

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

MARION COMMUNITY SCHOOLS

GRANT COUNTY, INDIANA

July 1, 2017 to June 30, 2019



FILED
03/12/2020

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Dr. Robert W. Schultz	07-01-17 to 06-30-20
Superintendent of Schools	Brad Lindsay	07-01-17 to 06-30-20
President of the School Board	Aaron Vermilion Cathy Moritz Robert T. Nicholson Charles Griffin	01-01-17 to 12-31-17 01-01-18 to 12-31-18 01-01-19 to 12-31-19 01-01-20 to 12-31-20



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE MARION COMMUNITY SCHOOLS, GRANT COUNTY, INDIANA

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

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

February 24, 2020

MARION COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Condition and Context

Bank reconciliations were prepared timely each month, but contained an unreconciled cash short of \$703 at June 30, 2018, and \$10,854 at June 30, 2019. The June 30, 2018 bank reconciliation also included a reconciling item titled "Commerce Bank" of \$30,577, for which School Corporation officials could not provide an explanation or supporting documentation. The June 30, 2019 bank reconciliation included unrecorded interest on investments of \$33,946.

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."

COMPENSATION AND BENEFITS

Condition and Context

Five out of twenty-one employees' payroll disbursements tested could not be verified either due to time records or signed contracts not being presented for audit, and one employee's biweekly pay was calculated incorrectly by School Corporation personnel.

Criteria

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

MARION COMMUNITY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on February 24, 2020, with Dr. Robert W. Schultz, Treasurer; Troy Cloum, Assistant Treasurer; Robert T. Nicholson, former President of the School Board; and Serafina Salamo, School Board member.