

**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

NEW PRAIRIE UNITED SCHOOL CORPORATION

LA PORTE COUNTY, INDIANA

July 1, 2022 to June 30, 2024



FILED

03/12/2025

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SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|----------------------------------|-----------------|----------------------|
| Treasurer | Tim Scott | 07-01-22 to 06-30-25 |
| Superintendent of Schools | Dr. Paul White | 07-01-22 to 06-30-25 |
| President of the School Board | Phillip King | 07-01-22 to 06-30-25 |



Paul D. Joyce, CPA
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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 NEW PRAIRIE UNITED SCHOOL
CORPORATION, LA PORTE 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 New Prairie United 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 4, 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 items 2024-001 and 2024-002, 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 items 2024-001 and 2024-002.

New Prairie United 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

March 4, 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 NEW PRAIRIE UNITED SCHOOL CORPORATION, LA PORTE COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

Qualified Opinions

We have audited the New Prairie United 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.

Qualified Opinion on Emergency Connectivity Fund Program

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinions* section of our report, the School Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Emergency Connectivity Fund Program for the period of July 1, 2022 to June 30, 2024.

Qualified Opinion on Special Education Cluster (IDEA)

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinions* section of our report, the School Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Special Education Cluster (IDEA) for the period of July 1, 2022 to June 30, 2024.

Qualified Opinion on COVID-19 - Education Stabilization Fund

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinions* section of our report, the School Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the COVID-19 - Education Stabilization Fund for the period of July 1, 2022 to June 30, 2024.

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)

Basis for Qualified Opinions

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.

Matter Giving Rise to Qualified Opinion on Emergency Connectivity Fund Program

As described in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding 32.009 Emergency Connectivity Fund Program, as described in item 2024-003 for Equipment and Real Property and Special Tests and Provision - Restricted Purpose. Compliance with such requirement is necessary, in our opinion, for the School Corporation to comply with the requirements applicable to that program.

Matter Giving Rise to Qualified Opinion on Special Education Cluster (IDEA)

As described in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding 84.027 Special Education Cluster (IDEA), as described in item 2024-005 for Procurement and Suspension and Debarment. Compliance with such requirement is necessary, in our opinion, for the School Corporation to comply with the requirements applicable to that program.

Matters Giving Rise to Qualified Opinion on COVID-19 - Education Stabilization Fund

As described in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding 84.425 COVID-19 - Education Stabilization Fund, as described in items 2024-006 for Equipment and Real Property Management and 2024-008 for Special Test and Provision - Wage Rate Requirements. Compliance with such requirement is necessary, in our opinion, for the School Corporation to comply with the requirements applicable to that program.

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 2024-004. 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 and significant deficiencies.

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. We consider the deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2024-003, 2024-005, 2024-006, 2024-007, and 2024-008, to be material weaknesses.

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 2024-004, to be significant deficiencies.

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 March 4, 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 4, 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.

NEW PRAIRIE UNITED 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 | Indiana Department of Education | 10.553 | | | | | |
| School Breakfast Program | | | FY 2023 | \$ - | \$ 186,583 | \$ - | \$ - |
| School Breakfast Program | | | FY 2024 | - | - | - | 149,057 |
| Total - School Breakfast Program | | | | - | 186,583 | - | 149,057 |
| National School Lunch Program | | | | | | | |
| School Lunch Program | Indiana Department of Education | 10.555 | | | | | |
| School Lunch Program | | | FY 2023 | - | 879,590 | - | - |
| School Lunch Program | | | FY 2024 | - | - | - | 684,037 |
| School Snack | | | FY 2023 | - | 8,021 | - | - |
| School Snack | | | FY 2024 | - | - | - | 9,372 |
| Supply Chain Assistance | | | FY 2023 | - | 142,244 | - | - |
| Supply Chain Assistance | | | FY 2024 | - | - | - | 80,417 |
| Commodities | | | FY 2023 | - | 130,326 | - | - |
| Commodities | | | FY 2024 | - | - | - | 131,133 |
| Total - National School Lunch Program | | | | - | 1,160,181 | - | 904,959 |
| Total - Child Nutrition Cluster | | | | - | 1,346,764 | - | 1,054,016 |
| Total - Department of Agriculture | | | | - | 1,346,764 | - | 1,054,016 |
| <u>Federal Communications Commission</u> | | | | | | | |
| Emergency Connectivity Fund Program | Direct Grant | 32.009 | | | | | |
| Emergency Connectivity Fund | | | FY 2022 | - | 1,352,875 | - | - |
| Total - Federal Communications Commission | | | | - | 1,352,875 | - | - |
| <u>Department of Education</u> | | | | | | | |
| Special Education Cluster (IDEA) | | | | | | | |
| Special Education Grants to States | Indiana Department of Education | 84.027 | | | | | |
| Special Education | | | 22611-053-PN01 | - | 451,890 | - | 20,051 |
| Special Education | | | 23611-053-PN01 | - | - | - | 606,030 |
| Subtotal - Special Education Grants to States | | | | - | 451,890 | - | 626,081 |
| COVID-19 - Special Education Grants to States | Indiana Department of Education | 84.027 | | | | | |
| Special Education | | | 22611-053-ARP | - | 90,416 | - | 60,273 |
| Total - Special Education Grants to States | | | | - | 542,306 | - | 686,354 |
| Special Education Preschool Grants | Indiana Department of Education | 84.173 | | | | | |
| Special Education Pre School | | | 21619-053-PN01 | - | 3,495 | - | 4,004 |
| Special Education Pre School | | | 22619-053-PN01 | - | 22,710 | - | - |
| Special Education Pre School | | | 23619-053-PN01 | - | - | - | 24,359 |
| Subtotal - Special Education Preschool Grants | | | | - | 26,205 | - | 28,363 |
| COVID-19 - Special Education Preschool Grants | Indiana Department of Education | 84.173 | | | | | |
| Special Education Pre School | | | 22619-053-ARP | - | 9,055 | - | 2,192 |
| Total - Special Education Preschool Grants | | | | - | 35,260 | - | 30,555 |
| Total - Special Education Cluster (IDEA) | | | | - | 577,566 | - | 716,909 |

