

**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

SOUTHWEST PARKE COMMUNITY SCHOOL CORPORATION

PARKE COUNTY, INDIANA

July 1, 2022 to June 30, 2024



FILED

02/25/2025

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Leslie A. Shaffer (Vacant) Grant L. Dickey	07-01-22 to 08-29-23 08-30-23 to 10-22-23 10-23-23 to 06-30-25
Superintendent of Schools	Dr. Philip T. Harrison	07-01-22 to 06-30-25
President of the School Board	Darrek J. Davis	07-01-22 to 06-30-25



Paul D. Joyce, CPA
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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 SOUTHWEST 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 Southwest 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 February 18, 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, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, as described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001, that we consider to be material weaknesses.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001.

Southwest Parke Community School Corporation's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School Corporation's response to findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The School Corporation's response to the 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 the financial statement, and, accordingly, we express no opinion on it.

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

February 18, 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 SOUTHWEST 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 Southwest 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.

Report on Internal Control over Compliance

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.

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)

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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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 February 18, 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

February 18, 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.

SOUTHWEST 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
Department of Agriculture							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
School Breakfast Program			FY2023	\$ -	\$ 177,474	\$ -	\$ -
School Breakfast Program			FY2024	-	-	-	168,225
Total - School Breakfast Program				-	177,474	-	168,225
National School Lunch Program							
National School Lunch Program	Indiana Department of Education	10.555					
CEP			FY2023	-	495,241	-	-
Commodities			FY2024	-	-	-	455,252
			FY2023, FY2024	-	44,121	-	48,449
Total - National School Lunch Program				-	539,362	-	503,701
Total - Child Nutrition Cluster				-	716,836	-	671,926
Total - Department of Agriculture				-	716,836	-	671,926
Department of Education							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
Special Education 611 Part B FY22			H027A190084	-	17,561	-	-
Special Education 611 Part B FY23			H027A190084	-	220,275	-	-
SPED 611 Grant FY2023			H027A230084	-	-	-	60,432
SPED 611 Grant FY2024			H027A230084	-	-	-	100,608
Subtotal - Special Education Grants to States				-	237,836	-	161,040
COVID-19 - Special Education Grants to States ARP SPED 611 Grant	Indiana Department of Education	84.027					
			H027X210084	-	-	-	35,413
Total - Special Education Grants to States				-	237,836	-	196,453
Special Education Preschool Grants	Indiana Department of Education	84.173					
SPED 619 Grant FY2023			H173A220104	-	-	-	13,410
SPED 619 Grant FY2022			H173A210104	-	-	-	13,016
Subtotal - Special Education Preschool Grants				-	-	-	26,426
COVID-19 - Special Education Preschool Grants ARP SPED 619 Grant	Indiana Department of Education	84.173					
			H173X210104	-	-	-	4,175
Total - Special Education Preschool Grants				-	-	-	30,601
Total - Special Education Cluster (IDEA)				-	237,836	-	227,054

SOUTHWEST 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 2021-22			S010A210014	-	37,808	-	-
Title I 2022-2023			S010A220014	-	103,083	-	-
Title I Grant 2022-2023			S010A220014	-	-	-	57,052
Title I Grant 2023-2024			S010A230014	-	-	-	104,133
Total - Title I Grants to Local Educational Agencies				-	140,891	-	161,185
English Language Acquisition State Grants	Indiana Department of Education	84.365					
Title III - NESP FY23			S365A210014	-	2,590	-	-
Total - English Language Acquisition State Grants				-	2,590	-	-
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
Title II - Part A FY21			S367A210013	-	206	-	-
Title II Part A			S367A230013	-	-	-	30,274
Title II - Part A FY22			S367A220013	-	29,318	-	-
Total - Supporting Effective Instruction State Grants				-	29,524	-	30,274
Student Support and Academic Enrichment Program	Indiana Department of Education	84.424					
Title IV 2019-2020			S424A190015	-	30,635	-	-
COVID-19 - Education Stabilization Fund	Indiana Department of Education						
Comprehensive School Counseling Grant		84.425U	S425U210013	-	-	-	53,323
CARES Act ESSER Education Stabilization Fund		84.425D	S425D200013	-	19,292	-	-
Education Stabilization Relief Fund II		84.425D	S425D210013	-	98,983	-	-
ESSER II		84.425D	S425D210013	-	-	-	24,027
Education Stabilization Relief Fund III		84.425U	S425U210013	-	472,882	-	-
ESSER III		84.425U	S425U210013	-	-	-	406,332
Total - COVID-19 - Education Stabilization Fund				-	591,157	-	483,682
Total - Department of Education				-	1,032,633	-	902,195
<u>Department of Health and Human Services</u>							
Medicaid Cluster							
Medical Assistance Program	Indiana Family and Social Services Administration	93.778					
Medicaid IEP			FY2024	-	-	-	28,249
Total - Medicaid Cluster				-	-	-	28,249
Total - Department of Health and Human Services				-	-	-	28,249
Total federal awards expended				\$ -	\$ 1,749,469	\$ -	\$ 1,602,370

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

SOUTHWEST 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.

SOUTHWEST 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?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	no

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 COVID-19 - Education Stabilization Fund	Unmodified Unmodified

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

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

FINDING 2024-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness, Noncompliance

Condition and Context

The School Corporation had internal controls in place over the Schedule of Expenditures of Federal Awards (SEFA); however, the internal controls were not effective. The SEFA presented for audit contained material errors requiring revision by the School Corporation.

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

The School Corporation should have proper internal controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards.

Due to ineffective internal controls, the SEFA presented for audit contained the following errors:

As of June 30, 2023:

- The Child Nutrition Cluster was overstated by \$67,991.

