



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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April 14, 2023

To: The Officials of the Avon Community School Corporation
Avon Community School Corporation
7203 E US Highway 36
Avon, IN 46123

This report is supplemental to the audit report of Avon 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 Avon Community School Corporation prepared by CliftonLarsonAllen 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 Indiana State Board of Accounts.

We call your attention to the findings in the report on page 3. Management's response is on page 5.

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

A handwritten signature in black ink that reads 'Tammy R. White'.

Tammy R. White, CPA
Deputy State Examiner

**AVON COMMUNITY SCHOOL CORPORATION
HENDRICKS COUNTY, INDIANA**

COMPLIANCE REPORT

JULY 1, 2020 TO JUNE 30, 2022



CPAs | CONSULTANTS | WEALTH ADVISORS

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**AVON COMMUNITY SCHOOL CORPORATION
HENDRICKS COUNTY, INDIANA
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**AVON COMMUNITY SCHOOL CORPORATION
HENDRICKS COUNTY, INDIANA
SCHEDULE OF OFFICIALS**

<u>Office</u>	<u>Official</u>	<u>Term</u>
CFO	Sheila R. Glass	07-13-21 to 06-30-23
Treasurer	Sheila R. Glass Veronica Jones	07-01-20 to 07-12-21 07-13-21 to 06-30-23
Superintendent of Schools	Dr. Scott Wyndham	07-01-20 to 06-30-23
President of the School Board	Kim Woodward Cindy Simmons Anne Engelhardt	07-01-20 to 12-31-21 01-01-22 to 12-31-22 01-01-23 to 06-30-23



The Officials of the Avon Community School Corporation

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of Avon Community School Corporation, which comprise the Statement of Receipts, Disbursements, Other Financing Sources, and Cash and Investment Balances - Regulatory Basis as of June 30, 2022 and for the period of July 1, 2020 to June 30, 2022, and the related notes to the financial statement, and have issued our report thereon date March 29, 2023.

In connection with our audit, we noted Avon Community School Corporation failed to comply with certain provisions established by the Accounting and Uniform Compliance Guidelines Manual for Indiana Audits of Hospitals and State and Local Governments by Authorized Independent Public Accounts (the SBOA Manual) issued by the Indiana State Board of Accounts, in so far as they relate to accounting matters as described in the Audit Results and Comments. Our audit was not directed primarily toward obtaining knowledge as to whether Avon Community School Corporation failed to comply with the terms, covenants, provisions, or conditions of the guidelines of SBOA insofar as they relate to accounting matters. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding noncompliance with the above-referenced provisions of the SBOA Manual, insofar as they relate to accounting matters.

The purpose of this report is solely to describe the scope of our testing of compliance relating to the provisions of the Guidelines of the SBOA and the results of that testing, and not to provide an opinion on compliance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Indianapolis, Indiana
March 29, 2023

**AVON COMMUNITY SCHOOL CORPORATION
HENDRICKS COUNTY, INDIANA
AUDIT RESULTS AND COMMENTS**

FUNDS AND FUND ACCOUNTING

Criteria:

The funds established by law for Indiana school corporations are: Education Fund, Operating Referendum Tax Levy Fund, Debt Service Fund, Operations Fund, School Lunch Fund, Curricular Materials Rental Fund, Self-Insurance Fund and Levy Excess Fund. Tax levies, subject to limitations, may be established for the Debt Service, and Operations Fund. No tax levies may be established for the School Lunch Fund or the Curricular Materials Rental Fund as these funds are designed to be self-supporting. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 4)

Context:

The school corporation has two self-insurance funds which are required to be reported in Funds 1100-1100 and were reported within 9000 fund series which is reserved for payroll withholding and other clearing funds. In addition, the payroll withholding fund was reported in fund 8000 which is reserved for petty cash funds and should be reported in the 9000 series.

FUND SOURCES AND USES

Criteria:

Sources and uses of funds must be limited to those authorized by the enabling law, ordinance /resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

Context:

The receipts reported in the payroll withholding funds were coded to account 1971 which is reserved for self-insurance fund activity and as a result reported as receipts from local sources, these receipts should be reported in 6550 account and be reported as other receipts.

**AVON COMMUNITY SCHOOL CORPORATION
HENDRICKS COUNTY, INDIANA
EXIT CONFERENCE**

The contents of this report were discussed on March 29, 2023, with Sheila R. Glass, CFO, Co; Veronica Jones, Treasurer, Dr. Scott Dr. Scott Wyndham, Superintendent of Schools; and Anne Engelhardt, President of the Board.

**AVON COMMUNITY SCHOOL CORPORATION
HENDRICKS COUNTY, INDIANA
OFFICIAL RESPONSE**

The administration of the Avon Community School Corporation (ACSC) agrees with the auditors' compliance results and comments, and the following action will be taken to comply with SBOA requirements for funds and fund accounting. Beginning with the June 30, 2023, Form 9 reports, both self-insured funds, payroll liability fund, and receipts of identified funds will be reported in the required prescribed SBOA funds and receipt accounts. The Corporation Treasurer in collaboration with the finance department, will make all accounting corrections within the payroll and accounts payable modules during this Form 9 reporting period and will correct current accounting entries to reflect the correct funds and receipts. Corrections in this Form 9 reporting period will ensure ACSC corrects all compliance results for all Gateway reporting requirements.

It is important to note that Avon Community School Corporation (ACSC) created its self-insured funds (for health insurance and workers' compensation funds) in 2009 and have reported those funds in the payroll liability funds since that time. The receipts and the expenditures of both insurance funds are processed through our payroll and accounts payable modules within our financial systems which adhere to the school's accounts payable and payroll internal controls of such processes and have been audited 6 times by SBOA prior to this audit without findings of concern pertaining to these funds. Additionally, ACSC has reported the payroll withholding fund in the current fund since 2017 and has adhered to the same processes as stated for the self-insurance funds and has also been audited by SBOA.



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