

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

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

FEDERAL COMPLIANCE AUDIT REPORT  
OF  
TIPTON COMMUNITY SCHOOL CORPORATION  
TIPTON COUNTY, INDIANA  
July 1, 2022 to June 30, 2024



**FILED**

03/20/2025



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Amy Phillips (Vacant) Dawn Benefiel Brook Cleaver	07-01-22 to 07-08-22 07-09-22 to 07-10-22 07-11-22 to 09-11-22 09-12-22 to 06-30-25
Superintendent of Schools	Dr. Ryan Glaze	07-01-22 to 06-30-25
President of the School Board	Gary Plumer Jennifer Humrichous Robert Cochrane	07-01-22 to 12-31-22 01-01-23 to 12-31-24 01-01-25 to 06-30-25



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# INDIANA STATE BOARD OF ACCOUNTS

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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

TO: THE OFFICIALS OF THE TIPTON COMMUNITY SCHOOL  
CORPORATION, TIPTON COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the Tipton Community School Corporation (School Corporation), for the period of July 1, 2022 to June 30, 2024, and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement and have issued our report thereon dated March 6, 2025, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

### ***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL  
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*  
(Continued)

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Beth Kelley, CPA, CFE  
Deputy State Examiner

March 6, 2025



Paul D. Joyce, CPA  
State Examiner

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

TO: THE OFFICIALS OF THE TIPTON COMMUNITY SCHOOL CORPORATION, TIPTON COUNTY, INDIANA

## **Report on Compliance for Each Major Federal Program**

### ***Opinion on Each Major Federal Program***

We have audited the Tipton Community School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2022 to June 30, 2024. The School Corporation's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2022 to June 30, 2024.

### **Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the School Corporation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School Corporation's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School Corporation's federal programs.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE  
(Continued)

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School Corporation's compliance based on our audit. Reasonable assurance is a high level of assurance, but is not absolute assurance, and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually, or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School Corporation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE  
(Continued)

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001, to be material weaknesses.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* require the auditor to perform limited procedures on the School Corporation's response to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The School Corporation's response was not subjected to the other auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statement of the School Corporation, as of and for the period of July 1, 2022 to June 30, 2024, and the related notes to the financial statement. We issued our report thereon dated March 6, 2025, which contained a dual opinion on the financial statement. An adverse opinion was issued regarding the presentation in accordance with accounting principles generally accepted in the United States of America, and an unmodified opinion was issued regarding the presentation in accordance with the regulatory basis of accounting. Our audit was performed for the purpose of forming an opinion on the financial statement as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement as a whole.



Beth Kelley, CPA, CFE  
Deputy State Examiner

March 6, 2025



## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the School Corporation. The schedule and notes are presented as intended by the School Corporation.

TIPTON COMMUNITY SCHOOL CORPORATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2023 and 2024

