

**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

NORTH CENTRAL PARKE COMMUNITY SCHOOL CORPORATION

PARKE COUNTY, INDIANA

July 1, 2022 to June 30, 2024



**FILED**

02/10/2025



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Vonessia Harmon	07-01-22 to 06-30-25
Superintendent of Schools	Dr. Michael Schimpf	07-01-22 to 06-30-25
President of the School Board	P. Scott Ramsay	07-01-22 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 NORTH CENTRAL PARKE COMMUNITY  
SCHOOL CORPORATION, PARKE 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 North Central Parke 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 January 29, 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 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

January 29, 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 NORTH CENTRAL PARKE COMMUNITY SCHOOL CORPORATION, PARKE COUNTY, INDIANA

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

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

We have audited the North Central Parke 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.

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001. Our opinion on each major federal program is not modified with respect to these matters.

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)

*Government Auditing Standards* requires the auditor to perform limited procedures on the School Corporation's response to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The School Corporation's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on the response.

### **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.

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 deficiency 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.

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)

**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 January 29, 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

January 29, 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.

NORTH CENTRAL PARKE 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
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program							
Child Nutrition-Breakfast Program	Indiana Department of Education	10.553					
Child Nutrition-Breakfast Program			FY21-22	\$ -	\$ 19,704	\$ -	\$ -
Child Nutrition-Breakfast Program			FY22-23	-	128,154	-	-
Child Nutrition-Breakfast Program			FY23-24	-	-	-	123,648
Total - School Breakfast Program				-	147,858	-	123,648
National School Lunch Program							
Indiana Department of Education							
National School Lunch Program	Indiana Department of Education	10.555					
National School Lunch Program			FY21-22	-	45,612	-	-
National School Lunch Program			FY22-23	-	290,128	-	-
National School Lunch Program			FY22-23	-	48,623	-	-
National School Lunch Program			FY23-24	-	-	-	49,492
National School Lunch Program			FY23-24	-	-	-	300,605
Commodities			FY22-23 / FY23-24	-	100,883	-	68,192
Total - National School Lunch Program				-	485,246	-	418,289
Total - Child Nutrition Cluster				-	633,104	-	541,937
Child Nutrition Discretionary Grants Limited Availability							
2022 CN Meals Equipment Grant							
	Indiana Department of Education	10.579	74502.000	-	-	-	24,000
Pandemic EBT Administrative Costs							
Indiana Department of Education							
Pandemic EBT Administrative Costs	Indiana Department of Education	10.649	FY22-23	-	628	-	-
Total - Department of Agriculture				-	633,732	-	565,937
<u>Federal Communications Commission</u>							
Emergency Connectivity Fund Program							
Direct Grant							
FCC Emergency Connectivity Funding	Direct Grant	32.009	ECF2022206932	-	-	-	108,000
Total - Emergency Connectivity Fund Program				-	-	-	108,000
Total - Federal Communications Commission				-	-	-	108,000

NORTH CENTRAL PARKE 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 Education</b>							
Special Education Cluster (IDEA)							
Special Education Grants to States							
	Indiana Department of Education	84.027					
	Special Education Paraprofessional Training Grant		79060.000	-	-	-	3,844
	Part B 611 Special Education FY21		21611-111-PN01	-	22,011	-	-
	Part B 611 Special Education FY22		22611-111-PN01	-	226,464	-	-
	Part B 611 Special Education FY23		22611-111-PN01	-	-	-	12,909
	Part B 611 Special Education FY23		23611-111-PN01	-	126,254	-	-
	Part B 611 Special Education FY23		23611-111-PN01	-	-	-	283,100
	Part B 611 Special Education FY24		24611-111-PN01	-	-	-	132,438
	Subtotal - Special Education Grants to States			-	374,729	-	432,291
COVID-19 - Special Education Grants to States							
	Part B 611 ARP Special Education #7911	84.027	22611-111-ARP	-	-	-	19,813
	Part B 611 ARP Special Education #7911		NCP6375	-	57,335	-	-
	Subtotal - COVID-19 - Special Education Grants to States			-	57,335	-	19,813
	Total - Special Education Grants to States			-	432,064	-	452,104
Special Education Preschool Grants							
	Indiana Department of Education	84.173					
	Part B 619 Special Education FY23		23619-111-PN01	-	9,188	-	-
	Part B 619 Special Education FY23		23619-111-PN01	-	-	-	8,350
	Part B 619 Special Education FY24		24619-111-PN01	-	-	-	17,587
	Subtotal - Special Education Preschool Grants			-	9,188	-	25,937
COVID-19 - Special Education Preschool Grants							
	Indiana Department of Education	84.173					
	Part B 619 ARP Special Education #7912		22619-111-ARP	-	-	-	4,112
	Part B 619 ARP Special Education #7912		NCP6375	-	1,923	-	-
	Subtotal - COVID-19 - Special Education Preschool Grants			-	1,923	-	4,112
	Total - Special Education Preschool Grants			-	11,111	-	30,049
	Total - Special Education Cluster (IDEA)			-	443,175	-	482,153