NEW PRAIRIE UNITED 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 2021-2022 | | | S010A210014 | - | 109,433 | - | - |
| Title I 2022-2023 | | | S010A220014 | - | 254,880 | - | - |
| Title I 2022-2023 | | | S010A220014 | - | - | - | 70,495 |
| Title I 2023-2024 | | | S010A230014 | - | - | - | 256,225 |
| Total - Title I Grants to Local Educational Agencies | | | | - | 364,313 | - | 326,720 |
| English Language Acquisition State Grants | Indiana Department of Education | 84.365 | | | | | |
| Title III 2021-2023 | | | S365A210014 | - | 543 | - | - |
| Title III 2023-2025 | | | S365A230014 | - | - | - | 3,851 |
| Total - English Language Acquisition State Grants | | | | - | 543 | - | 3,851 |
| Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants) | Indiana Department of Education | 84.367 | | | | | |
| Title IIA 2020-2022 | | | 20-4805 | - | 1,907 | - | - |
| Title IIA 2021-2023 | | | S367A210013 | - | 78,238 | - | 6,616 |
| Title IIA 2022-2024 | | | S367A220013 | - | - | - | 56,951 |
| Title IIA 2023-2025 | | | S367A230013 | - | - | - | 29,730 |
| Total - Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants) | | | | - | 80,145 | - | 93,297 |
| Student Support and Academic Enrichment Program | Indiana Department of Education | 84.424 | | | | | |
| Title IV 2020-2022 | | | S424A200015 | - | 15,463 | - | - |
| Title IV 2021-2023 | | | S424A210015 | - | 28,643 | - | 5,200 |
| Title IV 2022-2024 | | | S424A220015 | - | - | - | 28,645 |
| Title IV 2023-2025 | | | S424A230015 | - | - | - | 26,167 |
| Total - Student Support and Academic Enrichment Program | | | | - | 44,106 | - | 60,012 |
| COVID-19 - Education Stabilization Fund | Indiana Department of Education | | | | | | |
| ESSER CARES Act | | 84.425D | S425D200013 | - | 38,320 | - | - |
| ESSER II 2020-2023 | | 84.425D | S425D210013 | - | 840,515 | - | 229,529 |
| ESSER III 2020-2024 | | 84.425U | S425U210013 | - | 342,386 | - | 2,299,029 |
| ARP-HCY 2022-2024 | | 84.425W | S425W210015 | - | 502 | - | 2,316 |
| Total - COVID-19 - Education Stabilization Fund | | | | - | 1,221,723 | - | 2,530,874 |
| Total - Department of Education | | | | - | 2,288,396 | - | 3,731,663 |
| Department of Health and Human Services | | | | | | | |
| Medicaid Cluster | | | | | | | |
| Medical Assistance Program | | 93.778 | | | | | |
| Medicaid IEP | Indiana Family and Social Services Administration | | Medicaid | - | 89,877 | - | 72,283 |
| Medicaid MAC | Indiana Department of Education | | Mac | - | 15,301 | - | 22,572 |
| Total - Medical Assistance Program | | | | - | 105,178 | - | 94,855 |
| Total - Medicaid Cluster | | | | - | 105,178 | - | 94,855 |
| Total - Department of Health and Human Services | | | | - | 105,178 | - | 94,855 |
| Total federal awards expended | | | | \$ - | 5,093,213 | \$ - | 4,880,534 |

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

NEW PRAIRIE UNITED 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. South La Porte County Special Education Cooperative

The School Corporation is a member of the South La Porte County Special Education Cooperative (Cooperative). 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.

NEW PRAIRIE UNITED 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? | yes |
| Significant deficiencies identified? | yes |
| 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 |
|----------------------------|---|----------------|
| 32.009 | Special Education Cluster (IDEA) | Qualified |
| 84.425 | Emergency Connectivity Fund Program | Qualified |
| 84.425 | COVID-19 - Education Stabilization Fund | Qualified |

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: Financial Reporting
Audit Findings: Material Weakness, Noncompliance

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2022-001.

NEW PRAIRIE UNITED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition and Context

The School Corporation had not designed or implemented effective internal controls to prevent, or detect and correct, errors when completing, submitting, or reviewing the Annual Financial Report (AFR) entered into the Indiana Gateway for Government Units financial reporting system, which was the source of the financial statement. The following deficiencies in the internal control system of the School Corporation related to financial reporting caused material errors in the financial statement presented for audit to remain undetected:

- The Payroll Clearing fund receipts and disbursements were overstated by \$11,832,788 for fiscal year 2022-2023.
- The Payroll Clearing fund receipts and disbursements were overstated by \$12,319,438 for 2023-2024.
- Several errors in various funds overstated receipts, disbursements, and other financing sources and uses by \$3,934,843, \$5,887,350, and \$1,952,507, respectively.

Audit adjustments were proposed, accepted by the School Corporation, and made to the financial statement presented in the Financial Statement Audit Report of the School Corporation.

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. . . ."

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner as set forth in the uniform compliance guidelines. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3-8-7](#)."

NEW PRAIRIE UNITED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

Management had not established a proper system of internal controls over financial reporting to ensure information entered into the AFR was accurate and reviewed.

