



STATE OF INDIANA
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March 3, 2023

To: The Officials of the Marion Community Schools
Marion Community Schools
750 West 26th Street
Marion, IN 46953

This report is supplemental to the audit report of Marion Community Schools (School Corporation), for the period July 1, 2019 to June 30, 2021. 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 Marion Community Schools prepared by Crowe LLP, Independent Public Accountants, for the period July 1, 2019 to June 30, 2021. 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 findings in the report on pages 3 through 4.

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
MARION COMMUNITY SCHOOLS
Grant County, Indiana
July 1, 2019 to June 30, 2021**

MARION COMMUNITY SCHOOLS

Grant County, Indiana
July 1, 2019 to June 30, 2021

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MARION COMMUNITY SCHOOLS
SCHEDULE OF OFFICIALS
July 1, 2019 to June 30, 2021

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Dr. Robert W. Schulz	07-01-19 to 06-30-20
	Troy Cloum	07-01-20 to 06-30-21
Superintendent of Schools	Brad Lindsay	07-01-19 to 06-30-21
President of the School Board	Robert T. Nicholson	01-01-19 to 12-31-19
	Charles Griffin	01-01-20 to 12-31-20
	Serafina Salamo	01-01-21 to 12-31-21

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, 2019 to June 30, 2021. 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, 2019 to June 30, 2021, as described in items 2021-001 through 2021-002 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, 2019 to June 30, 2021.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
February 24, 2023

MARION COMMUNITY SCHOOLS
 SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
 July 1, 2019 to June 30, 2021

FINDING 2021-001: 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, 2020 and June 30, 2021.

<u>Fund</u>	<u>Amount Overdrawn at June 30, 2020</u>	<u>Amount Overdrawn at June 30, 2021</u>
Excess Levy Fund Ytd	\$ 10	\$ 10
MHS Robotics Alumni Grant	3,954	3,954
Misc Scholarships	-	500
Clothes For Kids	29	29
Federal Withholding Tax	126	-
Oasdi & Medicaid For Non-Cert	109	-
Af Crit III	-	186
Af Pre Tax Sup	-	3,383
Af Life Ins	68	681
Af Youth Life Ins	83	96
Out Pocket Medical Sect.125	546	-
YMCA	19	-
Teacher Dental	5,720	5,630
Dental All Others	853	1,446
Teacher Health Insurance	223,031	305,314
Vison Insurance	423	537
Af Short Term Dis	337	337

MARION COMMUNITY SCHOOLS
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
July 1, 2019 to June 30, 2021

FINDING 2021-002: TIMELY PERIODIC GATEWAY UPLOADS – BANK RECONCILIATIONS

Criteria: The Indiana State Board of Accounts (SBOA) Directive 2018-1 states in part, " Beginning with July 2018 files, which will be due September 15, 2018, all cities, towns, townships, libraries, and special districts will use the Upload App to upload files containing financial and governmental unit information on Gateway to allow the State Board of Accounts (SBOA) to conduct audit planning and audit processes prior to on-site work at a unit. This remote process will provide for more efficient data processing and save audit costs for our clients.

The following files and governmental unit information are required to be uploaded monthly by all units:

- Bank Reconcilements, Bank Statements, and Outstanding Check Lists
- Approved Board Minutes, please see the user guide for more information and examples
- Funds Ledger, summarizing total receipts, disbursements, and beginning and ending balances by fund

Condition: During testing, we noted the following bank reconciliations were not uploaded to Gateway within 45 days after month-end as required.

Month	Submission Date
July 2019	Not submitted
August 2019	Not submitted
September 2019	Not submitted
October 2019	Not submitted
November 2019	Not submitted
January 2020	4/14/2020
April 2020	6/17/2020
June 2020	10/18/2020
July 2020	10/8/2020
May 2021	8/3/2021
June 2021	8/17/2021

MARION COMMUNITY SCHOOLS
EXIT CONFERENCE
July 1, 2019 to June 30, 2021

The contents of this report were discussed on February 24, 2023 with Troy Cloum, Treasurer, Keith Burke, Superintendent, and Dana Gault, School Board President.