

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

EAST WASHINGTON SCHOOL CORPORATION

WASHINGTON COUNTY, INDIANA

July 1, 2020 to June 30, 2022



**FILED**

03/17/2023



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Kendra Floyd Joanna Trueblood	07-01-20 to 07-25-22 07-26-22 to 06-30-23
Superintendent of Schools	Dennis Stockdale Gregory Hopkins (acting) Dennis Stockdale Rebecca Jones	07-01-20 to 07-11-22 07-12-22 to 08-02-22 08-03-22 to 01-01-23 01-02-23 to 06-30-23
President of the School Board	Christina McGinnis Theresa Gottbrath Jeff Clem	07-01-20 to 12-31-21 01-01-22 to 12-31-22 01-01-23 to 06-30-23



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

TO: THE OFFICIALS OF THE EAST WASHINGTON SCHOOL  
CORPORATION, WASHINGTON COUNTY, INDIANA

This report is supplemental to our audit report of the East Washington 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/](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 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

March 6, 2023

EAST WASHINGTON SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS

**OVERDRAWN CASH BALANCES**

The same comment appeared in a Management Letter addressed to the Officials of the School Corporation for the audit period ending June 30, 2020.

*Condition and Context*

The financial statements including the following funds with overdrawn cash balances at June 30, 2021 and 2022:

Fund	Amount Overdrawn 06-30-21	Amount Overdrawn 06-30-22
Self-Insurance Fund	2,716	682,241
Miscellaneous Donations	84	-
CI - Fed Tax	682	704
CI - FICA	1,002	988
CI - Med Board Members	172	172
CI - Valic	1,660	-
CI - Garinshee	-	258
Cafeteria Wages	81,077	66,888
Cafeteria - Perf Match	7,897	7,742
Cafeteria Life/Ltd Insurance	1,054	1,476
Cafeteria - Soce Sec	5,103	4,415
Cafeteria Medicare	1,127	966
Cafeteria HSA Reimbursement 2XS	1,250	1,875
Cafeteria Medical	102,264	60,609
Fringe Benefit Clearing Fund	3,914	3,914

*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)

**ANNUAL FINANCIAL REPORT**

*Condition and Context*

The Schedule of Expenditures of Federal Awards (SEFA) as reported on annual financial report contained material errors. The 2020-2021 schedule was understated by \$46,744 in the aggregate. The 2021-2022 schedule was overstated by \$289,545 in the aggregate.

EAST WASHINGTON SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

*Criteria*

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](#)."

**CAPITAL ASSETS**

A similar comment also appeared in prior Report B56684, entitled *CAPITAL ASSETS*.

*Condition and Context*

Additions and deletions during the audit period were not properly recorded on the School Corporation's capital assets ledger. In addition, the School Corporation had not completed a physical inventory in the prior two years.

*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)

EAST WASHINGTON SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on March 6, 2023, with Joanna Trueblood, Treasurer; Rebecca Jones, Superintendent of Schools; Jeff Clem, President of the School Board; Kendra Floyd, Human Resource Director and former Treasurer; and Gregory Hopkins, Assistant to the Superintendent of Schools.