Effect

The failure to establish a system of internal controls enabled material misstatements in the AFR to remain undetected.

Views of Responsible Officials

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

FINDING 2024-002

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

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2022-002.

Condition and Context

The School Corporation is required to file reports after the close of each fiscal year. The reports are to be filed electronically as prescribed.

The School Corporation did not have a system of internal controls over the preparation of the grants information entered in the Annual Financial Report (AFR) on the Indiana Gateway for Government Units financial reporting system, which was the source of the Schedule of Expenditures of Federal Awards (SEFA).

Due to the lack of effective internal controls, the SEFA presented for audit included the following errors:

- The Child Nutrition Cluster expenditures were understated by \$491,783 and overstated by \$348,145 for fiscal years 2022-2023 and 2023-2024, respectively.
- The Emergency Connectivity Fund Program expenditures were understated by \$1,352,875 for 2022-2023.
- The Special Education Cluster (IDEA) expenditures were overstated by \$207,278 and \$36,606 for 2022-2023 and 2023-2024, respectively.
- The COVID-19 - Education Stabilization Fund grant expenditures were understated by \$381,197 and \$339,453 for 2022-2023 and 2023-2024, respectively.
- Other grants had individual errors that resulted in total understatements of expenditures of \$291,823.

NEW PRAIRIE UNITED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- Other errors included incorrect program names, federal assistance listings numbers, and identifying numbers.

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. . . ."

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner as set forth in the uniform compliance guidelines. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

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; . . ."

NEW PRAIRIE UNITED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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 § 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.
- (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 of the School Corporation had not established a system of internal controls that would have ensured accurate federal award amounts were entered into the AFR and presented on the SEFA.

NEW PRAIRIE UNITED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

Without a proper system of internal controls in place that operates 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

FINDING 2024-003

Subject: Emergency Connectivity Fund Program - Equipment and Real Property Management, Special Tests and Provisions - Restricted Purpose
Federal Agency: Federal Communications Commission
Federal Program: Emergency Connectivity Fund Program
Assistance Listings Number: 32.009
Federal Award Number and Year (or Other Identifying Number): FY 2022
Compliance Requirements: Equipment and Real Property Management, Special Tests and Provisions - Restricted Purpose
Audit Findings: Material Weakness, Modified Opinion

Condition and Context

The School Corporation had not properly designed or implemented a system of internal controls that would likely be effective in preventing, or detecting and correcting, noncompliance. The School Corporation purchased iPads and Wi-Fi hotspots during the audit period with Emergency Connectivity Fund Program grant monies to meet the remote learning needs of students or staff who would otherwise lack access to connected devices and or broadband connections sufficient to engage in remote learning.

The School Corporation had established an internal control over the distribution of iPads but did not establish an internal control over the distribution of Wi-Fi hotspots. The School Corporation was unable to provide a listing of all students or staff who were provided with Wi-Fi hotspots or an inventory record of all Wi-Fi hotspots distributed to students. Additionally, the School Corporation did not maintain appropriate inventory records over the Wi-Fi hotspots.

The School Corporation could not verify that they were only reimbursed for no more than one Wi-Fi hotspot per student or school staff member. The total noncompliance was limited to Wi-Fi hotspot expenditures of \$105,640.

The lack of internal controls and noncompliance for Wi-Fi hotspots was systemic issues throughout the audit period.

NEW PRAIRIE UNITED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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). . . ."

2 CFR 200.313(d) states in part:

". . .

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
- (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
- (4) Adequate maintenance procedures must be developed to keep the property in good condition. . . ."

47 CFR 54.1706(c) states:

"Emergency Connectivity Fund support for eligible equipment and services is limited to no more than one fixed broadband internet access connection per location, and one connected device and one Wi-Fi hotspot device per student, school staff member, or library patron. For purposes of the per-location limitation imposed on fixed broadband internet access services in this paragraph (c), each unit in a multi-tenant environment is a separate location for purposes of this paragraph (c)."

Cause

The service provider had a record of the Wi-Fi hotspots; however, the hotspots were not identifiable by student.

Effect

The failure to establish an effective internal control system for Wi-Fi hotspots enabled noncompliance to go undetected. Noncompliance with the grant agreement for the Equipment and Real Property Management and the Special Tests and Provisions - Restricted Purpose compliance requirements could result in the repayment of federal funds

NEW PRAIRIE UNITED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Questioned Costs

There were no questioned costs identified.

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 for the Equipment and Real Property Management and the Special Test and Provisions - Restricted Purpose. 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.

Views of Responsible Officials

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

FINDING 2024-004

Subject: Special Education Cluster (IDEA) - Earmarking
Federal Agency: Department of Education
Federal Program: Special Education Grants to States
Assistance Listings Number: 84.027
Federal Award Number and Year (or Other Identifying Number): 22611-053-PN01
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Matching, Level of Effort, Earmarking
Audit Findings: Significant Deficiency, Other Matters

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2022-003.

Condition and Context

The School Corporation is a member of the South La Porte County Special Education (Cooperative). During fiscal year 2022-2023, the Cooperative operated the special education program and spent the federal money on behalf of all its members. As the grant agreement was between the Indiana Department of Education (IDOE) and each member school, the School Corporation was responsible for ensuring and providing oversight of the Cooperative.

The School Corporation did not have internal controls in place to ensure that the Cooperative complied with the earmarking requirements. The Cooperative did not have adequate procedures in place to ensure that the required level of expenditures for nonpublic school students with disabilities was met for each member school. The Cooperative did not have effective internal controls to ensure nonpublic school expenditures were appropriately identified and reported.

