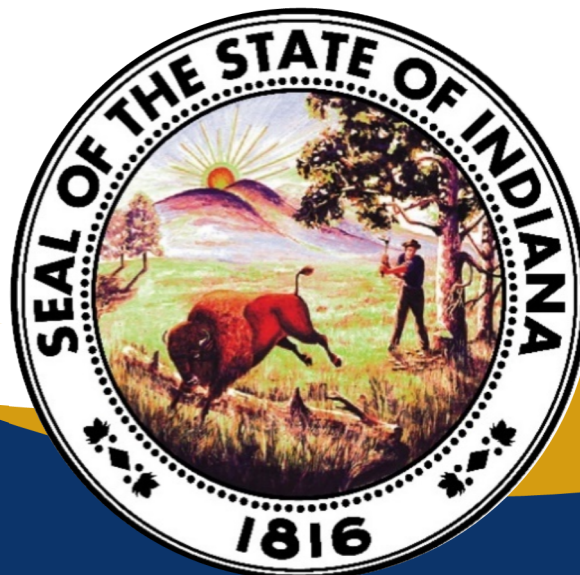


**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

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

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



FILED

03/24/2025

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Karen L. Zackfia	07-01-22 to 06-30-23
	Kurt Barone	07-01-23 to 08-27-23
	(Vacant)	08-28-23 to 08-31-24
	June Miller	09-01-23 to 07-31-24
	(Vacant)	08-01-24 to 08-25-24
	Matthew Kwiatkowski	08-26-24 to 02-07-25
Superintendent of Schools	(Vacant)	02-08-25 to 03-11-25
	Ryan Middleton	07-01-22 to 05-13-24
	Debra Howe (interim)	05-14-24 to 06-30-24
	Julie Remschneider	07-01-24 to 03-11-25
President of the School Board	Paul Sheldon	07-01-22 to 12-31-22
	Samantha Hickel	01-01-23 to 09-09-24
	(Vacant)	09-10-24 to 09-17-24
	Diane Gonczy	09-18-24 to 12-31-24
	Tyson Bridgeman	01-01-25 to 06-30-25



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

TO: THE OFFICIALS OF THE NORTH NEWTON SCHOOL
CORPORATION, NEWTON COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the North Newton 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 11, 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.

North Newton 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 11, 2025



Paul D. Joyce, CPA
State Examiner

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

TO: THE OFFICIALS OF THE NORTH NEWTON SCHOOL CORPORATION, NEWTON COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the North Newton 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 Child Nutrition Cluster

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 Child Nutrition Cluster 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.

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.

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)

Matter Giving Rise to Qualified Opinion on Child Nutrition Cluster

As described in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding the Child Nutrition Cluster, as described in item 2024-004 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.

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.
- 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.

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)

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 2024-005. 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 2024-003, 2024-004, and 2024-005, to be material weaknesses.

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

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

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

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

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

We have audited the financial statement of the School Corporation, as of and for the period of July 1, 2022 to June 30, 2024, and the related notes to the financial statement. We issued our report thereon dated March 11, 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 11, 2025

