

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

MADISON CONSOLIDATED SCHOOLS

JEFFERSON COUNTY, INDIANA

July 1, 2018 to June 30, 2020



FILED

05/26/2021

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
Audit Results and Comments:	
Prescribed Forms	4
Prepaid School Meal Accounts and Timely Recording	5
Exit Conference.....	6

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Danica Houze	07-01-18 to 06-30-21
Superintendent of Schools	Dr. Jeffery T. Studebaker	07-01-18 to 06-30-21
President of the School Board	Carl Glesing Rob Kring Jodi Yancey	07-01-18 to 12-31-18 01-01-19 to 10-07-20 10-08-20 to 06-30-21



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE MADISON CONSOLIDATED SCHOOLS, JEFFERSON COUNTY, INDIANA

This report is supplemental to our audit report of the Madison Consolidated Schools (School Corporation), for the period from July 1, 2018 to June 30, 2020. 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

May 13, 2021

MADISON CONSOLIDATED SCHOOLS
AUDIT RESULTS AND COMMENTS

PRESCRIBED FORMS

Condition and Context

Payroll records are not being maintained or kept for all school employees to document actual time worked. A review of the payroll records identified there were several different positions, such as, salaried food service workers; business office staff; and at-risk counselors, for which payroll records were not maintained.

Criteria

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: . . .

- (1) Covered by section 1 or 2 of this chapter, and
- (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)

MADISON CONSOLIDATED SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

PREPAID SCHOOL MEAL ACCOUNTS AND TIMELY RECORDING

Condition and Context

The School Corporation's Prepaid Food fund was not in agreement to the subsidiary records of the individual student meal accounts. The School Corporation attempted to perform reconciliations at different times throughout the audit period; however, differences always existed with no further action taken to identify and correct the reason for the difference.

Credit Card and other electronic payments were not being recorded timely in the Extracurricular Account (ECA). Payments were recorded to the student accounts at the time of transaction, but were not being receipted into the ECA financial ledger until the monies were shown as deposited in the bank.

Procedures were not in effect for the School Corporation to identify all monies paid on account were remitted to the School Corporation and remitted on a timely basis.

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)

All financial transactions pertaining to the unit must be recorded in the records of the unit at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

MADISON CONSOLIDATED SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on May 13, 2021, with Danica Houze, Treasurer; Bonnie Hensler, Director of Finance and Human Resources; Dr. Jeffery T. Studebaker, Superintendent of Schools; Amanda Conover, Deputy Treasurer; Kristy Adams, Payroll and Compliance Clerk; Jodi Yancey, President of the School Board; Larry D. Henry, School Board member; and David Storie, School Board member.