

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

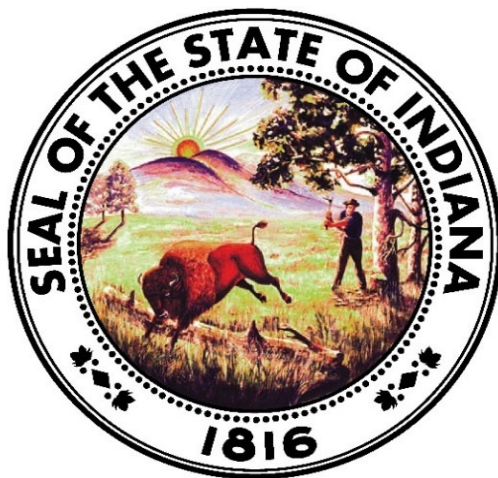
COMPLIANCE ENGAGEMENT REPORT

OF

TWIN RIVERS CAREER AND TECHNICAL EDUCATION AREA

KNOX COUNTY, INDIANA

JULY 1, 2019 to JUNE 30, 2023



**FILED**

04/10/2024



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Compliance Report .....	3-4
Comment.....	5
Statements of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis .....	8-9

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Rebecca A. Van Vleet	07-01-19 to 06-30-24
Director	Brandon R. Small	07-01-19 to 06-30-24
President of the School Board	Travis G. Madison Kevin Frank	07-01-29 to 06-30-23 07-01-23 to 06-30-24



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TWIN RIVERS CAREER AND TECHNICAL  
EDUCATION AREA, KNOX COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Twin Rivers Career and Technical Education Area (School Corporation), for the period of July 1, 2019 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 Corporation) 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; what reports are required to be prepared and filed; and what depositories and investment types are allowable.

We fulfilled our responsibility as detailed in the first paragraph, using procedures that verified the appropriate accounting for and reporting of cash, receipts, and disbursements; and the appropriate sources and uses of funds in accordance with applicable Indiana laws, regulations, and Guidelines. 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 and Statements of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis (Statements) are informational only. The Statements have not been subjected to any procedures designed to express an opinion or provide any assurance on them, and, accordingly, we do not express an opinion or provide any assurance on them.

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 Corporation's Annual Financial 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 Rebecca A. Van Vleet, Treasurer; Brandon R. Small, Director; and Kevin Frank, President of the School Board, on April 1, 2024.



Beth Kelley, CPA, CFE  
Deputy State Examiner

March 20, 2024

TWIN RIVERS CAREER AND TECHNICAL EDUCATION AREA  
COMMENT

**CAPITAL ASSETS**

*Condition and Context*

Internal controls were not in place to ensure the School Corporation adopted a capital assets policy during the engagement period. The School Corporation reported total capital assets in the Annual Financial Report via the Indiana Gateway for Government Units financial reporting system in the amount of \$409,283, but no policy was adopted.

*Criteria*

Every unit must have a capital asset policy that details the threshold at which an item is considered a capital asset. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

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. . . ."

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STATEMENTS OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
(USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS

TWIN RIVERS CAREER AND TECHNICAL EDUCATION AREA  
 STATEMENT OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Years Ended June 30, 2020 and 2021