NEW PRAIRIE UNITED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Due to the timing of the Cooperative's corrective action, the nonpublic expenditures spent did not meet the earmarking requirements for the grant award number 22611-053-PN01. From the beginning of the grant awards until March 2023, total grant expenditures were posted as expended. The nonpublic proportionate share expenditures were determined by applying a percentage to the nonpublic school budgeted expenditures. Beginning in March 2023, the Cooperative began tracking expenditures by member school for the nonpublic services. As such, we were unable to identify if the minimum amount per the grant award was expended and properly reported to the IDOE from the beginning of the grant awards through March 2023, as required.

The lack of internal controls and noncompliance was isolated to the 22611-053-PN01 grant award.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal awards 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). . . ."

2 CFR 200.403 states in part:

"Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards: . . .

(g) Be adequately documented. . . ."

2 CFR 200.208(b) states in part: "The Federal awarding agency or pass-through entity may adjust specific Federal award conditions as needed . . ."

511 IAC 7-34-7(b) states:

"The public agency, in providing special education and related services to students in nonpublic schools must expend at least an amount that is the same proportion of the public agency total subgrant under 20 U.S.C. 1411(f) as the number of nonpublic school students with disabilities, who are enrolled by their parents in nonpublic schools within its boundaries, is to the total number of students with disabilities of the same age range."

Cause

Through management inquiry, they were unaware of the requirements to track nonpublic proportionate share expenditures directly for each member school. While the Cooperative did implement new processes and procedures to ensure expenditures were tracked by member schools starting in March 2023, most of the grant award had been allocated to the member schools based on a percentage of the budget.

NEW PRAIRIE UNITED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

Without the proper implementation of an effectively designed system of internal controls, the Cooperative was unable to track expenditures for nonpublic services for each member school. Consequently, the amounts requested for reimbursement were not supported by actual expenditures, but rather a percentage based on the budget per member school. Because of this, expenditures were not accurately reported to the oversight agency.

Questioned Costs

There were no questioned costs identified.

Recommendation

Management of the Cooperative should develop written policies and procedures which would require tracking of actual nonpublic proportionate share expenditures by member schools. Documentation should be maintained to show how these expenditures are being tracked to ensure compliance with the earmarking requirements.

Views of Responsible Officials

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

FINDING 2024-005

Subject: Special Education Cluster (IDEA) - Procurement and Suspension and Debarment
Federal Agency: Department of Education
Federal Programs: Special Education Grants to States, COVID-19 - Special Education Grants to States
Assistance Listings Number: 84.027
Federal Award Numbers and Years (or Other Identifying Numbers): 22611-053-PN01; 22611-053-ARP
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Modified Opinion

Condition and Context

The School Corporation is a member of the South La Porte County Special Education Cooperative (Cooperative). The Cooperative operated the special education program and spent the federal money on behalf of all its members. As the grant agreement was between the Indiana Department of Education (IDOE) and each member school, the School Corporation was responsible for ensuring and providing oversight of the Cooperative.

Procurement - Small Purchase

When the value of the procurement for property or services is within the small purchase threshold, or a lower threshold established by a nonfederal entity, quotes and a contract are required. The small purchase threshold is between \$10,000 and \$150,000; however, the threshold between \$10,000 and \$50,000 require quotes from an adequate number of qualified sources. Indiana Code 5-22-8 has more restrictive requirements for the small purchase threshold between \$50,000 and \$150,000, which require three quotes and a contract to be awarded.

NEW PRAIRIE UNITED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

In fiscal year 2022-2023, the Cooperative had five vendors which fell within the small purchase threshold and all five vendors were tested. The Cooperative did not obtain quotes or competitive proposals, nor was a circumstance met that would have allowed for a noncompetitive procurement for the purchases. The total amount spent with all five vendors was \$292,806. The lack of internal controls and noncompliance was isolated to 2022-2023.

Suspension and Debarment

Prior to entering into subawards and covered transactions with federal award funds, recipients are required to verify that such contractors and subrecipients are not suspended, debarred, or otherwise excluded. "Covered transactions" include, but are not limited to, contracts for goods and services awarded under a nonprocurement transaction (i.e., grant agreement) that are expected to equal or exceed \$25,000. The verification is to be done by checking the SAM exclusions, collecting a certification from that person, or adding a clause or condition to the covered transaction with that person.

Six vendors paid from the grant funds were identified as being covered transactions during the audit period. Three vendors each fiscal year provided goods or services which equaled or exceeded \$25,000 and were selected for testing. The total amount spent on covered transactions was \$266,063 and \$142,639 for 2022-2023 and 2023-2024, respectively. For all six vendors, the Cooperative did not verify the vendors' suspension and debarment status prior to payment.

The lack of internal controls and noncompliance was isolated to the 22611-053-PN01 and 22611-053-ARP grant awards.

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). . . ."

2 CFR 200.320 states in part:

"The non-Federal entity must have and use documented procurement procedures, consistent with the standards of this section and §§ 200.317, 200.318, and 200.319 for any of the following methods of procurement used for the acquisition of property or services required under a Federal award or sub-award.

- (a) *Informal procurement methods.* When the value of the procurement for property or services under a Federal award does not exceed the *simplified acquisition threshold (SAT)*, as defined in § 200.1, or a lower threshold established by a non-Federal entity, formal procurement methods are not required. The non-Federal entity may use informal procurement methods to expedite the completion of its transactions and minimize the associated administrative burden and cost. The informal methods used for procurement of property or services at or below the SAT include: . . .

(2) *Small purchases*—

(i) *Small purchase procedures.* The acquisition of property or services, the aggregate dollar amount of which is higher than the micro-purchase threshold but does not exceed the simplified acquisition threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources as determined appropriate by the non-Federal entity. . . ."