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-23	Total Federal Awards Expended 06-30-23	Passed Through to Subrecipient 06-30-24	Total Federal Awards Expended 06-30-24
<b>Department of Agriculture</b>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
School Breakfast			FY 2022-2023	\$ -	\$ 120,910	\$ -	\$ -
School Breakfast			FY 2023-2024	-	-	-	86,423
Total - School Breakfast Program				-	120,910	-	86,423
National School Lunch Program	Indiana Department of Education	10.555					
School Lunch			FY 2022-2023	-	449,780	-	-
School Lunch			FY 2023-2024	-	-	-	366,771
Supply Chain Assistance			FY 2023-2024	-	78,738	-	47,160
Commodities			FY 2022-2024	-	56,678	-	60,291
Total - National School Lunch Program				-	585,196	-	474,222
Total - Child Nutrition Cluster				-	706,106	-	560,645
COVID-19 - Pandemic EBT Administrative Costs	Indiana Department of Education	10.649					
COVID-19 - Pandemic EBT Administrative Costs			FY22-23	-	628	-	-
Total - Department of Agriculture				-	706,734	-	560,645
<b>Department of Education</b>							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
FY 2021 Part B 611			21611-033-PN01	-	6,675	-	-
FY 2022 Part B 611			22611-033-PN01	-	219,447	-	5,214
FY 2023 Part B 611			23611-033-PN01	-	76,459	-	285,320
FY2024 Preschool 611			24611-033-PN01	-	-	-	76,463
Subtotal - Special Education Grants to States				-	302,581	-	366,997
COVID-19 - Special Education Grants to States	Indiana Department of Education	84.027					
FY 2022 IDEA ARP 611			22611-033-ARP	-	56,604	-	16,781
Total - Special Education Grants to States				-	359,185	-	383,778
Special Education Preschool Grants	Indiana Department of Education	84.173					
FY 2022 Preschool 619			22619-033-PN01	-	820	-	-
FY2023 Preschool 619			23619-033-PN01	-	-	-	15,035
FY2024 Preschool 619			24619-033-PN01	-	-	-	9,291
Total - Special Education Preschool Grants				-	820	-	24,326
Total - Special Education Cluster (IDEA)				-	360,005	-	408,104

TIPTON COMMUNITY SCHOOL CORPORATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2023 and 2024

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-23	Total Federal Awards Expended 06-30-23	Passed Through to Subrecipient 06-30-24	Total Federal Awards Expended 06-30-24
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I FY 2024			S010A230014	-	-	-	80,166
Title I FY 22-23			S010A220014	-	78,624	-	50,236
Title I FY 21-22			S010A210014	-	95,957	-	-
Total - Title I Grants to Local Educational Agencies				-	174,581	-	130,402
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	Indiana Department of Education	84.367					
Title II FFY 2021			S367A210013	-	1,876	-	4,098
Title II FFY 2022			S367A220013	-	8,688	-	-
Title II FFY 2023			S367A230013	-	-	-	223
Total - Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)				-	10,564	-	4,321
Student Support and Academic Enrichment Program	Indiana Department of Education	84.424					
Title IV FY 2021			S424A210015	-	3,932	-	-
Title IV Part A FFY 22			S424A220015	-	6,785	-	3,590
Total - Student Support and Academic Enrichment Program				-	10,717	-	3,590
COVID-19 - Education Stabilization Fund	Indiana Department of Education						
Governor Emergency Education Relief		84.425C	S425C200018	-	62,892	-	-
ESSER II		84.425D	S425D210013	-	303,207	-	145,531
ESSER III		84.425U	S425U210013	-	483,688	-	308,056
Subtotal - COVID-19 - Education Stabilization Fund				-	849,787	-	453,587
COVID-19 - Education Stabilization Fund							
Explore Engage Experience 3E Grant (3E Grant)	Indiana University	84.425U	7000S425U210013	-	-	-	93,414
Total - COVID-19 - Education Stabilization Fund				-	849,787	-	547,001
Total - Department of Education				-	1,405,654	-	1,093,418
Total federal awards expended				\$ -	\$ 2,112,388	\$ -	\$ 1,654,063

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

TIPTON COMMUNITY SCHOOL CORPORATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Summary of Significant Accounting Policies**

**A. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal award activity of the School Corporation under programs of the federal government for the years ended June 30, 2023 and 2024. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

The Uniform Guidance requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$750,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of School Corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

**B. Other Significant Accounting Policies**

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

**Note 2. Indirect Cost Rate**

The School Corporation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 3. Kokomo Area Special Education Cooperative**

The School Corporation is a member of the Kokomo Area Special Education Cooperative (KASEC). The KASEC operates the Special Education program for the School Corporation. As a result, the activity for the Special Education Cluster (IDEA) that is presented on the SEFA is not presented as receipts and disbursements in the financial statement for the School Corporation. This activity is presented in the financial statement of the cooperative's fiscal agent for the KASEC, the Western School Corporation.

