

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION

PERRY COUNTY, INDIANA

July 1, 2021 to June 30, 2023



FILED

03/22/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Debra A. Elder	07-01-21 to 06-30-24
Superintendent of Schools	John A. Scioldo	07-01-21 to 06-30-24
President of the School Board	Tony W. Thomas Jim Whalen	07-01-21 to 12-31-23 01-01-24 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 TELL CITY-TROY TOWNSHIP
SCHOOL CORPORATION, PERRY 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 Tell City-Troy Township 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 March 12, 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 items 2023-001 and 2023-002, that we consider to be material weaknesses.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2023-001 and 2023-002.

Tell City-Troy Township School Corporation's Response to Findings

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

Purpose of This Report

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



Beth Kelley, CPA, CFE
Deputy State Examiner

March 12, 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 TELL CITY-TROY TOWNSHIP
SCHOOL CORPORATION, PERRY COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Tell City-Troy Township 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.

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2021 to June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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 2023-004. 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.

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

Report on 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 2023-003 and 2023-004, to be material weaknesses.

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

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

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

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

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

We have audited the financial statement of the School Corporation, as of and for the period of July 1, 2021 to June 30, 2023, and the related notes to the financial statement. We issued our report thereon dated March 12, 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

March 12, 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.

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TELL CITY-TROY TOWNSHIP 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	Total Federal Awards Expended 06-30-22	Total Federal Awards Expended 06-30-23
Department of Agriculture					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553			
School Breakfast Program			FY 2021/2022	\$ 141,262	\$ -
School Breakfast Program			FY 2022/2023	-	130,766
Total - School Breakfast Program				<u>141,262</u>	<u>130,766</u>
National School Lunch Program					
School Lunch Program	Indiana Department of Education	10.555			
School Lunch Program			FY 2021/2022	687,931	-
SLD USDA COVID-19			FY 2022/2023	-	555,620
DOE DOAG FUND			FY 2021/2022	37,437	-
DOE DOAG FUND			FY 2022/2023	-	61,625
School Lunch Commodities			FY 2022/2023	-	15,544
			FY2022 & FY2023	<u>96,102</u>	<u>62,423</u>
Total - National School Lunch Program				<u>821,470</u>	<u>695,212</u>
Summer Food Service Program for Children					
Summer Lunch Program	Indiana Department of Education	10.559			
Summer Lunch Program			FY 2021/2022	24,621	-
			FY 2022/2023	-	16,274
Total - Summer Food Service Program for Children				<u>24,621</u>	<u>16,274</u>
Total - Child Nutrition Cluster				<u>987,353</u>	<u>842,252</u>
Child Nutrition Discretionary Grants Limited Availability					
Child Nutrition Discretionary Grants Limited Availability	Indiana Department of Education	10.579			
			FY2022	<u>30,000</u>	<u>-</u>
Pandemic EBT Administrative Costs					
Pandemic EBT Administrative Costs	Indiana Department of Education	10.649			
Pandemic EBT Administrative Costs			FY2022	614	-
			FY2023	-	628
Total - Pandemic EBT Administrative Costs				<u>614</u>	<u>628</u>
Total - Department of Agriculture				<u>1,017,967</u>	<u>842,880</u>
Department of Education					
Special Education Cluster (IDEA)					
Special Education Grants to States	Indiana Department of Education	84.027			
FY 2020 Part B IDEA			20611-009-PN01	6,062	-
FY 2021 Part B IDEA			21611-009-PN01	185,913	-
FY 2022 Part B 611 IDEA			22611-009-PN01	169,737	165,454
FY 2023 Part B IDEA			23611-009-PN01	-	174,913
Subtotal - Special Education Grants to States				<u>361,712</u>	<u>340,367</u>
COVID-19 - Special Education Grants to States					
FY 2022 Part B ARP	Indiana Department of Education	84.027 X			
			22611-009-ARP	<u>23,002</u>	<u>44,478</u>
Total - Special Education Grants to States				<u>384,714</u>	<u>384,845</u>

