

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

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

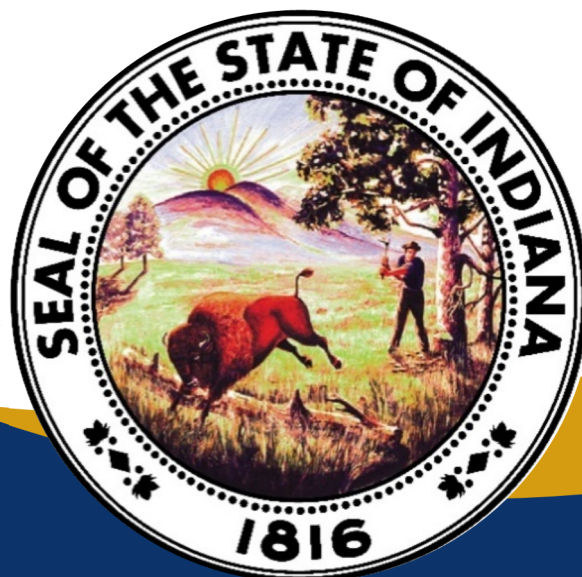
SUPPLEMENTAL COMPLIANCE REPORT

OF

DELAWARE COMMUNITY SCHOOL CORPORATION

DELAWARE COUNTY, INDIANA

July 1, 2022 to June 30, 2024



FILED

03/25/2025

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SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|----------------------------------|---|--|
| Treasurer | Cheryl Dominick | 07-01-22 to 06-30-25 |
| Superintendent of Schools | Gregory Kile | 07-01-22 to 06-30-25 |
| President of the School Board | Lance Engle John Adams Lance Engle Valerie Alexander | 07-01-22 to 12-30-22 01-01-23 to 12-30-23 01-01-24 to 12-30-24 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 DELAWARE COMMUNITY SCHOOL
CORPORATION, DELAWARE COUNTY, INDIANA

This report is supplemental to the audit report of the Delaware Community 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/.

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

DELAWARE COMMUNITY SCHOOL CORPORATION
AUDIT RESULT AND COMMENT

ANNUAL FINANCIAL REPORT

Condition and Context

Internal controls were not in place to ensure that information reported in the Annual Financial Report (AFR) was correct.

Financial, supplemental, and other information are required to be entered annually into the AFR via the Indiana Gateway for Government Units (Gateway) financial reporting system. During the review of the financial information entered into Gateway, it was determined that the AFR included activity related to bank-to-bank transfers in fiscal year 2023-2024, resulting in a material overstatement of other financing sources and uses totaling \$6,422,241.

Audit adjustments were proposed, accepted by the School Corporation, and made to the AFR.

Criteria

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](#)."

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. . . ."

DELAWARE COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on March 12, 2025, with Gregory Kile, Superintendent of Schools; Dr. Darin Gullion, Assistant Superintendent of Schools; Cheryl Dominick, Treasurer; and Valerie Alexander, President of the School Board.