

**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

TIPPECANOE SCHOOL CORPORATION

TIPPECANOE COUNTY, INDIANA

July 1, 2022 to June 30, 2024



FILED

03/03/2025

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Amanda Brackett	07-01-22 to 06-30-25
Superintendent of Schools	Dr. Scott Hanback	07-01-22 to 06-30-25
President of the School Board	Brian DeFreese Joshua Loggins	07-01-22 to 12-31-23 01-01-24 to 06-30-25



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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 TIPPECANOE SCHOOL
CORPORATION, TIPPECANOE 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 Tippecanoe School Corporation (School Corporation), for the period of July 1, 2022 to June 30, 2024, and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement and have issued our report thereon dated February 18, 2025, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Report on Internal Control over Financial Reporting

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

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



Beth Kelley, CPA, CFE
Deputy State Examiner

February 18, 2025



Paul D. Joyce, CPA
State Examiner

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

TO: THE OFFICIALS OF THE TIPPECANOE SCHOOL CORPORATION, TIPPECANOE COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the Tippecanoe 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 Special Education Cluster (IDEA)

In our opinion, except for the noncompliance described in the *Basis for Qualified and Unmodified 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.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2022 to June 30, 2024.

Basis for Qualified and Unmodified 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.

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)

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 the Special Education Cluster (IDEA)

As described in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding the Special Education Cluster (IDEA), as described in item 2024-001 for Matching, Level of Effort, Earmarking. 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.

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.

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)

- 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 2024-002. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2024-001, 2024-002, and 2024-003, to be material weaknesses.

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

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

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

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

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

We have audited the financial statement of the School Corporation, as of and for the period of July 1, 2022 to June 30, 2024, and the related notes to the financial statement. We issued our report thereon dated February 18, 2025, which contained a dual opinion on the financial statement. An adverse opinion was issued regarding the presentation in accordance with accounting principles generally accepted in the United States of America, and an unmodified opinion was issued regarding the presentation in accordance with the regulatory basis of accounting. Our audit was performed for the purpose of forming an opinion on the financial statement as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement as a whole.



Beth Kelley, CPA, CFE
Deputy State Examiner

February 18, 2025

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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



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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-23	Total Federal Awards Expended 06-30-23	Passed Through to Subrecipient 06-30-24	Total Federal Awards Expended 06-30-24
Department of Agriculture							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
Food Service Breakfast Program			2022-2023	\$ -	\$ 871,931	\$ -	\$ -
Food Service Breakfast Program			2023-2024	-	-	-	769,145
Total - School Breakfast Program				-	871,931	-	769,145
National School Lunch Program							
Food Service Lunch Program	Indiana Department of Education	10.555					
Supply Chain Assistance			2022-2023	-	3,523,883	-	-
Supply Chain Assistance			2022-2023	-	614,910	-	-
Food Service Lunch Program			2023-2024	-	-	-	396,492
Commodities			2023-2024	-	-	-	2,879,256
			2022-2023/2023-2024	-	438,832	-	577,474
Total - National School Lunch Program				-	4,577,625	-	3,853,222
Summer Food Service Program for Children							
Summer Food Service and Seamless Summer Option	Indiana Department of Education	10.559					
			2021-2022	-	920,744	-	-
Total - Child Nutrition Cluster				-	6,370,300	-	4,622,367
Pandemic EBT Administrative Costs							
P-EBT Admin	Indiana Department of Education	10.649					
			2022-2023	-	3,135	-	-
Total - Department of Agriculture				-	6,373,435	-	4,622,367
Department of Education							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
Special Education Basic Grant FY21			21611-021-PN01	-	49,159	-	-
Special Education Basic Grant FY22			22611-021-PN01	-	635,061	-	21,127
Special Education CEIS Part B FY 2022			22611-021-CEIS	-	333,611	-	1,088
Special Education CEIS Part B FY 2023			23611-021-CEIS	-	46,275	-	334,281
Special Education Basic Grant FY23			23611-021-PN01	-	1,900,570	-	669,661
Special Education CEIS Part B FY 24			24611-021-CEIS	-	-	-	18,385
Special Education Grant FY 24			24611-021-PN01	-	-	-	2,160,644
Subtotal - Special Education Grants to States				-	2,964,676	-	3,205,186
COVID-19 - Special Education Grants to States							
Special Education ARP IDEA 611 FY 2022	Indiana Department of Education	84.027					
			22611-021-ARP	-	483,273	-	168,158
Total - Special Education Grants to States				-	3,447,949	-	3,373,344