2 CFR 180.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:

- (a) Checking the SAM.gov Exclusions, or
- (b) Collecting a certification from that person, or
- (c) Adding a clause or condition to the covered transaction with that person."

Cause

The Cooperative noted they were unaware of the procurement requirements of expenditures within the small purchase threshold and for suspension and debarment. They stated they have used the same vendors to provide professional services for several years but only recently started using federal grant award funds for the services.

Effect

Without the proper implementation of an effectively designed system of internal controls, the Cooperative cannot ensure the vendors paid with federal award funds are procured using the required methods and are not suspended or debarred from receiving federal funds. Without following the required methods for procurement and suspension and debarment, the Cooperative could be overpaying for services or could be paying vendors who are precluded from receiving federal funds.

Questioned Costs

There were no questioned costs identified.

Recommendation

Management of the Cooperative should develop written policies and procedures which would require that appropriate procurement methods are used for vendors that are within the small purchase threshold and to ensure vendors are not suspended or debarred. Appropriate documentation should be maintained to ensure compliance with procurement and suspension and debarment.

Views of Responsible Officials

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

NEW PRAIRIE UNITED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2024-006

Subject: COVID-19 - Education Stabilization Fund - Equipment and Real Property Management
Federal Agency: Department of Education
Federal Program: COVID-19 - Education Stabilization Fund
Assistance Listings Numbers: 84.425D, 84.425U
Federal Award Numbers and Years (or Other Identifying Numbers): S425D210013, S425U210013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Equipment and Real Property Management
Audit Findings: Material Weakness, Modified Opinion

Condition and Context

The School Corporation had not properly designed a system of internal controls to ensure compliance with requirements related to the grant agreement and the Equipment and Real Property Management compliance requirement.

A property record or capital asset listing is required to be maintained for all equipment, property improvements, and property purchased with the COVID-19 - Education Stabilization Fund (ESF) grant awards to ensure adequate safeguards are in place to prevent loss or damage of items. The School Corporation hired a consultant to compile and provide a fixed asset report that contained all inventory and assets purchased that exceeded the School Corporation's capitalization threshold. The consultant prepared the report; however, the School Corporation did not have any policies or procedures in place to review the asset listing to ensure the listing was complete.

The School Corporation's capital asset listing did not include all the required asset information for assets purchased with federal awards. The following information for each asset was not included in the School Corporation's capital asset listing: the source of funding for the property (including the federal award identification number (FAIN)), and percentage of federal participation in the project costs for the federal award under which the property was acquired. In addition, assets were not properly safeguarded and maintained.

During the audit period, the School Corporation purchased assets and completed improvement projects totaling \$1,794,965 with ESF funds. These assets were not included on the asset listing or physical inventory prepared by the consultant.

Additionally, the School Corporation was unable to provide a listing of capital asset deletions during the audit period. Therefore, we could not determine if the disposition of any equipment or real property acquired under federal awards was properly reflected in the property records.

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:

NEW PRAIRIE UNITED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

(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). . . ."

2 CFR 200.313(d) states in part:

". . .

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
- (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
- (4) Adequate maintenance procedures must be developed to keep the property in good condition. . . ."

2 CFR 200.313(e) states in part:

"When original or replacement equipment acquired under a Federal award is no longer needed for the original project or program or for other activities currently or previously supported by a Federal awarding agency, except as otherwise provided in Federal statutes, regulations, or Federal awarding agency disposition instructions, the non-Federal entity must request disposition instructions from the Federal awarding agency if required by the terms and conditions of the Federal award. . . ."

Cause

The School Corporation did not develop a system of internal controls to ensure that all items over the capital asset threshold were added to the listing, the capital asset listing included all required information, and that items purchased were properly maintained and safeguarded.

Effect

Noncompliance with the grant agreement and the compliance requirement could result in the repayment of federal funds.

Questioned Costs

There were no questioned costs identified.

NEW PRAIRIE UNITED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Recommendation

We recommended that management of the School Corporation establish a proper system of internal controls and develop policies and procedures to ensure asset records include all the necessary information, new assets are properly added, disposals are properly documented, and any discrepancies are reconciled.

Views of Responsible Officials

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

FINDING 2024-007

Subject: COVID-19 - Education Stabilization Fund - Reporting

Federal Agency: Department of Education

Federal Program: COVID-19 - Education Stabilization Fund

Assistance Listings Numbers: 84.425D, 84.425U

Federal Award Numbers and Years (or Other Identifying Numbers): S425D200013, S425D210013,
S425U210013

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting

Audit Finding: Material Weakness

Condition and Context

The School Corporation had not properly designed or implemented a system of internal controls that would likely be effective in preventing, or detecting and correcting, noncompliance. The School Corporation was required to submit annual data reports to the Indiana Department of Education via JotForm, a form/report builder. Data to be submitted included, but was not limited to, current period expenditures, prior period expenditures, and expenditures per activity.

During the audit period, the School Corporation submitted one ESSER I report, two ESSER II reports, and two ESSER III reports, for a total of five reports. The School Corporation did not have a documented review of any of the annual reports submitted to the Indiana Department of Education.

The lack of internal controls was a systemic issue 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). . . ."

NEW PRAIRIE UNITED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

A proper system of internal controls was designed but not implemented properly by management of the School Corporation. A review process for the ESF reports was in place, but no documentation of the review was available to show amounts reported were reviewed prior to submission.

Effect

The failure to implement a system of internal controls places the School Corporation at risk of inaccurate reporting.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that management of the School Corporation establish a proper system of internal controls and develop policies and procedures to ensure that all reports are submitted accurately.

