

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

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

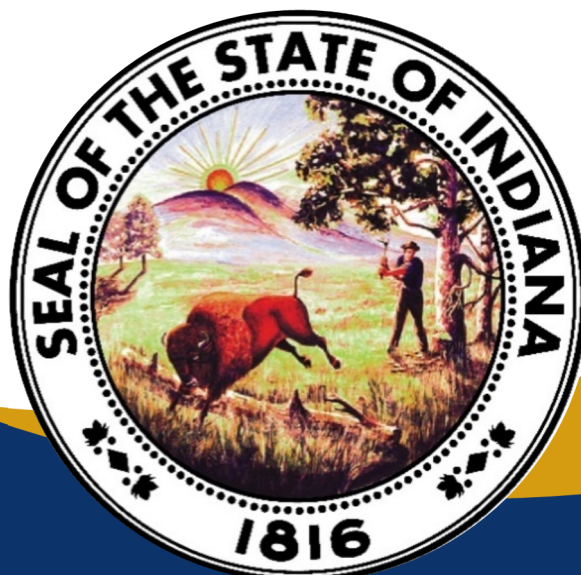
FEDERAL COMPLIANCE AUDIT REPORT

OF

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT

UNION COUNTY, INDIANA

July 1, 2022 to June 30, 2024



**FILED**

03/13/2025



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Jennifer Blakley	07-01-22 to 06-30-25
Superintendent of Schools	Gregg Pettit John Edge	07-01-22 to 11-20-22 11-21-22 to 06-30-25
President of the School Board	Mary Eversole Matt Snyder	07-01-22 to 12-31-24 01-01-25 to 06-30-25



Paul D. Joyce, CPA  
State Examiner

# INDIANA STATE BOARD OF ACCOUNTS

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

TO: THE OFFICIALS OF THE UNION COUNTY COLLEGE CORNER  
JOINT SCHOOL DISTRICT, UNION 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 Union County College Corner Joint School District (School Corporation), for the period of July 1, 2022 to June 30, 2024, and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement and have issued our report thereon dated March 4, 2025, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

### ***Report on Internal Control over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, as described in the accompanying Schedule of Findings and Questioned Costs as items 2024-001 and 2024-002, that we consider to be material weaknesses.

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

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2024-001 and 2024-002.

***Union County College Corner Joint School District's Response to Findings***

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

***Purpose of This Report***

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



Beth Kelley, CPA, CFE  
Deputy State Examiner

March 4, 2025



Paul D. Joyce, CPA  
State Examiner

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

TO: THE OFFICIALS OF THE UNION COUNTY COLLEGE CORNER  
JOINT SCHOOL DISTRICT, UNION COUNTY, INDIANA

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

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

We have audited the Union County College Corner Joint School District's (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2022 to June 30, 2024. The School Corporation's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2022 to June 30, 2024.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the School Corporation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School Corporation's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School Corporation's federal programs.

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

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School Corporation's compliance based on our audit. Reasonable assurance is a high level of assurance, but is not absolute assurance, and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually, or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School Corporation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Report on Internal Control over Compliance**

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

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

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

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

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

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

We have audited the financial statement of the School Corporation, as of and for the period of July 1, 2022 to June 30, 2024, and the related notes to the financial statement. We issued our report thereon dated March 4, 2025, which contained a dual opinion on the financial statement. An adverse opinion was issued regarding the presentation in accordance with accounting principles generally accepted in the United States of America, and an unmodified opinion was issued regarding the presentation in accordance with the regulatory basis of accounting. Our audit was performed for the purpose of forming an opinion on the financial statement as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement as a whole.



Beth Kelley, CPA, CFE  
Deputy State Examiner

March 4, 2025



## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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



UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2023 and 2024

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-23	Total Federal Awards Expended 06-30-23	Passed Through to Subrecipient 06-30-24	Total Federal Awards Expended 06-30-24
<b>Department of Agriculture</b>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
Breakfast Program			FY 2023	\$ -	\$ 129,829	\$ -	\$ -
Breakfast Program			FY 2024	-	-	-	97,923
Total - School Breakfast Program				-	129,829	-	97,923
National School Lunch Program							
Lunch Program	Indiana Department of Education	10.555					
Snack Program			FY 2023	-	488,489	-	-
Snack Program			FY 2023	-	16,457	-	-
Snack Program			FY 2024	-	-	-	10,730
Lunch Program			FY 2024	-	-	-	374,186
2022 Supply Chain Reimbursements			222IN059N8903	-	57,581	-	-
Commodities			FY 23-24	-	49,293	-	60,590
Total - National School Lunch Program				-	611,820	-	445,506
Summer Food Service Program for Children							
Summer Food Program	Indiana Department of Education	10.559					
			FY 2023	-	14,070	-	-
Total - Summer Food Service Program for Children				-	14,070	-	-
Total - Child Nutrition Cluster				-	755,719	-	543,429
COVID-19 - Pandemic EBT Administrative Costs							
P-EBT Admin	Indiana Department of Education	10.649					
			FY 2023	-	628	-	-
Total - COVID-19 - Pandemic EBT Administrative Costs				-	628	-	-
Total - Department of Agriculture				-	756,347	-	543,429
<b>Department of Education</b>							
Special Education Cluster (IDEA)							
Special Education Grants to States							
2020-2021 Part B 611	Indiana Department of Education	84.027					
2021-2022 Part B 611			21611-011-PN01	-	2,690	-	-
2021-2022 Part B 611			22611-011-PN01	-	201,582	-	-
2021-2022 Part B 611			22611-011-PN01	-	-	-	1,054
2022-2023 Part B 611			23611-011-PN01	-	139,926	-	-
2022-2023 Part B 611			23611-011-PN01	-	-	-	211,842
2023-2024 Part B 611			24611-011-PN01	-	-	-	138,164
Para Grant			H027A220084	-	-	-	5,565
Subtotal - Special Education Grants to States				-	344,198	-	356,625

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT  
 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 Grants to States 2022 ARP Part B 611	Indiana Department of Education	84.027X	22611-011-ARP	-	54,516	-	24,801
Total - Special Education Grants to States				-	398,714	-	381,426
Special Education Preschool Grants Preschool FY21 Preschool FY22 Preschool FY23	Indiana Department of Education	84.173	21619-011-PN01 22619-011-PN01 23619-011-PN01	- - -	475 12,270 -	- - -	- - 8,024
Subtotal - Special Education Preschool Grants				-	12,745	-	8,024
COVID-19 - Special Education Preschool Grants 2022 ARP Part B 611	Indiana Department of Education	84.173X	22619-011-ARP	-	1,902	-	-
Total - Special Education Preschool Grants				-	14,647	-	8,024
Total - Special Education Cluster (IDEA)				-	413,361	-	389,450
Title I Grants to Local Educational Agencies 2020-2021 Title I 2021-2022 Title I 2022-2023 Title I	Indiana Department of Education	84.010	S010A210014 S010A220014 S010A230014	- - -	15,730 107,080 -	- - -	- 50,466 197,207
Total - Title I Grants to Local Educational Agencies				-	122,810	-	247,673
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants) 2020-2022 Title IIA 2019-2021 Title IIA	Indiana Department of Education	84.367	S367A220013 S367S210013	- -	- 25,709	- -	36,575 -
Total - Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)				-	25,709	-	36,575

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT  
 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					
2023-2025 Title IV Part A			S424A230015	-	-	-	15,520
2020-2022 Title IV Part A			S424A200015	-	2,143	-	-
2021-2023 Title IV Part A			S424A210015	-	15,017	-	-
2022-2024 Title IV Part A			S424A220015	-	3,221	-	-
Total - Student Support and Academic Enrichment Program				-	20,381	-	15,520
COVID-19 - Education Stabilization Fund	Indiana Department of Education						
ESSER II		84.425D	S425D210013	-	202,632	-	-
ESSER II		84.425D	S425D210013	-	-	-	189,226
ESSER III		84.425U	S425U210013	-	531,626	-	-
ESSER III		84.425U	S425U210013	-	-	-	129,027
Total - COVID-19 - Education Stabilization Fund				-	734,258	-	318,253
Total - Department of Education				-	1,316,519	-	1,007,471
<u>Department of Health and Human Services</u>							
Medicaid Cluster							
Medical Assistance Program		93.778					
IEP	Indiana Family and Social Services Administration		FY 2023	-	1,313	-	-
IEP	Indiana Family and Social Services Administration		FY 2024	-	-	-	3,487
INMAC	Indiana Department of Education		FY 2023	-	21,629	-	-
INMAC	Indiana Department of Education		FY 2024	-	-	-	21,510
Total - Medical Assistance Program				-	22,942	-	24,997
Total - Medicaid Cluster				-	22,942	-	24,997
Total - Department of Health and Human Services				-	22,942	-	24,997
Total federal awards expended				\$ -	\$ 2,095,808	\$ -	\$ 1,575,897

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

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT  
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 East Central Indiana Special Services District and serves as the fiscal agent. As a result, some of the activity for the Special Education Cluster (IDEA) that is presented as receipts and disbursements in the financial statement is not presented on the SEFA for the School Corporation. This activity is reported on the SEFAs of the member school corporations, as appropriate.

