

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

RICHMOND COMMUNITY SCHOOLS

WAYNE COUNTY, INDIANA

July 1, 2020 to June 30, 2022



FILED
03/30/2023

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Karen Scalf	07-01-20 to 06-30-23
Superintendent of Schools	Todd Terrill (Vacant) Dr. Jennifer O'Brien (interim) Dr. Curtis Wright	07-01-20 to 07-17-20 07-18-20 to 07-21-20 07-22-20 to 06-30-21 07-01-21 to 06-30-23
President of the School Board	Brad Walton John Weber Nicole Stults	07-01-20 to 12-31-20 01-01-21 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

TO: THE OFFICIALS OF THE RICHMOND COMMUNITY SCHOOLS, WAYNE COUNTY, INDIANA

This report is supplemental to our audit report of the Richmond Community Schools (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

March 23, 2023

RICHMOND COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS

CAPITAL ASSETS

Condition and Context

The School Corporation did not have an inventory of the capital assets on hand that was complete and accurate. The School Corporation hired an outside firm to compile the capital asset listing for the year ending June 30, 2021. Assets were purchased in 2022 and were not added to the capital asset listing.

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)

ANNUAL FINANCIAL REPORT - OTHER INFORMATION

Condition and Context

Financial and other information are required to be entered annually into the Annual Financial Report (AFR) via the Indiana Gateway for Government Units (Gateway) financial reporting system. The capital assets, and accounts payable and accounts receivable information entered into Gateway contained the following errors:

1. The Capital Assets Report on the AFR reported the same ending balances as of June 30, 2021, and June 30, 2022, it did not include assets purchased in fiscal year 2021-2022.
2. The reported accounts payable and accounts receivable were \$46,672,484, and \$50,692,937, respectively, as of June 30, 2022. These amounts were materially incorrect.

The School Corporation determined to not report either the Schedule of Capital Assets or the Schedule of Payables and Receivables as Other Information.

RICHMOND COMMUNITY SCHOOLS
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](#)."

PREPAID SCHOOL MEAL ACCOUNTS

Condition and Context

The total of detailed student account balances did not agree with the financial statement Prepaid School Lunch Accounts fund 8400 (Fund) balances. On June 30, 2021, the Fund balance was \$74,981, and the detailed student balance was \$12,793, for a variance of \$62,189. The June 30, 2022 total detailed student balance was not readily determinable for comparison with the Fund balance.

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)

RICHMOND COMMUNITY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on March 23, 2023, with Dr. Curtis Wright, Superintendent of Schools; Karen Scalf, Treasurer; and Nicole Stults, President of the School Board.