

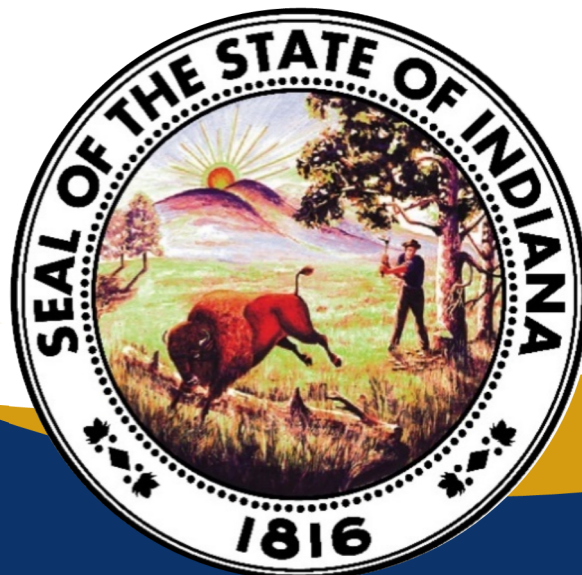
**STATE BOARD OF ACCOUNTS  
302 West Washington Street  
Room E418  
INDIANAPOLIS, INDIANA 46204-2769**

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

COMPLIANCE ENGAGEMENT REPORT  
OF

EVANSVILLE VANDERBURGH SCHOOL CORPORATION  
EXTRACURRICULAR ACCOUNTS  
VANDERBURGH COUNTY, INDIANA

July 1, 2021 to June 30, 2023



**FILED**  
04/10/2025



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
School Corporation Treasurer	Dr. Carl Underwood	07-01-21 to 06-30-25
Superintendent of Schools	Dr. David Smith	07-01-21 to 06-30-25
President of the School Board	Andy Guarino Chris Kiefer Rev. Terry Gamblin Karen Ragland	07-01-21 to 12-31-21 01-01-22 to 12-31-23 01-01-24 to 12-31-24 01-01-25 to 06-30-25



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# INDIANA STATE BOARD OF ACCOUNTS

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TO: THE OFFICIALS OF THE EVANSVILLE VANDERBURGH SCHOOL CORPORATION,  
EXTRACURRICULAR ACCOUNTS, VANDERBURGH COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Evansville Vanderburgh School Corporation, Extracurricular Accounts (School ECAs), for the period of July 1, 2021 to June 30, 2023. The objective of this engagement was to determine compliance with applicable Indiana laws, regulations, and uniform compliance guidelines (Guidelines) established by the Indiana State Board of Accounts pursuant to Indiana Code 5-11-1-24. The objective of this engagement is not to opine on compliance or financial activity of the School ECAs as this engagement was not conducted in accordance with any standards established by an authoritative standard-setting body, and, as such, we do not provide any opinions on compliance or financial activity.

Management is responsible for preparing and maintaining its accounting records and related documents in accordance with applicable Indiana laws, regulations, and Guidelines. Management's responsibility also includes, but is not limited to, complying with other applicable Indiana laws, regulations, and Guidelines concerning how it operates: authorized sources and uses of funds and what reports are required to be prepared and filed.

We fulfilled our responsibility as detailed in the first paragraph, by applying procedures over cash, receipts, and disbursements. Expanding the scope and nature of these procedures can and does occur in specific circumstances.

The comments contained herein, if any, describe the identified reportable instances of noncompliance found during our engagement. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified. Any Official Response to the comments incorporated within this report was not verified for accuracy.

The Schedule of Officials is informational only.

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record. Reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>, and the School ECAs' reports filed by management can be found on the Indiana Gateway for Government Units financial reporting system website: <http://www.gateway.ifionline.org>.

The contents of this report were communicated to Dr. David Smith, Superintendent of Schools; Dr. Carl Underwood, School Corporation Treasurer; Karen Ragland, President of the School Board; and Janel Bowen, School ECAs Manager, on March 20, 2025.

