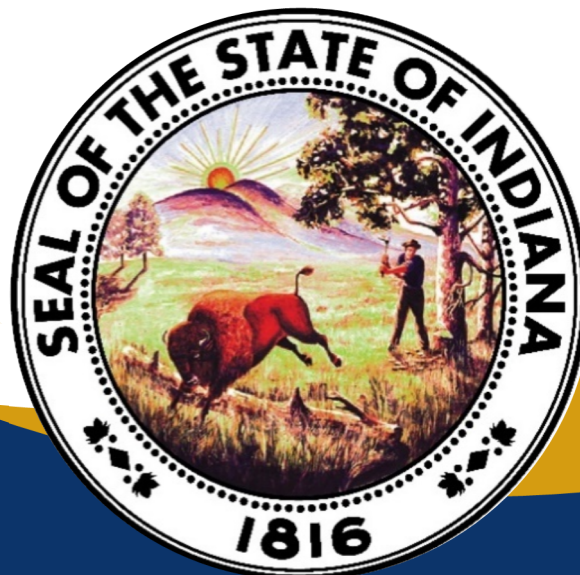


**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

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

COMPLIANCE EXAMINATION REPORT
OF
NORTH DAVIESS COMMUNITY SCHOOLS
DAVIESS COUNTY, INDIANA
July 1, 2022 to June 30, 2024



FILED
04/01/2025



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

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ROOM E418
INDIANAPOLIS, INDIANA 46204-2769
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April 1, 2025

To: The Officials of the North Daviess Community Schools
North Daviess Community Schools
Daviess County, Indiana

This report is supplemental to the audit report of North Daviess Community Schools (School Corporation), for the period July 1, 2022 to June 30, 2024. It has been provided as a separate report so that the reader may easily identify any 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 findings contained herein describe the identified reportable instances of noncompliance found as a result of these procedures.

We have reviewed the supplemental report of North Daviess Community Schools prepared by Crowe LLP, Independent Public Accountants, for the period July 1, 2022 to June 30, 2024. In our opinion, the supplemental report was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

We call your attention to the finding in the report on page 3. The official response can be found on pages 5 and 6.

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

Tammy R. White, CPA
Deputy State Examiner

COMPLIANCE EXAMINATION OF
NORTH DAVIESS COMMUNITY SCHOOLS
Davieess County, Indiana
July 1, 2022 through June 30, 2024

NORTH DAVIESS COMMUNITY SCHOOLS

Daviess County, Indiana
July 1, 2022 through June 30, 2024

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NORTH DAVIESS COMMUNITY SCHOOLS
SCHEDULE OF OFFICIALS
July 1, 2022 through June 30, 2024

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Glenda O'Connor	07-01-22 to 06-30-24
Superintendent of Schools	Jodi Berry	07-01-22 to 06-30-24
President of the School Board	Robin Dove	01-01-22 to 12-31-24

INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and
Management of North Daviess Community Schools

We have examined North Daviess Community Schools' ("School Corporation") compliance with the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Indiana Public School Corporations* during the period of July 1, 2022 through June 30, 2024. 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 opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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, 2022 through June 30, 2024, as described in item 2024-001 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, 2022 through June 30, 2024.


Crowe LLP

Indianapolis, Indiana
March 18, 2025

NORTH DAVIESS COMMUNITY SCHOOLS
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
July 1, 2022 through June 30, 2024

FINDING 2024-001: SCHEDULES IN ANNUAL FINANCIAL REPORT – OTHER INFORMATION

Criteria: Indiana Code 5-11-1-4(a) states, "The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality 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."

Condition: Financial and other information are required to be entered annually into the Annual Financial Report (AFR) via the Indiana Gateway for Government Units (Gateway) financial reporting system. The information entered into Gateway contained the following error:

Leases and Debt

The School Corporation reported total annual lease payments of \$873,050 on the Schedule of Leases and Debt. However, an outstanding bond issuance issued by the School Corporation was inappropriately included, overstating annual lease payments by \$358,550.

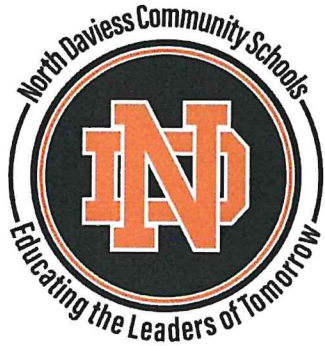
Additionally, the School Corporation reported total outstanding bond principal as \$8,630,000 on the Schedule of Leases and Debt. However, a lease between the School Corporation and the North Daviess School Building Corporation was erroneously included, overstating the outstanding bond principal balance by \$8,275,000.

Schedule of Payables and Receivables

The School Corporation reported a \$0 balance for Accounts Payable on the Schedule of Payables and Receivables as of June 30, 2024. It was noted that approximately \$1.3 million in disbursements was approved at the July School Board meeting which includes invoices for purchases incurred prior to June 30, 2024 and should be included as Accounts Payable as of June 30, 2024.

NORTH DAVIESS COMMUNITY SCHOOLS
EXIT CONFERENCE
July 1, 2022 through June 30, 2024

The contents of this report were discussed on March 18, 2025, with Glenda O'Connor, Treasurer, Jodi Berry, Superintendent, and Robin Dove, President of the School Board.



North Daviess Community Schools

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Jodi G. Berry, Superintendent • Barry Stone, Director of Instruction & Technology

Glenda O'Connor, Treasurer • Stacy Simmons, Administrative Assistant

CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

July 1, 2022 through June 30, 2024

FINDING 2024-001

Subject: Preparation of the Schedules in the Annual Financial Report-Other Information

Criteria: Indiana Code 5-11-1-4(a) states, "The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality 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."

Condition: Financial and other information are required to be entered annually into the Annual financial Report (AFR) via the Indiana Gateway for Government Units (Gateway) financial reporting system. The information entered into Gateway contained the following error:

1. Leases and Debt

The School Corporation reported total annual lease payments of \$873,050 on the Schedule of Leases and Debt. However, an outstanding bond issuance issued by the School Corporation was inappropriately included, overstating annual lease payments by \$358,550.00

Additionally, the School Corporation reported total outstanding bond principal as \$8,630,000 on the Schedule of Leases and Debt. However, a lease between the School Corporation and the North Daviess School Building Corporation was erroneously included, overstating the outstanding bond principal balance by \$8,275,000.

2. Schedule of Payables and Receivables

The School Corporation reported a \$0 balance for Accounts Payable on the Schedule of Payable and Receivables as of June 30, 2024. It was noted the approximately \$1.3 million in disbursements was approved at the July School board meeting which includes invoices for purchases incurred prior to June 30, 2024 and should be included as Accounts Payable as of June 30, 2024.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and will take the following corrective action.

1. The GO Bonds will no longer be listed on the AFR Lease portion. Additionally, The 1st Mortgage Lease Rental will no longer be listed on the Debt Statement portion of the AFR.
2. The Schedule of Payables and Receivables will now contain disbursements approved during the June 30 board meeting.

The School Corporation will now have the Treasurer complete the SEFA and the Superintendent or Designee will review and sign off on the SEFA before submitting to Gateway.

Responsible party and timeline for completion: Federal regulation requires name and title of person overseeing corrective action plan and anticipated completion date. Glenda O'Connor, Treasurer will complete the report and Mrs. Berry, Superintendent, will oversee the corrective action plan each year when the SEFA or AFR is due. Both parties will sign and date the report when completing.