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

NORTH NEWTON 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			FY22-23	\$ -	\$ 101,352	\$ -	\$ -
School Breakfast Program			FY23-24	-	-	-	69,509
				-	101,352	-	69,509
Total - School Breakfast Program							
National School Lunch Program	Indiana Department of Education	10.555					
National School Lunch			FY22-23	-	428,954	-	-
National School Lunch			FY23-24	-	-	-	312,694
Commodities				-	43,008	-	59,422
				-	471,962	-	372,116
Total - National School Lunch Program							
Summer Food Service Program for Children	Indiana Department of Education	10.559					
School Lunch			FY23-24	-	-	-	1,784
				-	573,314	-	443,409
Total - Child Nutrition Cluster							
Pandemic EBT Administrative Costs	Indiana Department of Education	10.649	222IN120S9009	-	628	-	-
School Lunch				-	-	-	-
Total - Department of Agriculture							
				-	573,942	-	443,409
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
Special Education Grants to States			21611-047-PN01	-	10,792	-	-
Special Education Grants to States			22611-047-PN01	-	140,536	-	242
Special Education Grants to States			23611-047-PN01	-	161,733	-	156,687
Special Education Grants to States			24611-047-PN01	-	-	-	212,554
				-	313,061	-	369,483
Subtotal - Special Education Grants to States							
COVID-19 - Special Education Grants to States	Indiana Department of Education	84.027					
COVID-19 - Special Education Grants to States			22611-047-ARP	-	39,490	-	18,699
				-	352,551	-	388,182
Total - Special Education Grants to States							
Special Education Preschool Grants	Indiana Department of Education	84.173					
Special Education Preschool Grants			21619-047-PN01	-	117	-	-
Special Education Preschool Grants			22619-047-PN01	-	15,913	-	547
Special Education Preschool Grants			23619-047-PN01	-	7,656	-	10,490
Special Education Preschool Grants			24619-047-PN01	-	-	-	7,789
				-	23,686	-	18,826
Subtotal - Special Education Preschool Grants							

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-23	Total Federal Awards Expended 06-30-23	Passed Through to Subrecipient 06-30-24	Total Federal Awards Expended 06-30-24
COVID-19 - Special Education Preschool Grants	Indiana Department of Education	84.173					
COVID-19 - Special Education Preschool Grants			22619-047-ARP	-	45	-	1,292
Total - Special Education Preschool Grants				-	23,731	-	20,118
Total - Special Education Cluster (IDEA)				-	376,282	-	408,300
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I			S010A210014	-	41,561	-	-
Title I			S010A220014	-	112,397	-	36,887
Total - Title I Grants to Local Educational Agencies				-	153,958	-	36,887
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	Indiana Department of Education	84.367					
Title II Part A			S367A200013	-	2,174	-	-
Title II Part A			S367A210013	-	29,877	-	-
Total - Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)				-	32,051	-	-
Student Support and Academic Enrichment Program	Indiana Department of Education	84.424					
Title IV			S424A200015	-	4,757	-	-
Title IV			S424A210015	-	4,922	-	7,840
Total - Student Support and Academic Enrichment Program				-	9,679	-	7,840
COVID-19 - Education Stabilization Fund	Indiana Department of Education						
CARES Act ESSERF		84.425D	S425D200013	-	1,368	-	-
ESSER II		84.425D	S425D210013	-	86,297	-	-
ESSER II		84.425D	S425D210013	-	-	-	53,819
ESSER III		84.425U	S425U210013	-	212,814	-	-
ESSER III		84.425U	S425U210013	-	-	-	227,933
Total - COVID-19 - Education Stabilization Fund				-	300,479	-	281,752
Total - Department of Education				-	872,449	-	734,779
Department of Health and Human Services							
Medicaid Cluster	Indiana Family and Social Services Administration	93.778					
Medical Assistance Program							
Medicaid Reimbursement			FY22-23	-	19,055	-	-
Medicaid Reimbursement			FY23-24	-	-	-	45,194
Total - Medicaid Cluster				-	19,055	-	45,194
Total - Department of Health and Human Services				-	19,055	-	45,194
Total federal awards expended				\$ -	\$ 1,465,446	\$ -	\$ 1,223,382

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

NORTH NEWTON 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. Special Education Cooperative

The School Corporation is a member of the Cooperative School 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.

NORTH NEWTON 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?	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:

<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
Child Nutrition Cluster	Qualified
Special Education Cluster (IDEA)	Unmodified
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	no

Section II - Financial Statement Findings

FINDING 2024-001

Subject: Financial Transactions and Reporting
Audit Findings: Material Weakness, Noncompliance

Condition and Context

There were deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. The School Corporation had not separated incompatible activities related to cash and investments, receipts, disbursements, and financial reporting to ensure the accuracy, completeness, and timeliness of the recordkeeping.

