

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

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

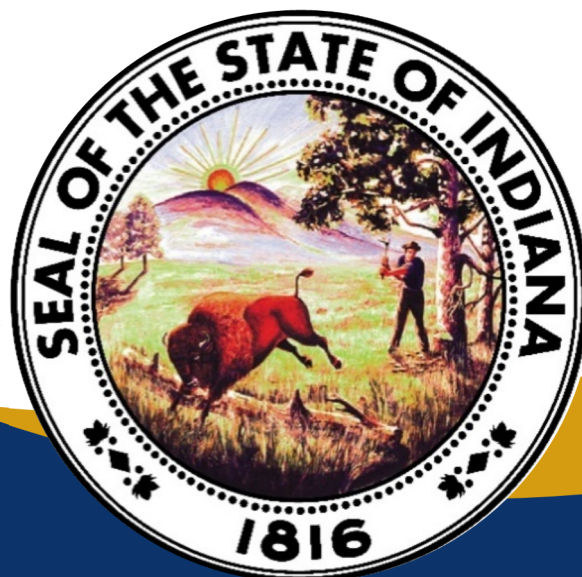
FEDERAL COMPLIANCE AUDIT REPORT

OF

LAKE STATION COMMUNITY SCHOOLS

LAKE COUNTY, INDIANA

July 1, 2022 to June 30, 2024



FILED

03/18/2025

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Tammy Whisenant	07-01-22 to 06-30-25
Superintendent of Schools	Dr. Thomas Cripiver	07-01-22 to 06-30-25
President of the School Board	Greg Tenorio David Wright	07-01-22 to 01-13-25 01-14-25 to 06-30-25



Paul D. Joyce, CPA
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

TO: THE OFFICIALS OF THE LAKE STATION COMMUNITY SCHOOLS, LAKE COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the Lake Station Community Schools (School Corporation), for the period of July 1, 2022 to June 30, 2024, and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement and have issued our report thereon dated March 6, 2025, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, as described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001, that we consider to be significant deficiencies.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001.

Lake Station Community Schools' Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School Corporation's response to findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statement, and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Beth Kelley, CPA, CFE
Deputy State Examiner

March 6, 2025



Paul D. Joyce, CPA
State Examiner

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

TO: THE OFFICIALS OF THE LAKE STATION COMMUNITY SCHOOLS, LAKE COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Lake Station Community Schools' (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2022 to June 30, 2024. The School Corporation's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2022 to June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the School Corporation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School Corporation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School Corporation's federal programs.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE
(Continued)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School Corporation's compliance based on our audit. Reasonable assurance is a high level of assurance, but is not absolute assurance, and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually, or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School Corporation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE
(Continued)

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statement of the School Corporation, as of and for the period of July 1, 2022 to June 30, 2024, and the related notes to the financial statement. We issued our report thereon dated March 6, 2025, which contained a dual opinion on the financial statement. An adverse opinion was issued regarding the presentation in accordance with accounting principles generally accepted in the United States of America, and an unmodified opinion was issued regarding the presentation in accordance with the regulatory basis of accounting. Our audit was performed for the purpose of forming an opinion on the financial statement as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement as a whole.



Beth Kelley, CPA, CFE
Deputy State Examiner

March 6, 2025



SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the School Corporation. The schedule and notes are presented as intended by the School Corporation.

LAKE STATION COMMUNITY SCHOOLS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2023 and 2024

