

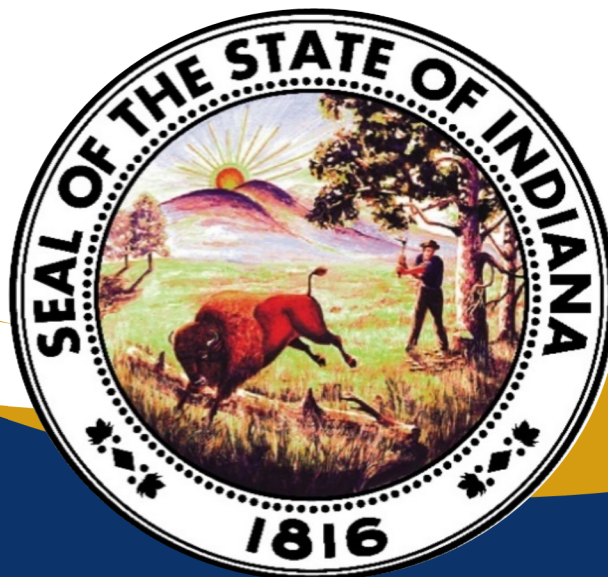
**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

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

COMPLIANCE ENGAGEMENT REPORT
OF

GRIFFITH PUBLIC SCHOOLS
EXTRACURRICULAR ACCOUNTS
LAKE COUNTY, INDIANA

July 1, 2021 to June 30, 2023



FILED

12/09/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chief Financial Officer	Sherie Breitenbach	07-01-21 to 12-02-21
	(Vacant)	12-03-21 to 12-08-21
	Leah Dumezich (interim)	12-09-21 to 01-02-22
	Terri Chance	01-03-22 to 06-30-25
Superintendent of Schools	Michele Riise	07-01-21 to 07-08-21
	Leah Dumezich	07-09-21 to 06-30-25
President of the School Board	Kathy Ruesken	06-30-21 to 12-31-22
	Emily Conner	01-01-23 to 12-31-23
	Jesse Adduci	01-01-24 to 06-30-25



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INDIANA STATE BOARD OF ACCOUNTS

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TO: THE OFFICIALS OF THE GRIFFITH PUBLIC SCHOOLS, EXTRACURRICULAR
ACCOUNTS, LAKE COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Griffith Public Schools, Extracurricular Accounts (School ECAs), for the period of July 1, 2021 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 School ECAs 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 and what reports are required to be prepared and filed.

We fulfilled our responsibility as detailed in the first paragraph, by applying procedures over cash, receipts, and disbursements. 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 is informational only.

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 School ECAs' 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 Terri Chance, Chief Financial Officer; Leah Dumezich, Superintendent of Schools; and Jesse Adduci, President of the School Board, on November 25, 2024.

Beth Kelley, CPA, CFE
Deputy State Examiner

November 20, 2024

GRIFFITH MIDDLE SCHOOL AND GRIFFITH HIGH SCHOOL
EXTRACURRICULAR ACCOUNT
RESULTS AND COMMENTS

OVERDRAWN CASH BALANCES

Condition and Context

The Extracurricular Account had not properly designed or implemented a system of internal controls, which would include appropriate segregation of duties that would be effective in preventing, or detecting and correcting, noncompliance related to overdrawn cash balances.

As of June 30, 2022, the Griffith Middle School and the Griffith High School's ending cash balance reported six funds with overdrawn balances as follows:

Fund	Amount Overdrawn
ATHLETIC OFFICE/INVOICES	\$ 13,592
BASEBALL FUNDRAISER	81
SOFTBALL FUNDRAISER	502
LIFE SKILLS/DISABILITY AWARENESS	113
BANK FEES	473
PANTHER / PANTHER COUNCIL	1,000

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. . . ."

The cash balance of any fund may not be reduced to below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the unit.

In an instance in which a unit receives a reimbursement grant, the unit must be claiming reimbursement in a timely manner. In this case, it would be possible for a fund to be overdrawn for a short period of time.

