

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

EASTERN PULASKI COMMUNITY SCHOOL CORPORATION

PULASKI COUNTY, INDIANA

July 1, 2021 to June 30, 2023



FILED
03/13/2024

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
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 <i>Government Auditing Standards</i>	3-4
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	5-8
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards	10-11
Notes to Schedule of Expenditures of Federal Awards.....	12
Schedule of Findings and Questioned Costs.....	13-24
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings.....	26-33
Corrective Action Plan	34-40
Other Reports.....	41

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Angela Anspach (Vacant) Stefanie Grandstaff	07-01-21 to 11-01-21 11-02-21 to 11-07-21 11-08-21 to 06-30-24
Superintendent of Schools	Dara Chezem	07-01-21 to 06-30-24
President of the School Board	Tim Rausch	07-01-21 to 06-30-24



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 EASTERN PULASKI COMMUNITY
SCHOOL CORPORATION, PULASKI 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 Eastern Pulaski Community School Corporation (School Corporation), for the period of July 1, 2021 to June 30, 2023, and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement and have issued our report thereon dated February 29, 2024, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, as described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001, that we considered to be material weaknesses.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001.

Eastern Pulaski Community School Corporation's Response to Findings

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

Purpose of This Report

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



Beth Kelley, CPA, CFE
Deputy State Examiner

February 29, 2024



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

TO: THE OFFICIALS OF THE EASTERN PULASKI COMMUNITY SCHOOL CORPORATION, PULASKI COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

Qualified Opinions

We have audited the Eastern Pulaski Community School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2021 to June 30, 2023. 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 COVID-19 - Education Stabilization Fund

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinions* section of our report, the School Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the COVID-19 - Education Stabilization Fund for the period of July 1, 2021 to June 30, 2023.

Qualified Opinion on Child Nutrition Cluster

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinions* section of our report, the School Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Child Nutrition Cluster for the period of July 1, 2021 to June 30, 2023.

Basis for Qualified Opinions

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

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

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

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

As described in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding 84.425 COVID-19 - Education Stabilization Fund, as described in items 2023-004 and 2023-005 for Reporting and Special Tests and Provisions - Wage Rate Requirements, respectively. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with the requirements applicable to that program.

Matter Giving Rise to Qualified Opinion on Child Nutrition Cluster

As described in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with the Child Nutrition Cluster, as described in item 2023-002 for Eligibility. Consequently, we were unable to determine whether the School Corporation complied with those 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 that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually, or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School Corporation's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

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

- Obtain an understanding of the School Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2023-003. 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 2023-002, 2023-003, 2023-004, and 2023-005, 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.

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

Government Auditing Standards 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 subject to the other auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on the response.

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

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

We have audited the financial statement of the School Corporation, as of and for the period of July 1, 2021 to June 30, 2023, and the related notes to the financial statement. We issued our report thereon dated February 29, 2024, which contained a dual opinion on the financial statement. An adverse opinion was issued regarding the presentation in accordance with accounting principles generally accepted in the United States of America, and an unmodified opinion was issued regarding the presentation in accordance with the regulatory basis of accounting. Our audit was performed for the purpose of forming an opinion on the financial statement as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement as a whole.



Beth Kelley, CPA, CFE
Deputy State Examiner

February 29, 2024

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.

EASTERN PULASKI COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2022 and 2023

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 06-30-22	Total Federal Awards Expended 06-30-22	Passed Through to Subrecipient 06-30-23	Total Federal Awards Expended 06-30-23
Department of Agriculture							
Child Nutrition Cluster							
School Breakfast Program Breakfast Program	Indiana Department of Education	10.553	SY22-23	\$ -	\$ -	\$ -	\$ 66,915
Total - School Breakfast Program				-	-	-	66,915
National School Lunch Program	Indiana Department of Education	10.555					
National Lunch Program			SY22-23	-	-	-	454,344
Commodities			SY21-22	-	79,285	-	-
Commodities			SY22-23	-	-	-	55,810
Supply Chain Funds			SY22-23	-	-	-	66,156
Total - National School Lunch Program				-	79,285	-	576,310
Summer Food Service Program for Children Summer Food Service Program for Children	Indiana Department of Education	10.559	SY21-22	-	800,159	-	-
Total - Summer Food Service Program for Children				-	800,159	-	-
Total - Child Nutrition Cluster				-	879,444	-	643,225
Total - Department of Agriculture				-	879,444	-	643,225
Department of Education							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
Special Education Part B 611			FY21	-	101,920	-	-
Special Education Part B 611			FY22	-	210,434	-	-
Special Education Part B 611			FY22	-	-	-	73,013
Special Education Part B 611			FY23	-	-	-	73,995
Total - Special Education Grants to States				-	312,354	-	147,008
Special Education Preschool Grants	Indiana Department of Education	84.173					
Special Education Preschool 619			FY21	-	14,226	-	-
Special Education Preschool 619			FY22	-	-	-	10,852
Subtotal - Special Education Preschool Grants				-	14,226	-	10,852
COVID-19 - Special Education Preschool Grants Special Education 619 ARP	Indiana Department of Education	84.173X					
			FY21	-	4,700	-	-
Total - Special Education Preschool Grants				-	18,926	-	10,852
Total - Special Education Cluster (IDEA)				-	331,280	-	157,860
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I			FY20-21	-	44,680	-	-
Title I			FY21-22	-	149,445	-	-
Title I			FY21-22	-	-	-	41,166
Title I			FY22-23	-	-	-	169,067
Total - Title I Grants to Local Educational Agencies				-	194,125	-	210,233
Rural Education	Indiana Department of Education	84.358					
Rural Low Income Grant			S358B180014	-	19,378	-	-
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	Indiana Department of Education	84.367					
Title II			FY19-21	-	23,179	-	-

