

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY

ALLEN COUNTY, INDIANA

July 1, 2019 to June 30, 2021



**FILED**  
06/23/2022



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Mark D. Snyder	07-01-19 to 06-30-22
Superintendent of Schools	Dr. Philip G. Downs (Vacant) Dr. Park D. Ginder	07-01-19 to 05-05-21 05-06-21 to 06-30-21 07-01-21 to 06-30-22
President of the School Board	Meagan K. Milne Thomas F. Rhoades Bradley Mills	07-01-19 to 12-31-19 01-01-20 to 12-31-20 01-01-21 to 06-30-22



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE METROPOLITAN SCHOOL DISTRICT OF  
SOUTHWEST ALLEN COUNTY, ALLEN COUNTY, INDIANA

This report is supplemental to our audit report of the Metropolitan School District of Southwest Allen County (School Corporation), for the period from July 1, 2019 to June 30, 2021. 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/](http://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.

Beth Kelley, CPA, CFE  
Deputy State Examiner

May 23, 2022

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
AUDIT RESULTS AND COMMENTS

**TRAINING ON INTERNAL CONTROL STANDARDS**

*Condition and Context*

The School Corporation did not provide training on internal control standards to new employees during the audit period.

*Criteria*

Indiana Code 5-11-1-27(g) states in part:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that: . . .

- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

**CERTIFICATION ON INTERNAL CONTROL STANDARDS**

*Condition and Context*

The School Corporation incorrectly certified on the Indiana Gateway for Government Units financial reporting system that internal control training was provided to applicable employees; however, it did not provide the training during the audit period.

*Criteria*

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](#)."

**PREPAID SCHOOL MEAL ACCOUNTS**

*Condition and Context*

The School Corporation did not reconcile the Prepaid School Lunch fund to the subsidiary records of the individual student accounts during the audit period. The School Corporation was unable to provide an accurate listing of student account balances for audit to support the Prepaid School Lunch fund cash balance as of June 30, 2021.

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

*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 the 8400 fund be reconciled with the total of the individual meal accounts. (The School Bulletin and Uniform Compliance Guidelines, Volume 225, February 2019)

**AVERAGE DAILY MEMBERSHIP (ADM) - LACK OF RECORDS**

*Condition and Context*

The School Corporation has a *Proof of Residency* policy that requires the parent to provide three documents to verify residency; one document from Group A listing, one document from Group B listing, and a government issued ID. Of the 27 Non-Virtual students tested, 19 did not have all three required records. Of the 26 Virtual Due to COVID-19 students tested, 13 did not have all three required records. Because the School Corporation did not follow its *Proof of Residency policy*, we determined that these students were not properly enrolled.

The School Corporation has an *Enrollment Policy* that requires proof of residency as well as a birth certificate for each student. The School Corporation did not provide a birth certificate for audit for one student identified as Virtual Due to COVID-19; therefore, we were unable to verify that the student met the age requirement to enroll as a kindergartener.

*Criteria*

Indiana Code 5-15-6-3 states:

"No financial records or records relating to financial records shall be destroyed until the earlier of the following actions:

- (1) The audit of the records by the state board of accounts has been completed, report filed, and any exceptions set out in the report satisfied.
- (2) The financial record or records have been copied or reproduced in accordance with a retention schedule or with the written consent of the administration."

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

Officials shall maintain records (enrollment cards, rosters, reporting forms, etc.) which substantiate the number of students claimed for ADM.

The building level official (Principal, Assistant Principal, etc.) is responsible for reporting ADM to the School Corporation Central Office, must provide a written certification of ADM to properly document responsibility. The certification must at a minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Each unit is responsible for complying with the ordinances, resolutions, and policies is adopts. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on May 23, 2022, with Mark D. Snyder, Treasurer; Dr. Park D. Ginder, Superintendent of Schools; Bradley Mills, President of the School Board; Doug Copley, School Board member; and Scott Fitterling, Deputy Treasurer.