

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

CROWN POINT COMMUNITY SCHOOL CORPORATION

LAKE COUNTY, INDIANA

July 1, 2021 to June 30, 2023



**FILED**

03/05/2024



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Kathleen Dowling Christine Hazard Laurie Cooper Matthew D. Ruess	07-01-21 to 07-15-21 07-16-21 to 12-12-21 12-13-21 to 12-12-22 12-13-22 to 06-30-24
Superintendent of Schools	Dr. Todd Terrill	07-01-21 to 06-30-24
President of the School Board	David Warne Scott Angel	07-01-21 to 12-31-22 01-01-23 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 CROWN POINT COMMUNITY  
SCHOOL CORPORATION, LAKE 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 Crown Point 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 21, 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 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 item 2023-001.

***Crown Point 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 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

February 21, 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 CROWN POINT COMMUNITY SCHOOL CORPORATION, LAKE COUNTY, INDIANA

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

***Qualified and Unmodified Opinions***

We have audited the Crown Point 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 and Unmodified Opinions* section of our report, the School Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the COVID-19 - Education Stabilization Fund for the period of July 1, 2021 to June 30, 2023.

***Unmodified Opinion on Each of the Other Major Federal Programs***

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2021 to June 30, 2023.

**Basis for Qualified and Unmodified Opinions**

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

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

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

*Matter Giving Rise to Qualified Opinion on 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 84.425D COVID-19 - Education Stabilization Fund, as described in item 2023-004 for Special Tests and Provisions - Wage Rate Requirements. Compliance with such requirement is necessary, in our opinion, for the School Corporation to comply with the requirements applicable to that program.

***Responsibilities of Management for Compliance***

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

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

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

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

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

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

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

**Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item 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, 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 February 21, 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 21, 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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CROWN POINT 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
<b>Department of Agriculture</b>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
School Breakfast Program			FY2022	\$ -	\$ 626,655	\$ -	\$ -
School Breakfast Program			FY2023	-	-	-	318,001
Total - School Breakfast Program				-	626,655	-	318,001
National School Lunch Program							
National School Lunch Program	Indiana Department of Education	10.555					
National School Lunch Program			FY 2022	-	3,497,799	-	-
National School Lunch Program			FY 2023	-	-	-	1,821,648
Supply Chain Assistance			FY 2023	-	-	-	396,774
Commodities			FY 2022 & FY 2023	-	373,909	-	258,157
Subtotal - National School Lunch Program				-	3,871,708	-	2,476,579
COVID-19 - National School Lunch Program							
COVID-19 - SNP Emergency Funds	Indiana Department of Education	10.555					
			FY 2022	-	118,801	-	-
Total - National School Lunch Program				-	3,990,509	-	2,476,579
Summer Food Service Program for Children							
Summer Food Service Program	Indiana Department of Education	10.559					
			FY 2022	-	168,710	-	-
Total - Child Nutrition Cluster				-	4,785,874	-	2,794,580
Pandemic EBT Administrative Costs							
Pandemic EBT Administrative Costs	Indiana Department of Education	10.649					
P-EBT Administrative Costs Grants			FY 2022	-	3,063	-	-
P-EBT Administrative Costs Grants			FY 2023	-	-	-	3,135
Total - Pandemic EBT Administrative Costs				-	3,063	-	3,135
Total - Department of Agriculture				-	4,788,937	-	2,797,715

