

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

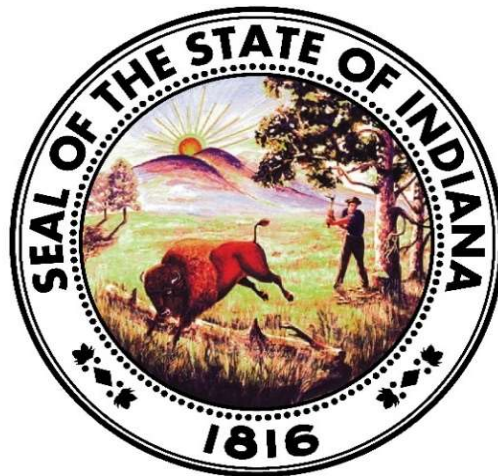
COMPLIANCE ENGAGEMENT REPORT

OF

GREATER RANDOLPH INTERLOCAL COOPERATIVE

RANDOLPH COUNTY, INDIANA

July 1, 2019 to June 30, 2023



FILED

08/06/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Lisa Waber	07-01-19 to 06-30-25
Treasurer	Jan Hinty	07-01-19 to 06-30-25
President of the Cooperative Board	Bryan Rausch Rolland Abraham	07-01-19 to 06-30-24 07-01-24 to 06-30-25



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF THE GREATER RANDOLPH INTERLOCAL
COOPERATIVE, RANDOLPH COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Greater Randolph Interlocal Cooperative (Cooperative), 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 Cooperative 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 Cooperative'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 Jan Hinty, Treasurer; Lisa Waber, Director; Rolland Abraham, President of the Cooperative Board; and Donnie Bowsman, Vice President of the Cooperative Board, on July 18, 2024.



Beth Kelley, CPA, CFE
Deputy State Examiner

May 9, 2024

GREATER RANDOLPH INTERLOCAL COOPERATIVE
COMMENT

ANNUAL FINANCIAL REPORT (AFR) INCORRECT

Condition and Context

A proper system of internal controls, which would include appropriate segregation of duties, should be designed and implemented at varying points within a process to effectively prevent, or detect and correct, errors. The failure to establish appropriate internal controls could enable material misstatements to occur and remain undetected. As a result, the following errors were determined:

- The Annual Financial Report (AFR) for FY20 did not include receipt activity of \$376,891 or disbursement activity of \$137,172 for the Payroll Related funds; or Plato fund receipts of \$31,370 and disbursements of \$4,117 for a total understatement of \$408,261 for receipts and \$377,289 for disbursements.
- The AFR for FY22 and FY23 omitted the payroll related funds. As a result, receipts were understated by \$412,558 and \$408,627 for FY22 and FY23, respectively, and disbursements were understated by \$414,595 and \$405,160 for FY22 and FY23, respectively.
- Capital Assets were not entered as of June 30, 2021.

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 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](#)."

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. . . .

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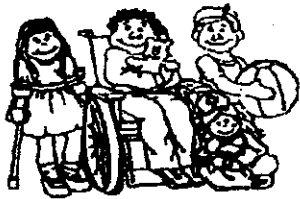
STATEMENTS OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS

GREATER RANDOLPH INTERLOCAL COOPERATIVE
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Years Ended June 30, 2020 and 2021

Fund	Cash and Investments			Cash and Investments			Cash and Investments
	07-01-19	Receipts	Disbursements	06-30-20	Receipts	Disbursements	
General Fund	\$ 44,335	\$ 723,848	\$ 768,183	\$ -	\$ 810,276	\$ 810,276	\$ -
Preschool	165,032	627,074	627,603	164,503	615,404	728,125	51,782
Donations-Preschool	4,515	3,240	5,538	2,217	6,630	3,217	5,630
Donations-BASE	96	50	130	16	50	66	-
Alternative Education	48,760	60,671	48,987	60,444	50,525	50,670	60,299
BASE Class	46,181	141,235	129,608	57,808	140,473	134,791	63,490
Suspension Class	9,667	23,807	29,216	4,258	28,631	24,442	8,447
Non-English Speaking Program	125	-	-	125	-	-	125
Performance Based Award	-	6,270	6,270	-	8,836	8,836	-
FY20 Pass Thru Grant 611	-	975,872	975,872	-	326,302	326,302	-
FY21 Pass Thru Grant 611	-	-	-	-	1,084,594	1,084,594	-
FY19 Pass Thru Grant 611	(472)	277,525	277,053	-	-	-	-
FY21 Preschool Grant	-	-	-	-	66,615	66,615	-
FY19 Preschool Grant	(2,886)	3,631	745	-	-	-	-
FY20 Preschool Grant	-	66,602	66,602	-	-	-	-
FEMA Spec Dist Gov-COVID	-	-	-	-	3,401	3,401	-
RC Systems Of Care Grant	-	6,818	6,818	-	35,359	35,359	-
Federal Withholding Tax	-	83,321	83,321	-	77,722	77,722	-
Teaching Social Security	(101)	96,017	95,916	-	99,548	99,548	-
State Gross Income Tax	-	34,951	34,951	-	36,713	36,713	-
County Tax	-	21,779	21,779	-	25,009	25,009	-
Teachers Retirement	-	-	-	-	-	-	-
Non-Teachers Retirement	-	9,759	9,759	-	9,630	9,630	-
Non-Teaching Soc Sec	-	68,571	68,571	-	75,961	75,961	-
National Life/LTD	-	16	16	-	16	16	-
Hospital Insurances S125	-	28,412	25,010	3,402	40,211	43,613	-
National Life	-	16	16	-	16	16	-
Colonial S125	1	6,938	6,721	218	8,621	8,730	109
Hospital/Non	-	1,912	1,912	-	4,605	4,605	-
Colonial/Non	2	2,470	2,472	-	3,698	3,641	57
Security Benefits-403B	-	8,600	8,600	-	8,600	8,600	-
Security Benefits-Roth	-	14,130	14,130	-	14,722	14,722	-
Reimburse Employees Clearing	-	-	-	-	-	-	-
PLATO License	-	31,370	4,117	27,253	62,448	89,701	-
Totals	\$ 315,255	\$ 3,324,905	\$ 3,319,916	\$ 320,244	\$ 3,644,616	\$ 3,774,921	\$ 189,939

