

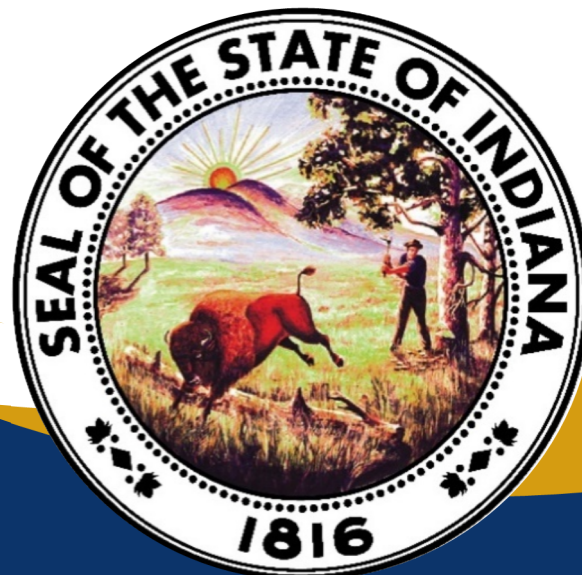
**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

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

COMPLIANCE ENGAGEMENT REPORT
OF

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
EXTRACURRICULAR ACCOUNTS
MARION COUNTY, INDIANA

July 1, 2021 to June 30, 2023



FILED

04/08/2025

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Compliance Report	3
Comments:	
New Augusta North Campus	4-6
Guion Creek Middle School.....	7-8
Official Response	9

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
School Corporation Treasurer	Krista Kelly	07-01-21 to 03-10-22
	(Vacant)	03-11-22 to 03-23-22
	Linda Searles	03-24-22 to 06-30-22
	Greg Foster	07-01-21 to 06-30-25
Superintendent of Schools	Flora Reichanadter	07-01-21 to 02-10-22
	(Vacant)	02-11-22 to 03-09-21
	Larry Young	03-10-21 to 06-30-25
President of the School Board	Dr. Terry Webster	07-01-21 to 12-31-23
	Alonzo Anderson	01-01-24 to 06-30-25



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State Examiner

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TO: THE OFFICIALS OF THE METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP,
EXTRACURRICULAR ACCOUNTS, MARION COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Metropolitan School District of Pike Township, Extracurricular Accounts (School ECAs), for the period of July 1, 2021 to June 30, 2023. The objective of this engagement was to determine compliance with applicable Indiana laws, regulations, and uniform compliance guidelines (Guidelines) established by the Indiana State Board of Accounts pursuant to Indiana Code 5-11-1-24. The objective of this engagement is not to opine on compliance or financial activity of the School ECAs as this engagement was not conducted in accordance with any standards established by an authoritative standard setting body, and, as such, we do not provide any opinions on compliance or financial activity.

Management is responsible for preparing and maintaining its accounting records and related documents in accordance with applicable Indiana laws, regulations, and Guidelines. Management's responsibility also includes, but is not limited to, complying with other applicable Indiana laws, regulations, and Guidelines concerning how it operates: authorized sources and uses of funds and what reports are required to be prepared and filed.

We fulfilled our responsibility as detailed in the first paragraph, by applying procedures over cash, receipts, and disbursements. Expanding the scope and nature of these procedures can and does occur in specific circumstances.

The Comments contained herein, if any, describe the identified reportable instances of noncompliance found during our engagement. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified. Any Official Response to the Comments incorporated within this report was not verified for accuracy.

The Schedule of Officials is informational only.

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record. Reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>, and the School ECAs' reports filed by management can be found on the Indiana Gateway for Government Units financial reporting system website: <http://www.gateway.ifionline.org>.

The contents of this report were communicated to Greg Foster, School Corporation Treasurer; Alonzo Anderson, President of the School Board; Larry Young, Superintendent of Schools; and Monet Gray, Assistant CFO, on February 20, 2025.