CROWN POINT 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
<b>Department of Education</b>							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
Special Education Part B Regular			H027A190084	-	413,599	-	-
Special Education Part B Regular			H027A200084	-	1,188,461	-	317,458
Special Education Part B Regular			H027A210084	-	-	-	1,180,647
Special Education Part B Regular			H027A220084	-	-	-	622,627
Total - Special Education Grants to States				-	1,602,060	-	2,120,732
Special Education Preschool Grants	Indiana Department of Education	84.173					
Special Education Pre-School Grants			H173A200104	-	10,858	-	1,024
Special Education Pre-School Grants			H173A210104	-	-	-	37,947
Special Education Pre-School Grants			H173A220104	-	-	-	28,811
Subtotal - Special Education Preschool Grants				-	10,858	-	67,782
COVID-19 - Special Education Preschool Grants	Indiana Department of Education	84.173X					
COVID-19 - Special Education Preschool Grants			H173X210104	-	-	-	8,779
Total - Special Education Preschool Grants				-	10,858	-	76,561
Total - Special Education Cluster (IDEA)				-	1,612,918	-	2,197,293
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I 2019			S010A190014	-	130,577	-	-
Title I 2020			S010A200014	-	342,326	-	-
Title I 2021			S010A210014	-	95,232	-	537,413
Title I 2022			S010A220014	-	-	-	266,070
Total - Title I Grants to Local Educational Agencies				-	568,135	-	803,483
English Language Acquisition State Grants	Indiana Department of Education	84.365					
Title III 2019			S365A190014	-	2,781	-	-
Title III 2020			S365A200014	-	19,619	-	9,361
Title III 2021			S365A210014	-	-	-	27,360
Total - English Language Acquisition State Grants				-	22,400	-	36,721

CROWN POINT 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
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
Title II 2018			S367A180013	-	2,000	-	-
Title II 2019			S367A190013	-	89,630	-	-
Title II FFY 2020			S367A200013	-	102,131	-	34,318
Title II FFY 2021			S367A210013	-	-	-	92,110
Total - Supporting Effective Instruction State Grants				-	193,761	-	126,428
Student Support and Academic Enrichment Program	Indiana Department of Education	84.424					
Title IV Part A 2018			S424A180015	-	9,097	-	-
Title IV Part A 2019			S424A190015	-	40,907	-	-
Title IV Part A 2020			S424A200015	-	14,366	-	17,972
Title IV Part A 2021			S424A210015	-	-	-	29,026
Total - Student Support and Academic Enrichment Program				-	64,370	-	46,998
COVID-19 - Education Stabilization Fund	Indiana Department of Education	84.425					
Governor's Emergency Education Relief Fund (GEER)		84.425C	S425C200018	-	58,218	-	32,844
Elementary and Secondary School Emergency Relief Fund (ESSER)		84.425D	S425D200013	-	158,932	-	29,474
Elementary and Secondary School Emergency Relief Fund II (ESSER II)		84.425D	S425D210013	-	1,657,063	-	68,214
Elementary and Secondary School Emergency Relief Fund III (ESSER III)		84.425U	S425U210013	-	984,292	-	1,543,935
Total - COVID-19 - Education Stabilization Fund				-	2,858,505	-	1,674,467
Total - Department of Education				-	5,320,089	-	4,885,390
<u>Department of Health and Human Services</u>							
Medicaid Cluster							
Medical Assistance Program		93.778					
Medicaid IEP	Indiana Family and Social Services Administration		FY 20-21	-	38,049	-	62,478
Medicaid MAC	Indiana Department of Education		FY 20-21	-	16,703	-	17,146
Total - Medicaid Cluster				-	54,752	-	79,624
Total - Department of Health and Human Services				-	54,752	-	79,624
Total federal awards expended				\$ -	\$ 10,163,778	\$ -	\$ 7,762,729

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

CROWN POINT 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.

CROWN POINT 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
	Special Education Cluster (IDEA)	Unmodified
84.010	Title I Grants to Local Educational Agencies	Unmodified
84.425	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: Preparation of the Schedule of Expenditures of Federal Awards  
Audit Findings: Material Weakness, Noncompliance

*Repeat Finding*

This is a repeat finding from the prior audit report. The prior audit finding number was 2021-002.

*Condition and Context*

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

CROWN POINT COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The School Corporation filed its reports as prescribed; however, internal controls over the federal award information entered in 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 established. One individual was responsible for the preparation and submission of the SEFA without an oversight or review process in place to prevent, or detect and correct, errors.