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-23	Total Federal Awards Expended 06-30-23	Passed Through to Subrecipient 06-30-24	Total Federal Awards Expended 06-30-24
Department of Agriculture							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553	FY 22-23	\$ -	\$ 179,211	\$ -	\$ -
School Breakfast Program			FY 23-24	-	-	-	191,417
School Breakfast Program				-	-	-	191,417
Total - School Breakfast Program				-	179,211	-	191,417
National School Lunch Program							
School Lunch Program	Indiana Department of Education	10.555	FY 22-23	-	543,316	-	-
School Lunch Program			FY 23-24	-	-	-	621,544
Snack			FY 22-24	-	3,522	-	1,007
Commodities			FY 22-24	-	61,761	-	73,703
Total - National School Lunch Program				-	608,599	-	696,254
Summer Food Service Program for Children							
Summer Food Service Program	Indiana Department of Education	10.559	FY 22-23	-	15,113	-	-
Summer Food Service Program			FY 23-24	-	-	-	16,892
Supply Chain Assistance (SCA) Food Service Program			FY 22-24	-	65,368	-	40,408
Total - Summer Food Service Program for Children				-	80,481	-	57,300
Total - Child Nutrition Cluster				-	868,291	-	944,971
Pandemic EBT Administrative Costs							
Pandemic EBT Administrative Costs	Indiana Department of Education	10.649	FY 22-23	-	628	-	-
Total - Department of Agriculture				-	868,919	-	944,971
Department of Education							
Special Education Cluster (IDEA)							
Special Education Grants to States							
Special Education IDEA Part B 611	Indiana Department of Education	84.027	22611-043-PN01	-	50,040	-	24
Special Education IDEA Part B 611			23611-043-PN01	-	214,239	-	99,853
Special Education IDEA Part B 611			24611-043-PN01	-	-	-	300,882
Subtotal - Special Education Grants to States				-	264,279	-	400,759
COVID-19 - Special Education Grants to States							
COVID-19 - Special Education IDEA ARP Part B 611	Indiana Department of Education	84.027	22611-043-ARP	-	34,434	-	10,815
Total - Special Education Grants to States				-	298,713	-	411,574
Special Education Preschool Grants							
Special Education IDEA Part B 619	Indiana Department of Education	84.173	22619-043-PN01	-	5,694	-	-
Special Education IDEA Part B 619			23619-043-PN01	-	-	-	1,047
Special Education IDEA Part B 619			24619-043-PN01	-	-	-	7,669
Subtotal - Special Education Preschool Grants				-	5,694	-	8,716
COVID-19 - Special Education Preschool Grants	Indiana Department of Education	84.173					

LAKE STATION COMMUNITY SCHOOLS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2023 and 2024

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-23	Total Federal Awards Expended 06-30-23	Passed Through to Subrecipient 06-30-24	Total Federal Awards Expended 06-30-24
COVID-19 - Special Education IDEA ARP Part B 619			22619-043-ARP	-	3,249	-	189
Total - Special Education Preschool Grants				-	8,943	-	8,905
Total - Special Education Cluster (IDEA)				-	307,656	-	420,479
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I			S010A210014	-	489,851	-	-
Title I			S010A220014	-	-	-	656,211
Total - Title I Grants to Local Educational Agencies				-	489,851	-	656,211
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	Indiana Department of Education	84.367					
Title II Part A			S367A190013	-	16,626	-	-
Title II Part A			S367A200013	-	62,968	-	-
Title II Part A			S367A210013	-	26,692	-	-
Total - Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)				-	106,286	-	-
Student Support and Academic Enrichment Program	Indiana Department of Education	84.424					
Title IV			S424A200015	-	27,200	-	-
Title IV			S424A210015	-	9,258	-	-
Total - Student Support and Academic Enrichment Program				-	36,458	-	-
COVID-19 - Education Stabilization Fund	Indiana Department of Education						
ESSER / CARES Act		84.425D	S425D200013	-	124,026	-	-
ESSER II		84.425D	S425D210013	-	1,368,294	-	83,439
ESSER III		84.425U	S425U210013	-	1,200,975	-	-
Total - COVID-19 - Education Stabilization Fund				-	2,693,295	-	83,439
Total - Department of Education				-	3,633,546	-	1,160,129
<u>Department of Health and Human Services</u>							
Medicaid Cluster							
Medical Assistance Program	Indiana Family and Social Services Administration	93.778					
Medical Assistance Program			2022-23	-	37,314	-	-
Medical Assistance Program			2023-24	-	-	-	42,036
Total - Medical Assistance Program				-	37,314	-	42,036
Total - Medicaid Cluster				-	37,314	-	42,036
Total - Department of Health and Human Services				-	37,314	-	42,036
Total federal awards expended				\$ -	\$ 4,539,779	\$ -	\$ 2,147,136

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

LAKE STATION COMMUNITY SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal award activity of the School Corporation under programs of the federal government for the years ended June 30, 2023 and 2024. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

The Uniform Guidance requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$750,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

B. Other Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

Note 2. Indirect Cost Rate

The School Corporation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3. Northwest Indiana Special Education Cooperative

The School Corporation is a member of the Northwest Indiana Special Education Cooperative (Cooperative). As a result, the activity for the Special Education Cluster (IDEA) that is presented on the SEFA is not presented as receipts and disbursements in the financial statement for the School Corporation. This activity is presented in the financial statement of the Cooperative's fiscal agent.

