

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

COMPLIANCE EXAMINATION REPORT

OF

MARION COMMUNITY SCHOOLS

GRANT COUNTY, INDIANA

July 1, 2021 to June 30, 2023



**FILED**

03/27/2024



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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March 27, 2024

To: The Officials of the Marion Community Schools  
Marion Community Schools  
Grant County, Indiana

This report is supplemental to the audit report of the Marion Community Schools (School Corporation), for the period July 1, 2021 to June 30, 2023. It has been provided as a separate report so that the reader may easily identify any Examination Findings that pertain to the School Corporation. It should be read in conjunction with the financial statement audit report of the School Corporation, which provides an opinion on the School Corporation's financial statements. This report may be found at [www.in.gov/sboa/](http://www.in.gov/sboa/).

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of the School Corporation and perform procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Examination Findings and Results contained herein describe the identified reportable instances of noncompliance found as a result of these procedures.

We have reviewed the Supplemental Audit Report for the Marion Community Schools prepared by Crowe LLP, Independent Public Accountants, for the period July 1, 2021 to June 30, 2023. In our opinion, the Supplemental Audit Report was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

We call your attention to the findings in the report on page 3.

The report is filed with this letter in our office as a matter of public record.

A handwritten signature in black ink that reads 'Tammy R. White'.

Tammy R. White, CPA  
Deputy State Examiner

**COMPLIANCE EXAMINATION OF  
MARION COMMUNITY SCHOOLS  
Grant County, Indiana  
July 1, 2021 to June 30, 2023**

MARION COMMUNITY SCHOOLS

Grant County, Indiana  
July 1, 2021 to June 30, 2023

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MARION COMMUNITY SCHOOLS  
SCHEDULE OF OFFICIALS  
July 1, 2021 to June 30, 2023

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<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Troy Cloum	07-01-21 to 06-30-23
Superintendent of Schools	Brad Lindsay Keith Burke	07-01-21 to 08-10-21 08-11-21 to 06-30-23
President of the School Board	Serafina Salamo Alan Beck Dana Gault	07-01-21 to 12-31-21 01-01-22 to 12-31-22 01-01-23 to 06-30-23

## INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and  
Management of the Marion Community Schools

We have examined the Marion Community Schools ("School Corporation") compliance with the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Indiana Public School Corporations* during the period July 1, 2021 to June 30, 2023. Management of the School Corporation is responsible for the School Corporation's compliance with the specified requirements. Our responsibility is to express an opinion on the School Corporation's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the School Corporation complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the School Corporation complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our qualified opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the School Corporation's compliance with specified requirements.

Our examination disclosed material noncompliance with the *Accounting and Uniform Compliance Guidelines Manual For Indiana Public School Corporations* applicable to the School Corporation during the period July 1, 2021 to June 30, 2023, as described in items 2023-001 and 2023-002 on the following Schedule of Examination Findings and Results.

In our opinion, except for the material noncompliance described in the preceding paragraph, the School Corporation complied, in all material respects, with the aforementioned requirements during the period July 1, 2021 to June 30, 2023.

*Crowe LLP*  
Crowe LLP

Indianapolis, Indiana  
March 25, 2024

MARION COMMUNITY SCHOOLS  
 SCHEDULE OF EXAMINATION FINDINGS AND RESULTS  
 July 1, 2021 to June 30, 2023

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**FINDING 2023-001: OVERDRAWN CASH BALANCES**

**Criteria:** Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual For Indiana Public School Corporations states in part, “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.”

**Condition:** During testing of cash, we noted the following funds with a cash balance below zero, which are not grant related funds, as June 30, 2022 or June 30, 2023. This is a repeat finding from report B60857.

Fund	Amount Overdrawn June 30, 2022	Amount Overdrawn June 30, 2023
Energy Conserv Proj 3	\$ -	\$ 5,539
Textbook Rental	401,259	1,177,050
Excess Levy Fund Ytd	10	10
Teacher Health Insurance	383,721	-
Vison Insurance	392	266
Af Short Term Dis	337	278
Af Crit III	305	548
Af Pre Tax Sup	3,587	14,332
Af Texas Life	-	640
Af Life Ins	1,064	2,549
Out Pocket Medical Sect.125	8	2,808
Teacher Dental	8,076	-
Dental All Others	4,262	16,144
Garnishment/ Wage Assignment	-	491
Commerce Bank	31,629	-

**FINDING 2023-002: COMPENSATION AND BENEFITS**

**Criteria:** Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual For Indiana Public School Corporations states in part, “*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.*”

**Condition:** During testing of payroll expenditures, we noted that 3 instances, in a sample of 10, where the amount paid to the employee did not agree to the written contract.

MARION COMMUNITY SCHOOLS  
EXIT CONFERENCE  
July 1, 2021 to June 30, 2023

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The contents of this report were discussed on March 25, 2024 with Amy Phillips, Treasurer, Keith Burke, Superintendent, Randi Libby, CFO, and Todd Nicholson, School Board President.