



**STATE OF INDIANA**  
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STATE BOARD OF ACCOUNTS  
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October 28, 2021

To: The Officials of the Northwest Indiana Special Education Cooperative  
Northwest Indiana Special Education Cooperative  
2150 W 97th PI  
Crown Point, IN 46307

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the review of Northwest Indiana Special Education Cooperative. We have reviewed the review report concluded upon by Crowe LLP, Independent Public Accountants, for the period July 1, 2018 to June 30, 2020. Per the *Independent Accountant's Report*, the financial statements included in the report present fairly the financial condition of Northwest Indiana Special Education Cooperative as of June 30, 2019 and 2020, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Crowe LLP prepared the review report in accordance with the guidelines established by the State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

A handwritten signature in blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA  
State Examiner

**NORTHWEST INDIANA SPECIAL EDUCATION COOPERATIVE**  
Lake County, Indiana

**FINANCIAL STATEMENTS**  
June 30, 2019 and 2020

NORTHWEST INDIANA SPECIAL EDUCATION COOPERATIVE  
Lake County, Indiana

FINANCIAL STATEMENTS  
June 30, 2019 and 2020

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NORTHWEST INDIANA SPECIAL EDUCATION COOPERATIVE  
SCHEDULE OF OFFICIALS (Unaudited)  
June 30, 2019 and 2020

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<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Rebecca Krumwied	07-01-18 to 6-30-20
Director of the Cooperative	Jane Winkoff	07-01-18 to 6-30-20
President of the Board of Managers	Larry R. Biggs	07-01-18 to 6-30-20

## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Those Charged with Governance  
Northwest Indiana Special Education Cooperative  
Lake County, Indiana

**Report on the Financial Statement**

We have reviewed the accompanying statements of receipts, disbursements, other financing sources (uses), and cash and investment balances of the Northwest Indiana Special Education Cooperative (School Corporation) as of and for the years ended June 30, 2019 and 2020, and the related notes (the financial statements). A review includes primarily applying analytical procedures to management's financial data and making inquiries of the School Corporation'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 statements 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 these financial statements in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6) as described in Note 1; this includes determining that this basis of accounting is an acceptable basis for the preparation of financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements 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 Statements 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 statements for them to be in accordance with the 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. We believe that the results of our procedures provide a reasonable basis for our conclusion.

***Accountant's Conclusion***

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the regulatory basis of accounting.

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(Continued)

***Basis of Accounting***

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

***Other Matters***

The accompanying Schedule of Officials is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. We have not audited or reviewed such information and we do not express an opinion, a conclusion, nor provide any assurance on it.

***Restriction on Use***

This report is intended solely for the information and use of the Northwest Indiana Special Education Cooperative and the Indiana State Board of Accounts and is not intended to be and should not be, used by anyone other than these specified parties.

*Crowe LLP*  
Crowe LLP

Indianapolis, Indiana  
October 25, 2021

NORTHWEST INDIANA SPECIAL EDUCATION COOPERATIVE  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),  
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Years Ended June 30, 2019 and 2020

Fund	Cash and Investments			Other Financing	Cash and Investments			Other Financing	Cash and Investments
	07-01-18	Receipts	Disbursements	Sources (Uses)	06-30-19	Receipts	Disbursements	Sources (Uses)	06-30-20
General	\$ 2,466,604	\$ 9,131,373	\$ 10,207,188	\$ (1,390,799)	\$ (10)	\$ -	\$ -	\$ -	\$ (10)
Education	-	9,429,457	8,602,947	1,078,755	1,905,265	17,776,000	16,599,130	(1,270,465)	1,811,670
Operations	-	244,415	532,305	1,060,015	772,125	358,840	1,518,640	1,244,140	856,465
Capital Projects	579,886	80,337	146,147	(514,075)	1	-	-	-	1
School Transportation	31,262	-	21,338	(9,922)	2	-	-	-	2
School Bus Replacement	145,350	-	-	(145,350)	-	-	-	-	-
Local Rainy Day	100,000	-	-	-	100,000	-	-	-	100,000
Post-Retirement/Severance Future Benefits	272,514	130,685	137,921	-	265,278	130,740	147,156	-	248,862
School Lunch	155	8,488	10,820	2,524	347	6,410	8,752	2,616	621
Curricular Materials Rental	27,261	12,243	3,858	-	35,646	3,191	6,220	-	32,617
Self-Insurance	2,371,738	3,530,842	4,439,782	-	1,462,798	3,913,957	4,097,133	-	1,279,622
Parapro Test	-	-	-	-	-	715	550	1,975	2,140
Instructional Support	358	1	-	-	359	-	-	(359)	-
FY2021 Anderson	-	-	-	-	-	10,000	-	-	10,000
FY2020 Anderson	-	-	-	-	-	-	5,258	6,941	1,683
Local Adult, Alternative, and Continuing Education	1,557	5,752	7,199	585	695	2,778	2,389	5,534	6,618
Recreational Activities	8,936	-	-	-	8,936	-	86	(4,651)	4,199
State Instructional Support	-	-	-	-	-	1,219	1,307	(97)	(185)
Special Education Excess Costs	-	319,788	297,788	-	22,000	516,254	538,254	-	-
Teacher Quality Improvement Program	2,585	-	209	-	2,376	-	657	-	1,719
Teacher Quality Improvement Workshop	4,739	1,186	6,320	395	-	-	-	-	-
Instructional Support	1,350	1,950	1,650	-	1,650	1,975	1,650	(1,975)	-
Reading Recovery	811	626	743	-	694	155	819	-	30
Teacher Appreciation Grant	-	85,223	-	(85,223)	-	105,096	121,935	16,839	-
Contributions 17	2,568	-	2,658	89	(1)	-	-	-	(1)
Contributions 18	10,000	-	7,598	-	2,402	-	2,402	-	-
Anderson	-	-	-	-	-	10,000	3,060	(6,941)	(1)
Research Fund	(150)	1,910	2,062	-	(302)	1,225	1,020	97	-
Lake County Summit	524	-	-	-	524	-	-	(524)	-
Art Department Grant	1,656	-	1,656	-	-	-	-	-	-
IDEA FY2019	-	-	-	-	-	56,031	51,766	(10,495)	(6,230)
IDEA FY2020	-	-	-	-	-	3,175,643	2,757,813	(663,866)	(246,036)
Spec Ed FY2017	-	-	1,988	1,987	(1)	-	-	-	(1)
Special Education Grant 18	(170,780)	960,973	818,229	-	(28,036)	56,426	29,432	1,043	1
Special Education Early Childhood 15	-	6,723,691	7,019,526	-	(295,835)	1,111,800	829,445	13,477	(3)
Special Education Early Childhood 17	-	-	-	-	-	1,369,846	2,033,714	663,866	(2)
Special Education Early Childhood 18	(3,500)	102,027	99,544	1,018	1	-	-	-	1
ECD FY2019	-	97,176	116,297	-	(19,121)	77,451	61,675	3,345	-
ECD FY2020	-	-	-	-	-	109,127	115,303	-	(6,176)
Clearing	14,254	4,549,043	4,553,785	-	9,512	4,395,404	4,402,538	-	2,379
<b>Totals</b>	<b>\$ 5,869,678</b>	<b>\$ 35,417,186</b>	<b>\$ 37,039,558</b>	<b>\$ (1)</b>	<b>\$ 4,247,305</b>	<b>\$ 33,190,283</b>	<b>\$ 33,338,104</b>	<b>\$ 500</b>	<b>\$ 4,099,985</b>