LAKE STATION COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	yes
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	no

Identification of Major Programs and type of auditor's report issued on compliance for each:

Assistance Listings Number	Name of Federal Program or Cluster	Opinion Issued
84.010	Title I Grants to Local Educational Agencies	Unmodified
84.425	COVID-19 - Education Stabilization Fund	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?	no
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Section II - Financial Statement Findings

FINDING 2024-001

Subject: Financial Transactions and Reporting
Audit Findings: Significant Deficiency, Noncompliance

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2022-001.

Condition and Context

There were deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. The School Corporation had not separated incompatible activities related to cash and investments.

LAKE STATION COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cash and Investments (Bank Reconciliations)

The School Corporation did not have a proper system of internal controls in place to prevent, or detect and correct, errors on the bank account reconciliations.

The reconciled bank balance was greater than the record balance (cash fund ledger) by \$17,938 and \$15,527, as of June 30, 2023 and 2024, respectively. The reconciliation reports provided for audit indicated the bank and record balances reconciled. The School Corporation had not compared the reconciled bank balances to the cash fund reports from the financial system; thus, the School Corporation was not aware that differences existed between the reconciled bank balances and the cash fund balances.

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.

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 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

Cause

Management of the School Corporation had not established a proper system of internal controls over bank reconciliation procedures. The School Corporation had not compared the reconciled bank balances to the cash fund reports from the financial system; thus, the School Corporation was not aware that differences existed between the reconciled bank balances and the cash fund balances.

LAKE STATION COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

The failure to establish a proper system of internal controls enabled misstatements or irregularities in cash balances to remain undetected.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.



AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the School Corporation. The documents are presented as intended by the School Corporation.

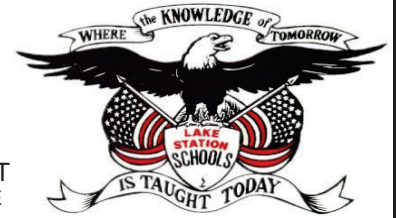
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THOMAS CRIPLIVER, Ph.D.
SUPERINTENDENT

CHRISTINE PEPA
ASSISTANT SUPERINTENDENT

TAMMY WHISENANT
DIRECTOR OF FINANCE



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2020-001 and 2022-001

Subject: Financial Transactions and Reporting

Fiscal years in which the finding initially occurred: 2018-2020

Current Audit Period: 2022-2024

Status of Audit Finding: Partially Corrected

Cash and Investments (Bank Reconciliations) - Reason of recurrence: Unknown, but we are working on finding and resolving the issues and or procedures causing the discrepancies.

Financial Close and Report - This portion was fully corrected with documentation of oversight and review. Corrective action was taken.

Description of Corrective Action Plan

The corrective action will include:

- 1) A review and correction of the overstated balance with the following actions.
 - a. Consultation and work with our financial system vendor to implement true-up adjustments; and,
 - b. Consultation and work with Indiana Department of Education staff responsible for Form 9 reporting to implement true-up adjustments that will allow for timely submission of the Form 9.
- 2) Improved training, education and professional development of personnel responsible for financial transactions and reporting.
- 3) Improved use of technology-based financial systems to ensure effectiveness and accuracy financial transactions and reporting.
- 4) Continued use of multiple level financial reporting reviews and verifications.

Tammy Whisenant

Director of Finance

Lake Station Community Schools

219-962-1159 Ext. 108

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BOARD OF SCHOOL TRUSTEES

Larry R. Biggs • Karen E. Curtis • Gregory S. Tenorio • David E. Wright • Kevin Music

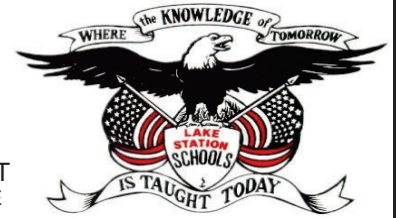
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SUPERINTENDENT

CHRISTINE PEPA
ASSISTANT SUPERINTENDENT

TAMMY WHISENANT
DIRECTOR OF FINANCE



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-002

Subject: Preparation of the Schedule of Expenditures of Federal Awards

Fiscal years in which the finding initially occurred: 2020-2022

Current Audit Period: 2022-2024

Status of Audit Finding: Fully Corrected

Lake Station Community Schools implemented corrective actions and corrective action was taken.

