

STATE BOARD OF ACCOUNTS
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INDIANAPOLIS, INDIANA 46204-2769

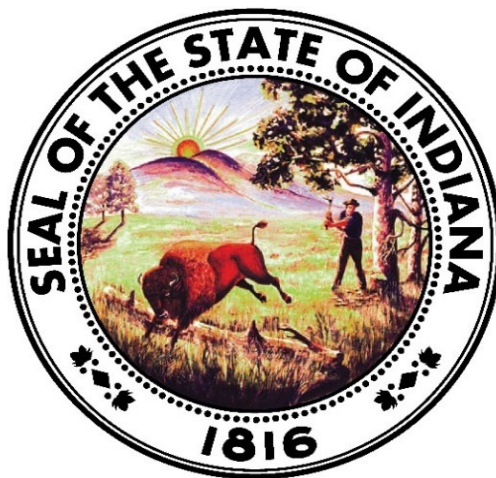
SUPPLEMENTAL COMPLIANCE REPORT

OF

MONROE-GREGG SCHOOL DISTRICT

MORGAN COUNTY, INDIANA

July 1, 2020 to June 30, 2022



FILED
03/24/2023

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Kelly Dillon	07-01-20 to 06-30-23
Superintendent of Schools	Dr. Kirk Freeman	07-01-20 to 06-30-23
President of the School Board	Jack Elliott Celina Clement Brock Sears Tom Kennedy	07-01-20 to 12-31-20 01-01-21 to 12-31-21 01-01-22 to 12-31-22 01-01-23 to 06-30-23



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE MONROE-GREGG SCHOOL DISTRICT, MORGAN COUNTY, INDIANA

This report is supplemental to our audit report of the Monroe-Gregg School District (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

March 13, 2023

MONROE-GREGG SCHOOL DISTRICT
AUDIT RESULTS AND COMMENTS

AVERAGE DAILY MEMBERSHIP (ADM) - LACK OF RECORDS

Condition and Context

The School Corporation did not have proper documentation to support the inclusion of virtual students in the Average Daily Membership (ADM) count. Of the 61 students tested that were classified as "Virtual due to COVID-19" for fiscal year 2020-2021, 5 had incomplete attendance records as of the count date and 2 had in-person attendance. Of the 61 students tested that were classified as "Virtual" for 2021-2022, 20 students did not have attendance records for the count date and 10 students had in-person attendance.

Additionally, in our testing of the ADM to determine whether the student was properly enrolled and/or an Indiana resident, the School Corporation could not provide this documentation for audit as follows:

- For 6 of the 27 students tested for the brick and mortar sample, the School Corporation did not have documentation that they were properly enrolled or an Indiana resident.
- For 22 of the 61 students tested for the "Virtual due to COVID-19" sample, the School Corporation did not have documentation that they were properly enrolled or an Indiana resident. Additionally, for 1 of these students, the School Corporation did not have documentation for the age requirement.
- For 20 of the 61 students tested for the "Virtual" sample, the School Corporation did not have documentation that they were properly enrolled or an Indiana resident. Additionally, for 3 of these students, the School Corporation did not have documentation for the age requirement.

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."

MONROE-GREGG SCHOOL DISTRICT
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)

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 accounts payable and receivable information entered into Gateway contained the following error:

- The School Corporation reported accounts payable and receivable information in Gateway; however, the amounts reported were materially overstated.

Adjustments were proposed, accepted by the School Corporation, and made to the Schedule of Payables and Receivables 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](#)."

MONROE-GREGG SCHOOL DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on March 13, 2023, with Kelly Dillon, Treasurer; Misty Hodge, Deputy Treasurer; Dr. Kirk Freeman, Superintendent of Schools; John Crum, Assistant Superintendent of Schools; and Tom Kennedy, President of the School Board.