

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

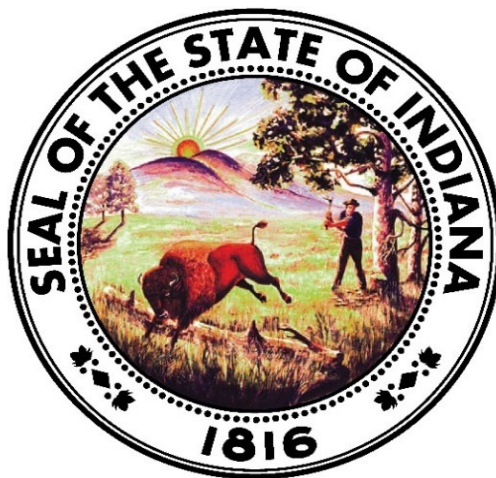
FEDERAL COMPLIANCE AUDIT REPORT

OF

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION

TIPPECANOE COUNTY, INDIANA

July 1, 2021 to June 30, 2023



**FILED**

03/13/2024



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Ross Sloat	07-01-21 to 03-31-22
	Stephen Ohlhaut	04-01-22 to 06-30-22
	Anna Roth	07-01-22 to 09-30-22
	Michelle Cronk	10-01-22 to 06-30-24
Superintendent of Schools	Ross Sloat	07-01-21 to 07-12-21
	Michael Pettibone	07-13-21 to 01-31-22
	Dr. Shawn E. Greiner	02-01-22 to 06-30-24
President of the School Board	Alan R. Karpick	07-01-21 to 12-31-21
	Rachel D. Witt	01-01-22 to 12-31-23
	Amy E. Austin	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 WEST LAFAYETTE COMMUNITY SCHOOL  
CORPORATION, TIPPECANOE 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 West Lafayette Community School Corporation (School Corporation), for the period of July 1, 2021 to June 30, 2023, and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement and have issued our report thereon dated February 29, 2024, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

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

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

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



Beth Kelley, CPA, CFE  
Deputy State Examiner

February 29, 2024



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

TO: THE OFFICIALS OF THE WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION, TIPPECANOE COUNTY, INDIANA

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

***Qualified and Unmodified Opinions***

We have audited the West Lafayette 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 Special Education Cluster (IDEA)***

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 Special Education Cluster (IDEA) for the period of July 1, 2021 to June 30, 2023.

***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 the Other Major Federal Program***

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 its other major federal program 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.

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)

**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.

*Matters Giving Rise to Qualified Opinion on Special Education Cluster (IDEA)*

As described in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Special Education Cluster (IDEA), as described in item 2023-001 for Matching, Level of Effort, Earmarking. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with the requirements applicable to those programs.

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

As described in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding 84.425 COVID-19 - Education Stabilization Fund, as described in item 2023-002 for Subrecipient Monitoring. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with the requirements applicable to those programs.

**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.

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)

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**

*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 subject 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 2023-001 and 2023-002, to be material weaknesses.

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

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

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

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

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



Beth Kelley, CPA, CFE  
Deputy State Examiner

February 29, 2024

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

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WEST LAFAYETTE 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	FY 2022	\$ -	\$ 130,300	\$ -	\$ -
School Breakfast Program			FY 2023	-	-	-	85,392
Total - School Breakfast Program				-	130,300	-	85,392
National School Lunch Program							
Commodities	Indiana Department of Education	10.555	FY 2022	-	100,348	-	-
School Lunch Program			FY 2022	-	1,104,005	-	-
Commodities			FY 2023	-	-	-	63,375
School Lunch Program			FY 2023	-	-	-	530,131
Supply Chain Assistance			FY 2023	-	-	-	120,575
Subtotal - National School Lunch Program				-	1,204,353	-	714,081
COVID-19 - National School Lunch Program							
SNP Emergency Fund	Indiana Department of Education	10.555	FY 2022	-	1,826	-	-
Total - National School Lunch Program				-	1,206,179	-	714,081
Summer Food Service Program for Children							
Summer Food Service Program	Indiana Department of Education	10.559	FY 2022	-	95,611	-	-
Summer Food Service Program			FY 2023	-	-	-	5,069
Total - Summer Food Service Program for Children				-	95,611	-	5,069
Total - Child Nutrition Cluster				-	1,432,090	-	804,542
Pandemic EBT Administrative Costs							
Pandemic EBT Administrative Costs	Indiana Department of Education	10.649	FY 2022	-	614	-	-
Pandemic EBT Administrative Costs			FY 2023	-	-	-	628
Total - Pandemic EBT Administrative Costs				-	614	-	628
Total - Department of Agriculture				-	1,432,704	-	805,170