TELL CITY-TROY TOWNSHIP 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	Total Federal Awards Expended 06-30-22	Total Federal Awards Expended 06-30-23
Special Education Preschool Grants	Indiana Department of Education	84.173			
FY 2021 Part B 619 Preschool			21619-009-PN01	2,715	-
FY 2022 Part B 619 Preschool			22619-009-PN01	15,051	1,744
FY 2023 Part B 619 Preschool			23619-009-PN01	<u>-</u>	<u>14,238</u>
Subtotal - Special Education Preschool Grants				17,766	15,982
COVID-19 - Special Education Preschool Grants	Indiana Department of Education	84.173 X			
FY 2022 Part B Preschool ARP			22619-009-ARP	<u>650</u>	<u>4,511</u>
Total - Special Education Preschool Grants				<u>18,416</u>	<u>20,493</u>
Total - Special Education Cluster (IDEA)				<u>403,130</u>	<u>405,338</u>
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010			
Title I 2020-2021			S010A200014	73,308	-
Title I 2021-2022			S010A210014	170,402	87,994
Title I 2022-2023			S010A220014	<u>-</u>	<u>174,224</u>
Total - Title I Grants to Local Educational Agencies				<u>243,710</u>	<u>262,218</u>
Education for Homeless Children and Youth	Indiana Department of Education	84.196			
McKinney-Vento 2021-2022			S196A210015	21,060	3,940
McKinney-Vento 2022-2023			S196A220015	<u>-</u>	<u>16,731</u>
Total - Education for Homeless Children and Youth				<u>21,060</u>	<u>20,671</u>
Twenty-First Century Community Learning Centers	Indiana Department of Education	84.287			
21st Century Community Learning Centers Program 2020/21 Cohort 9 Year 3			S287C190014	35,207	-
21st Century Community Learning Centers Program 20121/22 Cohort 9 Year 4			S287C200014	282,417	17,364
21st Century Community Learning Centers Program 2021/22 Cohort 11 Year 1			S287C220014	<u>-</u>	<u>254,873</u>
Total - Twenty-First Century Community Learning Centers				<u>317,624</u>	<u>272,237</u>
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367			
Title II Part A 2019-2021			S367A190013	10,717	-
Title II Part A 2020-2022			S367A200013	40,704	10,326
Title II Part A 2021-2023			S367A210013	<u>-</u>	<u>40,629</u>
Total - Supporting Effective Instruction State Grants				<u>51,421</u>	<u>50,955</u>

TELL CITY-TROY TOWNSHIP 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	Total Federal Awards Expended 06-30-22	Total Federal Awards Expended 06-30-23
Student Support and Academic Enrichment Program	Indiana Department of Education	84.424			
FY19 Title IV Part A			S424A190015	2,270	-
FY20 Title IV Part A			S424A200015	3,200	13,530
FY21 Title IV Part A			S424A210015	-	12,750
FY20 Title IV			S424D200003	-	32,299
Total - Student Support and Academic Enrichment Program				<u>5,470</u>	<u>58,579</u>
COVID-19 - Education Stabilization Fund	Indiana Department of Education	84.425			
Governor's Emergency Education Relief Fund (GEER)		84.425C	S425C200018	20,399	-
ESSER III		84.425U	S425U210013	69,957	329,422
ESSER II		84.425D	S425D210013	438,741	342,726
Education Stabilization Relief (CARES)		84.425D	S425D210013	14,431	-
Total - COVID-19 - Education Stabilization Fund				<u>543,528</u>	<u>672,148</u>
Total - Department of Education				<u>1,585,943</u>	<u>1,742,146</u>
<u>Department of Health and Human Services</u>					
Medicaid Cluster					
Medical Assistance Program	Family and Social Services Administration	93.778			
Medicaid Reimbursement - IEP			FY 2021/2022	27,384	-
Medicaid Reimbursement - IEP			FY 2022/2023	-	27,555
Medical Assistance Program	Indiana Department of Education	93.778			
Medicaid Reimbursement - INMAC			FY 2021/2022	25,364	-
Medicaid Reimbursement - INMAC			FY 2022/2023	-	26,842
Total - Medical Assistance Program				<u>52,748</u>	<u>54,397</u>
Total - Medicaid Cluster				<u>52,748</u>	<u>54,397</u>
Total - Department of Health and Human Services				<u>52,748</u>	<u>54,397</u>
Total federal awards expended				<u>\$ 2,656,658</u>	<u>\$ 2,639,423</u>

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

TELL CITY-TROY TOWNSHIP 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.

