

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

MADISON-GRANT UNITED SCHOOL CORPORATION

GRANT COUNTY, INDIANA

July 1, 2021 to June 30, 2023



**FILED**  
03/12/2024



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Bengamin Mann	07-01-21 to 06-30-24
Superintendent of Schools	Dr. Scott Deetz Dr. Steven Vore	07-01-21 to 06-30-23 07-01-23 to 06-30-24
President of the School Board	Mary Jo Brunt	07-01-21 to 06-30-24



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE MADISON-GRANT UNITED SCHOOL CORPORATION, GRANT COUNTY, INDIANA

This report is supplemental to the audit report of the Madison-Grant United School Corporation (School Corporation), for the period from July 1, 2021 to June 30, 2023. 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 the 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

February 21, 2024

MADISON-GRANT UNITED SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS

**BANK ACCOUNT RECONCILIATIONS**

The same comment also appeared in prior Report B59376.

*Condition and Context*

Depository reconciliations of the bank account balance to the financial records fund balance were attempted monthly; however, the reconciliations did not balance.

*Criteria*

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

**OVERDRAWN CASH BALANCES**

The same comment also appeared in prior Report B59376.

*Condition and Context*

The School Corporation's financial statement included the following funds with overdrawn cash balances at June 30 that were not considered to be reimbursable grant funds:

Fund	Amount Overdrawn	
	06-30-22	06-30-23
Curricular Materials Rent	\$ 86,397	\$ 126,854
Payroll Withholding	97,425	106,500

*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)

**AVERAGE DAILY MEMBERSHIP (ADM) - LACK OF RECORDS**

*Condition and Context*

The School Corporation was required to submit a Report of Average Daily Membership (ADM) to the Indiana Department of Education twice per year, in September and February.

During testing of the ADM records, the following items were identified:

MADISON-GRANT UNITED SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

- Brick and Mortar Students: For 3 of 25 students tested, the School Corporation did not provide sufficient documentation to support enrollment, attendance, age, and residency requirements.
- Virtual Students: For 2 of 60 students tested, the School Corporation did not provide sufficient documentation to support enrollment, age, and residency requirements. For 1 of 60 students tested, the School Corporation did not provide sufficient documentation to support the residency requirement.

*Criteria*

Indiana Code 5-15-6-3 states:

"No financial records or records relating to financial records shall be destroyed until the earlier of the following actions:

- (1) The audit of the records by the state board of accounts has been completed, report filed, and any exceptions set out in the report satisfied.
- (2) The financial record or records have been copied or reproduced in accordance with a retention schedule or with the written consent of the administration."

Officials shall maintain records (enrollment cards, rosters, reporting forms, etc.) which substantiate the number of students claimed for ADM.

The building level official (Principal, Assistant Principal, etc.) is responsible for reporting ADM to the School Corporation Central Office, must provide a written certification of ADM to properly document responsibility. The certification must at a minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed.

(Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

On August 27, 2020, the Indiana Department of Education (IDOE) issued a memo providing written guidance for verification of Indiana residency as it relates to reporting a student for membership. The guidance provided stated:

- School corporations and charter schools must maintain proof of Indiana residency for each student in the student's electronic or hard copy file.
- Proof of residency must be filed for each student for whom the school corporation or charter school counts for membership.
- Proof of residency must be on hand for each student prior to the student being claimed on the fall and/or spring membership count dates."



# **MADISON-GRANT UNITED SCHOOL CORPORATION**

Steve Vore., Superintendent

Ben Mann, Chief Financial Officer

Kristy Drewitz, Transportation

Allison McGuire, Payroll/Benefits

Anna Richards, Corp Secretary/Deputy Treasurer

*Inspire, Cultivate, and Promote excellence in every Argyll.*

## OFFICIAL RESPONSE

Date: February 21, 2024

Indiana State Board of Accounts  
302 West Washington St. Room E418  
Indianapolis, IN 46204-2765

Re: MGUSC Audit Results and Comments

### ***BANK ACCOUNT RECONCILIATIONS***

The Chief Financial Officer will work with the financial software vendor, PowerSchool eFinance Plus, in order to determine why the built in reconciliation platform does not tie back to the financial records fund balance. This is believed to be related to payroll withholding accounts that sit within the programs flowthrough fund.

### ***OVERDRAWN CASH BALANCES***

On February 1, 2024 the Chief Financial Officer submitted fund transfer requests to the Board of Education for approval in order to zero out any identified funds with overdrawn balances. These fund transfers were completed in February 2024.

### ***AVERAGE DAILY MEMBERSHIP (ADM) - LACK OF RECORDS***

The Chief Financial Officer will work with all schools (Brick & Mortar and Virtual) to review required documentation in support of student enrollment. Internal controls will be reviewed and revised in order to ensure that all necessary documentation is gathered and retained for future use in order to support student enrollment. This pertains to attendance, age, and residency.

A handwritten signature in black ink, appearing to read 'Benjamin Mann'.

Bengamin Mann  
Chief Financial Officer

MADISON-GRANT UNITED SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on February 21, 2024, with Benjamin Mann, Treasurer; Dr. Steven Vore, Superintendent of Schools; and Mary Jo Brunt, President of the School Board.