

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

**Paul D. Joyce, CPA
State Examiner**

SUPPLEMENTAL COMPLIANCE REPORT

OF

RISING SUN-OHIO COUNTY COMMUNITY SCHOOL CORPORATION

OHIO COUNTY, INDIANA

July 1, 2022 to June 30, 2024



FILED

03/13/2025

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
Audit Result and Comment: Annual Financial Report	4-5
Exit Conference.....	6

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Kelli Keith	07-01-22 to 06-30-25
Superintendent of Schools	Branden Roeder	07-01-22 to 06-30-25
President of the School Board	Corey Potts	07-01-22 to 12-31-25



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INDIANA STATE BOARD OF ACCOUNTS

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TO: THE OFFICIALS OF THE RISING SUN-OHIO COUNTY COMMUNITY
SCHOOL CORPORATION, OHIO COUNTY, INDIANA

This report is supplemental to the audit report of the Rising Sun-Ohio County Community School Corporation (School Corporation), for the period from July 1, 2022 to June 30, 2024. 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 the 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 Result and Comment contained herein describes the identified reportable instance 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 Result and Comment, incorporated within this report, was not verified for accuracy.

Beth Kelley, CPA, CFE
Deputy State Examiner

March 5, 2025

RISING SUN-OHIO COUNTY COMMUNITY SCHOOL CORPORATION
AUDIT RESULT AND COMMENT

ANNUAL FINANCIAL REPORT

Condition and Context

The Annual Financial Report (AFR) is required to be submitted annually via the Indiana Gateway for Government Units (Gateway) financial reporting system. The Treasurer entered the information into Gateway, and the Superintendent of Schools reviewed the information for accuracy and completeness. The internal control was not effective and did not prevent, or detect and correct, errors prior to submission, which resulted in the following errors:

Grant Schedule

The grant information reported in the AFRs included the following errors:

- The Child Nutrition Cluster expenditures for fiscal years 2022-2023 and 2023-2024 were understated by \$113,542 and \$28,709, respectively.
- Other grants had individually immaterial errors that resulted in misstatements of expenditures of \$10,832.

The submitted information is used to generate the Schedule of Expenditures of Federal Awards (SEFA) included in the Federal Compliance Audit Report of the School Corporation. Therefore, these errors were also presented in the SEFA. Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA and to the grant schedules within the AFRs.

Capital Assets

The capital asset information reported in the AFRs for 2022-2023 and 2023-2024 were understated by \$169,184 and \$1,660,000, respectively.

The submitted information is used to generate the Schedule of Capital Assets presented as Other Information in the Financial Statement Audit Report of the School Corporation. Adjustments were proposed, accepted by the School Corporation, and made to the Schedule of Capital Assets and to the capital asset information in the AFRs.

Leases and Debt

- The annual lease payments reported in the AFR for June 30, 2023 and 2024, were understated by \$390,250 and overstated by \$149,999,750, respectively.

RISING SUN-OHIO COUNTY COMMUNITY SCHOOL CORPORATION
AUDIT RESULT AND COMMENT
(Continued)

- The ending principal balance reported in the AFR for June 30, 2024, was understated by \$385,000.
- The principal due within one year totals for June 30, 2023 and 2024, were understated by \$325,000 and \$385,000, respectively.

The submitted information is used to generate the Schedule of Leases and Debt presented as Other Information in the Financial Statement Audit Report of the School Corporation. Adjustments were proposed, accepted by the School Corporation and made to the Schedule of Leases and Debt and to the leases and debt information in the AFRs.

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 as set forth in the uniform compliance guidelines. 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](#)."

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

RISING SUN-OHIO COUNTY COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on March 5, 2025, with Kelli Keith, Treasurer; Branden Roeder, Superintendent of Schools; Gary Kinnett, School Board member; Connie Smith, School Board member; and Renee Cole, School Board member.