Note 3. Exceptional Children's Cooperative

The School Corporation is a member of the Exceptional Children's Cooperative (Cooperative). As a result, the activity for the Special Education Cluster (IDEA) that is presented on the SEFA is not presented as receipts and disbursements in the financial statement for the School Corporation. This activity is presented in the financial statement of the Cooperative's fiscal agent.

Note 4. GEER I Expenditures

The School Corporation was a participant in a joint application with other Local Educational Agencies to receive GEER I funding from the Education Stabilization Fund through the Indiana Department of Education. The Southwest Dubois County School Corporation served as the fiscal agent for the award and expended award funds for administrative costs on behalf of the School Corporation in the amount of \$3,200. As a result, some of the activity for the GEER award that is presented as federal awards expended on the SEFA is not presented as receipts and disbursements on the financial statement for the School Corporation.

TELL CITY-TROY TOWNSHIP 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
	Child Nutrition Cluster	Unmodified
	Special Education Cluster (IDEA)	Unmodified
84.425	COVID-19 - Education Stabilization Fund	Unmodified

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

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

FINDING 2023-001

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

Condition and Context

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

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.

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The School Corporation failed to properly review the financial information prepared and submitted in Gateway. Although the Treasurer compiled, reviewed, and entered the information into Gateway and the Superintendent of Schools reviewed and certified the information entered, the internal control was not effective and did not detect and allow correction of all errors prior to submission.

Due to the lack of effective internal controls, the financial statement presented for audit did not properly reflect the financial activity of the School Corporation. The following errors were noted:

1. The activity of the 2021 Construction fund was not reported on the financial statement. The School Corporation (Lessee) amended its existing Lease Rental Agreement with the Tell City-Troy Township School Building Corporation (Lessor) for the construction, renovation, equipping, and rehabilitation of certain facilities owned by the School Corporation (the "Project"). In order to obtain funding to finance the Project, the Tell City-Troy Township School Building Corporation issued the Tell City-Troy Township School Building Corporation Ad Valorem Property Tax First Mortgage Bonds, Series 2021, in the amount of \$2,725,000 on October 21, 2021. The Bond Resolution, approved by the School Corporation on September 14, 2021, authorized the issuance of the bonds, the amendment of the School Corporation's lease with the School Building Corporation, and the sale of the real estate to the School Building Corporation on which the project was located. Exhibit B of the Arbitrage and Tax Compliance Certificate of the Tell City-Troy Township School Building Corporation for the bond issue states: "In consideration for the sale to the Building Corporation of certain real estate of the School Corporation, on which a portion of the Project will be constructed (the 'Real Estate'), the Building Corporation will be deemed to have paid the School Corporation the sum of \$2,000,000 (the 'School's Funds') which, at the direction of the School Corporation, will be held under the Indenture in the 2021 Construction Account to be spent on costs of the Project."

On October 21, 2021, the net proceeds of the bond issuance, including the \$2,000,000 due the School Corporation for the sale of real estate, was deposited in the School Building Corporation's bank account. The \$2,000,000 and related interest earned were not reported on the School Corporation's financial statement. As a result, other financing sources and the ending cash and investments balance were each understated by \$2,000,000 in fiscal year 2021-2022, receipts and the ending cash and investments balance were understated by \$13,183 and \$2,013,183, respectively, in 2022-2023.

2. Financial activity was included in the School Corporation's financial statement due to improperly reporting cash transfers between bank accounts as both other financing sources and uses of the Education fund. As a result, other financial sources and uses in the Education fund were both overstated by \$5,890,000 and \$6,130,000 in 2021-2022 and 2022-2023, respectively. In addition, the School Corporation improperly reported the purchase and sale of investments within the Rainy Day fund. As a result, other financing sources and disbursements in the Rainy Day fund were both overstated by \$750,000 in 2021-2022 and 2022-2023. The ending cash and investments balances at each year end were unaffected by these errors.

