

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

COMPLIANCE ENGAGEMENT REPORT

OF

NORTHWEST INDIANA PUBLIC SCHOOL STUDY COUNCIL

LAKE COUNTY, INDIANA

July 1, 2019 to June 30, 2023



FILED

06/03/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Nicholas Brown	07-01-19 to 06-30-24
Assistant Treasurer	Amy Tarr Michele Beckman	07-01-19 to 04-23-23 04-24-23 to 06-30-24
President of the Study Council Board	Stacey Schmidt Amanda Alaniz Brian Smith Cynthia Scroggins Scott Miller	07-01-19 to 06-30-20 07-01-20 to 06-30-21 07-01-21 to 06-30-22 07-01-22 to 06-30-23 07-01-23 to 06-30-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE NORTHWEST INDIANA PUBLIC
SCHOOL STUDY COUNCIL, LAKE COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Northwest Indiana Public School Study Council (Council), for the period of July 1, 2019 to June 30, 2023. The objective of this engagement was to determine compliance with applicable Indiana laws, regulations, and uniform compliance guidelines (Guidelines) established by the Indiana State Board of Accounts pursuant to Indiana Code 5-11-1-24. The objective of this engagement is not to opine on compliance or financial activity of the Council as this engagement was not conducted in accordance with any standards established by an authoritative standard setting body, and, as such, we do not provide any opinions on compliance or financial activity.

Management is responsible for preparing and maintaining its accounting records and related documents in accordance with applicable Indiana laws, regulations, and Guidelines. Management's responsibility also includes, but is not limited to, complying with other applicable Indiana laws, regulations, and Guidelines concerning how it operates: authorized sources and uses of funds; what reports are required to be prepared and filed; and what depositories and investment types are allowable.

We fulfilled our responsibility as detailed in the first paragraph, using procedures that verified the appropriate accounting for and reporting of cash, receipts, and disbursements; and the appropriate sources and uses of funds in accordance with applicable Indiana laws, regulations, and Guidelines. Expanding the scope and nature of these procedures can and does occur in specific circumstances.

The Comments contained herein, if any, describe the identified reportable instances of noncompliance found during our engagement. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified. Any Official Response to the Comments incorporated within this report was not verified for accuracy.

The Schedule of Officials and Statements of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis (Statements) are informational only. The Statements have not been subjected to any procedures designed to express an opinion or provide any assurance on them, and, accordingly, we do not express an opinion or provide any assurance on them.

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record. Reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>, and the Council's Annual Financial Reports filed by management can be found on the Indiana Gateway for Government Units financial reporting system website: <http://www.gateway.ifionline.org>.

The contents of this report were communicated to Nicholas Brown, Treasurer; Michele Beckman, Assistant Treasurer; and Scott Miller, President of the Study Council Board, on May 22, 2024.



Beth Kelley, CPA, CFE
Deputy State Examiner

April 22, 2024

NORTHWEST INDIANA PUBLIC SCHOOL STUDY COUNCIL
COMMENT

BANK ACCOUNT RECONCILIATIONS

Condition and Context

Internal controls over bank account reconciliations were not sufficient to prevent, or detect and correct, noncompliance. Two of nine monthly bank reconciliations tested were not reconciled completely. The May and June 2023 reconciled bank balances were \$1,676 and \$2,273 greater, respectively, than the fund report balances. The interest earned on the bank account had not been posted to the ledger since February 2023, which caused these differences.

Criteria

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."

All documents and entries to records must be made in a timely manner to ensure that accurate financial information is available to allow the unit to make informed management decisions and to help ensure compliance with IC 51-15-1-1.

All financial transactions pertaining to the unit must be recorded in the records of the unit at the time of the transaction.

(Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

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. . . ."

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STATEMENTS OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
(USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS

NORTHWEST INDIANA PUBLIC SCHOOL STUDY COUNCIL
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Years Ended June 30, 2020 and 2021

<u>Fund</u>	<u>Cash and Investments 07-01-19</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-20</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-21</u>
Study Council	\$ 86,981	\$ 757	\$ 18,368	\$ -	\$ 69,370	\$ 48,046	\$ 1,101	\$ -	\$ 116,315
Totals	<u>\$ 86,981</u>	<u>\$ 757</u>	<u>\$ 18,368</u>	<u>\$ -</u>	<u>\$ 69,370</u>	<u>\$ 48,046</u>	<u>\$ 1,101</u>	<u>\$ -</u>	<u>\$ 116,315</u>

NORTHWEST INDIANA PUBLIC SCHOOL STUDY COUNCIL
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Years Ended June 30, 2022 and 2023

Fund	Cash and Investments 07-01-21	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-22	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-23
Study Council	\$ 116,315	\$ 27,349	\$ 4,077	\$ -	\$ 139,587	\$ 29,236	\$ 25,151	\$ -	\$ 143,672
Totals	<u>\$ 116,315</u>	<u>\$ 27,349</u>	<u>\$ 4,077</u>	<u>\$ -</u>	<u>\$ 139,587</u>	<u>\$ 29,236</u>	<u>\$ 25,151</u>	<u>\$ -</u>	<u>\$ 143,672</u>