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

1. The Child Nutrition Cluster - School Breakfast Program expenditures were overstated by \$27,319 and understated by \$318,001 for fiscal years 2021-2022 and 2022-2023, respectively.
2. The Child Nutrition Cluster - National School Lunch Program expenditures were understated by \$478,172 and \$2,218,422 for 2021-2022 and 2022-2023, respectively.
3. The Child Nutrition Cluster - COVID-19 - National School Lunch Program expenditures were overstated by \$3,063 for 2021-2022.
4. The Child Nutrition Cluster - Summer Food Service Program for Children expenditures were overstated by \$54,389 for 2021-2022.
5. The Pandemic EBT Administrative Costs expenditures were understated by \$3,063 and \$3,135 for 2021-2022 and 2022-2023, respectively.
6. The Special Education Cluster (IDEA) - Special Education Grants to States expenditures were overstated by \$1,065 for 2021-2022.
7. The Title I Grants to Local Educational Agencies expenditures were overstated by \$9,331 for 2022-2023.
8. The COVID-19 - Education Stabilization Funds (GEER & ESSER) expenditures were overstated by \$536,246 for 2022-2023.
9. Other errors included incorrect program names, pass-through entities, and identifying 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:

CROWN POINT COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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

2 CFR 200.1 states in part:

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

(1) Processes designed and implemented by non-Federal entities to provide reasonable assurance regarding the achievement of objectives in the following categories:

(i) Effectiveness and efficiency of operations;

(ii) Reliability of reporting for internal and external use; . . ."

2 CFR 200.508 states in part:

"The auditee must: . . .

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

2 CFR 200.510(b) states:

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

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the Assistance Listings Number or other identifying number when the Assistance Listings information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (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.

CROWN POINT COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (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 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. . . ."

*Cause*

Management of the School Corporation had not established an effective system of internal controls that would have ensured 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 2023-002**

Subject: Title I Grants to Local Educational Agencies - Reporting  
Federal Agency: Department of Education  
Federal Program: Title I Grants to Local Educational Agencies  
Assistance Listings Number: 84.010  
Federal Award Numbers and Years (or Other Identifying Numbers): S010A200014, S010A210014  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Reporting  
Audit Finding: Material Weakness

CROWN POINT COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition and Context*

The School Corporation is required to submit final expenditure reports to the Indiana Department of Education on or before December 31, after the September 30 deadline, for encumbering prior school year funds.

During the audit period, the School Corporation had final expenditure reports due for the S010A200014 and the S010A210014 grant awards. A single employee prepared and submitted the final reports without a documented review or oversight process in place to prevent, or detect and correct, errors.

The lack of internal controls was isolated to the final expenditure reports for the S010A200014 and the S010A210014 grant awards.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

*Cause*

A proper system of internal controls was not designed 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 establish a proper system of internal controls over the Reporting compliance requirement.

*Views of Responsible Officials*

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

CROWN POINT COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

***FINDING 2023-003***

Subject: Title I Grants to Local Educational Agencies - Special Tests and Provisions - Assessment System Security  
Federal Agency: Department of Education  
Federal Program: Title I Grants to Local Educational Agencies  
Assistance Listings Number: 84.010  
Federal Award Numbers and Years (or Other Identifying Numbers): S010A190014, S010A200014, S010A210014, S010A220014  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Special Tests and Provisions - Assessment System Security  
Audit Findings: Material Weakness, Other Matters

*Condition and Context*

State educational agencies (SEA), in consultation with local educational agencies (LEA), are required to establish and maintain an assessment security system that is valid, reliable, and consistent with relevant professional and technical standards. Within their assessment system, SEAs must have policies and procedures to maintain test security measures and ensure that LEAs implement those policies and procedures. As such, the Indiana Department of Education created and published the Indiana Assessments Policy Manual.

As a part of the assessment security, any individual who administers, handles, or has access to secure test materials at the school or school corporation shall complete assessment training and sign a testing security and integrity statement that remains on file in the appropriate building-level office each year. Each individual required to sign the testing integrity agreement shall sign the form by an established date.

The School Corporation had a process to provide assessment system security training and to ensure each employee that attended training signed the agreement indicating training was received. However, there was no process in place to ensure that all school employees required to be trained were trained.