EASTERN PULASKI COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2022 and 2023

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 06-30-22	Total Federal Awards Expended 06-30-22	Passed Through to Subrecipient 06-30-23	Total Federal Awards Expended 06-30-23
Title II			FY20-22	-	14,716	-	-
Title II			FY20-22	-	-	-	25,684
Title II			FY21-22	-	-	-	18,988
Title II			FY22-24	-	-	-	1,301
Total - Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)				-	37,895	-	45,973
Student Support and Academic Enrichment Program	Indiana Department of Education	84.424					
Title IV			FY19	-	16,090	-	-
Title IV			FY20	-	-	-	16,302
Total - Student Support and Academic Enrichment Program				-	16,090	-	16,302
COVID-19 - Education Stabilization Fund	Indiana Department of Education	84.425					
Elementary and Secondary School Emergency Relief Fund		84.425D	S425D210013	-	619,648	-	-
Elementary and Secondary School Emergency Relief Fund		84.425D	S425D210013	-	-	-	34,502
Elementary and Secondary School Emergency Relief Fund		84.425U	S425U210013	-	1,189,282	-	-
Elementary and Secondary School Emergency Relief Fund		84.425U	S425U210013	-	-	-	105,735
Elementary and Secondary School Emergency Relief Fund		84.425D	S425D200013	-	30,261	-	-
Elementary and Secondary School Emergency Relief Fund		84.425D	S425D200013	-	-	-	78,436
Total - COVID-19 - Education Stabilization Fund				-	1,839,191	-	218,673
Total - Department of Education				-	2,437,959	-	649,041
Department of Health and Human Services							
Medicaid Cluster	Indiana Department of Education	93.778					
Medical Assistance Program							
Medicaid			FY21-22	-	31,523	-	-
Medicaid			FY22-23	-	-	-	26,143
Medicaid Reimbursement			FY21-22	-	59,941	-	-
Indiana MAC Reimbursement Program			FY21-22	-	7,088	-	-
Indiana MAC Reimbursement Program			FY22-23	-	-	-	13,787
Total - Medical Assistance Program				-	98,552	-	39,930
Total - Medicaid Cluster				-	98,552	-	39,930
Total - Department of Health and Human Services				-	98,552	-	39,930
Social Security Administration							
Disability Insurance/SSI Cluster	Indiana Family and Social Services Administration	96.001					
Social Security Disability Insurance							
Social Security Administration			FY22-23	-	-	-	14
Social Security Administration			FY22-23	-	-	-	42
Total - Social Security Disability Insurance				-	-	-	56
Total - Disability Insurance/SSI Cluster				-	-	-	56
Total - Social Security Administration				-	-	-	56
Total federal awards expended				\$	-	\$	3,415,955
				\$	-	\$	1,332,252

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

EASTERN PULASKI COMMUNITY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2022 and 2023. 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, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed 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.

EASTERN PULASKI COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

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

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

Assistance Listings Number	Name of Federal Program or Cluster	Opinion Issued
84.425	Child Nutrition Cluster	Qualified
	COVID-19 - Education Stabilization Fund	Qualified

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

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

FINDING 2023-001

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

Repeat Finding

This is a repeat finding from the prior audit report. The prior audit finding number was 2021-001.

Condition and Context

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

EASTERN PULASKI COMMUNITY SCHOOL CORPORATION
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.

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

1. The Payroll Liability fund receipts were understated by \$3,156,435 and \$4,057,789 for the years ended June 30, 2022 and 2023, respectively.
2. The Payroll Liability fund disbursements were understated by \$3,073,378 and \$4,144,992 for the years ended June 30, 2022 and 2023, respectively.
3. The Health Insurance fund net other financing sources and uses were understated by \$1,495,778 for the year ended June 30, 2022, and overstated by \$145,525 for the year ended June 30, 2023.
4. The Health Insurance fund disbursements were understated by \$1,495,778 and \$625,170 for the years ended June 30, 2022 and 2023, respectively.
5. The Health Insurance fund receipts were understated by \$770,695 for the year ended June 30, 2023.
6. The ending cash balance was understated by \$83,057 and \$87,202 as of June 30, 2022 and 2023, respectively.

Adjustments were proposed, accepted by the School Corporation, and made to the financial statement and to the Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis presented as Other Information in the Financial Statement Audit Report of the School Corporation.

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.

EASTERN PULASKI COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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. . . ."

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.

Effect

Without an effective system of internal controls that operated effectively, material misstatements of the financial statement remained undetected. The financial statement 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 2023-002

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 Number and Year (or Other Identifying Number): SY22-23
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Eligibility
Audit Findings: Material Weakness, Modified Opinion

Repeat Finding

This is a repeat finding from the prior audit report. The prior audit finding number was 2021-004.

Condition and Context

The School Corporation had not properly designed or 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 the eligibility determination of a child receiving meals.

EASTERN PULASKI COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Any child enrolled in a participating school or summer camp, who meets the applicable program's definition of "child," may receive meals under applicable programs. A child belonging to households meeting nationwide income eligibility requirements may receive meals at no charge or at a reduced price. Children that have been determined ineligible for free or reduced-price meals pay the full price for their meals. A child's eligibility for free and reduced-priced meals under a Child Nutrition Cluster program may be established by the submission of an annual application or statement which furnished such information as family income and family size. The School Corporation determines eligibility by comparing the data reported by the child's household to published income eligibility guidelines. Annual eligibility determinations may also be based on the child's household receiving benefits under SNAP, FDPIR, the Head Start Program, or, under most circumstances, the TANF program. A household may furnish documentation if its participation in one of those programs, or the School Corporation may obtain the information directly from the State or local agency that administers those 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.