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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 Annual Financial Report (AFR) required under IC 5-11-1-4(a) shall be filed with the state examiner not later than sixty (60) days after the close of each fiscal year. (Accounting and Uniform Guidelines Compliance Manual for Indiana Public School Corporations, Chapter 1)

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

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

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

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

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

All documents and entries to records must be made in a timely manner to ensure that accurate financial information is available to allow the unit to make informed management decisions and to help ensure compliance with IC 51-15-1-1.

All financial transactions pertaining to the unit must be recorded in the records of the unit at the time of the transaction.

(Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

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.

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

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

Auditor's Response

Per the *Accounting and Financial Reporting Regulation Manual*, each school shall be required to report financial information on a financial statement. All financial information of the entity shall be included on the financial statement even if the activity has not been included in the financial records of the entity.

The financial information related to the construction project is that of the School Corporation's. The use of other parties, a building corporation, does not negate the fact that the associated activity is that of the School Corporation's, and, therefore, should be included within the School Corporation's records or at a minimum added to their financial information entered into Gateway.

We reaffirm our finding and will review the status of the finding during our next audit.

FINDING 2023-002

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

Condition and Context

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

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

The School Corporation did not properly review the federal grant information prepared and submitted in Gateway. Although the Treasurer and the Superintendent of Schools reviewed and approved the information entered, the internal control was not effective and did not detect or correct all errors prior to submission.

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

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

1. The Child Nutrition Cluster expenditures were understated by \$77,169 in fiscal year 2022-2023.
2. The Medical Assistance Program expenditures were understated by \$32,920 and \$36,628 in 2021-2022 and 2022-2023, respectively.
3. There were four programs omitted from the grant schedule, which resulted in an understatement of expenditures in the amount of \$69,604.
4. Other errors included incorrect program names, identifying numbers, and pass-through identification numbers.

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

Criteria

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.1 states in part:

". . . *Internal controls* for non-Federal entities means:

- (1) Processes designed and implemented by non-Federal entities to provide reasonable assurance regarding the achievement of objectives in the following categories:
 - (i) Effectiveness and efficiency of operations;
 - (ii) Reliability of reporting for internal and external use; . . ."

2 CFR 200.508 states in part:

"The auditee must: . . .

- (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510. . . ."

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200.510(b) states:

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

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

The Annual Financial Report (AFR) required under IC 5-11-1-4(a) shall be filed with the state examiner not later than sixty (60) days after the close of each fiscal year. (Accounting and Uniform Guidelines Compliance Manual for Indiana Public School Corporations, Chapter 1)

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:

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

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

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

Cause

Management of the School Corporation had not established an effective system of internal controls that would ensure proper reporting of the SEFA.

Effect

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

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2023-003

Subject: Child Nutrition Cluster - Special Tests and Provisions - Verification
of Free and Reduced Price Applications (NSLP)

Federal Agency: Department of Agriculture

Federal Program: National School Lunch Program

Assistance Listings Number: 10.555

Federal Award Number and Year (or Other Identifying Number): FY 2022/2023

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Verification of
Free and Reduced Price Applications (NSLP)

Audit Finding: Material Weakness

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 with the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirement.

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The School Corporation designed a control that one employee would determine the number of applications required to be verified, select the required applications, request the income verification documentation for each application, and finally perform the verifications to determine if changes in eligibility status were warranted. A second employee would then review the verifications performed to ensure that the determinations were accurate prior to submission of the Verification Summary Report.

In order to substantiate that the internal control was properly implemented and operating effectively, the three applications required to be verified by the School Corporation for fiscal year 2022-2023 were selected for testing. None of the applications contained evidence to indicate that the identified internal control was implemented as designed.

The lack of internal controls was isolated to 2022-2023.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

Cause

A proper system of internal controls was not implemented by management of the School Corporation, which would include segregation of key functions. 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 design or implementation of the components of a system of internal controls, including policies and procedures that provide segregation of duties and additional oversight as needed, the internal control system cannot be capable of effectively preventing, or detecting and correcting, material noncompliance.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that management of the School Corporation design and implement a proper system of internal controls, including policies and procedures that would provide segregation of duties to ensure appropriate reviews, approvals, and oversight are taking place.

