

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

EVANSVILLE VANDERBURGH SCHOOL CORPORATION

VANDERBURGH COUNTY, INDIANA

July 1, 2017 to June 30, 2019



FILED
01/03/2020

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Carl D. Underwood	01-01-17 to 12-31-19
Superintendent of Schools	David B. Smith	07-01-17 to 06-30-20
President of the School Board	Andrew C. Guarino Rance Ossenberg Karen Ragland	01-01-17 to 12-31-17 01-01-18 to 12-31-18 01-01-19 to 12-31-19



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TO: THE OFFICIALS OF THE EVANSVILLE VANDERBURGH SCHOOL CORPORATION, VANDERBURGH COUNTY, INDIANA

This report is supplemental to our audit report of the Evansville Vanderburgh School Corporation (School Corporation), for the period from July 1, 2017 to June 30, 2019. 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 opinion 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 Result and Comment contained herein describes the identified reportable instance 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 Result and Comment, incorporated within this report, was not verified for accuracy.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

December 9, 2019

EVANSVILLE VANDERBURGH SCHOOL CORPORATION
AUDIT RESULT AND COMMENT

RECORD OF HOURS WORKED

A similar comment also appeared in prior Report B49865, entitled *SCHOOL LUNCH FUND SALARIES*.

Condition and Context

The School Corporation paid part of the salaries of school administrative positions from the School Lunch fund and the Curricular Materials Rental fund. No detailed records of time spent completing school lunch or curricular materials rental duties were maintained by any of the employees.

Criteria

Many administrative positions have duties and responsibilities that are broad and overlapping and encompass everything that goes on in the school corporation or school building. Therefore, we have consistently been of the audit position that these expenses are normally considered operation expenses properly charged to the general fund in accordance with IC 20-40-2 for the operation of the school corporation and not to the school lunch fund.

Some positions have been formally established by boards of school trustees, through job description, duties assigned, title, salary schedules, etc., as school food related (for example Assistant Principal-Food Service Director). IC 5-11-9-4 requires in part ". . . records be maintained showing which hours were worked each day by officers and employees employed in more than one (1) position by the same public agency. . ." We will not take audit exception, in these situations (other than positions excluded by statute or for which the Department of Education has expressed concerns), to direct school food related employees having direct school food related expenses being paid from the school lunch fund if a cost allocation system based upon auditable statistics is established tracking costs attributable to the school food program and therefore payable from the school lunch fund. The use of time cards, time logs, or other means of accumulating auditable statistics upon which to base costs would have to be maintained. The time spent on such programs by persons serving in more than one program area must be specific if costs are to be separated. These costs cannot be accurately maintained on a percentage basis and requires the use of one of the methods mentioned above to provide auditable statistics and should cover all program areas in which a person serves or for which the service, materials, supplies, etc., are provided. (The School Bulletin and Uniform Compliance Guidelines, December 2010)

Indiana Code 5-11-9-4(b) states in part:

"The state board of accounts shall require that records be maintained showing which hours are worked each day by officers and employees: . . .

(2) employed by more than one (1) public agency or in more than one (1) position by the same public agency . . ."

The federal Fair Labor Standards Act (FLSA) requires that records of wages paid, daily and weekly hours of work, and the time of day and day of week on which the employee's work week begins be kept for all employees. These requirements can be met by use of the following prescribed general forms:

General Form 99A, Employee's Service Record
General Form 99B, Employee's Earnings Record
General Form 99C, Employee's Weekly Earnings Record

General Form 99C is required only for employees who are not exempt from FLSA, are not on a fixed work schedule, and are not paid weekly.

Additional information regarding FLSA rules and regulations may be obtained from the Department of Labor. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

EVANSVILLE VANDERBURGH SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on December 9, 2019, with David B. Smith, Superintendent of Schools; Carl D. Underwood, Treasurer; Courtney Bohleber, Deputy Treasurer; and Andrew C. Guarino, School Board member.