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I - Summary of Auditor's Results**

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

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

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

Assistance Listings Number	Name of Federal Program or Cluster	Opinion Issued
	Child Nutrition Cluster	Unmodified
	Special Education Cluster (IDEA)	Unmodified
84.425	COVID-19 - Education Stabilization Fund	Unmodified

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

Auditee qualified as low-risk auditee? no

**Section II - Financial Statement Findings**

**FINDING 2024-001**

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

*Repeat Finding*

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

*Condition and Context*

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

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The School Corporation filed its reports as prescribed; however, the internal controls over the financial information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the School Corporation's financial statement, were not effective.

The School Corporation failed to properly review the financial information prepared and submitted in Gateway. Although the Treasurer prepared and submitted the financial information, and the Deputy Treasurer reviewed the information, the internal control was not effective and did not detect or allow for correction of errors prior to submission.

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

- Payroll clearing funds receipts and disbursements were not reported in the Annual Financial Report in Gateway for fiscal year 2023-2024. This understated receipts and disbursements in the amounts of \$2,306,084 for 2023-2024.

Audit adjustments were proposed, accepted by the School Corporation, and made to the financial statement.

*Criteria*

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

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

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

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

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

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

*Cause*

Management of the School Corporation had not established an effective system of internal controls that would have ensured proper reporting of the financial statement. The Treasurer and Deputy Treasurer, while reviewing the submission to Gateway, failed to notice that withholding funds were not included.

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Effect*

Without a proper system of internal controls in place that operated effectively, material misstatements of the financial statement remained undetected. The financial statement included 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.

**FINDING 2024-002**

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

*Repeat Finding*

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

*Condition and Context*

The School Corporation filed its reports as prescribed; however, the internal controls over the federal award information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the School Corporation's Schedule of Expenditures of Federal Awards (SEFA), were not effective.

The School Corporation had not properly reviewed the federal grant information prepared and submitted in Gateway. Although the Treasurer entered the information into Gateway, and the Deputy Treasurer reviewed the information for accuracy and completeness, the internal controls were not effective and did not prevent, or detect or allow for correction of, errors prior to submission.

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

- The Title I Grants to Local Educational Agencies were understated for fiscal year 2022-2023 and 2023-2024 by \$122,810 and \$90,104, respectively.
- The Supporting Effective Instruction State Grants were overstated for 2022-2023 and 2023-2024 by \$104,618 and \$126,679, respectively.
- Five grants had individually immaterial errors that resulted in misstatements of expenditures of \$125,374 in total.
- Other errors included incorrect program names, assistance listings numbers, and omitted pass-through entity identifying numbers.

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

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT  
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. . . ."

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. . . ."

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

2 CFR 200.510(b) states:

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

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the Assistance Listings Number or other identifying number when the Assistance Listings information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502(b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414."

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](#)."

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Cause*

The Treasurer and Deputy Treasurer did not fully understand the proper reporting of grant expenditures. Internal controls were not effective to ensure proper reporting of the SEFA.

*Effect*

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

*Views of Responsible Officials*

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

**Section III - Federal Award Findings and Questioned Costs**

No matters are reportable.

#### AUDITEE-PREPARED DOCUMENTS

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



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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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

**Fiscal year in which the finding initially occurred:**  
FY21-FY22

**Current Audit Period:**  
2024

**Finding Subject:**  
Preparation of the Annual Financial Report

**Summary of Finding:**  
The School Corporation has an internal process that includes a second review of the amounts reported on the annual financial report presented for audit. The control in place, however, did not prevent, detect, and correct material errors noted in the audit period AFR. We will be working with our software system to get a complete and accurate report.

**Status of Audit Finding:**  
Not Corrected

**Response Comments:**  
UCCCJSD Officials are continuing to learn and improve our processes and internal controls to prevent errors on the annual financial report.

***FINDING 2022-002***

**Fiscal year in which the finding initially occurred:**  
FY20

**Current Audit Period:**  
2024

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

**Status of Audit Finding:**  
Not Corrected

**Summary of Finding:**  
The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).

The School Corporation failed to properly review the federal grant information submitted in Gateway. Although the SEFA was reviewed by the treasurer and deputy treasurer, the internal control was not effective and did not detect and allow corrections of error prior to submission.

**Response Comments:**  
UCCCJSD Officials are continuing to learn and improve our processes and internal controls to prevent errors on the SEFA.