NORTH CENTRAL PARKE 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 Part A Basic Grant FY22			S010A210014	-	123,333	-	-
Title I Part A Basic Grant FY23			S010A220014	-	316,163	-	-
Title I Part A Basic Grant FY23			S010A220014	-	-	-	124,593
Title I Part A Basic Grant FY24			S010A230014	-	-	-	407,268
Total - Title I Grants to Local Educational Agencies				-	439,496	-	531,861
Rural Education	Indiana Department of Education	84.358					
Rural & Low Income FY23			S424A230015	-	-	-	32,085
Rural & Low Income FY20			S358B190014	-	339	-	-
Rural & Low Income FY22			S358B210014	-	3,725	-	-
Rural & Low Income FY23			S358B220014	-	34,237	-	-
Total - Rural Education				-	38,301	-	32,085
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
Title II Part A FY22			S367A210013	-	42,658	-	-
Title II Part A FY23			S367A220013	-	-	-	31,302
Title II Part A FY24			S367A230013	-	-	-	44,408
Title II Part A FY23			S367A220013	-	44,501	-	-
Total - Supporting Effective Instruction State Grants				-	87,159	-	75,710
Education Innovation and Research	University of Indianapolis	84.411					
RECN Education Innovation and Research			U411B190018	-	20,649	-	-
RECN Education Innovation and Research			U411B190018	-	-	-	13,399
Total - Education Innovation and Research				-	20,649	-	13,399
Student Support and Academic Enrichment Program	Indiana Department of Education	84.424					
Title IV Part A FY20			S424A200015	-	5,589	-	-
Title IV Part A FY21			S424A210015	-	23,460	-	-
Title IV Part A FY22			S424A220015	-	21,924	-	-
Title IV Part A FY22			S424A220015	-	-	-	8,765
Title IV Part A FY24			S424A230015	-	-	-	29,586
Total - Student Support and Academic Enrichment Program				-	50,973	-	38,351

NORTH CENTRAL PARKE 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
COVID-19 - Education Stabilization Fund	Indiana Department of Education						
ESSER III COVID-19 Education Stabilization		84.425U	FY22-23	-	2,348	-	-
ESSER III COVID-19 Education Stabilization		84.425U	FY22-23	-	-	-	46,230
Governor's Emergency Education Relief		84.425C	S425C200018	-	2,000	-	-
ESSER II COVID-19 Education Stabilization		84.425D	S425D210013	-	407,619	-	-
ESSER III ARP		84.425U	S425U200013	-	132,042	-	-
ESSER III ARP		84.425U	S425U200013	-	-	-	112,309
ESSER III COVID-19 Education Stabilization		84.425U	S425U210013	-	647,879	-	-
ESSER III COVID-19 Education Stabilization		84.425U	S425U210013	-	-	-	2,380,508
Total - COVID-19 - Education Stabilization Fund				-	1,191,888	-	2,539,047
Total - Department of Education				-	2,271,641	-	3,712,606
<u>Department of Health and Human Services</u>							
<u>Medicaid Cluster</u>							
Medical Assistance Program	Indiana Family and Social Services Administration	93.778					
Medicaid Assistance Program IEP			FY22-23	-	76,860	-	-
Medicaid Assistance Program IEP			FY23-24	-	-	-	120,960
Medical Assistance Program	Indiana Department of Education	93.778					
Medicaid Assistance Program INMAC			FY22-23	-	14,222	-	-
Medicaid Assistance Program INMAC			FY23-24	-	-	-	16,913
Total - Medical Assistance Program				-	91,082	-	137,873
Total - Medicaid Cluster				-	91,082	-	137,873
Total - Department of Health and Human Services				-	91,082	-	137,873
<u>Department of Homeland Security</u>							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Indiana Department of Homeland Security	97.036					
FEMA Disaster Grants-Public Assistance			NCP6375	-	10,300	-	-
Total - Department of Homeland Security				-	10,300	-	-
Total federal awards expended				\$ -	\$ 3,006,755	\$ -	\$ 4,524,416

