

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

SCHOOL CITY OF HAMMOND

LAKE COUNTY, INDIANA

July 1, 2021 to June 30, 2023



FILED

03/04/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Alesia Pritchett Eric Kurtz	07-01-21 to 01-09-23 01-10-23 to 12-31-24
Superintendent of Schools	Scott Miller	07-01-21 to 12-31-24
President of the School Board	John Czulno Lisa Miller	07-01-21 to 12-31-22 01-01-23 to 12-31-24



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 SCHOOL CITY OF HAMMOND, LAKE COUNTY, INDIANA

This report is supplemental to the audit report of the School City of Hammond (School Corporation), for the period from July 1, 2021 to June 30, 2023. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the School Corporation. It should be read in conjunction with the Financial Statement Audit Report of the School Corporation, which provides our opinions on the School Corporation's financial statement. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Audit Results and Comments, incorporated within this report, was not verified for accuracy.

Beth Kelley, CPA, CFE
Deputy State Examiner

February 14, 2024

SCHOOL CITY OF HAMMOND
AUDIT RESULTS AND COMMENTS

AVERAGE DAILY MEMBERSHIP (ADM)

A similar comment also appeared in prior Report B60389, entitled *AVERAGE DAILY MEMBERSHIP (ADM)*.

Condition and Context

The School Corporation was unable to provide proper documentation for the verification of a student as an eligible pupil. Of the 48 students tested, supporting documentation was not provided to support the age or residency requirements for 3 and 6 students, respectively.

Criteria

Indiana Code 5-15-6-3 states:

"No financial records or records relating to financial records shall be destroyed until the earlier of the following actions:

- (1) The audit of the records by the state board of accounts has been completed, report filed, and any exceptions set out in the report satisfied.
- (2) The financial record or records have been copied or reproduced in accordance with a retention schedule or with the written consent of the administration."

Officials shall maintain records (enrollment cards, rosters, reporting forms, etc.) which substantiate the number of students claimed for ADM.

The building level official (Principal, Assistant Principal, etc.) is responsible for reporting ADM to the School Corporation Central Office, must provide a written certification of ADM to properly document responsibility. The certification must at a minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed.

(Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

SUBSEQUENT EVENT - APPROPRIATIONS

Condition and Context

Disbursements in the School Operations fund exceeded the budgeted appropriations for calendar year 2023 by \$227,538.

Criteria

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."



Official Response
For Audit Period July 1, 2021 to June 30, 2023

State Board of Accounts
302 West Washington Street Room E418
Indianapolis, Indiana 46204-2765

AVERAGE DAILY MEMBERSHIP (ADM)

RESPONSE:

Of the forty-eight (48) students tested the School City of Hammond was unable to produce supporting documentation to support the age or residency requirements for three (3) [6.25%] and six (6) [12.5%] students, respectively. The School Corporation will improve gathering, maintaining, and storing enrollment records.

APPROPRIATIONS – SUBSEQUENT EVENT

RESPONSE:

Disbursements in the Operations fund exceeded the budgeted appropriations for calendar year 2023 by \$227,538; the School Board will approve additional appropriations.

Regards,
Eric D. Kurtz
Assistant Superintendent Operations
& Chief Financial Officer / Treasurer

SCHOOL CITY OF HAMMOND
EXIT CONFERENCE

The contents of this report were discussed on February 14, 2024, with Eric Kurtz, Treasurer; Alesia Pritchett, Executive Director of Business Services; Scott Miller, Superintendent of Schools; Lisa Miller, President of the School Board; Cindy Murphy, School Board member; and Michele Riise, Assistant Superintendent of Academic Services.