

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

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT

UNION COUNTY, INDIANA

July 1, 2022 to June 30, 2024



FILED

03/13/2025

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Jennifer Blakley	07-01-22 to 06-30-25
Superintendent of Schools	Gregg Pettit John Edge	07-01-22 to 11-20-22 11-21-22 to 06-30-25
President of the School Board	Mary Eversole Matt Snyder	07-01-22 to 12-31-24 01-01-25 to 06-30-25



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TO: THE OFFICIALS OF THE UNION COUNTY COLLEGE CORNER
JOINT SCHOOL DISTRICT, UNION COUNTY, INDIANA

This report is supplemental to the audit report of the Union County College Corner Joint School District (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 4, 2025

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT
AUDIT RESULT AND COMMENT

ANNUAL FINANCIAL REPORT

Condition and Context

Internal controls were not in place to ensure accurate information was entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the Annual Financial Reports (AFRs) and the School Corporation's financial statement; the Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis; and Schedule of Expenditures of Federal Awards.

The School Corporation failed to properly review the financial information submitted in Gateway. As a result, the following errors were noted in the financial statement and the Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis:

- Payroll clearing funds receipts and disbursements were not reported in the AFR in Gateway for fiscal year 2023-2024. This understated receipts and disbursements in the amounts of \$2,306,084 for 2023-2024.

Audit adjustments were proposed, accepted by the School Corporation, and made to the financial statement and to the Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis presented as Other Information in the Financial Statement Audit Report of the School Corporation.

The School Corporation did not properly review the federal grant information prepared and submitted in its AFRs. Although the Treasurer prepared and submitted the federal award information into its AFRs, and a second official reviewed this information, material errors remained undetected.

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

- The Title I Grants to Local Educational Agencies were understated for fiscal year 2022-2023 and 2023-2024 by \$122,810 and \$90,104, respectively.
- The Supporting Effective Instruction State Grants were overstated for 2022-2023 and 2023-2024 by \$104,618 and \$126,679, respectively.
- Five grants had individually immaterial errors that resulted in misstatements of expenditures of \$125,374.

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT
AUDIT RESULT AND COMMENT
(Continued)

- Other errors included incorrect program names, assistance listings numbers, and omitted pass-through entity identifying numbers.

Audit adjustments were proposed, accepted by the School Corporation, and made to the Schedule of Expenditures of Federal Awards presented in the Federal Compliance Audit Report of the School Corporation.

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. . . ."

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on March 4, 2025, with Jennifer Blakley, Treasurer; John Edge, Superintendent of Schools; and Matt Snyder, President of the School Board.