Views of Responsible Officials

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

FINDING 2024-008

Subject: COVID-19 - Education Stabilization Fund - Special Test and Provision - Wage Rate Requirements
Federal Agency: Department of Education
Federal Program: COVID-19 - Education Stabilization Fund
Assistance Listings Numbers: 84.425D, 84.425U
Federal Award Numbers and Years (or Other Identifying Numbers): S425D210013, S425U210013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Test and Provision - Wage Rate Requirements
Audit Findings: Material Weakness, Modified Opinion

Condition and Context

An effective internal control system was not designed or implemented at the School Corporation to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Wage Rate Requirements compliance requirement.

Construction contracts in excess of \$2,000 financed by federal assistance funds must pay wages not less than those established for the locality of the project (prevailing wage rates) by the Department of Labor (DOL) to their laborers and mechanics. Nonfederal entities are to include in their construction contracts subject to the Wage Rate Requirements a provision that the contractor or subcontractor comply with these requirements and the DOL regulations. This would include a requirement to submit a copy of the payroll and statement of compliance to the entity for each week in which contract work was performed.

NEW PRAIRIE UNITED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The School Corporation did not have adequate policies or procedures to ensure that all construction contracts in excess of \$2,000 paid from federal grant funds included a prevailing wage rate clause. One construction contract was paid from the COVID-19 - Education Stabilization Fund grant funds, totaling \$1,278,001, during the audit period. This construction contract was subject to the wage rate requirements; however, the contract did not have the required prevailing wage rate clause included in the contract, nor were certified payrolls submitted by the contractor timely.

The lack of internal controls and failure to maintain and provide adequate supporting documentation 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). . . ."

29 CFR 5.5 states in part:

"(a) *Required contract clauses.* The Agency head will cause or require the contracting officer to require the contracting officer to insert in full, or (for contracts covered by the Federal Acquisition Regulation (48 CFR chapter 1)) by reference, in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a public building or public work, or building or work financed in whole or in part from Federal funds or in accordance with guarantees of a Federal agency or financed from funds obtained by pledge of any contract of a Federal agency to make a loan, grant or annual contribution (except where a different meaning is expressly indicated), and which is subject to the labor standards provisions of any of the laws referenced by § 5.1, the following clauses"

(1) *Minimum wages—*

- (i) *Wage rates and fringe benefits.* All laborers and mechanics employed or working upon the site of the work (or otherwise working in construction or development of the project under a development statute), will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of basic hourly wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. . . ."

NEW PRAIRIE UNITED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200 Appendix II states in part:

"In addition to other provisions required by the Federal agency or non-Federal entity; all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable. . . .

(D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, 'Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction'). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. . . ."

29 CFR 5.5 (a)(3)(ii)(A) states in part:

". . . The contractor or subcontractor must submit weekly for each week in which any DBA- or Related Acts-covered work is performed, certified payrolls to the (write in name of appropriate federal agency) if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant, sponsor, or owner, or other entity, as the case may be, for transmission to the (write in name of agency). . . ."

Cause

The School Corporation had not established a system of internal controls that would have ensured compliance or that the required clause was included in the contracts for the Special Tests and Provisions - Wage Rate Requirements compliance requirement. Also, the School Corporation was unaware of the requirement to collect weekly certified payrolls.

Effect

The failure to establish an effective system of internal controls over the Special Test and Provisions - Wage Rate Requirement resulted in one contract not meeting the guidelines established. Noncompliance with the grant agreement and the Special Tests and Provisions - Wage Rate Requirements could result in the loss of future federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommend that the School Corporation's management establish internal controls to ensure compliance and comply with the grant agreement and the Special Tests and Provisions - Wage Rate Requirements compliance requirement.

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.



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-001

Fiscal year in which the finding initially occurred: FY 2022

Current Audit Period: July 1, 2022 to June 30, 2024

Finding Subject: Financial Transactions and Reporting

Summary of Finding:

There were deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. Segregation of duties for cash and investments and financial reporting had not been properly designed or implemented to prevent, or detect and correct, errors.

Status of Audit Finding: Not Corrected

Efforts were made to improve internal controls through the implementation of multi-person checking of monthly bank reconciliations and the Annual Financial Report. The Corporation treasurer prepares both before the Deputy Treasurer reviews the reports for accuracy. The confirmation of accuracy occurs before the reports are loaded into Gateway.

Response Comments:

The Corporation plans on continuing having the reports prepared by the Corporation Treasurer with Deputy Treasurer confirmation before submission into Gateway. The Corporation has also purchased new financial software from an Indiana based company to help with reporting accuracy. The fund listings in the Annual Financial Report will be reviewed line by line by the Corporation Treasurer and Deputy Treasurer to better confirm accuracy.



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2020-002 and 2022-002

Fiscal year in which the finding initially occurred: FY 2018

Current Audit Period: July 1, 2022 to June 30, 2024

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

Summary of Finding:

The School Corporation had not established effective internal controls over the Federal Award information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the School Corporation's Schedule of Expenditures of Federal Awards (SEFA). The School Corporation failed to properly review the federal grant information prepared and submitted in Gateway. Although one employee prepared and entered the federal award information into Gateway, and other employees reviewed and approved the information entered, the internal control was not effective and did not detect and allow correction of errors prior to submission.

Status of Audit Finding: Not Corrected

Data was compiled by the Corporation Treasurer from the Grants Coordinator, Nutrition Services and Special Education Cooperative to complete the SEFA. Once completed the Grant Coordinator reviewed the SEFA before submission in Gateway. These steps still proved ineffective in reporting the SEFA accurately.

