

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

WARRICK COUNTY SCHOOL CORPORATION

WARRICK COUNTY, INDIANA

July 1, 2020 to June 30, 2022



FILED

03/14/2023

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Nancy Lumley	07-01-20 to 06-30-23
Superintendent of Schools	Brad Schneider Todd Lambert	07-01-20 to 06-30-21 07-01-21 to 06-30-23
President of the School Board	Tim Mosbey Jane Wilhelmus	07-01-20 to 12-31-20 01-01-21 to 06-30-23



STATE OF INDIANA
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TO: THE OFFICIALS OF THE WARRICK COUNTY SCHOOL CORPORATION, WARRICK COUNTY, INDIANA

This report is supplemental to our audit report of the Warrick County 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 28, 2023

WARRICK COUNTY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

CAPITAL ASSETS

A similar comment also appeared in the prior Report B56647, entitled *CAPITAL ASSETS*.

Condition and Context

The School Corporation did not maintain a complete detailed listing of capital assets during the audit period. In addition, a complete physical inventory of capital assets was not completed. The Schedule of Capital Assets supplemental schedule filed as of June 30, 2022, as part of the Annual Financial Report on the Indiana Gateway for Government Units financial reporting system, was not materially correct and, therefore, will not be reported in the Financial Statement Audit Report.

Criteria

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

WARRICK COUNTY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

PREPAID SCHOOL MEAL ACCOUNTS

A similar comment also appeared in prior Report B56647, entitled *PREPAID SCHOOL MEAL ACCOUNTS*.

Condition and Context

The School Corporation made an adjustment in July 2020 to reconcile the balance of the Prepaid School Lunch Accounts fund to the detail of the student activity. At June 30, 2021, the Prepaid School Lunch Accounts fund was in balance with the detail of the student activity; however, beginning with July 2021 there has been a variance that has grown to \$7,033 as of June 30, 2022. The School Corporation has identified \$5,884 as a posting error from January 2022 which was not transferred into the School Lunch fund for ala carte items sold. The balance of the Prepaid School Lunch Accounts fund was greater than the detail of the student activity by \$7,033 as of June 30, 2022.

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)

WARRICK COUNTY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on February 28, 2023, with Nancy Lumley, Treasurer; Todd Lambert, Superintendent of Schools; Todd Armstrong, Assistant Superintendent of Schools; Amy Smith, Deputy Treasurer; and Jane Wilhelmus, President of the School Board.