



STATE OF INDIANA
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March 2, 2022

To: The Officials of Flat Rock-Haw Creek School Corporation
Flat Rock-Haw Creek School Corporation
9423 N. State Road 9
Hope, IN 47246

This report is supplemental to the audit report of Flat Rock-Haw Creek School Corporation (the School Corporation), for the period July 1, 2018 to June 30, 2020. It has been provided as a separate report so that the reader may easily identify any Examination Findings that pertain to the School Corporation. It should be read in conjunction with the financial statement audit report of the School Corporation, which provides an opinion on the School Corporation's financial statements. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of the School Corporation and perform procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Examination Findings and Results contained herein describe the identified reportable instances of noncompliance found as a result of these procedures.

We have reviewed the Supplemental Audit Report for Flat Rock-Haw Creek School Corporation prepared by Crowe LLP, Independent Public Accountants, for the period July 1, 2018 to June 30, 2020. In our opinion, the Supplemental Audit Report was prepared in accordance with the guidelines established by the State Board of Accounts.

We call your attention to the findings in the report. Page 3 contains three Examination Findings and Results.

The report is filed with this letter in our office as a matter of public record.

A handwritten signature in blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA
State Examiner

**COMPLIANCE EXAMINATION OF
FLAT ROCK-HAWCREEK SCHOOL CORPORATION**

Bartholomew County, Indiana
July 1, 2018 to June 30, 2020

FLAT ROCK-HAW CREEK SCHOOL CORPORATION

Bartholomew County, Indiana
July 1, 2018 to June 30, 2020

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FLAT ROCK-HAW CREEK SCHOOL CORPORATION
SCHEDULE OF OFFICIALS
July 1, 2018 to June 30, 2020

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Jeffrey A. Cleland	07-01-18 to 06-30-20
Superintendent of Schools	Shawn R. Price	07-01-18 to 06-30-20
President of the School Board	Dr. John D. Harker	07-01-18 to 06-30-20

INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and
Management of the Flat Rock-Haw Creek School Corporation

We have examined the Flat Rock-Haw Creek School Corporation ("School Corporation") compliance with the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Indiana Public School Corporations* during the period July 1, 2018 to June 30 2020. Management of the School Corporation is responsible for the School Corporation's compliance with the specified requirements. Our responsibility is to express an opinion on the School Corporation's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the School Corporation complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the School Corporation complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our qualified opinion.

Our examination does not provide a legal determination on the School Corporation's compliance with specified requirements.

Our examination disclosed material noncompliance with the *Accounting and Uniform Compliance Guidelines Manual For Indiana Public School Corporations* applicable to the School Corporation during the period July 1, 2018 to June 30, 2020, as described in item 2020-001, 2020-002, and 2020-003 on the following Schedule of Examination Findings and Results.

In our opinion, except for the material noncompliance described in the preceding paragraph, the School Corporation complied, in all material respects, with the aforementioned requirements during the period July 1, 2018 to June 30, 2020.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
February 9, 2022

FLAT ROCK-HAW CREEK SCHOOL CORPORATION
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
July 1, 2018 to June 30, 2020

FINDING 2020-001: BAD DEBTS AND UNCOLLECTIBLE ACCOUNTS

Criteria: Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual For Indiana Public School Corporations states in part, *“The governing body of a unit must have a written policy concerning a procedure for the writing off of bad debts, uncollectible accounts receivable, or any adjustments to record balance. Documentation must exist for all efforts made by the unit to collect amounts owed prior to any write-offs. Write-offs or adjustments to records which are not documented or warranted may be the personal obligation of the responsible official or employee.”*

Condition: During testing, we noted the School Corporation did not have a written policy concerning the procedure for writing off of bad debts, uncollectible accounts receivable, or any adjustments to record balance.

FINDING 2020-002: INTERNAL CONTROLS – TRAINING

Criteria: Indiana Code 5-11-1-27(h) states in part, *“After June 30, 2016, the fiscal officer of a political subdivision shall certify in writing that: . . . (2) personnel, who are not otherwise on leave status, have received training as required by subsection (g)(2).”*

Condition: During testing, we noted that the School Corporation had not met the minimum standards for training set in Indiana Code 5-11-1-27(h). This finding is repeated from report B52979.

FINDING 2020-003: PUBLIC RECORDS RETENTION

Criteria: Indiana Code 5-15-6-3 states, *“No financial records or records relating to financial records shall be destroyed until the earlier of the following actions: (1) The audit of the records by the state board of accounts has been completed, report filed, and any exceptions set out in the report satisfied. (2) The financial record or records have been copied or reproduced in accordance with a retention schedule or with the written consent of the administration.”*

Condition: During testing, we noted financial records were inappropriately disposed before they were subject to audit. Specifically, the School Corporation did not have the supporting invoice for 6 disbursements in a sample of 16 disbursements, in a sample of 16, for FY19. The School Corporation believes that they may have mislabeled the box storing these vouchers and inadvertently destroyed them before they were subject to audit. The School Corporation is missing approximately 400 vouchers from FY19 that were in the same box.

FLAT ROCK-HAW CREEK SCHOOL CORPORATION
EXIT CONFERENCE
July 1, 2018 to June 30, 2020

The contents of this report were discussed on February 8, 2022 with Melissa Dempsey, Treasurer, Shawn Price, Superintendent, and Brian Rose, School Board President.