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Views of Responsible Officials

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

FINDING 2023-004

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 Number: 84.425D
Federal Award Number and Year (or Other Identifying Number): S425D210013
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 with the Equipment and Real Property Management compliance requirement.

A property record or capital asset listing would include the following for each asset: 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, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property. The property record or capital asset listing should be maintained for assets purchased that exceed the School Corporation's capitalization threshold.

The School Corporation utilized COVID-19 - Education Stabilization Fund (ESF) grant awards to purchase equipment throughout the audit period, including, but not limited to, the following: full serving lines with cashier stations, serving lines with flatware carts, milk coolers, dishwashers, and a double stack convection oven. The total equipment purchased was \$300,131. All equipment was properly added to the capital asset listing; however, the following attributes were missing from the listing: the source of the funding (including the federal award identification number), who holds the title, percentage of federal participation in the project costs for federal awards under which the property was acquired, the condition of the property, and, if applicable, the disposition data.

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:

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

2 CFR 200.313(d)(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 with federal dollars, Education Stabilization Funds, were not properly added to the School Corporation's asset listing. In addition, assets on the listing did not denote whether federal funds were used to acquire the asset, nor were any discrepancies in the records reconciled.

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.

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.

Tell City-Troy Township School Corporation

John Anthony Scioldo II
Superintendent
john.scioldo@tellcity.k12.in.us

"Home of the Marksmen"

Administrative Office
837 17th Street
Tell City, IN 47586
Phone: (812) 547-3300
Fax: (812) 547-9704

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2019-001 & FINDING 2021-001

Fiscal year in which the finding initially occurred: FY2019

Current Audit Period: FY2023

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

Summary of Finding: The School Corporation purchased food and supply items from one vendor with total purchases that exceeded the simplified acquisition threshold of \$150,000 without soliciting bids and awarding contracts. In addition for one small purchase the School Corporation did not obtain price or rate quotes from an adequate number of sources.

Status of Audit Finding:

Fully corrected.

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FINDING 2021-002

Fiscal year in which the finding initially occurred: FY2021

Current Audit Period: FY2023

Finding Subject: Special Education Cluster (IDEA) - Level of Effort - Maintenance of Effort

Summary of Finding: The compliance standard calculation for fiscal year 2018-2019 was submitted on the FY 2020 Part B 611 Application, Part 2. Amounts entered for the calculation should be based on actual expenditures derived from the prepared financial statement. However, the amounts reported were based on contracted amounts for 2018-2019 which were used to project the salary and benefit expenses reported in the calculation.

Status of Audit Finding:

Fully corrected.

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CORRECTIVE ACTION PLAN

FINDING 2023-001

Finding Subject: Financial Transactions and Reporting

Summary of Finding: 1. The activity of the 2021 Construction Tell City-Troy Township School Building Corporation fund was not reported on the financial statement; and 2. Financial activity was included in the financial statement for bank transfers and the purchase and sale of investments that should not have been included.

Contact Person Responsible for Corrective Action: Debra Elder, Treasurer and John Scioldo, Superintendent

Contact Phone Number and Email Address: 812-547-3300; debbie.elder@tellcity.k12.in.us and john.scioldo@tellcity.k12.in.us

Views of Responsible Officials:

We disagree with Part 1 of the finding and concur with Part 2 of the finding.

Explanation and Reasons for Disagreement:

In regard to Part 1 of the finding, we are of the opinion that the 2021 Construction account should not be considered a part of our school audit. We have also consulted with our bond counsel on this matter. Our argument is that the account technically consists of funds approved by and in the name of the Tell City-Troy Township School Building Corporation are not direct funds of the school corporation. Further, although there may have been issues with BNY Mellon mistitling the accounts, the accounts are Building Corporation funds which are managed by BNY Mellon and are not physically housed in a bank account directly managed the school corporation. However, we will agree to report on the financial statement the activity of the original \$2,000,000 "Sale of Assets" portion of the 2021 Construction account as directed by the State Board of Accounts until the account is fully depleted. We anticipate the account to be completely expended during the 2023/2025 audit cycle.