As of June 30, 2024:

- The Child Nutrition Cluster was overstated by \$120,294.
- The Special Education Cluster (IDEA) was overstated by \$94,413.
- The Title I Grants to Local Educational Agencies was overstated by \$4,895.
- The Supporting Effective Instruction State Grants was overstated by \$2,958.
- The COVID-19 - Education Stabilization Fund was overstated by \$18,025.
- The Medicaid Cluster was understated by \$28,249.

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA presented in this report.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control . . ."

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

2 CFR 200.1 states in part:

". . . . *Internal controls* for non-Federal entities means:

- (1) Processes designed and implemented by non-Federal entities to provide reasonable assurance regarding the achievement of objectives in the following categories:
 - (i) Effectiveness and efficiency of operations;
 - (ii) Reliability of reporting for internal and external use; . . ."

2 CFR 200.508 states in part:

"The auditee must: . . .

- (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with section § 200.510. . . ."

2 CFR 200.510(b) states:

"*Schedule of expenditures of Federal awards*. The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the Assistance Listings number or other identifying number when the Assistance Listings information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502(b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.

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

- (6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414."

Cause

Management had not established a system of internal controls that would ensure proper reporting of the SEFA.

Effect

Without a proper system of internal controls in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Condition and Context*.

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

AUDITEE-PREPARED DOCUMENTS

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

Southwest Parke Community School Corporation

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Philip T. Harrison, Ph.D.
Superintendent of Schools

Grant Dickey
Corporation Treasurer

Angie Gilstrap
Deputy Treasurer

Jonella McClintock
Food Service Director

FINDING 2022-001

Fiscal year in which the finding initially occurred: 2021

Current Audit Period: 2024

Finding Subject: Financial Transactions and Reporting

Summary of Finding: Material Weakness, Noncompliance

Funds were missing from the AFR, which caused additional financial errors. There were no reviews of the AFR by additional employees of the school corporation.

Status of Audit Finding: Fully Corrected, but the corrective action implemented differs significantly from the original planned corrective action.

Response Comments:

To avoid funds being left off the Annual Financial Report, the Superintendent reviews the AFR and corresponding documents that are completed by the Corporation Treasurer prior to the AFR being submitted to Gateway. Regarding the issues with clearing account revenue and payroll withholdings, the Corporation Treasurer spoke with Boyce Systems as he set up new clearing account funds and followed the instructions from Boyce on how to link the clearing accounts to the payroll process.

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Angie Gilstrap
Deputy Treasurer

Jonella McClintock
Food Service Director

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-002, 2020-003

Fiscal year in which the finding initially occurred: 2020

Current Audit Period: 2024

Finding Subject: Child Nutrition Cluster - Internal Controls

Summary of Finding: Material Weakness

The Food Service Director had not approved all claims paid by Corporation Treasurer.

Status of Audit Finding: Fully Corrected and the original corrective action plan was implemented.

Response Comments: N/A

Southwest Parke Community School Corporation

4851 South Coxville Road Montezuma, IN 47862

Phone: 765-569-2073 Fax: 765-569-0309

swparke.k12.in.us

Philip T. Harrison, Ph.D.
Superintendent of Schools

Grant Dickey
Corporation Treasurer

Angie Gilstrap
Deputy Treasurer

Jonella McClintock
Food Service Director

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-003

Fiscal year in which the finding initially occurred: 2021

Current Audit Period: 2024

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

Summary of Finding: Material Weakness, Other Matters

Items purchased were not charged in accordance with contracted prices.

Status of Audit Finding: Fully Corrected and the original corrective action plan was implemented.

Response Comments: N/A

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-004

Fiscal year in which the finding initially occurred: 2021

Current Audit Period: 2024

Finding Subject: Child Nutrition Cluster - Procurement

Summary of Finding: Material Weakness, Other Matters

Procurement requirements were not met for purchases that fell under small purchase procedures.

Status of Audit Finding: Fully Corrected and the original corrective action plan was implemented.

Response Comments: N/A

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**SUMMARY SCHEDULE OF PRIOR AUDIT
FINDINGS**

FINDING 2022-005

Fiscal year in which the finding initially occurred: 2021

Current Audit Period: 2024

Finding Subject: COVID-19 - Education Stabilization Fund - Internal Controls

Summary of Finding: Material Weakness

The Corporation Treasurer has paid ESSER claims and prepared ESSER reports without approval or review by the Superintendent.

Status of Audit Finding: Fully Corrected and the original corrective action plan was implemented.

Response Comments: N/A

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CORRECTIVE ACTION PLAN

FINDING 2024-001

Finding Subject: Preparations of the Schedule of Expenditures of Federal Awards

Summary of Finding: Material Weakness, Noncompliance

Contact Person Responsible for Corrective Action: Grant Dickey, Corporation Treasurer

Contact Phone Number and Email Address: (765) 569-2073 x2001

dickeyg@swparke.k12.in.us

Views of Responsible Officials: We concur with the finding.

Description of Corrective Action Plan:

The Corporation Treasurer will review the financial data for each federal award and complete the SEFA with only the amounts expended from the grant fund and only the amounts received from the grants. The financial figures from the summarized fund reports will not be used on the SEFA, as those figures can include transactions that do not affect the expenditures of the federal awards, such as transfers or accounting corrections. For the Child Nutrition Cluster, the Food Service Director will be consulted on the SEFA totals prior to the Superintendent’s review of the AFR and SEFA. Once the Corporation Treasurer has completed the AFR and SEFA, and once the Food Service Director has reviewed the Child Nutrition Cluster, the AFR and SEFA will be sent to the Superintendent for review and submission to Gateway.

Anticipated Completion Date:

The School Corporation will correct these internal procedures during completion of the next Annual Financial Report (AFR) and Schedule of Expenditures of Federal Awards (SEFA), which will begin July 1st, 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/>.