WEST LAFAYETTE 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>							
Title I Grants to Local Educational Agencies	Indiana Department of Education						
Title I Part A		84.010	S010A190014	-	135	-	-
Title I Part A			S010A200014	-	63,673	-	-
Title I Part A			S010A210014	-	144,467	-	63,145
Title I Part A			S010A220014	-	-	-	178,475
Total - Title I Grants to Local Educational Agencies				-	208,275	-	241,620
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027	20611-021-PN01	-	690	-	-
Special Education Grants to States			21611-021-PN01	-	117,753	-	8,415
Special Education Grants to States			22611-021-PN01	-	326,169	-	126,033
Special Education Grants to States			23611-021-PN01	-	-	-	356,167
Subtotal - Special Education Grants to States				-	444,612	-	490,615
COVID-19 - Special Education Grants to States	Indiana Department of Education						
COVID-19 - Special Education Grants to States		84.027X	22611-021-ARP	-	14,055	-	74,908
Total - Special Education Grants to State				-	458,667	-	565,523
Special Education Preschool Grants	Indiana Department of Education						
Special Education Preschool Grants		84.173	21619-021-PN01	-	4,905	-	-
Special Education Preschool Grants			22619-021-PN01	-	11,548	-	3,710
Special Education Preschool Grants			23619-021-PN01	-	-	-	12,320
Subtotal - Special Education Preschool Grants				-	16,453	-	16,030
COVID-19 - Special Education Preschool Grants	Indiana Department of Education						
COVID-19 - Special Education Preschool Grants		84.173X	22619-021-ARP	-	606	-	3,152
Total - Special Education Preschool Grants				-	17,059	-	19,182
Total - Special Education Cluster (IDEA)				-	475,726	-	584,705

WEST LAFAYETTE 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
English Language Acquisition State Grants	Indiana Department of Education						
Title III Part A		84.365	S365A200013	-	194,351	-	-
Title III Part A			S365A210014	-	163,821	-	197,287
Title III Part A			S365A220014	-	-	-	163,102
Total - English Language Acquisition State Grants				-	358,172	-	360,389
Supporting Effective Instruction State Grants	Indiana Department of Education						
Title II Part A		84.367	S367A210013	-	20,451	-	-
Title II Part A			S367A210013	-	-	-	27,705
Total - Supporting Effective Instruction State Grants				-	20,451	-	27,705
Student Support and Academic Enrichment Program	Indiana Department of Education						
Title IV Part A		84.424	S424A190015	-	198	-	-
Title IV Part A			S424A200015	-	-	-	5,209
Title IV Part A			S424A210015	-	-	-	13,181
Title IV Part A			S424A220015	-	-	-	5,195
Total - Student Support and Academic Enrichment Program				-	198	-	23,585
COVID-19 - Education Stabilization Fund	Indiana Department of Education						
CARES Act		84.425D	S425D200013	-	13,268	-	-
CARES Act		84.425D	S425D210013	-	538,016	-	-
Elementary and Secondary School Emergency Relief Fund III		84.425U	S425U210013	-	-	420,500	484,956
Total - COVID-19 - Education Stabilization Fund				-	551,284	420,500	484,956
Total - Department of Education				-	1,614,106	420,500	1,722,960
Total federal awards expended				\$ -	\$ 3,046,810	\$ 420,500	\$ 2,528,130

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

WEST LAFAYETTE 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.

**Note 3. Greater Lafayette Area Special Services (GLASS)**

The School Corporation is a member of the Greater Lafayette Area Special Services (GLASS). As a result, some of the activity for the Special Education Cluster (IDEA) that is presented on the SEFA is not presented as receipts and disbursements in the financial statement for the School Corporation. This activity is reported on the financial statement of the GLASS.

WEST LAFAYETTE 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?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

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

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

Assistance Listings Number	Name of Federal Program or Cluster	Opinion Issued
84.010	Special Education Cluster (IDEA)	Qualified
84.425	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
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**Section II - Financial Statement Findings**

No matters are reportable.

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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

**FINDING 2023-001**

Subject: Special Education Cluster (IDEA) - Earmarking  
Federal Agency: Department of Education  
Federal Programs: Special Education Grants to States, Special Education Preschool Grants  
Assistance Listings Numbers: 84.027, 84.173  
Federal Award Numbers and Years (or Other Identifying Numbers): 20611-021-PN01, 21611-021-PN01,  
22619-021-PN01  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Matching, Level of Effort, Earmarking  
Audit Findings: Material Weakness, Modified Opinion

*Condition and Context*

The School Corporation is a member of the Greater Lafayette Area Special Services Cooperative (Cooperative). During fiscal years 2021-2022 and 2022-2023, the Cooperative operated the special education programs and spent the federal money on behalf of all its members. As the grant agreements were between the Indiana Department of Education (IDOE) and each member school, the School Corporation was responsible for ensuring and providing oversight of the Cooperative. However, there was inadequate oversight performed by the School Corporation in order to ensure compliance with the Matching, Level of Effort, Earmarking compliance requirement.