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

NORTH CENTRAL PARKE 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 non-federal 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.

NORTH CENTRAL PARKE 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
84.010	Child Nutrition Cluster	Unmodified
84.425	Title I Grants to Local Educational Agencies	Unmodified
84.425	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.

NORTH CENTRAL PARKE COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

**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): FY22-23, FY23-24  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Eligibility  
Audit Findings: Material Weakness, Other Matters

*Condition and Context*

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

The Food Service Director entered the income guidelines into the Harmony software at the beginning of each school year. Free and reduced applications are processed through the Harmony software, which makes the determination for each student based on the income guidelines entered by the Food Service Director. There were no internal controls in place to ensure the Food Service Director entered the income guidelines into the Harmony software correctly.

There was no internal control in place to ensure that direct certification reports were processed at the start of the school year and monthly thereafter, or that the student statuses were updated accordingly. Additionally, there was no review to verify that the year-to-date direct certification reports were processed to identify any students that were missed in a prior month when the report was not processed.

Of the 25 students tested, 1 had the wrong status in the Harmony software from August 9, 2022 to January 30, 2023. The student was listed as paying the reduced rate for meals but should have been classified as eligible for free meals.

The direct certification reports for the audit period were not retained; therefore, we could not verify that the students who were enrolled during the fiscal years 2022-2023 or 2023-2024 qualified for free or reduced meals under the direct certification method.

The lack of internal controls and noncompliance were systemic issues throughout 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). . . ."

NORTH CENTRAL PARKE COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

7 CFR 245.3(c) states in part: "Each School Food Authority shall serve free and reduced price meals or free milk in the respective programs to children eligible under its eligibility criteria. . . ."

7 CFR 245.6(b)1(iii) states:

"Beginning in School Year 2012-2013, direct certification shall be conducted using a data matching technique only and letters to household for direct certification may be used only as an additional means to notify households of children's eligibility based on receipt of SNAP benefits. The last period that letters to households may be used as the primary method for direct certification is School Year 2011-12."

*Cause*

The School Corporation was unaware that they needed to verify the income guidelines in the software system and to maintain the year-to-date direct certification reports as stated above.

*Effect*

Without an effectively designed system of internal controls, the School Corporation did not verify children who were on the direct certification listing monthly as required. This allowed a student to be incorrectly classified in the software system and prevented the student from receiving the appropriate assistance.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management strengthen its system of internal controls to ensure that they review income guidelines in the Harmony software, process the direct certification reports monthly, and update the student statuses accordingly.

*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.

# North Central Parke Community School Corporation

602 Howard Avenue Rockville, IN 47872  
Phone (765) 569-4190 - Fax (765) 569-4199  
Superintendent Michael Schimpf



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2022-001***

**Fiscal year in which the finding initially occurred:** FY22

**Current Audit Period:** July 1, 2022-June 30, 2024

**Finding Subject:** Child Nutrition Cluster - Allowable Costs/Cost Principles

#### **Summary of Finding:**

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement. We recommended that the School Corporation's management establish an effective system of internal control to ensure compliance and comply with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

#### **Status of Audit Finding:**

Fully Corrected and the original corrective action was implemented

### ***FINDING 2022-002***

**Fiscal year in which the finding initially occurred:** FY22

**Current Audit Period:** July 1, 2022-June 30, 2024

**Finding Subject:** Child Nutrition Cluster - Procurement

#### **Summary of Finding:**

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement. We recommended that the School Corporation's management establish a system of internal control to ensure compliance and comply with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

#### **Status of Audit Finding:**

Fully Corrected and the original corrective action was implemented

### ***FINDING 2022-003***

**Fiscal year in which the finding initially occurred:** FY22

**Current Audit Period:** July 1, 2022-June 30, 2024

**Finding Subject:** Title I Grants to Local Educational Agencies - Internal Controls

#### **Summary of Finding:**

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Eligibility and the Matching, Level of Effort, Earmarking compliance requirements. We recommended that the School Corporation's management

establish internal controls to ensure compliance with the grant agreement and the Eligibility and the Matching, Level of Effort, Earmarking compliance requirements.