The School Corporation's child nutrition program software company, Skyward, automatically imported the eligibility parameters into the system. There was no evidence of an oversight, review, or approval process to ensure that the eligibility parameters entered into the Skyward system were accurate and that eligibility statuses were being correctly determined.

A sample of forty students receiving free or reduced priced lunches was selected for testing. The following issues were noted with the first fourteen students tested:

1. Six of the fourteen students' eligibility determinations were incorrect. Errors noted were:
 - a. Three students had an eligibility determination of free; however, their eligibility determination should have been reduced.
 - b. One student had an eligibility determination of reduced; however, the eligibility determination should have been paid.
 - c. Two students were determined to be reduced; however, their eligibility determination should have been free.
2. One of the fourteen students did not have a completed application on file; thus, a determination of eligibility could not be made.
3. Two students were direct certified; however, the School Corporation did not retain the monthly direct certification reports ran to support this determination, nor could the reports be recreated.

Due to the number and magnitude of exceptions, per auditor judgement, we concluded it would not be appropriate to examine the remaining twenty-six students.

The lack of internal controls and noncompliance were isolated to the 2022-2023 school year.

EASTERN PULASKI COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.334 states in part:

"Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. . . ."

7 CFR 245.6(c)(4) states:

"*Calculating income.* The local educational agency must use the income information provided by the household on the application to calculate the household's total current income. When a household submits an application containing complete documentation, as defined in § 245.2 and the household's total current income is at or below the eligibility limits specified in the Income Eligibility Guidelines as defined in § 245.2, the children in that household must be approved for free or reduced price benefits, as applicable."

7 CFR 245.6(e) states:

"*Recordkeeping.* The local educational agency must maintain documentation substantiating eligibility determinations on file for 3 years after the date of the fiscal year to which they pertain, except that if audit findings have not been resolved, the documentation must be maintained as long as required for resolution of the issues raised by the audit."

Cause

A proper system of internal controls was not designed by management of the School Corporation. Embedded within a properly designed and implemented internal control system should be internal controls consisting of policies and procedures. Policies reflect the School Corporation's management statements of what should be done to effect internal controls, and procedures should consist of actions that would implement these policies.

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 non-compliance. As a result, a student's eligibility for free or reduced price meals was incorrectly determined.

EASTERN PULASKI COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that management of the School Corporation establish a proper system of internal controls and develop policies and procedures to ensure student eligibility for free or reduced price lunches is accurately determined and that all documentation is retained.

Views of Responsible Officials

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

FINDING 2023-003

Subject: COVID-19 - Education Stabilization Fund - Equipment and Real Property Management
Federal Agency: Department of Education
Federal Program: COVID-19 - Education Stabilization Fund
Assistance Listings Numbers: 84.425D, 84.425U
Federal Award Numbers and Years (or Other Identifying Numbers): S425D200013, S425D210013,
S425U210013

Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Equipment and Real Property Management
Audit Findings: Material Weakness, Other Matters

Condition and Context

The School Corporation had not properly designed or 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. A property record or capital asset listing, which would include a description of the property, a serial number or other identification number, the source of funding for the property (including the federal award identification number (FAIN)), who holds title, the acquisition date, cost of the property, percentage of federal participation in the project costs for the federal award under which the property was acquired, the location, and use and condition of the property, is to be maintained for assets purchased that exceed the School Corporation's capitalization threshold.

The School Corporation paid for various pieces of equipment with Education Stabilization Funds that exceeded the capitalization threshold. Although these assets were added to a detailed listing of capital assets, the assets were added as a lump sum amount, instead of by individual piece of equipment. Additionally, the records did not include a serial number or other identification number, the source of funding for the property (including the federal award identification number), who holds title, the acquisition date, cost of the property, percentage of federal participation in the project costs for the federal award under which the property was acquired, the location, and the use and condition of the property.

The lack of internal controls and noncompliance were systemic issued throughout the audit period.

EASTERN PULASKI COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.313(d)(1) states:

"Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sales price of the property."

Cause

A proper system of internal controls was not designed by management of the School Corporation. Embedded within a properly designed and implemented internal control system should be internal controls consisting of policies and procedures. Policies reflect the School Corporation's management statements of what should be done to effect internal controls, and procedures should consist of actions that would implement these policies.

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 non-compliance. As a result, assets purchased in whole or in part with federal dollars did not denote whether federal funds were used to acquire the asset.

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that management of the School Corporation establish a proper system of internal controls and develop policies and procedures to ensure asset records include all the necessary information and new assets are added individually.

Views of Responsible Officials

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

EASTERN PULASKI COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2023-004

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

Condition and Context

The School Corporation had not properly designed or 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. The School Corporation was required to submit an annual data report to the Indiana Department of Education (IDOE) via JotForm, a form/report builder. Data to be submitted included, but was not limited to, current period expenditures, prior period expenditures, and expenditures per activity.

During the audit period the School Corporation was required to submit two ESSER I reports, two ESSER II reports, and two ESSER III reports, for a total of six reports. However, the School Corporation failed to submit all six required reports.

The lack of internal controls and noncompliance were systemic issues throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.302(b) states in part:

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

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

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

EASTERN PULASKI COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

A proper system of internal controls was not designed by management of the School Corporation. Embedded within a properly designed and implemented internal control system should be internal controls consisting of policies and procedures. Policies reflect the School Corporation's management statements of what should be done to effect internal controls, and procedures should consist of actions that would implement these policies.

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 non-compliance. As a result, reports were not submitted to the IDOE.

