

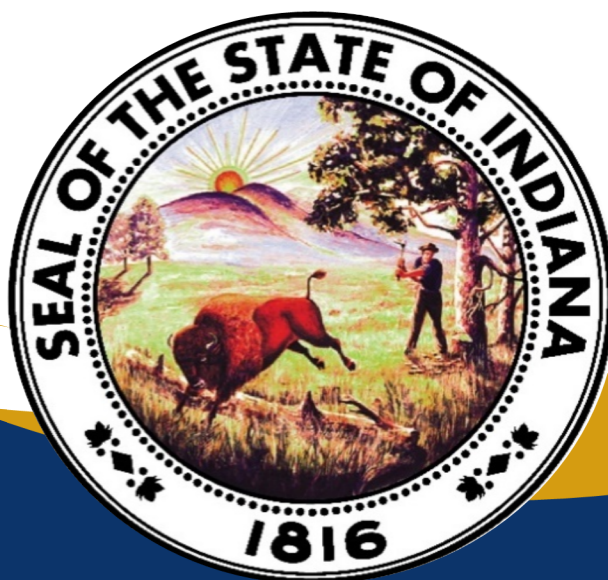
**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

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

COMPLIANCE ENGAGEMENT REPORT
OF

BATESVILLE COMMUNITY SCHOOL CORPORATION
EXTRACURRICULAR ACCOUNTS
RIPLEY COUNTY, INDIANA

July 1, 2021 to June 30, 2023



FILED
12/02/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
School Corporation Treasurer	Todd W. Nobbe	07-01-21 to 06-30-25
Superintendent of Schools	Paul Ketcham	07-01-21 to 06-30-25
President of the School Board	Jeremy Raver Mike Baumer	07-01-21 to 12-31-23 01-01-24 to 06-30-25



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State Examiner

INDIANA STATE BOARD OF ACCOUNTS

302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769
Telephone: (317) 232-2513
Fax: (317) 232-4711
www.in.gov/sboa

TO: THE OFFICIALS OF THE BATESVILLE COMMUNITY SCHOOL CORPORATION,
EXTRACURRICULAR ACCOUNTS, RIPLEY COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Batesville Community 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 Todd W. Nobbe, School Corporation Treasurer; Paul Ketcham, Superintendent of Schools; and Mike Baumer, President of the School Board, on November 18, 2024.

Beth Kelley, CPA, CFE
Deputy State Examiner

November 6, 2024

BATESVILLE HIGH SCHOOL
EXTRACURRICULAR ACCOUNT
COMMENTS

ECA RISK REPORT - CASH RECONCILEMENTS

Condition and Context

The Extracurricular Account (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 the ECA Risk Report - Cash Reconcilements filed via the Indiana Gateway for Government Units (Gateway) financial reporting system.

Comparison of the ECA's records, which included a bank reconciliation uploaded to Gateway by the ECA in accordance with State Examiner Directive 2018-1, as amended, with the information reported in the ECA Risk Report - Cash Reconciliation filed in accordance with Indiana Code 5-11-1-4(a), showed the following differences:

	June 30, 2022			June 30, 2023		
	ECA Risk Report Cash Reconciliation	ECA Records	Difference	ECA Risk Report Cash Reconciliation	ECA Records	Difference
Depository Balance	\$ 467,825	\$ 427,825	\$ 40,000	\$ 400,144	\$ 360,144	\$ 40,000
Deposits in Transit (ADD)	4,594	4,594				
Other Reconciling Items (ADD/DEDUCT)	14,045	40,000	(25,955)	(15,510)	40,000	(55,510)
Total of Outstanding Checks (DEDUCT)	(18,462)	(18,462)	-	-	(15,510)	15,510
Balances	<u>\$ 468,002</u>	<u>\$ 453,957</u>	<u>\$ 14,045</u>	<u>\$ 384,634</u>	<u>\$ 384,634</u>	<u>\$ -</u>

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. . . ."

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](#)."

BATESVILLE HIGH SCHOOL
EXTRACURRICULAR ACCOUNT
COMMENTS
(Continued)

ECA RISK REPORT - SCHEDULE OF BALANCES, RECEIPTS, AND EXPENDITURES

Condition and Context

The Extracurricular Account (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 ECA Risk Report - Schedule of Balances, Receipts, and Expenditures (ECA Risk Report) filed via the Indiana Gateway for Government Units financial reporting system.

The ECA's ending cash and investment balance reported on the ECA Risk Report for the fiscal year ended June 30, 2022, does not agree with ECA records. The ending cash and investment balance reported on the ECA Risk Report as of June 30, 2022, was overstated by \$14,045.

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