NORTH NEWTON SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cash and Investments - Bank Reconcilements

An oversight or review process ensuring that reconcilements of the record balances to the depository and investment balances were completed at least monthly to ensure the accuracy and completeness of financial transactions, including the investment activity, had been properly designed and implemented.

However, the internal control process was determined to not be effective for the monthly bank reconcilements from July 2023 through May 2024. In July 2023, the School Corporation purchased a \$2,000,000 Certificate of Deposit (CD) investment from the Rainy Day Fund. At the time of the purchase, a disbursement was recorded in the Rainy Day Fund, which resulted in the decrease of the ledger's overall cash and investment balances by \$2,000,000. As a result, the monthly bank reconcilements from July 2023 through May 2024 did not accurately reflect the complete cash and investments since the \$2,000,000 investment balance was not included each month. In addition, the School Corporation did not maintain an investment register as required.

The omission of the CD investment balance was not detected or corrected until the CD matured in June 2024.

Receipts

The School Corporation had an oversight and review process designed and implemented over receipts. However, for the 2023-2024 school year, one employee prepared and recorded receipts to the financial accounting system without evidence of an oversight or review process to ensure the accuracy, timeliness, and completeness of the ledger.

Disbursements

The School Corporation had an oversight and review process designed and implemented to ensure the accuracy, timeliness, and completeness of disbursements. However, for 2023-2024, one employee prepared and recorded vendor disbursements into the financial accounting system without evidence of an oversight or review process, and the review process over payroll disbursements was determined to not be consistently performed and documented.

Financial Close and Reporting

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 have a system of internal controls over the preparation of the Annual Financial Report (AFR) entered into the Indiana Gateway for Government Units financial reporting system, which was the source for the financial statement for the AFR filed for the period ending June 30, 2023. However, for the AFR for the period ending June 30, 2024, one employee prepared and submitted the AFR without evidence of an oversight or review process to ensure the accuracy and completeness of the financial information submitted.

NORTH NEWTON SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

Officials and employees are required to use prescribed and approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

Cause

After June 2023, the School Corporation had a complete turnover in the business office personnel, which included both the Treasurer and Deputy Treasurer.

Effect

The failure to maintain the system of internal controls over financial transactions and reporting could have enabled misstatements or irregularities to occur and remain undetected within the financial statement.

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

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.

NORTH NEWTON SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The School Corporation did have a system of internal controls over the preparation of the grants information entered in the Annual Financial Report (AFR) for the year ending June 30, 2023, on the Indiana Gateway for Government Units financial reporting system, which was the source of the Schedule of Expenditures of Federal Awards (SEFA). However, for the grant information in the AFR for the year ending June 30, 2024, one employee prepared and submitted the AFR without evidence of an oversight or review process to ensure the accuracy and completeness of the SEFA information submitted.

Due to the lack of internal controls, the SEFA contained the following errors:

- The National School Lunch Program expenditures were overstated by \$158,938 for fiscal year 2023-2024.
- The Special Education Grants to States and COVID-19 - Special Education Grants to States expenditures were omitted, which resulted in the understatement by \$388,182 for 2023-2024.
- Several other grants had individual immaterial errors that resulted in misstatements of expenditures of \$118,366.
- Other errors included incorrect program names and assistance listings numbers.

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

Criteria

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](#)."

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. . . ."

NORTH NEWTON SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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; . . ."

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.

NORTH NEWTON SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (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

After June 2023, the School Corporation had a complete turnover in the business office personnel, which included both the Treasurer and Deputy Treasurer.

Effect

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

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2024-003

Subject: Child Nutrition Cluster - Eligibility
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
Assistance Listings Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY22-23, FY23-24
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Eligibility
Audit Finding: Material Weakness

Condition and Context

The School Corporation had not properly implemented a system of internal controls, which would include appropriate segregation of duties, that would likely be effective in preventing, or detecting and correcting, noncompliance related to a child receiving free or reduced-price meals.