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

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

FINDING 2023-005

Subject: COVID-19 - Education Stabilization Fund - Special
Tests and Provisions - Wage Rate Requirements

Federal Agency: Department of Education

Federal Program: COVID-19 - Education Stabilization Fund

Assistance Listings Number: 84.425U

Federal Award Number and Year (or Other Identifying Number): S425U210013

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Wage Rate Requirements

Audit Findings: Material Weakness, Modified Opinion

Condition and Context

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

EASTERN PULASKI COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The School Corporation paid two different vendors for construction services totaling \$1,198,350 during the audit period. The School Corporation's contracts with the vendors did not include the required prevailing wage rate clause. In addition, a copy of the payroll and a statement of compliance for each week in which contract work was performed was not received.

The lack of internal controls and noncompliance were systemic issues throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

29 CFR 5.5 states in part:

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

(1) *Minimum wages.*

- (i) All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. . . .

(3) *Payrolls and basic records.* . . .

EASTERN PULASKI COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

(ii)

(A) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the (write in name of appropriate federal agency) if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant, sponsor, or owner, as the case may be, for transmission to the (write in name of agency). . . ."

2 CFR 200 Appendix II states in part:

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

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

Cause

A proper system of internal controls was not designed by management of the School Corporation. Embedded within a properly designed and implemented internal control system should be internal controls consisting of policies and procedures. Policies reflect the School Corporation's management statements of what should be done to effect internal controls, and procedures should consist of actions that would implement these policies.

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 non-compliance. As a result, contracts did not contain the appropriate language for the prevailing wage requirements and payrolls were not obtained to ensure proper payment of those wages.

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

Questioned Costs

There were no known questioned costs.

EASTERN PULASKI COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Recommendation

We recommended that management of the School Corporation establish a proper system of internal controls and develop policies and procedures to ensure contracts have language including prevailing wage rates and obtain payroll records to ensure wages are paid properly.

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.



Eastern Pulaski Community School Corporation

711 School Drive | Winamac, Indiana 46996 | Phone: (574) 946-4010 | Fax: (574) 946-4510

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2019-001 and 2021-001

Fiscal year in which the finding initially occurred: 2013

Current Audit Period: July 1, 2021 through June 30, 2023

Finding Subject: FINANCIAL TRANSACTIONS AND REPORTING

Summary of Finding:

The School Corporation had a review process in place over financial reporting; however, it was not properly implemented to ensure the accuracy of the financial statement. For fiscal year 2020-2021, no supporting reports or ledgers were provided to the reviewer to ensure accuracy of the financial information reported for the financial statement.

Status of Audit Finding:

Not Corrected

Response Comments:

A financial consultant worked with Eastern Pulaski Community School Corporation to gather accurate reports to use with reconciling each month. The school corporation now has a procedure in place that reconciliation is completed and given to the Superintendent by the 5th day of the next month or the following work day (depending if it is on a weekend.) Multiple reports are run and kept with the bank reconciliation each month as well. There is a running excel document that is used month to month for the reconciliation process that has beginning and ending balances from the bank statement(s), a running total of outstanding checks, beginning and ending balances of the fund report as well. All reports help balance each month to the penny. The reports run for the reconciliation process is a Fund Report, Receipts, Disbursements, Appropriations Report and a Liability Report. The fund report is provided to the Superintendent each month and is also included in the school board financial packet so a review of the cash position is undertaken each month. An Appropriations Report is also included so the Superintendent can review year-to-date spending and determine if the district is on target financially to meet future obligations. The Director of Business Services also provides a quick appropriations report to the board members each month, that shows the total spent in the education and operations funds with a year to date total. All receipts are entered the day money is received and ACH deposits are also entered on the day they hit the bank. ACH Deposits include grant reimbursements, Revtrak, and ClaimAid reimbursements to name a few. Once the reconciliation process is completed and balanced, the Director of Business Services will give all documentation to the Superintendent for review and approval. Both individuals sign off on the reconciliation document containing balances and outstanding checks, each bank statement and the Fund Report each month.

In FY 2021, controls were implemented to ensure proper reporting in Gateway. We are still working to get a better handle on the Payroll Clearing reporting. With the many calls put into Skyward and with the assistance of the financial consultant, the school corporation now has accurate reports we utilize weekly and monthly to confirm reporting is accurate. The Superintendent and Director of Business regularly review reports pulled from Skyward to make sure all the information is pulling correctly. We have reports for each grant reimbursement we receive so we can pull data quickly and know the information is accurate, for example.

The corporation recognized the issue and consulted with Dr. Michele Moore in July 2023, to help us

Dara Chezem, Superintendent | Stefanie Grandstaff, Director of Business Services
Katie DeGroot, Director of Human Resources | Jessica Polstra, Corporation Secretary



Eastern Pulaski Community School Corporation

711 School Drive | Winamac, Indiana 46996 | Phone: (574) 946-4010 | Fax: (574) 946-4510

reconcile the payroll liability accounts. We had noticed that the liability accounts have shown some differences from prior audits, so the corporation anticipates with the help of Dr. Moore, that the payroll liability accounts will be accurate moving forward when completing the Annual Financial Report. The Director of Business Services has also reached out to other Skyward Finance users to ask for suggestions on reports to run to track liability accounts better, as the liability accounts that run through Skyward do not show receipts and disbursement activity, which makes it more difficult to get accurate numbers

Dara Chezem, Superintendent | Stefanie Grandstaff, Director of Business Services
Katie DeGroot, Director of Human Resources | Jessica Polstra, Corporation Secretary



Eastern Pulaski Community School Corporation

711 School Drive | Winamac, Indiana 46996 | Phone: (574) 946-4010 | Fax: (574) 946-4510

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2021-002

Fiscal year in which the finding initially occurred: 2013

Current Audit Period: July 1, 2021 through June 30, 2023

Finding Subject: PREPARATION OF SCHEDULE EXPENDITURES OF FEDERAL AWARDS

Summary of Finding:

The School Corporation had not established effective internal controls over the federal award information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the School Corporation's Schedule of Expenditures of Federal Awards (SEFA).