GREATER RANDOLPH INTERLOCAL COOPERATIVE
 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			Cash and Investments			Cash and Investments
	07-01-21	Receipts	Disbursements	06-30-22	Receipts	Disbursements	06-30-23
General Fund	\$ -	\$ 961,963	\$ 796,373	\$ 165,590	\$ 1,008,342	\$ 1,100,372	\$ 73,560
Preschool	51,782	789,574	839,147	2,209	1,131,247	1,133,456	-
Comm Foundation Rand Co Grant	-	-	-	-	2,719	-	2,719
Donations-Preschool	5,630	6,559	6,324	5,865	10,285	4,468	11,682
Donations-BASE	-	2,020	33	1,987	-	-	1,987
Alternative Education	60,299	105,413	94,564	71,148	70,631	55,219	86,560
BASE Class	63,490	155,418	130,283	88,625	169,842	211,413	47,054
Suspension Class	8,447	31,453	29,303	10,597	41,846	34,865	17,578
Non-English Speaking Program	125	-	-	125	-	-	125
Performance Based Award	-	7,103	7,103	-	9,106	9,106	-
FY20 Pass Thru Grant 611	-	2,494	2,494	-	-	-	-
FY21 Pass Thru Grant 611	-	241,614	241,614	-	-	-	-
FY22 Pass Thru 611 Grant	-	1,142,479	1,142,479	-	203,847	203,847	-
FY23 Pass Thru 611 Grant	-	-	-	-	1,020,354	1,020,354	-
FY22 Presch 619 Grant	-	67,086	67,086	-	-	-	-
FY23 Presch 619 Grant	-	-	-	-	68,459	68,459	-
FY22 ARP 611 Grant	-	204,808	208,772	(3,964)	76,530	72,566	-
FY22 ARP 619 Grant	-	21,001	21,001	-	-	-	-
RC Systems Of Care Grant	-	12,120	12,120	-	-	-	-
RC Systems Of Care Grant #2	-	18,309	18,309	-	22,611	22,611	-
Federal Withholding Tax	-	90,927	90,927	-	100,157	100,157	-
Teaching Social Security	-	97,239	97,239	-	75,158	75,158	-
State Gross Income Tax	-	43,650	43,650	-	48,876	48,876	-
County Tax	-	33,975	33,975	-	42,000	42,000	-
Non-Teachers Retirement	-	11,275	11,275	-	12,320	12,320	-
Non-Teaching Soc Sec	-	61,580	61,580	-	44,473	44,473	-
National Life/LTD	-	19	19	-	21	21	-
Hospital Insurances S125	-	34,380	36,225	(1,845)	39,419	36,444	1,130
Dental Insurance	-	2,184	2,237	(53)	4,076	3,912	111
Vision Insurance	-	317	315	2	552	540	14
National Life	-	19	19	-	21	21	-
Colonial S125	109	8,042	8,102	49	8,038	7,895	192
Colonial/Non	57	4,568	4,650	(25)	5,645	5,472	148
Security Benefits-403B	-	7,216	7,216	-	5,000	5,000	-
Security Benefits-Roth	-	16,734	16,734	-	22,473	22,473	-
Reimburse Employees Clearing	-	434	434	-	399	399	-
PLATO License	-	34,269	-	34,269	33,691	67,960	-
Totals	\$ 189,939	\$ 4,216,242	\$ 4,031,602	\$ 374,579	\$ 4,278,138	\$ 4,409,857	\$ 242,860



ALL CHILDREN ARE
SPECIAL

GREATER RANDOLPH INTERLOCAL COOPERATIVE

325 S. OAK ST. SUITE 301 WINCHESTER, IN 47394

PHONE: 765-584-7602

FAX: 765-584-7544

E-Mail: lwaber@randolphcentral.us

Lisa Waber - Director

Jan Hinty - Secretary/Treasurer

Renee Weigand - Secretary

OFFICIAL RESPONSE

Date: July 19, 2024

Indiana State Board of Accounts
302 West Washington St. Room E418
Indianapolis, IN 46204-2765

Re: Greater Randolph Interlocal Cooperative response 6845

The Annual Financial Reports for FY 20, FY 22 & FY 23 omitted the payroll related funds and Plato funds by error and omission through the software system we were currently utilizing. All Annual Financial Reports for FY 22 & FY 23 were corrected by Jan Hinty, Treasurer through Gateway on April 11, 2024. Jan Hinty attempted to correct the FY 20 Annual Financial Report, but after contact with IBRC Tech Support, FY 20 was too old to update. No further action could be taken.

Jan Hinty
Greater Randolph Interlocal Cooperative Treasurer