TIPTON COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I - Summary of Auditor's Results**

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	yes

Identification of Major Programs and type of auditor's report issued on compliance for each:

Assistance Listings Number	Name of Federal Program or Cluster	Opinion Issued
84.425	Child Nutrition Cluster	Unmodified
	COVID-19 - Education Stabilization Fund	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?	no
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**Section II - Financial Statement Findings**

No matters are reportable

**Section III - Federal Award Findings and Questioned Costs**

**FINDING 2024-001**

Subject: Child Nutrition Cluster - Eligibility  
 Federal Agency: Department of Agriculture  
 Federal Programs: School Breakfast Program, National School Lunch Program  
 Assistance Listings Numbers: 10.553, 10.555  
 Federal Award Numbers and Years (or Other Identifying Numbers): FY 2022-2023, FY 2023-2024  
 Pass-Through Entity: Indiana Department of Education  
 Compliance Requirement: Eligibility  
 Audit Finding: Material Weakness

TIPTON COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition and Context*

An effective internal control system, which would include segregation of duties, was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Eligibility compliance requirement.

There was no documented internal control in place to ensure that timely eligibility determinations were made and reviewed for eligibility determinations made via Direct Certification. Several listings of students eligible for Direct Certification were provided for audit, but there was no audit evidence provided that the information was shared and used to make timely eligibility determinations.

The lack of internal controls was a systematic issue during the audit period.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

*Cause*

The School Corporation did not maintain a history of the eligibility determinations made via Direct Certification. Additionally, the School Corporation changed to a different point-of-sale software system starting with the current school year and had very limited access to the previous point-of-sale system. Lastly, the School Corporation had changes in staff responsible for making the eligibility determinations during the audit period.

*Effect*

The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program. This could result in incorrect eligibility determinations.

*Questioned Costs*

There were no questioned costs identified.

TIPTON COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Recommendation*

We recommended that the School Corporation's management establish a system of internal controls, including segregation of duties, related to the grant agreement and compliance requirements listed above. An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity. The School Corporation should retain documentation to show evidence that eligibility determinations were performed and internal controls were in place.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.



#### AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the School Corporation. The documents are presented as intended by the School Corporation.



# COMMUNITY SCHOOL CORPORATION

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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### *FINDING 2020-001*

**Fiscal year in which the finding initially occurred:** 2018. This is a repeat finding from a prior audit report. The prior audit finding number was 2018-001.

**Current Audit Period:** 2022-24

**Finding Subject:** Preparation of the Schedule of Expenditures of Federal Awards

**Summary of Finding:** It was determined that the school corporation did not have established effective controls over the federal award information being reported in Gateway. Expenses were overstated, commodities were omitted, and incorrect or missing CFDA numbers, program names, and identifying numbers were entered.

**Status of Audit Finding:** Corrected.

**Response Comments:** Treasurer has taken the following steps to establish effective internal controls: contact agencies as needed to confirm information regarding award numbers, award/program names; acquire a better understanding of what is to be included when calculating school lunch commodities; determine which expenses should be reported to school breakfast and school lunch so as not to overstate expenditures; draft and review federal grant revenues and expenditures for accuracy in reporting.

### *FINDING 2020-004*

**Fiscal year in which the finding initially occurred:** 2020

**Current Audit Period:** 2022-24

**Finding Subject:** CNC Procurement and Suspension and Debarment

**Summary of Finding:** The school corporation did not have an effective internal control system in place regarding procurement, suspension, and debarment compliance. The school corporation did not verify that invoices submitted to the school were paid by the FSMC or that any expected credits were received and applied to FSMC invoices. Quotes were not sought and kept on file from the proper number of sources for small purchases. The school corporation had no system in place to verify that vendors were not debarred or suspended by a federal agency.