The School Corporation failed to properly review the federal grant information prepares and submitted in Gateway. Although one employee prepared and entered the federal award information into Gateway, and another employee reviewed and approved the information entered, the internal control was not effective and did not detect and allow correction of errors prior to submission.

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

- 1. The School Breakfast Program was omitted, which understated expenditures by \$100,849.*
- 2. The National School Lunch Program was omitted, which understated expenditures by \$691,571.*
- 3. Title I Grants to Local Educational Agencies expenditures were understated by \$200,921.*
- 4. Several additional grants had individually immaterial errors that resulted in an aggregate misstatement of expenditures of \$127,750.*

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

Status of Audit Finding:

Fully Corrected and the original corrective action was implemented

The finding occurred due to the Director of Business Services being unaware of the requirements for the schedule expenditures of federal awards. The Director of Business Services/Treasurer has since taken numerous trainings and update the process of completion. All items are being uploaded to Gateway each month with an accurate Fund Report. All grants that are reimbursable are done at the end of each month, but no more than two months behind. This helps ensure accurate reporting when questions arise concerning the various grant opportunities Eastern Pulaski Schools are given. The Director of Business Services has attended many IASBO trainings around SEFA reporting and has learned a lot from the last time Eastern Pulaski Schools was audited. Fund report, Receipt and Expenditure reports are pulled when completing the SEFA to ensure accuracy and that all grants are recorded properly.

Response Comments:

n/a

Dara Chezem, Superintendent | Stefanie Grandstaff, Director of Business Services
Katie DeGroot, Director of Human Resources | Jessica Polstra, Corporation Secretary



Eastern Pulaski Community School Corporation

711 School Drive | Winamac, Indiana 46996 | Phone: (574) 946-4010 | Fax: (574) 946-4510

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2021-003

Fiscal year in which the finding initially occurred: 2021

Current Audit Period: July 1, 2021 through June 30, 2023

Finding Subject: SPECIAL EDUCATION CLUSTER- PERIOD OF PERFORMANCE

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 the Period of Performance compliance requirement.

The School Corporation had not designed or implemented adequate internal controls to ensure that costs were not incurred prior to the state of the period of performance for two of four grants.

The lack of internal controls was isolated to the 201611-152-PN01 and 201619-152-PN01 grant awards.

Status of Audit Finding:

Fully Corrected and the original corrective action was implemented.

A new verification process for all grants has since been established. The Special Education Director works with the Director of Business Services on the breakdown of salaries and benefits of those included in the grant. Once the grant is approved, The Special Education Director then gives the approval notices and documentation to the Director of Business Services. All grants, specifically the Special Education Cluster grants, are reviewed monthly by the Director of Business Services and the Superintendent by comparing the fund report, an expenditure report, and reviewing the approved grant. This is done monthly but no more than two months behind

Response Comments:

n/a

Dara Chezem, Superintendent | Stefanie Grandstaff, Director of Business Services
Katie DeGroot, Director of Human Resources | Jessica Polstra, Corporation Secretary



Eastern Pulaski Community School Corporation

711 School Drive | Winamac, Indiana 46996 | Phone: (574) 946-4010 | Fax: (574) 946-4510

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2021-004 and 2019-003

Fiscal year in which the finding initially occurred: 2019

Current Audit Period: July 1, 2021 through June 30, 2023

Finding Subject: CHILD NUTRITION CLUSTER- ELIGIBILITY

Summary of Finding:

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Eligibility compliance requirement.

The School could not provide documentation supporting the eligibility for 13 of 40 students that received free or reduced-price meals for fiscal year 2019-2020. Of the 27 students for which documentation was provided, the School Corporation could not provide documentation that the benefits were paid properly. Due to the lack of supporting documentation we were unable to determine the School Corporation's compliance with Eligibility compliance requirement.

The lack of internal controls and noncompliance were isolated to 2019-2020.

We recommended that the School Corporation's management establish a system of internal controls and ensure documentation is maintained and made available for audit in order to comply with the Eligibility compliance requirement.

Status of Audit Finding:

Not Corrected

Response Comments:

The finding reoccurred due to the Food Service Director being unaware of the documentation process for the applications and relying on the software system to maintain the determinations only. The current Food Service Director took the position in July 2022, and since has implemented new procedures over compliance. The software system, Skyward, is not able to run the reports from the prior school year once a new school year has begun therefore not allowing a determination of students from the prior year available. The Food Service Director has since began saving the reports separate from Skyward for documentation purposes, in 2023/2024 school year. The school corporation has since contracted with NIESC for management assistance and compliance overview. Since the prior audit finding, the Food Service Director, Director of Business Services and the contracted NIESC person have completed many hours of training and has been working with Skyward on best practices to utilize the reports and verification process in Skyward to ensure accurate information is being completed of Free and Reduced-Price Applications, as well as other applications to ensure calculations are accurate. Eastern Pulaski Community School Corporation also uses NIESC and contracts a Director of Food Service to help, guide and teach the onsite Director of Food Service which reports to run, how to do reimbursements and other operations pertinent to the cafeterias. Once the Food Service Director has completed the steps, the contracted NIESC person will then review those to make certain the eligibility determinations for free and reduced meal prices are accurate in the

Dara Chezem, Superintendent | Stefanie Grandstaff, Director of Business Services
Katie DeGroot, Director of Human Resources | Jessica Polstra, Corporation Secretary



Eastern Pulaski Community School Corporation

711 School Drive | Winamac, Indiana 46996 | Phone: (574) 946-4010 | Fax: (574) 946-4510

child's profile and in Skyward. Both utilize Skyward as much as possible to ensure accuracy. A documented overview will be performed to ensure the accuracy of the systems determination for online applications.