TIPPECANOE 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
Special Education Preschool Grants	Indiana Department of Education	84.173					
Special Education Preschool FY 2022			22619-021-PN01	-	24,287	-	-
Special Education Preschool FY 2023			23619-021-PN01	-	80,806	-	23,712
Special Education Preschool FY 2024			24619-021-PN01	-	-	-	85,932
Subtotal - Special Education Preschool Grants				-	105,093	-	109,644
COVID-19 - Special Education Preschool Grants	Indiana Department of Education	84.173	22619-021-ARP	-	20,337	-	31,142
Special Education ARP IDEA 619 FY 2022				-	-	-	-
Total - Special Education Preschool Grants				-	125,430	-	140,786
Total - Special Education Cluster (IDEA)				-	3,573,379	-	3,514,130
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I FY 22			S010A210014	-	481,059	-	-
Title I FY 23			S010A220014	-	1,397,777	-	522,749
Title I FY 24			S010A230014	-	-	-	1,524,222
Total - Title I Grants to Local Educational Agencies				-	1,878,836	-	2,046,971
Career and Technical Education -- Basic Grants to States	Indiana Governor's Workforce Cabinet	84.048					
Perkins Grant FY 22			22-0512-B19A	-	206,710	-	-
Perkins CLNA Planning			22-0512-C19A	-	2,184	-	-
Perkins Supply Chain			22-0512-S19A	-	1,907	-	-
Perkins Grant FY 23			23-0512-P19A	-	222,285	-	186,835
Perkins Grant - FY 24			24-0512-1919A	-	-	-	146,902
Total - Career and Technical Education -- Basic Grants to States				-	433,086	-	333,737
English Language Acquisition State Grants	Indiana Department of Education	84.365					
Title III - FY 20			S365A190014	-	331	-	-
Title III - FY 21			S365A200014	-	67,142	-	-
Title III - FY 22			S365A210014	-	88,578	-	11,878
Title III - FY23			S365A220014	-	-	-	86,066
Total - English Language Acquisition State Grants				-	156,051	-	97,944
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	Indiana Department of Education	84.367					
Title II - FY 19-21			S367A190013	-	64,172	-	-
Title II - FY 20-22			S367A200013	-	231,371	-	-
Title II - FY 21-23			S367A210013	-	225,408	-	103,372
Title II - FY 22-24			S367A220013	-	-	-	269,429
Total - Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)				-	520,951	-	372,801

TIPPECANOE 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
Student Support and Academic Enrichment Program	Indiana Department of Education	84.424					
Title IV - FY 19			S424A190015	-	23,606	-	-
Title IV - FY 20			S424A200015	-	106,788	-	-
Title IV - FY 21			S424A210015	-	74,241	-	39,250
Title IV - FY 22			S424A220015	-	-	-	71,894
Total - Student Support and Academic Enrichment Program				-	204,635	-	111,144
COVID-19 - Education Stabilization Fund							
Student Learning Recovery Grant	Greater Lafayette Commerce & Economic Development Foundation Inc.	84.425U	S425U210013	-	11,509	-	197,925
WVEC ESSER III ARP	Wabash Valley Education Center	84.425U	A58-3-23CI-9310	-	2,000	-	13,651
3E Grant	Indiana Department of Education	84.425U	7000S425U210013	-	50,896	-	71,890
American Rescue Plan - Homeless Children and Youth		84.425W	7000S425W210015	-	37,367	-	19,630
CARES Act - Education Stabilization Relief Fund		84.425D	S425D200013	-	13,520	-	-
Elem/Secd School Emergency Relief Fund (ESSER II)		84.425D	S425D210013	-	-	-	1,989,326
ESSER III		84.425U	S425U210013	-	5,326,679	-	3,799,334
ESSER III - SEA Discretionary		84.425U	S425U210013	-	-	-	34,585
Total - COVID-19 - Education Stabilization Fund				-	5,441,971	-	6,126,341
Total - Department of Education				-	12,208,909	-	12,603,068
<u>Department of Health and Human Services</u>							
Medicaid Cluster							
Medical Assistance Program	Indiana Department of Education	93.778					
INMac Random Moment Survey			2022-2023	-	153,884	-	-
INMac Random Moment Survey			2023-2024	-	-	-	194,805
Total - Medical Assistance Program				-	153,884	-	194,805
Total - Medicaid Cluster				-	153,884	-	194,805
Total - Department of Health and Human Services				-	153,884	-	194,805
Total federal awards expended				\$ -	\$ 18,736,228	\$ -	\$ 17,420,240

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

TIPPECANOE SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Summary of Significant Accounting Policies

A. Basis of Presentation

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

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

B. Other Significant Accounting Policies

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

Note 2. Indirect Cost Rate

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

Note 3. Special Education Cooperative

The School Corporation is a member of the Greater Lafayette Area Special Services (Cooperative). As a result, some of 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.