Beth Kelley, CPA, CFE
Deputy State Examiner

December 3, 2024

NEW AUGUSTA NORTH CAMPUS
EXTRACURRICULAR ACCOUNT
COMMENTS

ECA RISK REPORT - SCHEDULE OF BALANCES, RECEIPTS, AND DISBURSEMENTS

Condition and Context

The New Augusta North Campus Extracurricular Account (School ECA) had not properly designed or implemented a system of internal controls, which would include appropriate segregation of duties that would be effective in preventing, or detecting and correcting, noncompliance related to the School ECA's Risk Report (ECA Risk Report) - Schedule of Balances, Receipts, and Expenditures filed via the Indiana Gateway for Government Units financial reporting system.

The beginning cash and investment balances of numerous funds per the ECA Risk Report for the fiscal year ended June 30, 2022, did not agree with the ending cash and investment balances in the prior year's ECA Risk Report.

Funds	ECA Risk Report Cash Balances		Variance
	Balance June 30, 2021	Balance July 1, 2021	
1010.00 10000 STUDENT	\$ 402.28	\$ 787.99	\$ (385.71)
1010.00 10600 SPECIAL	50.75	30.76	19.99
1010.00 11000 ACADEMIC TEAM	326.50	21.50	305.00
1010.00 14000 ATHLETIC	63.96	817.13	(753.17)
1010.00 14300 PIKE MS SWIM	2,213.52	2,013.63	199.89
1010.00 14400 ATHLETIC	1,163.33	1,454.42	(291.09)
1010.00 14500 ATHLETIC GATE	2,631.55	1,663.98	967.57
1010.00 15100 7TH GRADE	(275.24)	331.54	(606.78)
1010.00 15200 8TH GRADE	1,568.69	63.25	1,505.44
1010.00 17400 CHOIR	2,237.42	2,382.42	(145.00)
1010.00 17600 BAND	492.36	707.12	(214.76)
1010.00 17601 ORCHESTRA	2,683.39	2,696.39	(13.00)
1010.00 30000 BEST BUDDIES	156.90	168.92	(12.02)
1010.00 43000 PE UNIFORMS	188.40	843.40	(655.00)
Net Variance	<u>\$ 13,903.81</u>	<u>\$ 13,982.45</u>	<u>\$ (78.64)</u>

The beginning cash and investment balances reported on the ECA Risk Report as of July 1, 2021, was overstated by a net total of \$78.64.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

NEW AUGUSTA NORTH CAMPUS
EXTRACURRICULAR ACCOUNT
COMMENTS
(Continued)

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

TICKETED SALES - PRESCRIBED FORM SA-4

Condition and Context

The School ECA had not properly designed or implemented a system of internal controls which would include appropriate segregation of duties that would be effective in preventing, or detecting and correcting, noncompliance related to ticketed sales.

Five sporting events for the School ECA were selected for testing during the engagement. For all five events selected for testing, the School ECA did not prepare the SA-4 Ticket Sales Forms.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

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NEW AUGUSTA NORTH CAMPUS
EXTRACURRICULAR ACCOUNT
COMMENTS
(Continued)

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

Officials and employees are required to use prescribed and approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extracurricular Accounts, Chapter 1)

Ticket sales conducted by any activity should be accounted for as follows:

The treasurer should be responsible for the proper accounting for all tickets and should keep a record of the number purchased, the number issued for sale, and the number returned. The treasurer should see that proper accounting is made for the cash received from those sold. All tickets shall be prenumbered, with a different ticket color and numerical series for each price group. When cash for ticket sales is deposited with the treasurer, the treasurer's receipt issued therefore should show the number of tickets issued to the seller, the number returned unsold, and the balance remitted in cash. All tickets (including free or reduced) must be listed and accounted for on the SA-4 Ticket Sales Form.