Fund	Cash and Investments 07-01-19	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-20	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-21
Textbook Rental	\$ 1,505	\$ -	\$ -	\$ -	\$ 1,505	\$ -	\$ -	\$ -	\$ 1,505
Joint Service/Supply - Area Vo	365,453	1,043,299	1,089,320	-	319,432	977,939	1,065,754	-	231,617
Dkm Health Occ Student Activit	41	5,343	3,724	-	1,660	3,608	2,542	-	2,726
Gs Health Occ Student Activiti	79	7,413	3,728	-	3,764	2,773	776	-	5,761
Dkm Auto Tech Student Activiti	10,247	5,592	4,888	-	10,951	5,921	4,823	-	12,049
Gs Auto Tech Student Activitie	2,626	14,437	14,103	-	2,960	14,498	13,927	-	3,531
Dkm B Trades Student Activitie	1,257	1,200	654	-	1,803	660	217	-	2,246
Gs B Trades Student Activities	3,819	1,839	1,042	-	4,616	1,800	549	-	5,867
Work Based Learning-Fees-Stude	978	66	66	-	978	-	-	-	978
Ks Health Occ Student Activiti	167	3,236	1,271	-	2,132	1,707	480	-	3,359
School Technology	18,896	-	-	-	18,896	-	-	-	18,896
Vocational And Technical Board	(41,084)	286,632	253,220	-	(7,672)	371,253	386,739	-	(23,158)
Perkins Assessment Grant	-	-	-	-	-	6,150	6,150	-	-
Perkins Covid-19 Assistance	-	-	-	-	-	17,741	19,414	-	(1,673)
Federal Tax	(31)	38,277	38,204	-	42	37,943	37,943	-	42
Social Security	(20)	45,290	45,290	-	(20)	46,098	46,098	-	(20)
State Tax	-	19,281	19,281	-	-	19,570	18,257	-	1,313
County Tax	-	7,380	7,380	-	-	7,862	7,364	-	498
Health Insurance	1,312	49,593	49,221	-	1,684	53,398	52,265	-	2,817
Annuities	(494)	5,184	5,095	-	(405)	6,593	6,593	-	(405)
Medical Spending - 125	(291)	2,011	2,875	-	(1,155)	1,900	3,133	-	(2,388)
Credit Union	(3,162)	6,535	3,373	-	-	5,825	5,825	-	-
Dkm Advisory Board	(100)	1,023	1,123	-	(200)	-	1,023	-	(1,223)
<b>Totals</b>	<b>\$ 361,198</b>	<b>\$ 1,543,631</b>	<b>\$ 1,543,858</b>	<b>\$ -</b>	<b>\$ 360,971</b>	<b>\$ 1,583,239</b>	<b>\$ 1,679,872</b>	<b>\$ -</b>	<b>\$ 264,338</b>

TWIN RIVERS CAREER AND TECHNICAL EDUCATION AREA  
 STATEMENT OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Years Ended June 30, 2022 and 2023

Fund	Cash and Investments 07-01-21	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-22	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-23
Local Rainy Day	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ -	\$ -	\$ 150,000
Textbook Rental	1,505	-	-	-	1,505	-	-	-	1,505
Joint Service/Supply - Area Vo	231,617	903,131	1,092,174	-	42,574	1,256,180	1,272,957	-	25,797
Dkm Health Occ Student Activit	2,726	2,000	1,332	-	3,394	1,700	1,032	-	4,062
Gs Health Occ Student Activiti	5,761	2,801	2,426	-	6,136	1,748	1,260	-	6,624
Dkm Auto Tech Student Activiti	12,049	7,170	7,009	-	12,210	7,596	10,383	-	9,423
Gs Auto Tech Student Activitie	3,531	19,816	19,781	-	3,566	20,119	21,494	-	2,191
Dkm B Trades Student Activitie	2,246	720	286	-	2,680	660	406	-	2,934
Gs B Trades Student Activities	5,867	1,500	550	-	6,817	1,500	715	-	7,602
Work Based Learning-Fees-Stude	978	-	-	-	978	-	-	-	978
Ks Health Occ Student Activiti	3,359	1,811	1,573	-	3,597	700	357	-	3,940
School Technology	18,896	-	-	-	18,896	-	-	-	18,896
Vocational And Technical Board	(23,158)	293,064	291,340	-	(21,434)	303,458	342,099	-	(60,075)
Perkins Reserve Grant #2	-	-	-	-	-	83,200	83,200	-	-
Perkins Assessment Grant	-	3,900	3,900	-	-	3,000	3,000	-	-
Perkins Covid-19 Assistance	(1,673)	8,336	6,663	-	-	-	-	-	-
Vocational And Technology Board Grants	-	-	2,500	-	(2,500)	2,500	-	-	-
Federal Tax	42	49,023	49,023	-	42	50,742	50,742	-	42
Social Security	(20)	50,770	50,770	-	(20)	51,558	51,558	-	(20)
State Tax	1,313	21,853	23,166	-	-	22,847	22,847	-	-
County Tax	498	8,781	9,279	-	-	10,373	10,373	-	-
Health Insurance	2,817	52,161	48,703	-	6,275	46,543	40,497	-	12,321
Annuities	(405)	5,999	5,504	-	90	6,108	6,604	-	(406)
Medical Spending - 125	(2,388)	1,960	3,788	-	(4,216)	1,960	4,014	-	(6,270)
Credit Union	-	7,250	6,642	-	608	7,300	7,908	-	-
Dkm Advisory Board	(1,223)	2,246	1,023	-	-	-	1,173	-	(1,173)
<b>Totals</b>	<u>\$ 264,338</u>	<u>\$ 1,444,292</u>	<u>\$ 1,627,432</u>	<u>\$ -</u>	<u>\$ 81,198</u>	<u>\$ 2,029,792</u>	<u>\$ 1,932,619</u>	<u>\$ -</u>	<u>\$ 178,371</u>