NORTH NEWTON SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Any child enrolled in a participating school who meets the applicable program's definition of "child," may receive meals under the applicable program. In the case of the National School Lunch Program and the School Breakfast Program, children belonging to households meeting nationwide income eligibility requirements may receive meals at no charge or at reduced price. Children who have been determined ineligible for free or reduced-price school meals pay the full price, set by the School Food Authority, for their meals. Children attending SFSP meal service sites receive their meals at no charge. As a general rule, a child's eligibility for free or reduced-price meals under a Child Nutrition Cluster program may be established by the submission of an annual application or statement which furnishes such information as family income and family size. Local educational agencies, institutions, and sponsors then determine eligibility by comparing the data reported by the child's household to published income eligibility guidelines. Additionally, a child may be direct certified. For a Direct Certification, annual eligibility determinations are based on the child's household receiving benefits under SNAP, FDPIR, the Head Start Program (ALN 93.600), or, under most circumstances, the TANF program (ALN 93.558). A household may furnish documentation of its participation in one of these programs; or the school, institution, or sponsor may obtain the information directly from the state or local agency that administers these programs. Certain foster, runaway, homeless, and migrant children are categorically eligible for free school lunches and breakfasts. Direct certified households do not need to complete an application.

Direct Certifications

The Food Service Director (Director) downloaded the Direct Certification report from the State of Indiana database monthly and uploaded it to the school lunch point-of-sale (POS) system. However, there was no documentation that a review process took place to ensure the uploads had imported correctly and students' status was updated accordingly.

Applications

Eligibility for applications submitted for free and reduced lunch were determined by a Kitchen Manager or the Director manually and by the POS system based on the published income eligibility guidelines. For applications that were determined by a Kitchen Manager, the Director reviewed and redetermined eligibility. However, this review process was not consistently documented.

The Director downloaded the new income eligibility guidelines that were updated in the POS system by the software vendor. The Director reviewed the accuracy of the income eligibility guidelines and then saved them to the POS system. Documentation that the review process was implemented properly could not be provided.

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). . . ."

NORTH NEWTON SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

The system of internal controls over the monthly Direct Certification uploads, the review of the income eligibility guidelines saved in the POS system, and the manual determinations were not properly implemented. The Director did not maintain documentation that the review process had occurred.

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. 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.

Recommendation

We recommended that the School Corporation's management implement a proper system of internal controls that would ensure that the appropriate reviews, approvals, and oversight are documented.

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: Child Nutrition Cluster - Suspension and Debarment
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children
Assistance Listings Numbers: 10.553, 10.555, 10.559
Federal Award Numbers and Years (or Other Identifying Numbers): FY22-23, FY23-24
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Modified Opinion

Condition and Context

An effective system of internal controls was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

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.

NORTH NEWTON SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

A population of two covered transactions for purchases that equaled or exceeded \$25,000 paid from the School Lunch fund were identified. The transactions totaling \$76,138 were tested; however, the School Corporation did not verify the suspension and debarment status prior to entering into the contracts.

The lack of internal controls and noncompliance 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). . . ."

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 SAM 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 School Corporation's process was to check for SAM Exclusions, collect a certification from the vendor, or add a clause or condition to the covered transaction with the vendor. However, the SAM exclusion check process was not properly implemented for the vendors tested nor was a certification collected, or a clause or condition added to the covered transaction.

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.

Recommendation

We recommended that the School Corporation's management evaluate the procedures established to ensure processes are functioning as intended to prevent, or detect and correct, material noncompliance.

NORTH NEWTON SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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) - Period of Performance

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): 22611-047-PN01, 22611-047-ARP,
22619-047-PN01, 22619-047-ARP

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Period of Performance

Audit Findings: Material Weakness, Other Matters

Condition and Context

During the audit period, the School Corporation was a member of the Cooperative School Services (Cooperative). The Cooperative operated the special education programs and spent the federal money on behalf of its member schools. As the grant agreement was between the Indiana Department of Education and each member school, the School Corporation was responsible for ensuring and providing oversight of the Cooperative.