(Accounting and Uniform Compliance Guidelines Manual for Extracurricular Accounts, Chapter 2)

Serially prenumbered tickets by the printing supplier should be used for all athletic and other extracurricular activities and events for which admission is charged. Part of the prenumbered ticket should be given to the person paying for the ticket upon admission to the event. The other part of the ticket (which should also be prenumbered, referred to as the stub) should be retained. All tickets (unused tickets and stubs) should be retained for audit.

Tickets for each price group should be different colors and/or different in the series number.

(Accounting and Uniform Compliance Guidelines Manual for Extracurricular Accounts, Chapter 2)

GUION CREEK MIDDLE SCHOOL
EXTRACURRICULAR ACCOUNT
COMMENT

TICKETED SALES - PRESCRIBED FORM SA-4

Condition and Context

The Guion Creek Middle School Extracurricular Account (School ECA) had not properly designed or implemented a system of internal controls which would include appropriate segregation of duties that would be effective in preventing, or detecting and correcting, noncompliance related to ticketed sales.

Five sporting events were selected for testing during the engagement. For all five events selected for testing, the School ECA did not prepare the SA-4 Ticket Sales Forms.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

GUION CREEK MIDDLE SCHOOL
EXTRACURRICULAR ACCOUNT
COMMENT
(Continued)

Officials and employees are required to use prescribed and approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extracurricular Accounts, Chapter 1)

Ticket sales conducted by any activity should be accounted for as follows:

The treasurer should be responsible for the proper accounting for all tickets and should keep a record of the number purchased, the number issued for sale, and the number returned. The treasurer should see that proper accounting is made for the cash received from those sold. All tickets shall be prenumbered, with a different ticket color and numerical series for each price group. When cash for ticket sales is deposited with the treasurer, the treasurer's receipt issued therefore should show the number of tickets issued to the seller, the number returned unsold, and the balance remitted in cash. All tickets (including free or reduced) must be listed and accounted for on the SA-4 Ticket Sales Form.

(Accounting and Uniform Compliance Guidelines Manual for Extracurricular Accounts, Chapter 2)

Serially prenumbered tickets by the printing supplier should be used for all athletic and other extracurricular activities and events for which admission is charged. Part of the prenumbered ticket should be given to the person paying for the ticket upon admission to the event. The other part of the ticket (which should also be prenumbered, referred to as the stub) should be retained. All tickets (unused tickets and stubs) should be retained for audit.

Tickets for each price group should be different colors and/or different in the series number.

(Accounting and Uniform Compliance Guidelines Manual for Extracurricular Accounts, Chapter 2)



METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP

Administrative Service Center

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www.pike.k12.in.us

OFFICIAL RESPONSE

February 28, 2025

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

Re: Response to comments

The Metropolitan School District of Pike Township recognizes the importance of maintaining compliance standards and have carefully reviewed the report's findings. This response addresses our understanding of the audit finding and outlines the corrective actions we are implementing to ensure ongoing compliance with all applicable regulations.

ECA Risk Report – Schedule of Balances, Receipts, and Disbursements: Management concurs with the audit finding. The Metropolitan School District of Pike Township will review procedures to ensure monthly reports are reviewed, approved by both the Principal and Treasurer.

Ticketed Sales – Prescribed Form SA-4: Management concurs with the audit finding. Specifically, regarding Prescribed Form SA-4 for Ticketed Sales, the Metropolitan School District of Pike Township utilizes an electronic system to track all ticket sales. As discussed during the exit interview, pre-printed tickets are not used and all funds are deposited electronically via the electronic system, EventLink. To ensure compliance, following each event, the Extracurricular Accounts (ECA) treasurer will generate and print a detailed sales report from the electronic system, EventLink. This report will be attached to Form SA-4, and the data will be used to complete the prescribed form as required. This procedure will remain in place until the Indiana State Board of Accounts (SBOA) provides an alternative procedure for tracking electronic ticket sales. Greg A. Foster, Chief Financial Officer, will oversee the corrective action plan.

Greg A. Foster,
Chief Financial Officer