TIPPECANOE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

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

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

Assistance Listings Number	Name of Federal Program or Cluster	Opinion Issued
84.010	Title I Grants to Local Educational Agencies Special Education Cluster (IDEA)	Unmodified Qualified
84.425	COVID-19 - Education Stabilization Fund	Unmodified

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

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

No matters are reportable.

TIPPECANOE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

FINDING 2024-001

Subject: Special Education Cluster (IDEA) - Earmarking
Federal Agency: Department of Education
Federal Programs: Special Education Grants to States, COVID-19 - Special Education Grants to States,
Special Education Preschool Grants, COVID-19 - Special Education Preschool Grants
Assistance Listings Numbers: 84.027, 84.173
Federal Award Numbers and Years (or Other Identifying Numbers): 21611-021-PN01, 22619-021-PN01,
22611-021-PN01, 22611-021-ARP,
22619-021-ARP, 23611-021-PN01,
23619-021-PN01

Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Matching, Level of Effort, Earmarking
Audit Findings: Material Weakness, Modified Opinion

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2022-004.

Condition and Context

The School Corporation is a member of the Greater Lafayette Area Special Services Cooperative (Cooperative). During fiscal years 2022-2023 and 2023-2024, the Cooperative operated the special education programs and spent the federal money on behalf of all of its members. 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. However, 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 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.

The Non-Public Proportionate Share expenditures for the 21611-021-PN01, 22619-021-PN01, 22611-021-PN01, 22611-021-ARP, 22619-021-ARP, 23611-021-PN01, and 23619-021-PN01 grant awards could not be verified for the individual member schools. Total grant expenditures were posted as expended. The nonpublic proportionate share expenditures were determined by applying a percentage to the nonpublic school budgeted expenditures. As such, we were unable to identify if the minimum amount per the grant awards was expended and properly reported to the IDOE as required.

TIPPECANOE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The lack of internal controls and noncompliance were isolated to the 21611-021-PN01, 22619-021-PN01, 22611-021-PN01, 22611-021-ARP, 22619-021-ARP, 23611-021-PN01, and 23619-021-PN01 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 200.403 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

A proper system of internal controls was not designed by management of the School Corporation. Expenditures for nonpublic students were not separately tracked for each member school.

Effect

Without the proper implementation of an effectively designed system of internal controls, the internal control system cannot be capable of effectively preventing, or detecting and correcting, material noncompliance. As such, the School Corporation's nonpublic proportionate share expenditures could not be determined, and it could not be determined if the School Corporation met its minimum nonpublic proportionate share as required by the grant agreement.

TIPPECANOE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Noncompliance with the provisions of federal statutes, regulations, and the terms and conditions of the federal award could result in the loss of future federal funding to the School Corporation.

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 nonpublic proportionate share funds are appropriately allocated to the member school based on expenses charged directly on behalf of the member school. Supporting documentation for these expenses should be retained for audit.

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: COVID-19 - Education Stabilization Fund - Activities Allowed
or Unallowed, Allowable Costs/Cost Principles
Federal Agency: Department of Education
Federal Program: COVID-19 - Education Stabilization Fund
Assistance Listings Number: 84.425D
Federal Award Number and Year (or Other Identifying Number): S425D210013
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles
Audit Findings: Material Weakness, Other Matters

Condition and Context

The Education Stabilization Fund (ESF) grant was established by the Coronavirus Aid, Relief and Economic Security (CARES) Act to respond to the Coronavirus outbreak and assist schools in creating healthy learning environments, return students to classrooms, and address local needs. The ESF grant was further funded by the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act and the American Rescue Plan (ARP) Act.

The ESF grant was broken into several subgrants, one of which was the Elementary and Secondary School Emergency Relief (ESSER) Fund. The School Corporation received an ESSER award from the Indiana Department of Education (IDOE) under all three Acts noted above. All awards under the ESSER were to be spent in such a way as to be consistent with the purpose of the ESF, which is to "prevent, prepare for, and respond to COVID-19."

TIPPECANOE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

To receive its allocation of funds, a school corporation was to complete an application and submit it to the IDOE for review and approval. The budget page of the application was to be completed in sufficient detail for the IDOE to determine the reasonableness, allowability, and necessity of the proposed activities. The school corporation was then able to request reimbursement according to the submitted budget.