For Special Education Cluster awards, funds must be obligated during the 27 months, extending from July 1 of the fiscal year for which the funds were appropriated through September 30 of the second following fiscal year.

When testing transactions which occurred in the liquidation period for the 22611-047-PN01, 22611-047-ARP, 22619-047-PN01, and 22619-047-ARP grant awards, two exceptions were identified in the initial sample of five transactions. When expanding the sample, a third exception was noted, and it was concluded that it would not be appropriate to examine the remaining 14 transactions.

For the above listed awards, costs must be obligated by September 30, 2023. For the three identified exceptions, an initial purchase order was made in September, but the ultimate transaction was paid to a separate vendor than the original purchase order, and this obligation was incurred in November 2023.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

NORTH NEWTON SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200.403(h) states: "Cost must be incurred during the approved budget period. The Federal awarding agency is authorized, at its discretion, to waive prior written approvals to carry forward unobligated balances to subsequent budget periods pursuant to § 200.308(e)(3)."

34 CFR 76.707 states in part:

". . . If the obligation is for- . . .

(d) Performance of work other than personal services. . . .

The obligation is made-

On the date on which the State or subgrantee makes a binding written commitment to acquire the property. . . ."

2 CFR 200.1 states in part: ". . . *Period of Performance* means the total estimated time interval between the start of an initial Federal award and the planned end date . . ."

36 CFR 76.709(a) states: "If a State or a subgrantee does not obligate all of its grant or subgrant funds by the end of the fiscal year for which Congress appropriated the funds, it may obligate the remaining funds during a carryover period of one additional fiscal year."

Cause

Management had established an initial obligation date that occurred in September of the second fiscal year but modified the final vendor for payment. The new obligation occurred after the period in which the School Corporation was allowed to incur the expense.

Effect

If funds are not obligated by the end of the specified date, the grantor agency is not obligated to reimburse the School Corporation for costs incurred. This may indicate that the funding that was reimbursed, which incurred outside of the period of performance, will need to be repaid to the grantor agency, and the School Corporation will then need to support the costs with nonfederal funding.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish a system of internal controls to ensure that no costs are incurred after the September 30 deadline and to ensure compliance with the grant agreement and the Period of Performance 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.

North Newton School Corporation
310 N. Lincoln St., Morocco, IN 47963
219-285-2228

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-001

Subject: Special Education Cluster—Procurement and Suspension and Debarment

Fiscal Year in which the finding initially occurred: 2022

Current Audit Period: 2024

Summary of Finding: The School Corporation did not have adequate internal controls in place to ensure the Cooperative complied with procurement requirements for simplified acquisitions or suspension and debarment requirements for all contracts.

Status of Audit Finding: Resolved

Response Comments:

None

North Newton School Corporation
310 N. Lincoln St., Morocco, IN 47963
219-285-2228

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-002

Subject: COVID-19 Education Fund-Special Test and Provisions-Wage Requirements

Fiscal Year in which the finding initially occurred: 2022

Current Audit Period: 2024

Summary of Finding: An effective internal control system was not designed, nor implemented at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions – Wage Rate compliance requirements.

Status of Audit Finding: Unresolved

Response Comments:

Due to the turnover of staff (Superintendent, Treasurer) there were no contracts or documentation collected. In the future we will ensure that there are procedures in place for compliance with the Wage Rate requirements by including the clause in the vendor's contract and requiring weekly submissions of a copy of the payroll before payment is made to the vendor.

North Newton School Corporation
310 N. Lincoln St., Morocco, IN 47963
219-285-2228

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-003

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

Fiscal Year in which the finding initially occurred: 2022

Current Audit Period: 2024

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 Equipment and Real Property Management compliance requirement.

Status of Audit Finding: Unresolved

Response Comments:

Due to the turnover of staff (Superintendent, Treasurer) there were no reviews done over capital assets to capitalized improvements or renovations to existing infrastructure. In the future we will ensure that there are procedures in place for compliance to capitalize improvements or renovations to existing infrastructure as outlined in board policy.