Due to the lack of internal controls over the identification of employees requiring training, some employees that should have been trained were not. A sample of 40 employees was selected for testing from the School Corporation's roster. Of the 40 employees tested, 10 did not have a signed agreement on file indicating training was received as required.

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). . . ."

CROWN POINT COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

511 IAC 5-5-5(b) states: "Any individual who administers, handles, or has access to secure test materials at the school or school corporation shall complete assessment training and sign a testing security and integrity agreement to remain on file in the appropriate building-level office each year."

*Cause*

A proper system of internal controls was not designed 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 implementation of an effectively designed system of internal controls, the internal control system cannot be capable of effectively preventing, or detecting and correcting, material noncompliance. As a result, not all required employees were trained on Assessment System Security.

Noncompliance with the grant agreement and the compliance requirement could result in the loss of future federal funds 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 that all required employees complete assessment security training and sign the appropriate forms.

*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 - Special  
Tests and Provisions - Wage Rate Requirements  
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: Special Tests and Provisions - Wage Rate Requirements  
Audit Findings: Material Weakness, Modified Opinion

CROWN POINT COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition and Context*

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.

The School Corporation had not designed, nor implemented a system of internal controls to ensure that construction contracts in excess of \$2,000 paid from federal grant funds included a prevailing wage rate clause. One construction contract, totaling \$35,000, was paid from the COVID-19 - Education Stabilization Fund grant funds during the audit period. The single contract was tested. The contract did not contain the required prevailing wage rate clause. In addition, certified payrolls were not obtained by the School Corporation for weeks in which work was completed at the time the week was completed. However, certified payrolls were later obtained by the School Corporation due to an ESSER Construction Monitoring Report issued in late 2023.

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 . . .

CROWN POINT COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

(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. . . .*

(i)

(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, 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.

CROWN POINT COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Effect*

Without the proper implementation of an effectively designed system of internal controls, the internal control system cannot be capable of effectively preventing, or detecting and correcting, material noncompliance. As a result, construction contracts entered into did not contain the required wage rate requirements clauses nor were certified payrolls obtained by the School Corporation.

Noncompliance with the grant agreement and the compliance requirement could result in the loss of future federal funds to the School Corporation.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish a system of internal controls and include the wage rate requirement clause in construction contracts. In addition, certified payrolls should be obtained as required in a timely manner.

*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.



## CROWN POINT COMMUNITY SCHOOL CORPORATION

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

#### ***FINDING 2021-001***

**Fiscal year in which the finding initially occurred: 2021**  
**Current Audit Period: July 1, 2021 – June 30, 2023**

**Finding Subject: Financial Reporting**

**Summary of Finding:** The School Corporation had not established internal controls over the financial information entered in the Indiana Gateway for Government Units financial reporting system, which was the source for the School Corporation's Annual Financial Report (AFR).

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

**Response Comments:**

1050 S. Main St. | Crown Point, IN 46307  
Phone: 219-663-3371 | Fax: 219-662-4304  
[www.cps.k12.in.us](http://www.cps.k12.in.us)



## CROWN POINT COMMUNITY SCHOOL CORPORATION

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

#### ***FINDING 2021-002***

**Fiscal year in which the finding initially occurred: 2021**

**Current Audit Period: July 1, 2021 – June 30, 2023**

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

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

**Status of Audit Finding:** Partially corrected.

**Response Comments:** The corrective action planned was followed as described. A fund name change was overlooked as an expiring fund and the new fund name was not found to be excluded. An additional step will be included in the review to identify all federal awards during the audit period.