(Accounting and Uniform Compliance Guidelines Manual for Extracurricular Accounts, Chapter 5)

GRIFFITH MIDDLE SCHOOL AND GRIFFITH HIGH SCHOOL
 EXTRACURRICULAR ACCOUNT
 RESULTS AND COMMENTS
 (Continued)

Overdrafts may not be created or exist in any fund. The extracurricular treasurer should advise the sponsor and student treasurer periodically, preferably monthly, of the current balance in the fund of their activity. Therefore, comparisons can be made and differences reconciled before transactions become past due or particulars are difficult to recall. (Accounting and Uniform Compliance Guidelines Manual for Extracurricular Accounts, Chapter 1)

ECA RISK REPORT - SCHEDULE OF BALANCES, RECEIPTS, AND EXPENDITURES

Condition and Context

The Extracurricular Account (ECA) had not properly designed or implemented a system of internal controls, which would include appropriate segregation of duties that would be effective in preventing, or detecting and correcting, noncompliance related to the ECA Risk Report - Schedule of Balances, Receipts, and Expenditures filed via the Indiana Gateway for Governmental Units financial reporting system.

The ECA's beginning cash and investment balance and ending cash and investment balance reported on the ECA Risk Report - Schedule of Balances, Receipts, and Expenditures for the fiscal year beginning July 1, 2021, and ending June 30, 2022, did not agree with the ECA records as follows:

	<u>July 1, 2021</u>	<u>June 30, 2022</u>
ECA Records	\$ 316,667	\$ 269,912
ECA Risk Report Schedule of Balances, Receipts, and Expenditures	<u>301,284</u>	<u>257,068</u>
Difference	<u>\$ 15,383</u>	<u>\$ 12,844</u>

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:

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GRIFFITH MIDDLE SCHOOL AND GRIFFITH HIGH SCHOOL
 EXTRACURRICULAR ACCOUNT
 RESULTS AND COMMENTS
 (Continued)

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](#)."

ECA RISK REPORT - CASH RECONCILEMENTS

Condition and Context

The Extracurricular Account (ECA) had not properly designed or implemented a system of internal controls, which would include appropriate segregation of duties that would be effective in preventing, or detecting and correcting, noncompliance related to the ECA Risk Report - Cash Reconcilements filed via the Indiana Gateway for Government Units financial reporting system.

Comparison of the ECA's records, which included a bank reconciliation, with the information reported in the ECA Risk Report - Cash Reconciliation showed the following variances:

	June 30, 2022		
	ECA Risk Report Cash Reconciliation	ECA Records	Difference
Depository Balance	\$ 269,912	\$ 282,755	\$ (12,844)
Cash On Hand (ADD)	5	5	-
Total of Outstanding Checks (DEDUCT)	(12,849)	(12,849)	-
Balance	\$ 257,068	\$ 269,912	\$ (12,844)

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:

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GRIFFITH MIDDLE SCHOOL AND GRIFFITH HIGH SCHOOL
EXTRACURRICULAR ACCOUNT
RESULTS AND COMMENTS
(Continued)

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TICKET SALES - PRESCRIBED FORM SA-4

Condition and Context

The Extracurricular Account (ECA) had not properly designed or implemented a system of internal controls, which would include appropriate segregation of duties that would likely be effective in preventing, or detecting and correcting, noncompliance related to Ticket Sales - Prescribed Form SA-4 (SA-4).

For the Griffith Middle School and the Griffith High School ECA, ten athletic games were selected for testing. For all games selected for testing, the prescribed SA-4 was requested for examination. Due to the Griffith Middle School and the Griffith High School not utilizing the SA-4 form prior to April 1, 2023, the ECA could not provide any supporting documentation related to the ticket sales for four games selected.

Of the six athletic games that could be tested, collections recorded did not agree to the ECA receipt records for one game. The difference between the collections recorded and the ECA receipt records was \$45 for that athletic game.

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:

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GRIFFITH MIDDLE SCHOOL AND GRIFFITH HIGH SCHOOL
EXTRACURRICULAR ACCOUNT
RESULTS AND COMMENTS
(Continued)

Officials and employees are required to use prescribed and approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extracurricular Accounts, Chapter 1)

Ticket sales conducted by any activity should be accounted for as follows:

The treasurer should be responsible for the proper accounting for all tickets and should keep a record of the number purchased, the number issued for sale, and the number returned. The treasurer should see that proper accounting is made for the cash received from those sold. All tickets shall be prenumbered, with a different ticket color and numerical series for each price group. When cash for ticket sales is deposited with the treasurer, the treasurer's receipt issued therefore should show the number of tickets issued to the seller, the number returned unsold, and the balance remitted in cash. All tickets (including free or reduced) must be listed and accounted for on the SA-4 Ticket Sales Form.

(Accounting and Uniform Compliance Guidelines Manual for Extracurricular Accounts, Chapter 2)