The School Corporation did not have internal controls in place to ensure that the Cooperative complied with the earmarking requirements. The Cooperative did not have adequate procedures in place to ensure that the required level of expenditures for nonpublic school students with disabilities was met for each member school. The Cooperative did not have effective internal controls to ensure nonpublic school expenditures were appropriately identified and reported.

The Non-Public Proportionate Share expenditures for the 20611-021-PN01, 21611-021-PN01, and 22619-021-PN01 grant awards could not be verified for the individual member school corporations. Total grant expenditures were posted as expended. The Non-Public Proportionate Share expenditures were determined by applying a percentage to the nonpublic school budgeted expenditures. As such, we were unable to identify if the minimum amount per the grant awards was expended and properly reported to the IDOE as required.

The lack of internal controls and noncompliance were isolated to the 20611-021-PN01, 21611-021-PN01, and 22619-021-PN01 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). . . ."

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

2 CFR 200.403 states in part:

"Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards: . . .

(g) Be adequately documented. . . ."

2 CFR 200.208(b) states in part: "The Federal awarding agency or pass-through entity may adjust specific Federal award conditions as needed, . . ."

511 IAC 7-34-7(b) states:

"The public agency, in providing special education and related services to students in nonpublic schools must expend at least an amount that is the same proportion of the public agency total subgrant under 20 U.S.C. 1411(f) as the number of nonpublic school students with disabilities, who are enrolled by their parents in nonpublic schools within its boundaries, is to the total number of students with disabilities of the same age range."

*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 control, 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 such, the School Corporation's Non-Public Proportionate Share expenditures could not be determined, and it could not be determined if the School Corporation met its minimum Non-Public Proportionate Share as required by the grant agreement.

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 Non-Public Proportionate Share funds are appropriately allocated to the member school corporation based on expenses charged directly on behalf of the member school corporation. Supporting documentation for these expenses should be retained for audit.

*Views of Responsible Officials*

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

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

***FINDING 2023-002***

Subject: COVID-19 - Education Stabilization Fund - Subrecipient Monitoring  
Federal Agency: Department of Education  
Federal Program: COVID-19 - Education Stabilization Fund  
Assistance Listings Number: 84.425U  
Federal Award Number and Year (or Other Identifying Number): S425U210013  
Compliance Requirement: Subrecipient Monitoring  
Audit Findings: Material Weakness, Modified Opinion

*Condition and Context*

The School Corporation had not properly designed or implemented a system of internal controls, which would include appropriate segregation of duties, that would likely be effective in preventing, or detecting and correcting, material noncompliance related to the COVID-19 - Education Stabilization Fund (ESF) funds passed through to subrecipients.

The School Corporation received and passed through to subrecipients \$420,500 of ESF funds. The School Corporation is to clearly identify the award and applicable requirements to the subrecipients, evaluate the risk of noncompliance related to the subrecipients to determine appropriate monitoring of the subaward, and monitor the activities of the subrecipients to ensure that the subaward is used for authorized purposes, complies with the terms and conditions of the subaward, and achieves performance goals.

The School Corporation did not enter into an agreement with the subrecipients. As such there is no agreement between the School Corporation and the subrecipients that clearly identifies the award as a subaward or includes all the required data elements. In addition, the School Corporation did not have any policies or procedures in place to evaluate the subrecipients' risk of noncompliance or to monitor the activity of the subrecipients. Per inquiry of the School Corporation, it was determined an evaluation of the risk of noncompliance for the subrecipients was not completed, nor did the subrecipients' files support any such evaluation.

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

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.332 states:

"All pass-through entities must:

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION  
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(Continued)

(a) Ensure that every subaward is clearly identified to the subrecipient as a subaward and include the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward notification. When some of this information is not available, the pass-through entity must provide the best information available to describe the Federal award and subaward. Required information includes:

(1) Federal award identification.

