



Paul D. Joyce, CPA
State Examiner

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

March 17, 2025

Charter School Board
Neighbors' Educational Opportunities, Inc.
Porter County, Indiana

We have reviewed the supplemental report for Neighbors' Educational Opportunities, Inc. prepared by CliftonLarsonAllen LLP, Independent Public Accountants, for the period July 1, 2023 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 findings in the report on pages 3 and 4. Management's response is on page 6.

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

Tammy R. White, CPA
Deputy State Examiner

SUPPLEMENTAL AUDIT REPORT
NEIGHBORS' EDUCATIONAL OPPORTUNITIES, INC.
PORTER COUNTY, INDIANA
JULY 1, 2023 TO JUNE 30, 2024



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAcconnect.com

**NEIGHBORS' EDUCATIONAL OPPORTUNITIES, INC.
PORTER COUNTY, INDIANA
TABLE OF CONTENTS
JULY 1, 2023 TO JUNE 30, 2024**

SCHOOL OFFICIALS	1
INDEPENDENT AUDITORS' REPORT	2
AUDIT RESULTS AND COMMENTS	3
EXIT CONFERENCE	5
OFFICIAL RESPONSE	6

**NEIGHBORS' EDUCATIONAL OPPORTUNITIES, INC.
PORTER COUNTY, INDIANA
SCHOOL OFFICIALS
JULY 1, 2023 TO JUNE 30, 2024**

<u>Office</u>	<u>Official</u>	<u>Term</u>
President, Board of Directors	Francis Vega	07/01/23 - 06/30/24
Executive Director	Rebeca Reiner	07/01/23 - 06/30/24
Business Manager	Jennifer Jennings	07/01/23 - 06/30/24



CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

School Officials
Neighbors' Educational Opportunities, Inc.
Portage, Indiana

We have audited the financial statements of Neighbors' Educational Opportunities, Inc. (the School) as of and for the year ended June 30, 2024, and have issued our report thereon dated January 22, 2025. As part of our audit, we tested the School's compliance with provisions of the *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools* issued by the Indiana State Board of Accounts and related provisions of laws, regulations, contracts, and grant agreements. Reported in the Audit Results and Comments are matters where we believe the School was not in compliance with those provisions.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Indianapolis, Indiana
January 22, 2025

NEIGHBORS' EDUCATIONAL OPPORTUNITIES, INC.
PORTER COUNTY, INDIANA
AUDIT RESULTS AND COMMENTS
JULY 1, 2023 TO JUNE 30, 2024

**INTERNAL CONTROL OVER FINANCIAL REPORTING IN ACCORDANCE WITH
GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) – MATERIAL WEAKNESS**

During our testing, we noted that the School did not complete and maintain documentation that appropriate reviews and approvals on reconciliations and journal entries had been completed. Our audit procedures also identified material audit adjustments related to accruals and annual depreciation. The School had changes in outsourced services providers for accounting during the audit period that attributed to these documented procedures not being maintained to document the School's internal controls over financial reporting being completed. However, the School did complete and maintain a compensating control for the monthly financial statements overall.

Indiana Code 20-24-7-1 provides that "...The state examiner shall establish guidelines and prescribe reporting requirements for organizers under this section that are consistent with generally accepted accounting principles (GAAP)..."

Charter schools shall have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records, and financial statements about incorrect decision making. (Accounting and Uniform Compliance Guidelines for Indiana Charter Schools, Part 10)

AVERAGE DAILY MEMBERSHIP (ADM) TESTING – ENROLLMENT DOCUMENTS

Enrollment documents are required to be maintained by the Indiana Department of Education (IDOE) for each student. In addition, the School has adopted a policy requiring additional documents to be obtained at enrollment. The process used did not result in maintaining consistent and complete enrollment records for three (3) students (1 fall, 2 spring) of the 28 tested for enrollment. The student birth certificate and proof of residence was unable to be located due to change in personnel at the School.

Records such as paper or electronic enrollment applications, as well as copies of birth certificates and proof of residency, etc. as determined by policy or normal practice by the school should be maintained (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 9).

Officials shall maintain records (enrollment applications, attendance records, reporting forms, etc.) which substantiate the number of students claimed for ADM. A student claimed for ADM must be an "eligible pupil". An eligible pupil is a student that is enrolled and attending. IC 20-43-1-11.5 defines "Enrolled" as registered with a school corporation to attend educational programs offered by or through the school corporation; and attending these educational programs or receiving education services. IC 20-43-1-7.5 defines "Attending" as physical or virtual presence of a student with the expectation of continued services in the education programs for which the student is registered.

**NEIGHBORS' EDUCATIONAL OPPORTUNITIES, INC.
PORTER COUNTY, INDIANA
AUDIT RESULTS AND COMMENTS
JULY 1, 2023 TO JUNE 30, 2024**

TRAVEL – MILEAGE REIMBURSEMENT

During our testing of the travel vouchers, we discovered 3 of the 8 items tested had incorrect mileage rates being used in the calculation for reimbursement. The 2022 rate was used to calculate reimbursements from 2023 and 2024. School Policy is to follow the federal mileage rate. The amount of \$23.57 should have been reimbursed to employees for those sampled.

The charter school must establish a travel policy that details the procedures for an employee to get approval to attend meetings and conferences; must detail when an employee is in travel status; must detail the procedures for employees to get reimbursement for travel expenses; and the policy must establish a reasonable mileage reimbursement rate. (Guidelines for the Audits of Charter Schools Performed by Private Examiners)

**NEIGHBORS' EDUCATIONAL OPPORTUNITIES, INC.
PORTER COUNTY, INDIANA
EXIT CONFERENCE
JULY 1, 2023 TO JUNE 30, 2024**

The contents of this report were discussed with Rebecca Reiner, Executive Director, and Jennifer Jennings, Business Manager, on January 9, 2025. The Official response has been made part of this report and can be found on page 6.

Neighbors' New Vistas High School and NEO Adult Education
5201 US Highway 6 Portage, IN 46368 219.850.4448 www.neoadulted.org

January 22, 2025

CliftonLarsonAllen LLP
9365 Counselor's Row, Suite 200
Indianapolis, IN 46240 - 6418

To whom it may concern,

Below are the official responses to the findings in the preliminary (draft) Supplemental Audit Report from CliftonLarsonAllen.

Internal Control:

NEO will review and establish internal processes for filing reports to ensure adequate time to complete all aspects of required financial reports on time. NEO will also complete and maintain documentation that appropriate reviews and approvals on reconciliations and journal entries made through QuickBooks have been approved. Signatures of the financial partner and NEO's business manager will be included in the documentation presented to the Board each month.

Average Daily Membership (ADM) Testing-Enrollment Documents

NEO has reviewed our enrollment process for students enrolling in Neighbors's New Vistas High School to ensure that the process ensures that all required documents are in the students' folders including a copy of the student's birth certificate and proof of residency, or, if they are not, that we save documentation of our efforts to collect required documentation not provided at the time of enrollment, including an email to parent, guardian, and/or student stating the need for missing required documents and, if the documents are still not provided, a copy of the email will be put in the students' file to show that an attempt was made to collect the documents.

Travel -Milage Reimbursement.

The milage rates on NEO's Mileage Reimbursement form that is filled out by the employee to get approval for travel will be updated on an annual basis to ensure the correct rate is being used for the reimbursement.

Sincerely,



Jennifer Jennings

Business Manager
(219)841-6875
jjennings@neoadulted.org



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAglobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.