**Status of Audit Finding:** Corrected.

**Response Comments:** For purchases \$10,000 or more, Treasurer requests that vendor's representative sign an affidavit setting forth that vendor is not debarred, suspended or declared ineligible by any federal department or agency or Treasurer searches Sam.gov for said information. Proper number of quotes are sought and kept on file. As to invoices/credits, Treasurer randomly selects invoices from the monthly packet provided by FSMC FSD to review and requests proof that said invoices were paid by the FSMC and keeps said documentation on file. FSMC FSD replies with proof of payments/credits.



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**FINDING 2022-001**

**Fiscal year in which the finding initially occurred:** 2018. This is a repeat finding from the immediately prior audit reports 2018-20 and 2020-22.

**Current Audit Period:** 2022-24

**Finding Subject:** Preparation of the Schedule of Expenditures of Federal Awards

**Summary of Finding:** It was determined that the school corporation did not have established effective controls over the federal award information being reported in Gateway. Expenses were overstated and incorrect or missing CFDA numbers, program names, and identifying numbers were entered.

**Status of Audit Finding:** Corrected.

**Response Comments:** Treasurer has taken the following steps to establish effective internal controls: contact agencies as needed to confirm information regarding award numbers, award/program names; acquire a better understanding of what is to be included when calculating school lunch commodities; determine which expenses should be reported to school breakfast and school lunch so as not to overstate expenditures; draft and review federal grant revenues and expenditures for accuracy in reporting.

**FINDING 2022-002**

**Fiscal year in which the finding initially occurred:** 2020. This is a repeat finding from a prior audit report. The prior audit finding number was 2020-004.

**Current Audit Period:** 2022-24

**Finding Subject:** CNC Procurement and Suspension and Debarment

**Summary of Finding:** The school corporation did not seek bids or proposals for one of two vendors that exceeded the simplified acquisition threshold. The school corporation had no system in place to verify that vendors were not debarred or suspended by a federal agency prior to entering into contracts that exceeded \$25,000.

**Status of Audit Finding:** Corrected.

**Response Comments:** For purchases \$10,000 or more, Treasurer requests that vendor's representative sign an affidavit setting forth that vendor is not debarred, suspended or declared ineligible by any federal department or agency or Treasurer searches Sam.gov for said information. Superintendent and Treasurer work to ensure that bids are sought and kept on file for projects exceeding the simplified acquisition threshold. Proper number of quotes/bids are sought and kept on file.



# COMMUNITY SCHOOL CORPORATION

Main Street • Tipton, Indiana 46072 • Office: 765-675-2147 • Fax: 765-675-3857

TCSC

## CORRECTIVE ACTION PLAN

FINDING 2024-001 (Auditor Assigned Reference Number)

Finding Subject: Child Nutrition Cluster - Eligibility

Contact Person Responsible for Corrective Action: Brook Cleaver  
Contact Phone Number and Email Address: (765) 675-2147 Ext 3316;  
bcleaver@tcsc.k12.in.us

Views of Responsible Officials:

We concur that there was not a documented control in place to ensure that timely eligibility determinations were made for direct certification eligibility determinations.

Description of Corrective Action Plan:

Etrition is our new system for the 2024-25 school year. Weekly, Susie Moore, kitchen manager, checks the state website for any direct certification file pulls. The file is saved by date and is used to import direct certs into the Etrition program on that same day. Each Friday, eligibility determination notices are issued via email to the parent or guardian email listed in the school's information system, Powerschool. If such an email does not exist in the information system, a hard copy of the notice is mailed to the household. Duplicate copies will be retained in our files. Etrition syncs with PowerSchool at midnight each day successfully changing student lunch statuses. Benefit notifications will be reviewed by a second person and checked against the direct cert file pull to verify for accuracy. Income applications will work in a similar fashion, wherein we will retain evidence of the eligibility notices being sent to households. A binder of all notices will be kept on file.

Anticipated Completion Date: Immediately - 3/4/2025

## OTHER REPORTS

In addition to this report, other reports may have been issued for the School Corporation. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.