Tammy Whisenant

Director of Finance

Lake Station Community Schools

219-962-1159 Ext. 108

twhisenant@lakes.k12.in.us

BOARD OF SCHOOL TRUSTEES

Larry R. Biggs • Karen E. Curtis • Gregory S. Tenorio • David E. Wright • Kevin Music

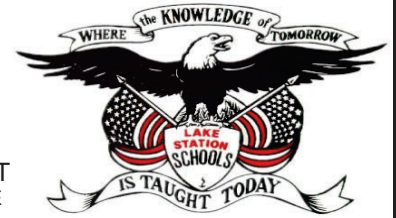
LAKE STATION COMMUNITY SCHOOLS

2500 PIKE STREET • LAKE STATION, IN 46405-2258 • TELEPHONE: (219) 962-1159
FAX: (219) 962-4011

THOMAS CRIPLIVER, Ph.D.
SUPERINTENDENT

CHRISTINE PEPA
ASSISTANT SUPERINTENDENT

TAMMY WHISENANT
DIRECTOR OF FINANCE



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-003

Subject: COVID-19 Education Stabilization Fund - Reporting

Fiscal years in which the finding initially occurred: 2020-2022

Current Audit Period: 2022-2024

Status of Audit Finding: No longer valid

This report is no longer a requirement of the grant.

Tammy Whisenant

Director of Finance

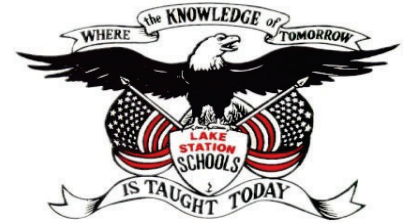
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Corrective Action Plan

FINDING 2024-001

Subject: Financial Transactions and Reporting

Person Responsible for Corrective Action:

Tammy Whisenant – 219-962-1159

Views of Responsible Official:

We concur with the finding. This finding stems from a prior audit, and a correction had been attempted previously. However, the correcting entries create a change to our fund ledger balance, which in turn creates an unbalanced monthly bank reconciliation, and an error when completing our biannual Form 9 submission.

Description of Corrective Action Plan:

The corrective action will include:

- 1) A review and correction of the overstated balance with the following actions.
 - a. Consultation and work with the State Board of Accounts to determine how to correct this issue with an adjustment that will allow the correction without changing our fund ledger balance that balances each month with our financial institution bank statements, as well as allowing a correction that will not cause an error when submitting our biannual Form 9 submission.
 - b. Consultation and work with our financial system vendor to implement true-up adjustments; and,
 - c. Consultation and work with Indiana Department of Education staff responsible for Form 9 reporting to implement true-up adjustments that will allow for timely submission of the Form 9.
- 2) Continued training, education and professional development of personnel responsible for financial transactions and reporting.
- 3) Continued use of technology-based financial systems to ensure effectiveness and accuracy financial transactions and reporting.
- 4) Continued use of multiple level financial reporting reviews and verifications.
- 5) Continued use of the daily/monthly fund ledger balance sheet to compare to the software fund balance report, and bank reconciliation. This allows any discrepancies to be acknowledged sooner.

LAKE STATION COMMUNITY SCHOOLS



Indiana State Board of Accounts
February 28, 2025

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- 6) A review of current assignments and segregating duties to reduce risks and improve internal controls.
- 7) Continued improved internal controls and monitoring.

Anticipated Completion Date:

An assessment of actions, needs and a plan will be completed by April 30, 2025; with an implementation to occurring by June 30, 2025.

Tammy Whisenant, Director of
Finance/Treasurer
Lake Station Community Schools
February 28, 2025

OTHER REPORTS

In addition to this report, other reports may have been issued for the School Corporation. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.