Dara Chezem, Superintendent | Stefanie Grandstaff, Director of Business Services
Katie DeGroot, Director of Human Resources | Jessica Polstra, Corporation Secretary



Eastern Pulaski Community School Corporation

711 School Drive | Winamac, Indiana 46996 | Phone: (574) 946-4010 | Fax: (574) 946-4510

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2021-005

Fiscal year in which the finding initially occurred: 2013

Current Audit Period: July 1, 2021 through June 30, 2023

Finding Subject: CHILD NUTRITION CLUSTER- CASH MANAGEMENT, SPECIAL TESTS AND PROVISIONS- VERIFICATION OF FREE AND REDUCED APPLICATIONS (NSLP), SPECIAL TESTS AND PROVISIONS- SCHOOL FOOD SERVICE ACCOUNTS

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 the Cash Management, Special Tests and Provisions- Verification of Free and Reduced Price Applications (NSLP), and Special Tests and Provisions- School Food Service Accounts compliance requirements.

Cash Management

The School Corporation had not designed or implemented a system of internal control to ensure that reimbursement requests were accurately submitted. The reimbursement requests were prepared by one employee based on meals served without an oversight or review process.

Special Tests and Provisions – Verification of Free and Reduced Price Applications (NSLP)

The School Corporation had not designed or implemented a system of internal control to ensure the verification of Free and Reduced Price applications were accurately completed. One employee selected and verified the required sample of approved free and reduced-price applications without an oversight or review process.

Special Tests and Provisions- School Food Service Accounts

The School Corporation had not designated or implemented a system of internal control to ensure federal reimbursement payments were promptly credited to the School Lunch fund or that transfers out of the School Lunch fund were for the benefit of the school food service program. One employee recorded federal reimbursements and transfers out of the School Lunch fund without an oversight or review process.

The lack of internal controls was systemic issue throughout the audit period.

Recommendation

We recommended that the School Corporation's management establish a system of internal controls related to the grant agreement and the Cash Management, Special Tests and Provisions- Verification of Free and Reduced Price Applications (NSLP), and the Special Tests and Provisions- School Food Service Accounts Compliance Requirements.

Status of Audit Finding:

Fully Corrected and the original corrective action was implemented

Response Comments:

n/a

Dara Chezem, Superintendent | Stefanie Grandstaff, Director of Business Services
Katie DeGroot, Director of Human Resources | Jessica Polstra, Corporation Secretary



Eastern Pulaski Community School Corporation

711 School Drive | Winamac, Indiana 46996 | Phone: (574) 946-4010 | Fax: (574) 946-4510

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2021-006

Fiscal year in which the finding initially occurred: 2021

Current Audit Period: July 1, 2021 through June 30, 2023

Finding Subject: CHILD NUTRITION CLUSTER- ALLOWABLE COSTS/COSTS PRINCIPLES

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 the Allowable Costs/Cost Principles compliance requirement.

The School Corporation had not designed or implemented a system of internal control to ensure disbursements to contracted vendors agreed to the contracted price. For 6 of 13 contracted vendor invoices tested, incorrect rates were paid.

The lack of internal controls and noncompliance were systematic issues throughout the audit period.

Status of Audit Finding:

Fully Corrected and the original corrective action was implemented

Response Comments:

n/a

Dara Chezem, Superintendent | Stefanie Grandstaff, Director of Business Services
Katie DeGroot, Director of Human Resources | Jessica Polstra, Corporation Secretary



Eastern Pulaski Community School Corporation

711 School Drive | Winamac, Indiana 46996 | Phone: (574) 946-4010 | Fax: (574) 946-4510

CORRECTIVE ACTION PLAN

FINDING 2023-001 (Auditor Assigned Reference Number)

Finding Subject: Financial Transactions and Reporting
Summary of Finding:

The School Corporation had filed their reports as prescribed; however, the internal controls over the Annual Financial Report (AFR) 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.

Due to the lack of effective internal controls, the financial statement presented in the Financial Audit Report contained the following errors:

1. The Payroll Liability fund receipts were understated by \$3,156,435 and \$4,057,789 for the years ended June 30, 2022 and 2023, respectively.
2. The Payroll Liability fund disbursements were understated by \$3,073,378 and \$4,144,992 for the years ended June 30, 2023 and 2023, respectively.
3. The Health Insurance fund other financing sources and uses were understated by \$1,495,778 and \$145,525 for the years ended June 30, 2022 and 2023, respectively.
4. The Health Insurance fund disbursements were understated by \$1,495,778 and \$625,170 for the years ended June 30, 2022 and 2023, respectively.
5. The Health Insurance fund receipts were understated by \$770,695 for the year ended June 30, 2023.
6. Ending cash balance as was understated by \$83,057 and \$87,202 as of June 30, 2022 and 2023, respectively.

Adjustments were proposed, accepted by the School Corporation, and made to the financial statement and to the Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis presented as Other Information in the Financial Statement Audit Report of the School.

Contact Person Responsible for Corrective Action: Stefanie Grandstaff, Director of Business Services

Contact Phone Number and Email Address: (574)-946-4010 ext. 230, stefanie.grandstaff@epulaski.k12.in.us

Views of Responsible Officials:

We concur with the finding

Description of Corrective Action Plan:

The corporation recognized the issue and consulted with Dr. Michele Moore in July 2023, to help us reconcile the payroll liability accounts. We had noticed that the liability accounts have shown some differences from prior audits, so the corporation anticipates with the help of Dr. Moore, that the payroll liability accounts will be accurate moving forward when completing the Annual Financial Report. The Director of Business Services has also reached out to other Skyward Finance users to ask for suggestions on reports to run to track liability accounts better, as the liability accounts that run through Skyward do not show receipts and disbursement activity, which makes it more difficult to get accurate numbers.