Beth Kelley, CPA, CFE  
Deputy State Examiner

February 20, 2025

VOGEL ELEMENTARY SCHOOL  
EXTRACURRICULAR ACCOUNT  
COMMENT

**TICKET SALES – PRESCRIBED FORM SA-4**

*Condition and Context*

The Vogel Elementary School Extracurricular Account (School ECA) had not properly designed or implemented a system of internal controls, which would include appropriate segregation of duties that would be effective in preventing, or detecting and correcting, noncompliance related to ticket sales collections.

For the School ECA, three events were selected for testing. All three events had variances between the amount recorded on the Ticket Sales SA-4 (SA-4) reports and the amount receipted into the ledger. All three events were also receipted into funds that did not correspond with the event listed on the SA-4, and the time between the event per the SA-4 and the date the collections were receipted into ledger ranged from 8 to 21 calendar days. The errors noted are as follows:

<u>Date of Event</u>	<u>Event</u>	<u>Collections Reported on SA-4</u>	<u>Receipt Amount Posted to Ledger</u>	<u>Variance</u>	<u>Date Posted to Ledger</u>	<u>Fund Posted To</u>
08-25-21	6th Grade Volleyball	\$ 284	\$ 260	\$ (24)	09-02-21	Basketball Sales
08-24-22	6th Grade Volleyball	307	590	283	09-14-22	Donation
09-15-22	6th Grade Volleyball	135	140	5	09-28-22	Donation

*Criteria*

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.

VOGEL ELEMENTARY SCHOOL  
EXTRACURRICULAR ACCOUNT  
COMMENT  
(Continued)

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. . . ."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extracurricular Accounts, Chapter 5)

Sources and uses of funds must be limited to those authorized by the enabling law, ordinance/ resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Extracurricular Accounts, Chapter 5)

All documents and entries to records must be made in a timely manner to ensure that accurate financial information is available to allow the unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1. (Accounting and Uniform Compliance Guidelines Manual for Extracurricular Accounts, Chapter 5)

All financial transactions pertaining to the unit must be recorded in the records of the unit at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Extracurricular Accounts, Chapter 5)

Receipts shall be issued and recorded at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Extracurricular Accounts, Chapter 5)

Indiana Code 20-41-1-9(a) states in part: ". . . receipts shall be deposited without unreasonable delay. . . ."

PERRY HEIGHTS MIDDLE SCHOOL  
EXTRACURRICULAR ACCOUNT  
COMMENT

**TIMELY RECORDING AND RECEIPT ISSUANCE**

*Condition and Context*

The Perry Heights Middle School Extracurricular Account (School ECA) had not properly designed or implemented a system of internal controls, which would include appropriate segregation of duties that would be effective in preventing, or detecting and correcting, noncompliance related to ticket sales collections.

During testing of athletic ticket sales, there were variances in four out of the five events tested between the SA-4 collections and collection recorded in the ledger. The first variance was a receipt posted to the ledger that was \$320 greater than the collections reported on the SA-4. This was due to multiple games being receipted at once but not detailing which games were included in the receipt. The other three variances were games held on January 1, 2023, January 24, 2023, and February 6, 2023. These were deposited and recorded as one receipt on February 8, 2023, and the amount recorded was \$51 more than the three SA-4s combined. The receipt did not detail the individual game collections or any other collections that were included in the receipt.

*Criteria*

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. . . ."

All documents and entries to records must be made in a timely manner to ensure that accurate financial information is available to allow the unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1. (Accounting and Uniform Compliance Guidelines Manual for Extracurricular Accounts, Chapter 5)

All financial transactions pertaining to the unit must be recorded in the records of the unit at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Extracurricular Accounts, Chapter 5)

Receipts shall be issued and recorded at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Extracurricular Accounts, Chapter 5)

Indiana Code 20-41-1-9(a) states in part: ". . . receipts shall be deposited without unreasonable delay. . . ."