

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

FINANCIAL STATEMENT REVIEW REPORT

OF

NORTHWEST INDIANA PUBLIC SCHOOL STUDY COUNCIL

LAKE COUNTY, INDIANA

July 1, 2015 to June 30, 2017



FILED
05/31/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Aaron Case	07-01-15 to 06-30-17
	Stacey Schmidt	07-01-17 to 06-30-18
Assistant Treasurer	Amy Tarr	07-01-15 to 06-30-18
President of the Study Council Board	Tom Cripliver	07-01-15 to 06-30-16
	John Hunter	07-01-16 to 06-30-17
	Larry Veracco	07-01-17 to 06-30-18



INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

We have reviewed the accompanying financial statement of the Northwest Indiana Public School Study Council (Council), for the period of July 1, 2015 to June 30, 2017. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Council's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statement as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with a regulatory basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6); which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. This includes determining that the basis of accounting the Council uses is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statement that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with *Statement on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statement for them to be in accordance with the prescribed basis of accounting described in Note 1. We believe that the results of our procedures provide a reasonable basis for our conclusion.


INDEPENDENT ACCOUNTANT'S REVIEW REPORT
(Continued)

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statement in order for them to be in accordance with the prescribed basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. The financial statement are prepared in accordance with the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.


Paul D. Joyce, CPA
State Examiner

April 16, 2018

FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the Council.
The financial statement and notes are presented as intended by the Council.

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NORTHWEST INDIANA PUBLIC SCHOOL STUDY COUNCIL
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2016 and 2017

<u>Fund</u>	<u>Cash and Investments 07-01-15</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 06-30-16</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 06-30-17</u>
General	<u>\$ 69,489</u>	<u>\$ 23,671</u>	<u>\$ 15,010</u>	<u>\$ 78,150</u>	<u>\$ 23,073</u>	<u>\$ 23,467</u>	<u>\$ 77,756</u>

The notes to the financial statement are an integral part of this statement.

NORTHWEST INDIANA PUBLIC SCHOOL STUDY COUNCIL
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Council was established under the laws of the State of Indiana, pursuant to Indiana Code 35-1-1 and Indiana Code 20-5-4 on April 5, 1984. The Council organized for the purpose of promoting the "Joint Study of Educational Issues" and is governed by a Board of Directors.

The accompanying financial statement presents the financial information for the Council.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Local sources, which include taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, Council activities, revenue from community services activities, and other revenue from local sources.

NORTHWEST INDIANA PUBLIC SCHOOL STUDY COUNCIL
NOTES TO FINANCIAL STATEMENT
(Continued)

Other receipts, which include amounts received from various sources which include return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include general administration and professional development.

F. Fund Accounting

The General fund is established, maintained, and reported by the Study Council and is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Study Council. The money accounted for in the General fund may only be available for use for certain legally restricted purposes.

Note 2. Budgets

The fund of the Council is not required to be budgeted.

Note 3. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the Council to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

NORTHWEST INDIANA PUBLIC SCHOOL STUDY COUNCIL
REVIEW RESULT AND COMMENT

ADOPTION AND TRAINING OF INTERNAL CONTROL STANDARDS

An internal control policy was not adopted by the Council as required by Indiana Code 5-11-1-27(g); therefore, training over internal control standards as required by Indiana Code 5-11-1-27(g) was not performed by the Council.

Indiana Code 5-11-1-27(g) states:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that:

- (1) the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision; and
- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

NORTHWEST INDIANA PUBLIC SCHOOL STUDY COUNCIL
EXIT CONFERENCE

The contents of this report were discussed on April 16, 2018, with Larry Veracco, President of the Study Council Board; Stacey Schmidt, Treasurer; and Amy Tarr, Assistant Treasurer.