Anticipated Completion Date:

August 31, 2024

Dara Chezem, Superintendent | Stefanie Grandstaff, Director of Business Services
Katie DeGroot Director of Human Resources | Jessica Polstra, Corporation Secretary



Eastern Pulaski Community School Corporation

711 School Drive | Winamac, Indiana 46996 | Phone: (574) 946-4010 | Fax: (574) 946-4510

Per Uniform Guidance:

2 CFR § 200.511(a) – “The auditee is responsible for follow-up and corrective action on all audit findings. . . The auditee must also prepare a corrective action plan for current year audit findings. . . The corrective action plan and summary schedule of prior audit findings must include findings relating to the financial statements which are required to be reported in accordance with GAGAS. ”

2 CFR § 200.511(c) – “At the completion of the audit, the auditee must prepare, in a document separate from the auditor's findings described in § 200.516, a corrective action plan to address each audit finding included in the current year auditor's reports. The corrective action plan must provide the name(s) of the contact person(s) responsible for corrective action, the corrective action planned, and the anticipated completion date. If the auditee does not agree with the audit findings or believes corrective action is not required, then the corrective action plan must include an explanation and specific reasons.”

Dara Chezem, Superintendent | Stefanie Grandstaff, Director of Business Services
Katie DeGroot Director of Human Resources | Jessica Polstra, Corporation Secretary



Eastern Pulaski Community School Corporation

711 School Drive | Winamac, Indiana 46996 | Phone: (574) 946-4010 | Fax: (574) 946-4510

CORRECTIVE ACTION PLAN

FINDING 2023-002 (Auditor Assigned Reference Number)

Finding Subject: Child Nutrition Cluster - Eligibility
Summary of Finding:

The School Corporation had not properly designed or implemented a system of internal control, which, would include appropriate segregation of duties, that would likely be effective in preventing, or detecting and correcting noncompliance related to the eligibility determination of a child receiving meals.

Any child enrolled in a participating school or summer camp, who meets the applicable program's definition of "child", may receive meals under applicable programs. A child belonging to households meeting nationwide income eligibility requirements may receive meals at no charge or at a reduced price. Children that have been determined ineligible for free or reduced-price meals pay the full price for their meals. A child's eligibility for free and reduced-priced meals under a Child Nutrition Cluster program may be established by the submission of an annual application or statement which furnished such information as family income and family size. The School Corporation determines eligibility by comparing the data reported by the child's household to published income eligibility guidelines. Annual eligibility determinations may also be based on the child's household receiving benefits under SNAP, FDPIR, the Head Start Program, or, under most circumstances, the TANF program. A household may furnish documentation if its participation in one of those programs, or the School Corporation may obtain the information directly from the State or local agency that administers those 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.

The School Corporation's child nutrition program software company, Skyward, automatically imported the eligibility parameters into the system. There was no evidence of an oversight, review, or approval process to ensure that the eligibility parameters entered into the Skyward system were accurate and that eligibility statuses were being correctly determined.

A Sample of students receiving free or reduced lunches as selected for testing. The following issues were noted with the first students tested:

- 1.) Six of the 14 students were determined to be processed at the incorrect eligibility. Errors noted were:
 - a. Three students had an eligibility determination of free; however, their eligibility determination should have been reduced.
 - b. One student had an eligibility determination of reduced; however, the eligibility determination should have been paid.
 - c. Two students were determined to be reduced; however, their eligibility determination should have been free.
- 2.) One of the 14 students did not have a completed application on file; thus, a determination of eligibility could not be made.
- 3.) Two students were direct certified; however, the School Corporation did not retain the monthly direct certification reports ran to support this determination, nor could the reports be recreated.

Due to the number and magnitude of exceptions, per auditor judgement, we concluded it would not be appropriate to examine the remaining 26 students.

The lack of internal controls and noncompliance were isolated to the 2022-2023 school year.

We recommended that the School Corporation's management establish a proper system of internal controls and develop policies and procedures to ensure student eligibility for free or reduced price lunches is accurately determined and that all documentation is retained.

Dara Chezem, Superintendent | Stefanie Grandstaff, Director of Business Services
Katie DeGroot Director of Human Resources | Jessica Polstra, Corporation Secretary



Eastern Pulaski Community School Corporation

711 School Drive | Winamac, Indiana 46996 | Phone: (574) 946-4010 | Fax: (574) 946-4510

Contact Person Responsible for Corrective Action:

Contact Phone Number and Email Address: Stefanie Grandstaff, Director of Business Services

stefanie.grandstaff@epulaski.k12.in.us

Views of Responsible Officials:

We concur with the finding

Description of Corrective Action Plan:

The Food Service Director has been in contact with Skyward to find which reports can help with the Eligibility compliance requirements. The corporation has found a few more reports that can be of assistance with this finding. The Director of Business Services has also reached out to other Skyward users who use the food service module to ask for suggestions on what reports should be pulled and how to locate supporting documentation of students that received free or reduced-priced meals. At the end of each year when the corporation completes the roll-over process, all the reports are saved to a Google Drive folder. The Direct Certified Reports will be kept upon processing for future use and documentation purposes. An additional review of the applications will be performed to verify that the system is calculating properly. The Food Service Director and Director of Business Services are going to continue to reach out to other Skyward food service users and ask if any other reports should be saved, printed or kept for future audits.

Anticipated Completion Date:

Projected completion date of major tasks for the planned corrective actions is June 30, 2024

Per Uniform Guidance:

2 CFR § 200.511(a) – “The auditee is responsible for follow-up and corrective action on all audit findings. . . The auditee must also prepare a corrective action plan for current year audit findings. . . The corrective action plan and summary schedule of prior audit findings must include findings relating to the financial statements which are required to be reported in accordance with GAGAS.”