**Status of Audit Finding:**

Fully Corrected and the original corrective action was implemented

**FINDING 2022-004**

**Fiscal year in which the finding initially occurred:** FY22

**Current Audit Period:** July 1, 2022-June 30, 2024

**Finding Subject:** Title I Grants to Local Educational Agencies - Special Tests and Provisions - Annual Report Card, High School Graduation Rate

**Summary of Finding:**

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions – Annual Report Card, High School Graduation Rate compliance requirement. The School Corporation had not designed, nor implemented policies and procedures to ensure that documentation regarding the reason for a student's removal from the high school graduation cohort for mobility reasons was prepared and reviewed.

We recommended that the School Corporation's management establish a system of internal control to ensure compliance and comply with the grant agreement and the Special Tests and Provisions – Annual Report Card, High School Graduation Rate compliance requirement.

**Status of Audit Finding:**

Fully Corrected and the original corrective action was implemented

**FINDING 2022-005**

**Fiscal year in which the finding initially occurred:** FY22

**Current Audit Period:** July 1, 2022-June 30, 2024

**Finding Subject:** COVID-19 - Education Stabilization Fund - Reporting

**Summary of Finding:**

An effective internal control system was not designed, nor implemented at the School Corporation to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirement. The School Corporation had not designed, nor implemented a system of internal control to ensure that the annual Elementary and Secondary School Emergency Relief (ESSER) and the Governor's Emergency Education Relief (GEER) annual Data Collection reports (Reports) were complete and accurately submitted. The Reports were prepared by one employee without an oversight, review, or approval process in place to prevent, or detect and correct, errors.

We recommended that the School Corporation's management establish a system of internal controls related to the grant agreement and the Reporting compliance requirement.

**Status of Audit Finding:**

Fully Corrected and the original corrective action was implemented

# North Central Parke Community School Corporation

602 Howard Avenue Rockville, IN 47872  
Phone (765) 569-4190 - Fax (765) 569-4199  
Superintendent Michael Schimpf



## CORRECTIVE ACTION PLAN

### **FINDING 2024-001**

#### **Finding Subject: Child Nutrition Cluster-Eligibility**

#### **Summary of Finding:**

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 following compliance requirements for Eligibility related to income guidelines and Direct Certifications. No controls were in place to ensure the Food Service Director was inputting the income guidelines into the Harmony software correctly and that direct certification reports were run at the start of the school year and monthly thereafter, and that the student statuses were updated, accordingly. No one verified that the year-to-date direct certification reports were run to catch any students that were missing.

**Contact Person Responsible for Corrective Action:** Vonessia Harmon, Business Manager

**Contact Phone Number and Email Address:** 765-569-4195 harmonv@ncp.k12.in.us

**Views of Responsible Officials:** We concur with the finding.

#### **Description of Corrective Action Plan:**

The Food Service Director is responsible for ensuring the annual Free & Reduced income guidelines are entered into the student software system prior to Online Registration each school year. The Food Service Director will provide a copy of the income guidelines to the Business Manager for review. The Business Manager will review the income guidelines for accuracy and keep the documentation on file.

The Food Service Director is responsible for running the Direct Certification reports. Direct Certification Reports shall be completed at the start of each school year and on a monthly basis thereafter. The Food Service Director is responsible for ensuring that student records are updated to the proper eligibility status in the student software system.

The Business Manager is responsible for reviewing the Direct Certification Reports on a monthly basis and confirming that the student records have been updated.

Audit Evidence: Copies of annual income guidelines and all Direct Certification Reports signed by both the Food Service Director and the Business Manager will be kept on file along with proof of the updated student record(s).

**Anticipated Completion Date:** Effective immediately

## 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/>.