

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

ANDERSON COMMUNITY SCHOOL CORPORATION

MADISON COUNTY, INDIANA

July 1, 2020 to June 30, 2022



**FILED**

03/17/2023



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Kevin Brown (Vacant) Tyler Elmore	07-01-20 to 12-23-22 12-24-22 to 01-08-23 01-09-23 to 06-30-23
Superintendent of Schools	Dr. Joe Cronk	07-01-20 to 06-30-23
President of the School Board	Patrick Hill	07-01-20 to 06-30-23



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TO: THE OFFICIALS OF THE ANDERSON COMMUNITY SCHOOL  
CORPORATION, MADISON COUNTY, INDIANA

This report is supplemental to our audit report of the Anderson Community School Corporation (School Corporation), for the period from July 1, 2020 to June 30, 2022. 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 our 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/](http://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

February 27, 2023

ANDERSON COMMUNITY SCHOOL CORPORATION  
AUDIT RESULT AND COMMENT

**ANNUAL FINANCIAL REPORT AND REQUIRED SUPPLEMENTARY INFORMATION**

*Condition and Context*

The School Corporation has not established an effective internal control system over the financial information entered into the Indiana Gateway for Government Units financial reporting system, which was the source of the School Corporation's Financial Statement.

The School Corporation's presented Annual Financial Report included the Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances (Required Supplementary Information) that incorrectly reported investment activity and balances amounts due to the inclusion of the investment control tracking fund, resulting in beginning balances that were overstated in fiscal year 2020-2021 by \$15,629,076 and \$16,101,541 in 2021-2022, receipts that were overstated by a combined \$630,449 for 2020-2021 and 2021-2022, disbursements that were overstated by a combined \$119,152 for 2020-2021 and 2021-2022, and other financing sources (uses) that were overstated by \$10,632.

Adjustments to correct the overstatements and other immaterial errors were proposed, accepted by the School Corporation, and made to the Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances included in the issued financial report.

*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.

ANDERSON COMMUNITY SCHOOL CORPORATION  
AUDIT RESULT AND 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. . . .

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduced here for reference purposes: . . .

- Accurate and timely recording of transactions. . . ."

"Evaluations are used to determine whether each of the five components of internal control is present and functioning. These evaluations may be conducted on an ongoing or periodic basis. The criteria used are developed by the oversight body, elected officials, management, governing boards, or recognized standard-setting bodies or regulators. . . .

A baseline of the current state of the internal control system is compared against the original design of the internal control system. The baseline consists of issues and deficiencies identified in the internal control system. The results of the monitoring process are evaluated and documented. . . .

Management remediates identified issues. . . ."

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 not later than sixty (60) days after the close of each fiscal year. 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](#)."

ANDERSON COMMUNITY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on February 27, 2023, with Tyler Elmore, Treasurer; Dr. Joe Cronk, Superintendent of Schools; Patrick Hill, President of the School Board; Janet Windlan, Deputy Treasurer; JoAnna Collette, School Board member; Ken Hodson, School Board member; and Mandy Webb, School Board member.