A sample of 25 vouchers reimbursed by the IDOE from the School Corporation's ESSER allocations were selected for testing. Of the 25 vouchers tested, 2 vouchers reimbursed under the ESSER II, funded by the CRRSA act, included purchases which were not a part of the School Corporation's budget. The 2 vouchers were for purchases of 2 Kubota RTVs, 3 string trimmers, 1 hedge trimmer, 2 plow and blade assemblies, 1 hauler, 2 mowers, 2 tailgate spreaders, and 2 handheld controllers and mount kits. The total amount of these purchases was \$59,777. Additionally, the 2 Kubota RTVs exceeded the dollar threshold for equipment which was to be approved prior to purchase by the pass-through entity, the IDOE. The IDOE utilized the application process to provide prior approval; however, since the budget did not include the RTVs, the necessary approval was not obtained. Finally, we could not readily determine how the expenditures prevented, prepared for, or responded to COVID-19 or how they were necessary and reasonable. As such, the total amount of the purchases, \$59,777, were determined to be questioned costs.

The ineffective internal controls and noncompliance were isolated to the purchases noted above, made from the ESSER II allocation during fiscal year 2022-2023, reimbursed during 2023-2024.

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 200.302(b) states in part:

"The financial management system of each non-Federal entity must provide for the following . . .

- (2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.328 and 200.329. . . ."

34 CFR 76.722 states: "A State may require a subgrantee to submit reports in a manner and format that assists the State in complying with the requirements under 34 CFR 76.720 and in carrying out other responsibilities under the program."

34 CFR 76.731 states: "A State and a subgrantee shall keep records to show its compliance with program requirements."

TIPPECANOE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

A proper system of internal controls, which include segregation of key functions, was not designed by management of the School Corporation. The School Corporation did not include the equipment mentioned above in the budget that was submitted as a part of the grant application, and so the School Corporation did not get the required prior approval for the purchases.

Effect

Without the proper implementation of an effectively designed system of internal controls, the School Corporation made purchases without approval. Additionally, we could not determine how the expenditures met the purpose of the program.

Noncompliance with the provisions of federal statutes, regulations, and the terms and conditions of the federal award could result in the loss of future federal funding to the School Corporation.

Questioned Costs

Purchases of equipment of \$59,777 are considered to be questioned costs.

Recommendation

We recommended that management of the School Corporation design and implement a proper system of internal control, including documented policies and procedures, that would provide segregation of duties to ensure appropriate reviews, approvals, and oversight are obtained to support disbursements that are charged to the respective grants.

Views of Responsible Officials

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

FINDING 2024-003

Subject: COVID-19 - Education Stabilization Fund - Reporting

Federal Agency: Department of Education

Federal Program: COVID-19 - Education Stabilization Fund

Assistance Listings Number: 84.425D

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

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting

Audit Finding: Material Weakness

Condition and Context

The School Corporation was required to submit annual data collection reports to the Indiana Department of Education (IDOE). Data to be submitted included, but was not limited to, current period expenditures, prior period expenditures, and expenditures per activity.

TIPPECANOE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

During the audit period, the School Corporation submitted a total of five annual ESSER data collection reports. The annual data collection reports were compiled, prepared, and submitted by one individual without any oversight or review process in place to prevent, or detect and correct, errors.

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). . . ."

2 CFR 200.302(b) states in part:

"The financial management system of each non-Federal entity must provide for the following . . .

(2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.328 and 200.329. . . ."

34 CFR 76.722 states: "A State may require a subgrantee to submit reports in a manner and format that assists the State in complying with the requirements under 34 CFR 76.720 and in carrying out other responsibilities under the program."

34 CFR 76.731 states: "A State and a subgrantee shall keep records to show its compliance with program requirements."

Cause

The School Corporation had not implemented internal controls to prevent and detect errors on the ESSER data collection reports prior to submission. The School Corporation did not ensure the information reported was correct and applicable to the reporting period of the submission.

Effect

Without the proper implementation of an effectively designed system of internal controls, errors may not be prevented, or detected and corrected, allowing material noncompliance. As a result, the reporting of the annual data collection reports could have been inaccurate.

Questioned Costs

There were no questioned costs identified.

TIPPECANOE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Noncompliance with the provisions of federal statutes, regulations, and the terms and conditions of the federal award could result in the loss of future federal funding to the School Corporation.

Recommendation

We recommended that management of the School Corporation design and implement a proper system of internal control, including documented policies and procedures, that would provide segregation of duties to ensure appropriate reviews, approvals, and oversight are taking place to ensure that financial information is accurately entered on the annual data collection reports.