See Independent Accountant's Review Report and notes to financial statements.

NORTHWEST INDIANA SPECIAL EDUCATION COOPERATIVE  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2019 and 2020

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Reporting Entity: The Northwest Indiana Special Education Cooperative (the School Corporation) was established under the laws of the State of Indiana. The School Corporation operates under an appointed governing board.

The accompanying financial statement presents the financial information for the School Corporation.

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 (GAAP), 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. The regulatory basis also allows for all investments to be stated at cost, while GAAP requires fair value for qualifying investments.

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

*Local sources*. Amounts received from taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, School Corporation activities, revenue from community service activities, and other revenue from local sources.

*State sources*. Amounts received as distributions from the State of Indiana that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

*Federal sources*. Amounts received as distributions from the federal government that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

*Interfund loans*. Amounts temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

*Other receipts*. Amounts received from various sources, including, but not limited to, the following: return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

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(Continued)

NORTHWEST INDIANA SPECIAL EDUCATION COOPERATIVE  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2019 and 2020

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Disbursements: Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

*Instruction*. Amounts disbursed for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

*Support services*. Amounts disbursed for support services related to students, instruction, general administration, school administration, outflows for central services, operation and maintenance of plant services, and student transportation.

*Noninstructional services*. Amounts disbursed for food service operations and community service operations.

*Facilities acquisition and construction*. Amounts disbursed for the acquisition, development, construction, and improvement of new and existing facilities.

*Interfund loans*. Amounts temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

*Nonprogrammed charges*. Amounts disbursed for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

Other Financing Sources and Uses: Other financing sources and uses are presented in the aggregate on the face of the financial statement. The aggregate other financing sources and uses include the following:

*Sale of capital assets*. Amounts received when land, buildings, or equipment owned by the School Corporation are sold.

*Transfers in*. Amounts received by one fund as a result of transferring money from another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

*Transfers out*. Amounts paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

Fund Accounting: Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for amounts 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 School Corporation. The amounts accounted for in a specific fund may only be available for use for certain, legally-restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and, therefore, the funds cannot be used for any expenditures of the School Corporation itself.

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(Continued)

NORTHWEST INDIANA SPECIAL EDUCATION COOPERATIVE  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2019 and 2020

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**NOTE 2 - 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 (PDIF). This includes any deposit accounts issued or offered by a qualifying financial institution.

The School Corporation held cash deposits with financial institutions that maintained FDIC and PDIF coverages, as applicable. The School Corporation did not hold investments for any of the years under review.

**NOTE 3 - PENSION PLAN**

*Public Employees' Retirement Fund*

*Plan Description*

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*Funding Policy and Annual Pension Cost*

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

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(Continued)

NORTHWEST INDIANA SPECIAL EDUCATION COOPERATIVE  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2019 and 2020

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**NOTE 3 - PENSION PLAN** (Continued)

*Teachers' Retirement Fund*

*Plan Description*

The Indiana Teachers' Retirement Fund (TRF) is a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRF plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 286-3544

*Funding Policy and Annual Pension Cost*

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

**NOTE 4 - CASH BALANCE DEFICITS**

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursement for expenditures made by the School Corporation were not received by June 30, 2019 and 2020.

NORTHWEST INDIANA SPECIAL EDUCATION COOPERATIVE  
EXIT CONFERENCE  
June 30, 2019 and 2020

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The contents of this report were discussed on October 25, 2021 with Jane Winkoff, Director, Larry Biggs, Board of Managers, and Lisa Rosinko, Chief Financial Officer.