North Newton School Corporation
310 N. Lincoln St., Morocco, IN 47963
219-285-2228

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-004

Subject: COVID-19-Education Stabilization Fund-Reporting

Fiscal Year in which the finding initially occurred: 2022

Current Audit Period: 2024

Summary of Finding: An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and Reporting compliance requirement.

Status of Audit Finding: Unresolved

Response Comments:

Due to the turnover of staff (Superintendent, Treasurer, Deputy Treasurer) there were no reviews by the superintendent or deputy treasurer before submission. In the future we will ensure that there are procedures in place for compliance by requiring a second review by either the superintendent or deputy treasurer.

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North Newton School Corporation
310 N. Lincoln St., Morocco, IN 47963
219-285-2228

FINDING 2024-001

Finding Subject: Financial Transactions and Reporting

Contact Person Responsible for Corrective Action: Julie Remschneider

Contact Phone Number and Email Address: julie.r@nn.k12.in.us, 219-285-2228

Views of Responsible Officials: We concur with the finding.

Description of Corrective Action Plan:

Cash and Investments: We will return to implementing the processes outlined in the internal controls manual that were followed prior to 2023-2024.

Receipts: We will return to implementing the processes outlined in the internal controls manual that were followed prior to 2023-2024.

Disbursements- Vendor: We will return to implementing the processes outlined in the internal controls manual that were followed prior to 2023-2024.

Disbursements- Payroll: We will return to implementing the processes outlined in the internal controls manual that were followed prior to 2023-2024.

Financial Close and Reporting: We will return to implementing the processes outlined in the internal controls manual that were followed prior to 2023-2024.

**Anticipated Completion Date:
September 30, 2025**

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North Newton School Corporation
310 N. Lincoln St., Morocco, IN 47963
219-285-2228

FINDING 2024-002

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

Contact Person Responsible for Corrective Action: Julie Remschneider

Contact Phone Number and Email Address: julie.r@nn.k12.in.us, 219-285-2228

Views of Responsible Officials: We concur with the finding.

Description of Corrective Action Plan:

The Business official and/or the superintendent will review the SEFA.

Anticipated Completion Date:

September 30, 2025

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North Newton School Corporation
310 N. Lincoln St., Morocco, IN 47963
219-285-2228

FINDING 2024-003

Finding Subject: Child Nutrition Cluster- Eligibility

Contact Person Responsible for Corrective Action: Julie Remschneider

Contact Phone Number and Email Address: julie.r@nn.k12.in.us, 219-285-2228

Views of Responsible Officials: We concur with the finding.

Description of Corrective Action Plan:

The business official or superintendent will review and sign off and date the eligibility reports.

Anticipated Completion Date:

September 30, 2025

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North Newton School Corporation
310 N. Lincoln St., Morocco, IN 47963
219-285-2228

FINDING 2024-004

Finding Subject: Child Nutrition Cluster- Procurement and Suspension and Debarment

Contact Person Responsible for Corrective Action: Julie Remschneider

Contact Phone Number and Email Address: julie.r@nn.k12.in.us, 219-285-2228

Views of Responsible Officials: We concur with the finding.

Description of Corrective Action Plan:

The business official or superintendent will review and sign off and date the procurement and suspension and debarment documents. We will follow the internal control procedures beginning on p. 41 of the internal controls manual.

Anticipated Completion Date:

September 30, 2025

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North Newton School Corporation
310 N. Lincoln St., Morocco, IN 47963
219-285-2228

FINDING 2024-005 (Auditor Assigned Reference Number)

Finding Subject: Special Education Cluster (IDEA)- Period of Performance

Contact Person Responsible for Corrective Action: Julie Remschneider

Contact Phone Number and Email Address: julie.r@nn.k12.in.us, 219-285-2228

Views of Responsible Officials: We concur with the finding.

Description of Corrective Action Plan:

We will ensure the Special Education Co-op will have controls in place to make sure payments are made within the period of performance.

Anticipated Completion Date:

September 30, 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/>.