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.



Tippecanoe School Corporation
21 Elston Road
Lafayette, Indiana 47909-2899

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2020-001 and 2022-001

Fiscal year in which the finding initially occurred: FY2018

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

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

Summary of Finding: Lack of internal controls for the Schedule of Federal Awards resulted in misstatement in the Child Nutrition cluster and additional grants, as well as other errors including incorrect program names, pass-through entities, and identifying numbers.

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

FINDING 2022-002

Fiscal year in which the finding initially occurred: FY2021

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

Finding Subject: Special Education Cluster (IDEA) – Activities Allowed or Unallowed, Allowable Costs/Cost Principles

Summary of Finding: Lack of internal controls to ensure that the Cooperative complied with the grant agreement and the Activities Allowed or Unallowed and the Allowable Costs/Cost Principle requirements.

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

FINDING 2022-003

Fiscal year in which the finding initially occurred: FY2021

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

Finding Subject: Special Education Cluster (IDEA) – Suspension and Debarment

Summary of Finding: Lack of internal controls to ensure that the Cooperative complied with suspension/debarment requirement.

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

FINDING 2022-004

Fiscal year in which the finding initially occurred: FY2021

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

Finding Subject: Special Education Cluster (IDEA) – Earmarking

Summary of Finding: Lack of internal controls to ensure that the Cooperative complied earmarking requirements.

Status of Audit Finding: Partially Corrected.



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Response Comments: The internal controls for monitoring the earmarking status within the Greater Lafayette Area of Special Services have been implemented. While documentation was received confirming partial resolution from both the Greater Lafayette Area of Special Services and the Lafayette School Corporation, some aspects of the earmarking process still require further verification. Specifically, there are manual processes in place to track and allocate funds, and additional steps are needed to ensure consistent accuracy. Further internal controls will be added, including more detailed verification procedures and additional monitoring steps, to fully address the deficiency. These actions are expected to resolve the remaining issues and ensure full compliance moving forward.



Tippecanoe School Corporation
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Lafayette, Indiana 47909-2899

CORRECTIVE ACTION PLAN

FINDING: 2024-001

Finding Subject: Special Education Cluster (IDEA) – Earmarking

Summary of Finding: Lack of internal controls were in place to ensure that the Cooperative complied with the earmarking requirements.

Contact Person Responsible for Corrective Action: Amanda M. Brackett, Chief Financial Officer

Contact Phone Number: (765) 269-8218/ambrackett@tsc.k12.in.us

Views of Responsible Official: We agree with the findings identified.

Description of Corrective Action Plan:

In order to mitigate future findings regarding allowable cost activities within the Greater Lafayette Area Special Services cooperative, the TSC will implement procedures to ensure better internal controls which includes monitoring of earmarking.

Anticipated Completion Date: June 30, 2025

FINDING 2024-002

Finding Subject: COVID-19 – Education Stabilization Fund – Activities Allowed or Unallowed, Allowable Costs/Cost Principles

Summary of Finding: Equipment purchased that did not adhere to allowable cost principles.

Contact Person Responsible for Corrective Action: Amanda M. Brackett, Chief Financial Officer

Contact Phone Number: (765) 269-8218

Views of Responsible Official: We agree with the findings identified.

Description of Corrective Action Plan:

In order to mitigate future findings regarding procurement within our school district, Tippecanoe School Corporation’s corrective action plan will include the following measures. The Tippecanoe School Corporation will review the Indiana Department of Education’s cost principles as well as the allowable costs listed under EDGAR. The Tippecanoe School Corporation will include all intended purchases in the budget on the Grant Application.

Anticipated Completion Date: March 1, 2025.

FINDING 2024-003

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

Summary of Finding: A lack of internal controls were in place to have two people review the Annual Data Reporting as required by IDOE prior to submission.

Contact Person Responsible for Corrective Action: Amanda M. Brackett, Chief Financial Officer

Contact Phone Number: (765) 269-8218

Views of Responsible Official: We agree with the findings identified.

Description of Corrective Action Plan:



Tippecanoe School Corporation
21 Elston Road
Lafayette, Indiana 47909-2899

In order to mitigate future findings regarding procurement within our school district, Tippecanoe School Corporation's corrective action plan will include the following measures. All reports will be prepared or reviewed by the CFO and Grant Manager. Both the CFO and Grant Manager will review the data prior to submission and sign the supporting documentation showing proof of review.

Anticipated Completion Date: March 1, 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/>.