200 E. North St. | Crown Point, IN 46307  
Phone: 219-663-3371 | Fax: 219-662-4304  
[www.cps.k12.in.us](http://www.cps.k12.in.us)



# CROWN POINT COMMUNITY SCHOOL CORPORATION

## CORRECTIVE ACTION PLAN

### ***FINDING 2023-001***

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

**Summary of Finding:** Noncompliance and Ineffective internal controls over the reporting of federal award information.

**Contact Person Responsible for Corrective Action:** Matthew D. Ruess, Chief Financial Officer

**Contact Phone Number and Email Address:** (219) 663-3371 – [mruess@cps.k12.in.us](mailto:mruess@cps.k12.in.us)

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

**Description of Corrective Action Plan:** The Deputy Treasurer in consultation with the Chief Financial Officer prepares the federal award information and enters the information into Gateway. Prior to submittal it is verified by the Chief Financial Officer. In the future, the Chief Financial Officer will complete a thorough review of the information including notation to verify review.

**Anticipated Completion Date:** August 29, 2024 – Next report date.

1050 S. Main St. | Crown Point, IN 46307  
Phone: 219-663-3371 | Fax: 219-662-4304  
[www.cps.k12.in.us](http://www.cps.k12.in.us)



# CROWN POINT COMMUNITY SCHOOL CORPORATION

## CORRECTIVE ACTION PLAN

### FINDING 2023-002

#### Finding Subject:

Title I Grants to Local Educational Agencies - Reporting

#### Summary of Finding:

The School Corporation had established a system of internal controls over the Final Expenditure report for Title I. However, the internal control process was not documented.

It is recommended that the School Corporation's management establish a system of internal controls.

**Contact Person Responsible for Corrective Action:** James H. Hardman

**Contact Phone Number and Email Address:** 219-663-3371 jhardman@cps.k12.in.us

#### Views of Responsible Officials:

The management of the Crown Point Community School Corporation concurs with the finding.

#### Description of Corrective Action Plan:

The management of the Crown Point Community School Corporation will establish a system of internal controls consisting of policies and procedures.

**Anticipated Completion Date:** April 5, 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.”



# CROWN POINT COMMUNITY SCHOOL CORPORATION

## CORRECTIVE ACTION PLAN

### FINDING 2023-003

**Finding Subject:** Title I Grants to Local Educational Agencies  
Special Tests and Provisions – Assessment System Security

#### Summary of Finding:

A sample of 40 employees were tested from the school's roster and ten did not have a signed agreement indicating training was received. There was no process to ensure that all employees required to be trained received the training and submitted the Assessment System Security Agreement.

It is recommended that the School Corporation's management establish a system of internal controls.

**Contact Person Responsible for Corrective Action:** James H. Hardman  
**Contact Phone Number and Email Address:** 219-663-3371 jhardman@cps.k12.in.us

#### Views of Responsible Officials:

The management of the Crown Point Community School Corporation concurs with the finding.

#### Description of Corrective Action Plan:

The management of the Crown Point Community School Corporation will establish a system of internal controls to ensure all employees required to be trained receive the training and submit the Assessment System Security Agreement.

**Anticipated Completion Date:** February 20, 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.”



# CROWN POINT COMMUNITY SCHOOL CORPORATION

## CORRECTIVE ACTION PLAN

### FINDING 2023-004

#### Finding Subject:

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

#### Summary of Finding:

The School Corporation had not designed, nor implemented a system of internal control to ensure that construction contracts in excess of \$2,000 paid from federal grant funds included a prevailing wage rate clause. One construction contract, totaling \$35,000 was paid from the Education Stabilization Fund grant funds during the audit period. The single contract was tested. It was noted that the contract did not contain the required prevailing wage rate clause. Certified payrolls were not obtained until after the School Corporation was issued an ESSER Construction Monitoring Report in late 2023.

It is recommended that the School Corporation's management establish a system of internal controls and include the wage rate requirement clause in construction contracts. In addition, certified payrolls should be obtained as required.

**Contact Person Responsible for Corrective Action:** James H. Hardman  
**Contact Phone Number and Email Address:** 219-663-3371 jhardman@cps.k12.in.us

#### Views of Responsible Officials:

The management of the Crown Point Community School Corporation concurs with the finding.

#### Description of Corrective Action Plan:

The management of the Crown Point Community School Corporation will establish a system of internal controls and include the wage rate requirement clause in construction contracts. In addition, certified payrolls will be obtained as required.

**Anticipated Completion Date:** February 20, 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.”

## 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/>.