



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B61190

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

April 12, 2023

To: The Officials of the Shoals Community School Corporation
Shoals Community School Corporation
11741 Ironton Road
Shoals, IN 47581

This report is supplemental to the audit report of Shoals Community School Corporation (School Corporation), for the period July 1, 2020 to June 30, 2022. It has been provided as a separate report so that the reader may easily identify any Examination Findings that pertain to the School Corporation. It should be read in conjunction with the financial statement audit report of the School Corporation, which provides an opinion on the School Corporation's financial statements. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of the School Corporation and perform procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Examination Findings and Results contained herein describe the identified reportable instances of noncompliance found as a result of these procedures.

We have reviewed the Supplemental Audit Report for Shoals Community School Corporation prepared by Crowe LLP, Independent Public Accountants, for the period July 1, 2020 to June 30, 2022. In our opinion, the Supplemental Audit Report was prepared in accordance with the guidelines established by the State Board of Accounts.

We call your attention to the finding in the report on page 3.

The report is filed with this letter in our office as a matter of public record.

Tammy R. White, CPA
Deputy State Examiner

COMPLIANCE EXAMINATION OF
SHOALS COMMUNITY SCHOOL CORPORATION
Martin County, Indiana
July 1, 2020 to June 30, 2022

SHOALS COMMUNITY SCHOOL CORPORATION

Martin County, Indiana
July 1, 2020 to June 30, 2022

CONTENTS

SCHEDULE OF OFFICIALS 1

INDEPENDENT ACCOUNTANT’S REPORT 2

SCHEDULE OF EXAMINATION FINDINGS AND RESULTS:

 2022-001: PREPAID MEALS ACCOUNT RECONCILIATIONS 3

EXIT CONFERENCE 4

SHOALS COMMUNITY SCHOOL CORPORATION
SCHEDULE OF OFFICIALS
July 1, 2020 to June 30, 2022

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Lisa Elliot Amanda Heckard	07-01-20 to 12-31-21 01-01-22 to 06-30-22
Superintendent of Schools	Dr. Candace Roush	07-01-20 to 06-30-22
President of the School Board	Drexel Turpin	07-01-20 to 06-30-22

INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and
Management of the Shoals Community School Corporation

We have examined the Shoals Community School Corporation ("School Corporation") compliance with the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Indiana Public School Corporations* during the period July 1, 2020 to June 30, 2022. Management of the School Corporation is responsible for the School Corporation's compliance with the specified requirements. Our responsibility is to express an opinion on the School Corporation's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the School Corporation complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the School Corporation complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our qualified opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the School Corporation's compliance with specified requirements.

Our examination disclosed material noncompliance with the *Accounting and Uniform Compliance Guidelines Manual For Indiana Public School Corporations* applicable to the School Corporation during the period July 1, 2020 to June 30, 2022, as described in item 2022-001 on the following Schedule of Examination Findings and Results.

In our opinion, except for the material noncompliance described in the preceding paragraph, the School Corporation complied, in all material respects, with the aforementioned requirements during the period July 1, 2020 to June 30, 2022.


Crowe LLP

Indianapolis, Indiana
March 30, 2023

SHOALS COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
July 1, 2020 to June 30, 2022

FINDING 2022-001: PREPAID MEALS ACCOUNT RECONCILIATIONS

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)

Condition: During testing of prepaid meals account balances, we noted that monthly reconciliations of all the students' individual meal account balances to the Prepaid Meals fund (clearing account) were not performed. A comparison of the Prepaid Meals fund balance to the students' individual meal account balances at June 30, 2021 and 2022 is as follows:

	As of June 30,	
	2021	2022
Cash and Investment Balance		
- Pre-Paid Meals fund	\$ 7,465	\$ 12,687
All Students' Individual Meal Account Balances	7,058	7,058
Variance in Unreconciled Funds	<u>\$ 407</u>	<u>\$ 5,629</u>

SHOALS COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE
July 1, 2020 to June 30, 2022

The contents of this report were discussed on March 30, 2023 with Kendra Wright, Treasurer, Kindra Hovis, Superintendent, and Drexel Turpin, Board President.