Description of Corrective Action Plan:

In regard to Part 2 of the finding, neither the bank transfers nor sale of investments were reported on the Form 9, which resulted in correct and proper reporting as far as the Form 9 is concerned. A good faith effort was made, and has always been made, to ensure this activity is not reported on the Form 9. However, we further understand that the activity in bank transfers of \$5,890,000 and \$6,130,000 for fiscal years 2022 and 2023, respectively, along with the purchase and sale of investments in the Rainy Day fund activity, was pulled into the financial statement from the recently implemented Financial Transparency uploading process. We will work with our financial software vendor, Boyce, to determine how to eliminate this data being pulled into future Financial Transparency uploads, beginning with the upload for the July through December 2023 financial period with a submission deadline of April 30, 2024.

Anticipated Completion Date:

Part 1 – No later than June 30, 2025. Part 2 – by April 30, 2024

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CORRECTIVE ACTION PLAN

FINDING 2023-002

Finding Subject: Preparation of the Schedule of Expenditures and Federal Awards (SEFA)

Summary of Finding: State Board of Accounts determined there were errors in the SEFA for understated Child Nutrition Cluster and Medicaid Assistance expenditures, along with four programs omitted.

Contact Person Responsible for Corrective Action: Debra Elder, Treasurer

Contact Phone Number and Email Address: 812-547-3300; debbie.elder@tellcity.k12.in.us

Views of Responsible Officials:

We concur with the finding.

Description of Corrective Action Plan:

There was no ill intent on the part of the school corporation to understate or omit any programs from being reported on the SEFA. However, for future reporting periods beginning with the 2023/24 SEFA, the Treasurer will work closely with the ECA Manager who manages the federal School Lunch and Child Nutrition Programs to ensure there is no program or special grants overlooked. A few of the omitted programs were one-time COVID-related special funding with no future activity expected. The Treasurer will also have another office staff member, in addition to the superintendent, review future SEFA worksheets and associated work papers, to ensure all programs, program names and pass-through identification numbers have been reported to the best of our ability utilizing the resources available to us.

Anticipated Completion Date:

No later than August 29, 2024

Tell City-Troy Township School Corporation

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CORRECTIVE ACTION PLAN

FINDING 2023-003

Finding Subject: Child Nutrition Cluster – Special Tests and Provision – Verification of Free and Reduced Price Applications (NSLP)

Summary of Finding: The finding was isolated to school year 2023 in which one employee is to determine the number of applications to be verified, select the required applications and perform verifications of eligibility, with a second employee reviewing the verifications.

Contact Person Responsible for Corrective Action: Kathy VanHoosier, ECA Manager

Contact Phone Number and Email Address: 812-547-3300; kathy.vanhoosier@tellcity.k12.in.us

Views of Responsible Officials:

We concur with the finding.

Description of Corrective Action Plan:

The process of selecting and performing verifications of eligibility with a second employee reviewing the verifications was refined and fully implemented for school year 2023/2024. A change in personnel since the 2022/2023 improved this process, and sign-offs were done and initialed by both the initial reviewer (the Central Office manager) as well as the final reviewer (the ECA Manager) on the 2023/24 applications. It is the intent to continue with this improved internal control process going forward.

Anticipated Completion Date:

Already Done in Fall 2023

Tell City-Troy Township School Corporation

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CORRECTIVE ACTION PLAN

FINDING 2023-004

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

Summary of Finding: Equipment purchased with ESF grant awards, although accounted for in the capital asset listing, were not properly identified with the source of the funding, who holds title, percentage of federal participation in the project costs, etc.

Contact Person Responsible for Corrective Action: Debra Elder, Treasurer and John Scioldo, Superintendent

Contact Phone Number and Email Address: 812-547-3300; debbie.elder@tellcity.k12.in.us and john.scioldo@tellcity.k12.in.us

Views of Responsible Officials:

We concur with the finding.

Description of Corrective Action Plan:

We will reach out to AdTec, the company the school corporation works with on the updating of the capital asset records, to request that they add the missing information to the capital asset listing for said purchased equipment as described in greater detail in the audit finding. It is our goal to have this completed by the end of the July 2023 – June 2025 audit cycle.

Anticipated Completion Date:

No later than June 30, 2025

OTHER REPORTS

In addition to this report, other reports may have been issued for the School Corporation. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.