

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

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

DUNELAND SCHOOL CORPORATION

PORTER COUNTY, INDIANA

July 1, 2022 to June 30, 2024



**FILED**

03/21/2025



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Lynn A. Kwilasz	07-01-22 to 06-30-25
Superintendent of Schools	Dr. Chip Pettit	07-01-22 to 06-30-25
President of the School Board	Tom Schnabel Alayna Lightfoot Pol Brandon Kroft	07-01-22 to 12-31-22 01-01-23 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 DUNELAND SCHOOL CORPORATION, PORTER COUNTY, INDIANA

This report is supplemental to the audit report of the Duneland School Corporation (School Corporation), for the period from July 1, 2022 to June 30, 2024. 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 the 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

March 12, 2025

DUNELAND SCHOOL CORPORATION  
AUDIT RESULT AND COMMENT

**AVERAGE DAILY MEMBERSHIP (ADM)**

*Condition and Context*

Internal controls were not in place to ensure that proper documentation was retained for the verification of a student as an eligible pupil. The School Corporation has a verification of residency for membership policy that details the expectations for student residency verification.

The School Board adopted Verification of Residency for Membership Policy #6250 states in part:

"A. The Corporation shall maintain proof of Indiana residency for each student in the student's electronic or hard copy file. . . .

C. Proof of residency shall be on hand for each student prior to the student being claimed on the fall and/or spring membership count dates . . ."

Of the 50 students tested, supporting documentation to verify Indiana residency for 2 students was not provided.

*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."

Officials shall maintain records (enrollment cards, rosters, reporting forms, etc.) which substantiate the number of students claimed for ADM.

DUNELAND SCHOOL CORPORATION  
AUDIT RESULT AND COMMENT  
(Continued)

The building level official (Principal, Assistant Principal, etc.) is responsible for reporting ADM to the School Corporation Central Office, must provide a written certification of ADM to properly document responsibility. The certification must at a minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed.

(Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (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. . . ."

DUNELAND SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on March 12, 2025, with Lynn A. Kwilasz, Treasurer; Dr. Chip Pettit, Superintendent of Schools; Aaron Prybylla, Deputy Treasurer; Brandon Kroft, President of the School Board; Beth Mehling, Secretary of the School Board; and Jocelyn Hibshman, School Board member.