Response Comments:

The School Corporation plans to switch preparation of the SEFA to the Grants Coordinator, who will gather information from Nutritional Services and the Special Education Cooperative. The SEFA will be checked by the Corporation Treasurer using SAM and CFDA websites before submitting into Gateway.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2020-010 and 2022-003

Fiscal year in which the finding initially occurred: FY 2018

Current Audit Period: July 1, 2022 to June 30, 2024

Finding Subject: Special Education Cluster - Earmarking

Summary of Finding:

The School Corporation is a member of the South LaPorte County Special Education Cooperative (Cooperative). The Cooperative operated the special education programs and spent the federal money on behalf of all its member schools. As the grant agreements were between the Indiana Department of Education (IDOE) and each member school, the School Corporation was responsible for ensuring and providing oversight of the Cooperative. There was inadequate oversight performed by the School Corporation in order to ensure compliance with the Matching, Level of Effort, Earmarking compliance requirement.

The School Corporation did not have internal controls in place to ensure that the Cooperative complied with the earmarking requirements. The Cooperative did not have adequate procedures in place to ensure that the required level of expenditures for non-public school students with disabilities was met for each member school. The Cooperative did not have effective internal controls to ensure non-public school expenditures were appropriately identified and reported.

Status of Audit Finding: Not Corrected

Previous efforts to correct this finding were related to increased discussions with the Cooperative concerning how monies were being spent.

Response Comments:

The Cooperative has hired a new Director of Special Education. The new director has implemented a spreadsheet that tracks Cooperative spending and Maintenance of Effort. The new form is updated and discussions follow concerning compliance. The effort of the Cooperative's new director led to a successful FY2024. It is our belief that this issue has been solved moving forward.



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2020-005

Fiscal year in which the finding initially occurred: FY 2020

Current Audit Period: July 1, 2022 to June 30, 2024

Finding Subject: Child Nutrition Cluster – Program Income

Summary of Finding:

The School Corporation did not have internal controls in place to ensure the sales to students and adults were adequately charged and collected. For the months of July 2018 through March 2019, a detailed sales report was not available for audit to determine the amount collected for students and adults was properly charged and collected.

In addition, the School Corporation did not properly record transfers from the School Nutrition Clearing fund to the School Lunch fund. The School Corporation calculated the difference between what was collected from students or adults and the charged meals and receipted the difference into the School Nutrition Clearing fund and subsequently disbursed that amount to the School Lunch fund for program income.

The lack of internal controls and noncompliance related to retention of detailed sales reports was isolated to fiscal year 2018-2019.

Status of Audit Finding: Fully Corrected

Response Comments:

New Prairie has developed a system to ensure sales to students and adults were adequately charged and collected. Sue Aikman, Director of Nutrition Services, is in charge of the records. Detailed sale reports are available for audit.



Corrective Action Plan

FINDING 2024-001

Finding Subject: Financial Reporting

Summary of Finding:

The School Corporation had not established effective internal controls to prevent, or detect and correct, errors in the Annual Financial Report, which was the source of the financial statement. The lack of effective internal controls allowed material misstatements to remain undetected.

Contact Person Responsible for Corrective Action: Tim Scott

Contact Phone Number and Email Address: 574-654-7273 tscott@npusc.k12.in.us

Views of Responsible Officials:

We concur with the finding.

Description of Corrective Action Plan:

The Corporation plans on continuing having the reports prepared by the Corporation Treasurer with Deputy Treasurer confirmation before submission into Gateway. The Corporation has also purchased new financial software from an Indiana based company to help with reporting accuracy. The fund listings in the Annual Financial Report will be reviewed line by line by the Corporation Treasurer and Deputy Treasurer to better confirm accuracy.

Anticipated Completion Date: August 2025

FINDING 2024-002

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

Summary of Finding:

The School Corporation filed its reports as prescribed; however, no internal controls over the federal award information were identified. Due to lack of internal controls, the Schedule of Expenditures of Federal Awards contained material errors.

Contact Person Responsible for Corrective Action: Tim Scott

Contact Phone Number and Email Address: 574-654-7273 tscott@npusc.k12.in.us

Views of Responsible Officials:

We concur with the finding.

Description of Corrective Action Plan:

The School Corporation plans to switch preparation of the SEFA to the Grants Coordinator, who will gather information from Nutritional Services and the Special Education Cooperative. The SEFA will be checked by the Corporation Treasurer using SAM and CFDA websites before submitting into Gateway.

Anticipated Completion Date: August 2025

FINDING 2024-003

Finding Subject: Emergency Connectivity Fund - Equipment and Real Property Management and Special Test and Provisions

Summary of Finding:

The School Corporation had not properly designed or implemented a system of internal controls that would likely be effective in preventing, or detecting and correcting, noncompliance. The School Corporation purchased iPads and Wi-Fi hotspots during the audit period with Emergency Connectivity Fund grant monies. The School Corporation did not keep an inventory record of all hotspots distributed to students.

Contact Person Responsible for Corrective Action: Jackie Conley

Contact Phone Number and Email Address: 574-654-7273 jaclynconley@npusc.k12.in.us

Views of Responsible Officials:

We concur with the finding.

Description of Corrective Action Plan:

The Grants Manager will work with our technology department to ensure proper inventory lists are kept of future equipment purchased through grants.

Anticipated Completion Date: June 2025

FINDING 2024-004

Finding Subject: Special education Cluster (IDEA) - Earmarking

Summary of Finding:

Due to the timing of the Cooperative's corrective action, the non-public expenditures spent did not meet the earmarking requirements for grant award number 22611-053-PN01. From the beginning of the grant awards until March 2023, total grant expenditures were posted as expended. The non-public proportionate share expenditures were determined by applying a percentage to the non-public school budgeted expenditures. Beginning in March 2023, the Cooperative began tracking expenditures by member school for the non-public services. As such, we were unable to identify if the minimum amount per the grant award was expended and properly reported to IDOE from the beginning of the grant awards through March 2023, as required.

