



STATE OF INDIANA
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February 23, 2022

To: The Officials of the Metropolitan School District of New Durham Township
Metropolitan School District of New Durham Township
207 E Valparaiso Street
Westville, IN 46391

This report is supplemental to the audit report of Metropolitan School District of New Durham Township (the School Corporation), for the period July 1, 2018 to June 30, 2020. 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/.

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 Metropolitan School District of New Durham Township prepared by Crowe LLP, Independent Public Accountants, for the period July 1, 2018 to June 30, 2020. In our opinion, the Supplemental Audit Report was prepared in accordance with the guidelines established by the State Board of Accounts.

We call your attention to the finding in the report. Page 3 contains one Examination Finding and Result.

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

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

COMPLIANCE EXAMINATION OF
METROPOLITAN SCHOOL DISTRICT OF NEW DURHAM TOWNSHIP
LaPorte County, Indiana
July 1, 2018 to June 30, 2020

METROPOLITAN SCHOOL DISTRICT OF
NEW DURHAM TOWNSHIP

LaPorte County, Indiana
July 1, 2018 to June 30, 2020

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METROPOLITAN SCHOOL DISTRICT OF NEW DURHAM TOWNSHIP
SCHEDULE OF OFFICIALS
July 1, 2018 to June 30, 2020

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Terri Stachowiak	07-01-18 to 06-30-20
Superintendent of Schools	Sandra Wood	07-01-18 to 06-30-20
President of the School Board	Karen Jedrysek	07-01-18 to 06-30-20

INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and
Management of the Metropolitan School District of New Durham Township

We have examined the Metropolitan School District of New Durham Township ("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, 2018 to June 30, 2020. 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.

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, 2018 to June 30, 2020, as described in item 2020-001 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, 2018 to June 30, 2020.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
February 9, 2022

METROPOLITAN SCHOOL DISTRICT OF NEW DURHAM TOWNSHIP
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
July 1, 2018 to June 30, 2020

FINDING 2020-001: 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 Curricular Materials Rental fund with a cash balance below zero as of 6/30/19 and 6/30/20.

METROPOLITAN SCHOOL DISTRICT OF NEW DURHAM TOWNSHIP
EXIT CONFERENCE
July 1, 2018 to June 30, 2020

The contents of this report were discussed on December 10th with Terri Stachowiak, Corporation Treasurer, Sandra Wood, Superintendent, and Mark Parkman, School Board President.

METROPOLITAN SCHOOL DISTRICT of NEW DURHAM TOWNSHIP

207 E. Valparaiso Street, Westville, Indiana 46391-9712

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Administration

Dr. Sandra M. Wood, Superintendent
Alissa L. Schnick, Secondary Principal
Brian A. Ton, Elementary Principal
Jessica Nygra, Assistant Principal
Andrew Eubank, Athletic Director

Board of Trustees

Mark D. Parkman, President
Karen N. Jedrysek, Vice President
Lynn M. Wilson, Secretary
Wayne R. Hodge, Deputy Secretary
Seth Clinkenbeard, Member

Official Response

State Board of Accounts
302 W Washington Street, RM E 418
Indianapolis, IN 46204-2765

Please let this letter serve as our official response from the Metropolitan School District of New Durham Township concerning the recent audit for the term July 1, 2018 to June 30, 2020.

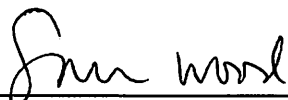
First, I would like to thank the auditors of Crowe LLP, for their professionalism during our audit. Requests were exact in nature and we were awarded ample time to complete an online format when uploading documents.

Overdrawn Textbook Fund Balances:

The deficit in the Textbook Rental Fund results from IC 20-26-12-2 which states in part "(a) A governing body may purchase from a contracting publisher, at a price equal to or less than the net contract price, any textbook adopted by the state board and selected by the proper local officials. The governing body may rent these textbooks to students enrolled in any public or nonpublic school that is: (1) in compliance with the minimum certification standards of the state board; and (2) located within the attendance unit served by the governing body. The annual rental rate may not exceed twenty-five percent (25%) of the retail price of the textbooks."

Therefore, only twenty-five percent (25%) of the retail price of a textbook may be collected annually. Each year our school corporation pays in full the cost of the new textbook adoption. Because of this collection procedure set by IC 20-26-12-2, the Textbook Rental Fund would never be in the black. Additionally, the State of Indiana does not compensate school corporations at one hundred percent (100%) of unreimbursed textbook expense from free/reduced lunch students. State law has allowed us to tax for any difference between the unreimbursed amount submitted and the amount the State of Indiana pays, but not to be collected until the following budget year. Unfortunately, the reimbursement and tax collection does not include the expense of any free/reduced lunch students after the cut-off date of October 1st.

Since our previous audit, SBOA Corrective Action Plan 5207 submitted 5/10/19, our school corporation continued to explore options to reduce the Textbook Rental Fund deficit. A decrease in deficit was recognized when we introduced a credit card payment option, online registration with an opportunity to pay at the time of registration and began a new collections program, but in 2019 we started one to one Student Chromebook program and again put our textbook fund in a negative cash balance. The corporation treasure stopped spending from the Textbook Rental Fund until collections could pay for the materials already purchased. This action allows us to spend only what is in the Textbook Rental Fund. Please feel free to contact our school corporation if you any further questions or concerns.



Sandra Wood, Superintendent

RECEIVED

APR 07 2022

Date: April 5, 2022

STATE BOARD OF ACCOUNTS