Roehm	07-01-20 to 06-30-23



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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TO: THE OFFICIALS OF THE SOUTH VERMILLION COMMUNITY
SCHOOL CORPORATION, VERMILLION COUNTY, INDIANA

This report is supplemental to our audit report of the South Vermillion Community School Corporation (School Corporation), for the period from July 1, 2020 to June 30, 2022. 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.

Beth Kelley, CPA, CFE
Deputy State Examiner

February 1, 2023

SOUTH VERMILLION COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

AVERAGE DAILY MEMBERSHIP (ADM) - LACK OF RECORDS

Condition and Context

The following issues were identified during the testing of Average Daily Membership.

Brick and Mortar Students

Of the 28 students selected for testing:

1. We were unable to determine whether 11 students tested were eligible pupils due to a lack of supporting documentation.
2. Proof of residency was not provided for 7 students to show that they were Indiana residents.
3. There were 6 students that did not have proper documentation on file to determine if the student was at least 5 years old.
4. There were 3 students that could not be determined to be properly enrolled or attending as proper enrollment and attendance records were not provided for audit.

Virtual Due to COVID Students

Of the 8 students selected for testing:

1. We were unable to determine whether 4 students were eligible pupils due to a lack of supporting documentation.
2. Proof of residency was not provided for 4 students to show that they were Indiana residents.
3. There were 3 students that did not have proper documentation on file to determine if the student was at least 5 years old.

Virtual Students

Of the 3 students selected for testing:

1. We were unable to determine whether 2 students were eligible pupils due to a lack of supporting documentation.
2. Proof of residency was not provided for 2 students to show that they were Indiana residents.
3. There was 1 student that did not have proper documentation on file to determine if the student was at least 5 years old.

SOUTH VERMILLION COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Criteria

Indiana Code 5-15-6-3 states:

"No financial records or records relating to financial records shall be destroyed until the earlier of the following actions:

- (1) The audit of the records by the state board of accounts has been completed, report filed, and any exceptions set out in the report satisfied.
- (2) The financial record or records have been copied or reproduced in accordance with a retention schedule or with the written consent of the administration."

Officials shall maintain records (enrollment cards, rosters, reporting forms, etc.) which substantiate the number of students claimed for ADM.

The building level official (Principal, Assistant Principal, etc.) is responsible for reporting ADM to the School Corporation Central Office, must provide a written certification of ADM to properly document responsibility. The certification must at a minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

AVERAGE DAILY MEMBERSHIP (ADM) - INCORRECT REPORTING TO THE STATE

Condition and Context

For the September 2021 count date, the number of students reported as virtual vs. non-virtual did not agree to what was reported by the Indiana Department of Education (IDOE) as part of the School Corporation's Tuition Support calculation. The original number of students reported as virtual vs. non-virtual changed at the end of the Fall 2021 semester, as student attendance was taken into account to revise the original determination of virtual vs. non-virtual for some students. School Corporation documentation showed that after these revisions to virtual vs. non-virtual status, only 5 students should have been reported as virtual; however, IDOE reported 8 virtual students as part of the School Corporation's Tuition Support calculation. Documentation could not be obtained to support the remaining variance between the School Corporation's recalculation and IDOE's reported virtual vs. non-virtual counts.

Criteria

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

SOUTH VERMILLION COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

PREPAID SCHOOL MEAL ACCOUNTS

The same comment also appeared in prior Report B56876.

Condition and Context

The School Corporation maintained its school lunch program on the School Corporation ledger, but the prepaid school meal accounts were maintained on the extracurricular account (ECA) ledgers of each individual school building within the School Corporation. Activity for the school lunch program should not be divided between the School Corporation ledger and the ECA ledgers.

As of June 30, 2022, four of the five ECA ledger balances for prepaid school meal accounts did not agree to the detailed student listing report for its respective school building.

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)



SOUTH VERMILLION COMMUNITY SCHOOL CORPORATION

800 W Wildcat Dr
Clinton, IN 47842
765-832-2426 FAX 765-832-7391

OFFICIAL RESPONSE

Date: February 6, 2023
Indiana State Board of Accounts
302 West Washington St. Room E418
Indianapolis, IN 46204-2765

Re:

To Whom It May Concern:

This letter is to confirm that the administration and the Board of Trustees of the South Vermillion Community School Corporation are in agreement with the comments of the recent audit.

In response, corrective action plans, as well as informal plans, are being planned and will be executed.

Respectfully submitted,

Micah Williams
Director of Finance and Facilities
South Vermillion Community School Corporation

David A. Chapman: Superintendent of Schools
Melanie Beaver: Director of Curriculum, Instruction and Assessment
Jennifer Fossi: Director of Instructional Technology
Micah Williams: Director of Finance & Facilities
Stephanie Farrington: Payroll/HR Director

SOUTH VERMILLION COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on February 1, 2023, with Micah P. Williams, Director of Finance and Facilities; David A. Chapman, Superintendent of Schools; Jennifer Fossi, Director of Institutional Technology; John P. Roehm, President of the School Board; Kelli Hill, Vice President of the School Board; and Jon Beardsley, School Board member.