

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

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

SUPPLEMENTAL COMPLIANCE REPORT  
OF  
SOUTHWEST DUBOIS COUNTY SCHOOL CORPORATION  
DUBOIS COUNTY, INDIANA  
July 1, 2022 to June 30, 2024



**FILED**

03/11/2025



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chief Financial Officer	Allison Pund	07-01-22 to 06-30-25
Superintendent of Schools	Timothy LaGrange	07-01-22 to 09-22-23
	(Vacant)	09-23-23 to 09-30-23
	Chip Mehaffey	10-01-23 to 06-30-25
President of the School Board	Jon Menke	07-01-22 to 06-30-25



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## 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](http://www.in.gov/sboa)

TO: THE OFFICIALS OF THE SOUTHWEST DUBOIS COUNTY  
SCHOOL CORPORATION, DUBOIS COUNTY, INDIANA

This report is supplemental to the audit report of the Southwest Dubois County 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 Results and Comments contained herein describe the identified reportable instances 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 Results and Comments, incorporated within this report, was not verified for accuracy.

Beth Kelley, CPA, CFE  
Deputy State Examiner

February 26, 2025

SOUTHWEST DUBOIS COUNTY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS

**ANNUAL FINANCIAL REPORT**

*Condition and Context*

The Annual Financial Report (AFR) is required to be submitted annually via the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the School Corporation's financial statement and the Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis. The School Corporation had not established effective internal controls over the financial information entered into the AFR, which resulted in the following errors:

*Financial Statement and Other Information - Combining Schedules*

- The Self-Insurance fund beginning cash and investments balance, receipts, disbursements, and ending cash and investments balance were not included on the financial statements for the fiscal years 2022-2023 or 2023-2024.
- The Together We Will Grant receipts and disbursements were also omitted from the financial statement.
- The Ridge Clearing Account funds receipts and disbursements were understated.

These errors resulted in an understatement of the funds as follows:

Fund	Cash and Investments			Cash and Investments			Cash and Investments
	07-01-22	Receipts	Disbursements	06-30-23	Receipts	Disbursements	06-30-24
Self-Insurance	\$5,888,758	\$2,376,076	\$ 2,525,494	\$5,739,340	\$3,627,681	\$ 3,457,871	\$5,909,150
Together We Will Grant	-	6,442	6,442	-	-	-	-
Ridge Clearing Account	-	41,442	41,442	-	31,290	31,290	-
<b>Total</b>	<b>\$5,888,758</b>	<b>\$2,423,960</b>	<b>\$ 2,573,378</b>	<b>\$5,739,340</b>	<b>\$3,658,971</b>	<b>\$ 3,489,161</b>	<b>\$5,909,150</b>

Adjustments were proposed, accepted by the School Corporation, and made to the financial statement and to the Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis presented as Other Information in the Financial Statement Audit Report for the School Corporation and to the financial information within the AFR.

*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.

SOUTHWEST DUBOIS COUNTY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(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. . . ."

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](#)."

**AVERAGE DAILY MEMBERSHIP (ADM) - LACK OF RECORDS**

*Condition and Context*

The School Corporation did not have adequate internal controls in place to ensure compliance with laws and regulations related to the Average Daily Membership (ADM) - Lack of Records. In addition, the School Corporation did not follow its own policy for Determination of Legal Settlement and Eligibility for Enrollment of Students Without Legal Settlement in the Corporation; Proof Indiana Residency, Policy 5111, and ensure the proof of residency documentation was retained for all students reported in its ADM counts submitted to the Indiana Department of Education throughout the audit period. The policy states in part: "The School Corporation shall maintain proof of Indiana residency for each student enrolled in the Corporation whom the Corporation counts for membership in the ADM count. This documentation of Indiana residency shall be placed in the student's electronic or hard copy file." The School Corporation could not provide proof of residency documentation for 2 of the 36 students that were selected for testing.

*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.

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)

SOUTHWEST DUBOIS COUNTY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

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)

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SOUTHWEST DUBOIS COUNTY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on February 26, 2025, with Allison Pund, Chief Financial Officer; Chip Mehaffey, Superintendent of Schools; Jon Menke, President of the School Board; Judy Bueckert, Executive Director of the Southern IN Education Center; and Monica Daming, Director of Special Projects.