2 CFR § 200.511(c) – “At the completion of the audit, the auditee must prepare, in a document separate from the auditor's findings described in § 200.516, a corrective action plan to address each audit finding included in the current year auditor's reports. The corrective action plan must provide the name(s) of the contact person(s) responsible for corrective action, the corrective action planned, and the anticipated completion date. If the auditee does not agree with the audit findings or believes corrective action is not required, then the corrective action plan must include an explanation and specific reasons.”



Eastern Pulaski Community School Corporation

711 School Drive | Winamac, Indiana 46996 | Phone: (574) 946-4010 | Fax: (574) 946-4510

CORRECTIVE ACTION PLAN

FINDING 2023-003 (Auditor Assigned Reference Number)

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

Summary of Finding:

An effective internal control system was not designed, nor implemented at the School Corporation to ensure compliance with requirements related to the grant agreement and the Equipment and Real Property Management compliance requirement.

The School Corporation paid for various items of equipment with Education Stabilization Funds. Although these assets were added to a detailed listing of capital assets, this list did not include a serial number or other identification number, the source of funding for the property (including the federal award identification number), who holds title, the acquisition date, cost of the property, percentage of federal participation in the project costs for the federal award under which the property was acquired, the location, and the use and condition of the property.

The lack of internal controls and noncompliance were systemic issued throughout the audit period.

We recommended that the School Corporation's management establish internal controls to ensure compliance and comply with the grant agreement and the Equipment and Real Property Management compliance requirement.

Contact Person Responsible for Corrective Action: Stefanie Grandstaff, Director of Business Services

Contact Phone Number and Email Address: (574)-946-4010 ext. 230, stefanie.grandstaff@epulaski.k12.in.us

Views of Responsible Officials:

We concur with the finding

Description of Corrective Action Plan:

The Director of Business Services is going to get in contact with CBiz, who was on site helping us create an asset list to see if they can help the school add a column to distinguish which capital assets were purchased with federal dollars. The Director of Business Services has scheduled an annual walk around for March with the Director of Operations to find serial or identification numbers to add to the capital assets list.

Anticipated Completion Date:

June 30, 2024

Dara Chezem, Superintendent | Stefanie Grandstaff, Director of Business Services
Katie DeGroot Director of Human Resources | Jessica Polstra, Corporation Secretary



Eastern Pulaski Community School Corporation

711 School Drive | Winamac, Indiana 46996 | Phone: (574) 946-4010 | Fax: (574) 946-4510

FINDING 2023-004 (Auditor Assigned Reference Number)

Finding Subject: Education Stabilization Fund - Reporting

Summary of Finding:

The School Corporation had not properly designed or 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. The School Corporation was required to submit an annual data report to the Indiana Department of Education (IDOE) via JotForm, a form/report builder. Data to be submitted included, but was not limited to current period expenditures, prior period expenditures, and expenditures per activity.

During the audit period the School Corporation was required to submit two ESSER I reports, two ESSER II reports and two ESSER III reports, for a total of six reports. However, the School Corporation failed to submit all six required reports.

The lack of internal controls and noncompliance were systemic issues throughout the audit period.

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

Contact Person Responsible for Corrective Action: Stefanie Grandstaff, Director of Business Services

Contact Phone Number and Email Address: (574)-946-4010 ext. 230, stefanie.grandstaff@epulaski.k12.in.us

Views of Responsible Officials:

We concur with the finding

Description of Corrective Action Plan:

In the future when there is a multiyear federal grant given to Eastern Pulaski Community School Corporation, the final expenditure reporting will be completed on a yearly basis to ensure annual reporting is accurate. Determination of grant requirements for reporting will be determined and procedures put into place upon acquiring a new grant. When submitting grants for reimbursements each month, the Director of Business Services and Superintendent review the reports pulled from Skyward, sign the reimbursement form and then the Director of Business Services will submit it for reimbursement. The same internal controls will be put in place for final expenditure reporting for grants requesting this information.

Anticipated Completion Date:

June 30, 2024



Eastern Pulaski Community School Corporation

711 School Drive | Winamac, Indiana 46996 | Phone: (574) 946-4010 | Fax: (574) 946-4510

CORRECTIVE ACTION PLAN

FINDING 2023-005 (Auditor Assigned Reference Number)

Finding Subject: COVID-19 - Education Stabilization Fund - Special Tests and Provisions (Wage Rate Requirement)
Summary of Finding:

The School Corporation did not have effective controls over the Special Tests and Provisions Wage Rate compliance requirement for the Education Stabilization Fund Grant.

The School Corporation paid for construction services from two different vendors. The School Corporation's contract with both vendors did not include the required prevailing wage rate clause.

Additionally, the School Corporation did not receive certified payrolls from the contracted vendors weekly, for each week in which any contract work was performed.

The lack of internal controls and noncompliance were systemic problem across the audit period.

Contact Person Responsible for Corrective Action: Stefanie Grandstaff, Director of Business Services

Contact Phone Number and Email Address: (574)-946-4010 ext. 230, stefanie.grandstaff@epulaski.k12.in.us

Views of Responsible Officials:

We concur with the finding.

Description of Corrective Action Plan:

When Eastern Pulaski Community School Corporation is given federal dollars to fund future capital or construction projects, the Director of Business Services will work the contractors to ensure the right documentation such as the required prevailing wage rate clause is listed on the contracts before having the Superintendent sign the documents. The school will request certified payrolls from the contracted vendors weekly, as per the addition to the wage rate clause.

Anticipated Completion Date:

July 1, 2024

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/>.