Contact Person Responsible for Corrective Action: Tim Scott

Contact Phone Number and Email Address: 574-654-7273 tscott@npusc.k12.in.us

Views of Responsible Officials:

We concur with the finding.

Description of Corrective Action Plan:

Beginning in March 2023, the Cooperative began tracking expenditures by member school for the non-public services instead of applying a percentage. The minimum amount per the grant award will be expended and properly report to the IDOE.

New Prairie also plans on requesting biannual reports from the Cooperative on expenditures for non-public services.

Anticipated Completion Date: March 2023

FINDING 2024-005

Finding Subject: Special education Cluster (IDEA) - Procurement and Suspension and Debarment

Summary of Finding:

When the value of the procurement for property or services are within the small purchase threshold, or a lower threshold established by a nonfederal entity, quotes and a contract are required. The small purchase threshold is between \$10,000 and \$150,000 however the threshold between \$10,000 and \$50,000 require quotes from an adequate number of qualified sources. Indiana Code 5-22-8 has more restrictive requirements for the small purchase threshold between \$50,000 and \$150,000, which require three quotes and a contract to be awarded.

The Cooperative had five vendors which fell within the small purchase threshold and all five vendors were tested. The Cooperative did not obtain quotes or competitive proposals, nor was a circumstance met that would have allowed for a noncompetitive procurement for the purchases.

Three vendors paid from the grant funds were identified as being covered transactions during the audit period. All three vendors, provided goods or services which equaled or exceeded \$25,000 and were selected for testing. For all three vendors, the Cooperative did not verify the vendors' suspension and debarment status prior to payment.

Contact Person Responsible for Corrective Action: Tim Scott

Contact Phone Number and Email Address: 574-654-7273 tscott@npusc.k12.in.us

Views of Responsible Officials:

We concur with the finding.

Description of Corrective Action Plan:

Due to several changes in personnel in the Special Education office, obtaining quotes and checking SAMS.gov was an oversight. The Special Ed Administrative Assistant and/or the Special Ed Director is now making sure these things are complete before a purchase order is entered or services are rendered. A copy of SAMS.gov and the quote are attached to the purchase order.

Anticipated Completion Date: October 2024

FINDING 2024-006

Finding Subject: COVID-19 - Education Stabilization Fund - Equipment and Real Property Management

Summary of Finding:

The School Corporations capital asset listing did not include all the required asset information for assets purchased with federal awards. The following information for each asset was not included in the School Corporations capital asset listing: the source of funding for the property (including the federal award identification number (FAIN)), and percentage of federal participation in the project costs for the federal award under which the property was acquired. In addition, assets were not properly safeguarded and maintained.

During the audit period, the School Corporation purchased assets and completed improvement projects totaling \$1,794,965 with ESSER funds. These assets were not included on the asset listing or physical inventory prepared by the consultant.

Additionally, the School Corporation was unable to provide a listing of capital asset deletions during the audit period. Therefore, we could not determine if the disposition of any equipment or real property acquired under federal awards were properly reflected in the property records.

Contact Person Responsible for Corrective Action: Tim Scott

Contact Phone Number and Email Address: 574-654-7273 tscott@npusc.k12.in.us

Views of Responsible Officials:

We concur with the finding.

Description of Corrective Action Plan:

The corporation will meet with its asset listing consultant and have the HVAC project added to its assets listing. The corporation will also continue to fill out Form 369 for tracking both the acquisition and deletion of capital assets. In addition, the Grants Manager will work with our technology department to ensure proper inventory lists are kept of future equipment purchased through grants.

Anticipated Completion Date: June 2026

FINDING 2024-007

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

Summary of Finding:

The School Corporation had not properly designed or implemented a system of internal controls that would likely be effective in preventing, or detecting and correcting, noncompliance. The School Corporation was required to submit annual data reports to the Indiana Department of Education via JotForm, a form/report builder. Data to be submitted included, but was not limited to, current period expenditures, prior period expenditures, and expenditures per activity.

During the audit period, the School Corporation submitted one ESSER I report, two ESSER II reports, and two ESSER III reports, for a total of five reports. The School Corporation did not have a documented review of any of the annual reports submitted to the Indiana Department of Education.

Contact Person Responsible for Corrective Action: Jackie Conley

Contact Phone Number and Email Address: 574-654-7273 jaclynconley@npusc.k12.in.us

Views of Responsible Officials:

We concur with the finding.

Description of Corrective Action Plan:

Future reporting will be prepared by the Grants Manager but reviewed by the Corporation Treasurer or Curriculum Director before submission.

Anticipated Completion Date: March 2025

FINDING 2024-008

Finding Subject: COVID-19 - Education Stabilization Fund - Wage Rate Requirements

Summary of Finding:

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Wage Rate Requirements compliance requirement.

The School Corporation did not ensure that construction contracts in excess of \$2,000 paid from federal grant funds included a prevailing wage rate clause. One construction contract was paid from the COVID-19 - Education Stabilization Fund grant funds, totaling \$1,278,001, during the audit period. This construction contract was subject to the wage rate requirements; however, the contract did not have the required prevailing wage rate clause included in the contract, nor were certified payrolls submitted by the contractor timely.

Contact Person Responsible for Corrective Action: Jackie Conley

Contact Phone Number and Email Address: 574-654-7273 jaclynconley@npusc.k12.in.us

Views of Responsible Officials:

We concur with the finding.

Description of Corrective Action Plan:

The Grants Manager will ensure future projects with construction contracts will have a prevailing wage clause while also monitoring payroll to verify compliance.

Anticipated Completion Date: March 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/>.