***FINDING 2022-003***

**Fiscal year in which the finding initially occurred:**  
FY21-FY22

**Current Audit Period:**  
2024

**Finding Subject:**  
Subject: Child Nutrition Cluster – Reporting  
Material Weakness

**Status of Audit Finding:**  
Corrected

**Summary of Finding:**  
An effective internal control system has been put place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the reporting compliance requirement. The treasurer and food service director will work to review and sign-off on each report prior to submission

**Response Comments:**  
N/A

***FINDING 2022-004***

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

FY21-FY22

**Current Audit Period:**

2024

**Finding Subject:**

Child Nutrition Cluster – Internal Controls  
Procurement and Suspension and Debarment  
Material Weakness

**Status of Audit Finding:**

Corrected

**Summary of Finding:**

The School Corporation has implemented an internal control process that will include the treasurer and food service director will work together to check on any vendor receiving school funds in the amount of \$25,000 and over. This information will be reviewed and checked at the beginning of each school year and as needed with new vendors.

**Response Comments:**

N/A

***FINDING 2022-005***

**Fiscal year in which the finding initially occurred:**  
FY21-FY22

**Current Audit Period:**  
2024

**Finding Subject:**  
COVID-19 Education Stabilization Fund – Reporting  
Material Weakness

**Status of Audit Finding:**  
Corrected

**Summary of Finding:**  
An effective internal control system has been put place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the reporting compliance requirement. The treasurer and deputy treasurer will work to review and sign-off on each report prior to submission.

**Response Comments:**  
N/A

Contact Person Responsible for Corrective Action: Jennifer Blakley, Treasurer  
Contact Phone Number: 765-458-7471

## CORRECTIVE ACTION PLAN

### ***FINDING 2024-001***

**Finding Subject:** Financial Transactions and Reporting  
Material Weakness, Noncompliance

**Summary of Finding:**  
Condition and Context

The School Corporation is required to file financial reports after the close of each fiscal year. The School Corporation did file the reports as prescribed, however, the internal controls over the financial information were not effective. The corrective action plan was effective for FY23, just not FY24.

The AFR entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and investment Balances – Regulatory Basis (the financial statement). The AFR was reviewed prior to submission. However, it was not reviewed in enough detail to prevent the following errors in the financial statement:

Payroll clearing funds receipts and disbursements were not reported in the annual financial report In Gateway for FY24. This understated receipts and disbursements in the amounts of \$2,306,084 for FY24.

**Contact Person Responsible for Corrective Action: Jennifer Blakley**  
**Contact Phone Number and Email Address: 765-458-7471**

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

**Description of Corrective Action Plan:**

The treasurer will prepare the AFR, and review the information in the software system (Komputrol) to make sure that the revenue and expenses are displayed properly prior to the deputy treasurer review. The deputy treasurer will review and make any corrections to the information online prior to submission.

**Anticipated Completion Date:**

Treasurer - This corrective action will be in place for the 2025 AFR.

**FINDING 2024-002**

**Finding Subject:** Preparation of the Schedule of Expenditures of Federal Awards  
Material Weakness, Noncompliance

**Summary of Finding:**  
Condition and Context

The School Corporation is required to file financial reports after the close of each fiscal year. The School Corporation did file the reports as prescribed, however, the internal controls over the financial information were not effective.

The School Corporation failed to properly review the federal grant information prepared and submitted in Gateway. Although the Corporation Treasurer prepared and submitted the federal award information, and a second official reviewed the information, the internal controls was not effective and did not detect or allow for correction of errors prior to submission.

The lack of internal controls, the SEFA presented for audit included the following errors:

1. The Title I Grants to Local Educational Agencies were understated for FY23 and FY24 by \$122,810 and \$90,104, respectively.
2. The supporting effective instruction state grants were overstated for FY23 and FY24 by \$104,618 and \$126,679, respectively.
3. Five grants had individually immaterial errors that resulted in misstatements of expenditures of \$125,374, in total.
4. Other errors included incorrect program names, assistance listing numbers and omitted pass-through entity identifying numbers.

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA to correct the issues noted above.

**Contact Person Responsible for Corrective Action: Jennifer Blakley**  
**Contact Phone Number and Email Address: 765-458-7471**

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

**Description of Corrective Action Plan:**

The treasurer will prepare the AFR, and double check on the grant award numbers and have them available for review by the deputy treasurer. The deputy treasurer will review and make any corrections to the information online prior to submission.

**Anticipated Completion Date:**

Treasurer - This corrective action will be in place for the 2025 SEFA.

## 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/>.