

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY

STEUBEN COUNTY, INDIANA

July 1, 2020 to June 30, 2022



FILED

03/14/2023

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Karen S. Eagleson Sherry L. Neumann	07-01-20 to 10-15-21 10-16-21 to 06-30-23
Superintendent of Schools	Dr. Brent A. Wilson (Vacant) Dr. Steve Sprunger (interim) Dr. Matthew L. Widenhoefer	07-01-20 to 06-30-21 07-01-21 to 07-05-21 07-06-21 to 10-04-21 10-05-21 to 06-30-23
President of the School Board	Cory Archbold	07-01-20 to 06-30-23



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE METROPOLITAN SCHOOL DISTRICT
OF STEUBEN COUNTY, STEUBEN COUNTY, INDIANA

This report is supplemental to our audit report of the Metropolitan School District of Steuben County (School Corporation), for the period from July 1, 2020 to June 30, 2022. 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/.

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

February 16, 2023

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY
AUDIT RESULTS AND COMMENTS

AVERAGE DAILY MEMBERSHIP (ADM) - VERIFICATION OF RESIDENCY POLICY

Condition and Context

The School Corporation did not annually adopt or readopt a Verification of Residency Policy that specifies documentation, not to exceed three items, required to verify Indiana residency. During testing for Average Daily Membership, more than 40 student files out of 125 tested were missing information regarding verification of residency of the enrolled student.

Criteria

Each school corporation's governing body or charter school board must annually adopt or readopt a policy that specifies documentation, not to exceed three items, required to verify Indiana residency. (Indiana Department of Education Memo, August 27, 2020)

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

ANNUAL FINANCIAL REPORT - OTHER INFORMATION

Condition and Context

Financial and other information are required to be entered annually into the Annual Financial Report (AFR) via the Indiana Gateway for Government Units (Gateway) financial reporting system. The leases and debt information entered into Gateway contained the following errors:

1. Two new leases with the M.S.D. Steuben County K-5 Building Corporation entered in during the audit period were missing from the leases section.
2. The Ending Principal Balance and Principal and Interest Due in One Year for the General Obligation Bond were overstated by \$5,350,000 and \$48,450, respectively.
3. There were five Common School Loans that should have been listed individually but were combined into one.
4. The Ending Principal Balance for all the Common School Loans was overstated by \$244,025, and the Principal and Interest Due in One Year was understated by \$33,260.

Adjustments were proposed, accepted by the School Corporation, and made to the Schedule of Leases and Debt presented as Other Information.

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](#)."

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

TRAINING ON INTERNAL CONTROL STANDARDS

Condition and Context

The School Corporation did not have supporting documentation to confirm School Corporation employees whose official duties included receiving, processing, depositing, disbursing, or otherwise having access to funds that belonged to the School Corporation, had received training over internal control standards that was developed or approved by the Indiana State Board of Accounts.

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 certified on the Annual Financial Report (AFR) submitted in the Indiana Gateway for Government Units financial reporting system for 2020 and 2021, that all personnel defined by Indiana Code 5-11-1-27(c) had received training concerning the internal control standards adopted by the School Corporation. However, during the audit period, no evidence was provided indicating that training had been provided. Therefore, the certifications in the AFRs for 2020 and 2021 were incorrect.

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](#)."

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on February 16, 2023, with Sherry L. Neumann, Treasurer; Dr. Matthew L. Widenhoefer, Superintendent of Schools; Kevin Beard, Vice President of the School Board; LeAnn Boots, Secretary of the School Board; Tom Caswell, School Board member; Scott Poor, School Board member; Becky Maggart, School Board member; Karen Parker, Administrative Assistant; Shauna Relue, Assistant Superintendent of Schools; and Stephanie Haynes-Clifford, Food Service Director.