

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

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CENTRAL INDIANA EDUCATIONAL SERVICE CENTER

MARION COUNTY, INDIANA

July 1, 2022 to June 30, 2024



FILED

02/17/2025

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SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|-------------------------------------|-----------------------|----------------------|
| Business Manager | Christine Derda | 07-01-22 to 03-24-23 |
| | (Vacant) | 03-25-23 to 03-29-23 |
| | David Stowers | 03-30-23 to 06-30-25 |
| Executive Director | Dr. Andrew Melin | 07-01-22 to 06-30-25 |
| President of the Board of Directors | Dr. Matthew Prusiecki | 07-01-22 to 06-30-25 |



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INDIANA STATE BOARD OF ACCOUNTS

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TO: THE OFFICIALS OF THE CENTRAL INDIANA EDUCATIONAL
SERVICE CENTER, MARION COUNTY, INDIANA

This report is supplemental to the audit report of the Central Indiana Educational Service Center (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

January 30, 2025

CENTRAL INDIANA EDUCATIONAL SERVICE CENTER
AUDIT RESULT AND COMMENT

ANNUAL FINANCIAL REPORT

A similar comment also appeared in the prior Report 76081A.

Condition and Context

There were deficiencies in the internal control system of the School Corporation related to financial close and reporting. The School Corporation had properly designed internal controls over financial close and reporting; however, the internal controls were not effective, or properly implemented, and allowed material misstatements to remain undetected.

Due to the lack of effective internal controls, the financial statement presented for audit did not include the Clearing Control fund activity and cash and investment balances for fiscal years 2022-2023 and 2023-2024. For 2022-2023, the beginning cash and investment balance was understated by \$24,543, receipts understated by \$7,251,734, disbursements understated by \$7,228,860, and ending cash and investment balance understated by \$47,417. For 2023-2024, the beginning cash and investment balance was understated by \$47,417, receipts understated by \$9,026,701, disbursements understated by \$9,012,240, and ending cash and investment balance understated by \$61,878.

Adjustments were proposed, accepted by the School Corporation, and made to the financial statement presented in the Financial Statement Audit Report of the School Corporation.

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. . . ."

CENTRAL INDIANA EDUCATIONAL SERVICE CENTER
EXIT CONFERENCE

The contents of this report were discussed on January 30, 2025, with Dr. Andrew Melin, Executive Director; Dr. Matthew Prusiecki, President of the Board of Directors; and David Stowers, Business Manager.