(i) Subrecipient name (which must match the name associated with its unique entity identifier);

(ii) Subrecipient's unique entity identifier;

(iii) Federal Award Identification Number (FAIN);

(iv) Federal Award Date (see the definition of *Federal award date* in § 200.1 of this part) of award to the recipient by the Federal agency;

(v) Subaward Period of Performance Start and End Date;

(vi) Subaward Budget Period Start and End Date;

(vii) Amount of Federal Funds Obligated by this action by the pass-through entity to the subrecipient;

(viii) Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current financial obligation;

(ix) Total Amount of the Federal Award committed to the subrecipient by the pass-through entity;

(x) Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);

(xi) Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the Pass-through entity;

(xii) Assistance Listings number and Title; the pass-through entity must identify the dollar amount made available under each Federal award and the Assistance Listings Number at time of disbursement;

(xiii) Identification of whether the award is R&D; and

(xiv) Indirect cost rate for the Federal award (including if the de minimis rate is charged) per § 200.414.

(2) All requirements imposed by the pass-through entity on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations and the terms and conditions of the Federal award;

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION  
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(Continued)

- (3) Any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports;
- (4) (i) An approved federally recognized indirect cost rate negotiated between the subrecipient and the Federal Government. If no approved rate exists, the pass-through entity must determine the appropriate rate in collaboration with the subrecipient, which is either:
- (A) The negotiated indirect cost rate between the pass-through entity and the subrecipient; which can be based on a prior negotiated rate between a different PTE and the same subrecipient. If basing the rate on a previously negotiated rate, the pass-through entity is not required to collect information justifying this rate, but may elect to do so;
- (B) The de minimis indirect cost rate.
- (ii) The pass-through entity must not require use of a de minimis indirect cost rate if the subrecipient has a Federally approved rate. Subrecipients can elect to use the cost allocation method to account for indirect costs in accordance with § 200.405(d).
- (5) A requirement that the subrecipient permit the pass-through entity and auditors to have access to the subrecipient's records and financial statements as necessary for the pass-through entity to meet the requirements of this part; and
- (6) Appropriate terms and conditions concerning closeout of the subaward. . . .
- (b) Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring described in paragraphs (d) and (e) of this section, which may include consideration of such factors as:
- (1) The subrecipient's prior experience with the same or similar subawards;
- (2) The results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with Subpart F of this part, and the extent to which the same or similar subaward has been audited as a major program;
- (3) Whether the subrecipient has new personnel or new or substantially changed systems; and
- (4) The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency).
- (c) Consider imposing specific subaward conditions upon a subrecipient if appropriate as described in § 200.208.

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION  
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(Continued)

(d) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring of the subrecipient must include:

- (1) Reviewing financial and performance reports required by the pass-through entity.
- (2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and written confirmation from the subrecipient, highlighting the status of actions planned or taken to address Single Audit findings related to the particular subaward.
- (3) Issuing a management decision for applicable audit findings pertaining only to the Federal award provided to the subrecipient from the pass-through entity as required by § 200.521.
- (4) The pass-through entity is responsible for resolving audit findings specifically related to the subaward and not responsible for resolving crosscutting findings. If a subrecipient has a current Single Audit report posted in the Federal Audit Clearinghouse and has not otherwise been excluded from receipt of Federal funding (e.g., has been debarred or suspended), the pass-through entity may rely on the subrecipient's cognizant audit agency or cognizant oversight agency to perform audit follow-up and make management decisions related to cross-cutting findings in accordance with section § 200.513(a)(3)(vii). Such reliance does not eliminate the responsibility of the pass-through entity to issue subawards that conform to agency and award-specific requirements, to manage risk through ongoing subaward monitoring, and to monitor the status of the findings that are specifically related to the subaward.

(e) Depending upon the pass-through entity's assessment of risk posed by the subrecipient (as described in paragraph (b) of this section), the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals:

- (1) Providing subrecipients with training and technical assistance on program-related matters; and
- (2) Performing on-site reviews of the subrecipient's program operations;
- (3) Arranging for agreed-upon-procedures engagements as described in § 200.425.

(f) Verify that every subrecipient is audited as required by Subpart F of this part when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in § 200.501.

(g) Consider whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the pass-through entity's own records.

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION  
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(Continued)

(h) Consider taking enforcement action against noncompliant subrecipients as described in § 200.339 of this part and in program regulations."

*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 noncompliance. As a result, the School Corporation did not properly evaluate the subrecipients risk of noncompliance or adequately monitor the subrecipients.

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, including segregation of duties, to evaluate the subrecipients risk of noncompliance and adequately monitor the subrecipients. Additionally, policies and procedures should be implemented to ensure appropriate reviews, approvals, and oversight are taking place, as needed, to evaluate and monitor its subrecipients.

*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.

# *West Lafayette Community School Corporation*

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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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

**Fiscal year in which the finding initially occurred:** 2020

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

**Finding Subject:** Financial Transactions and Reporting

**Summary of Finding:** Material Weakness, Noncompliance

There were deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. The School Corporation had not established a system of internal control or separated incompatible activities related to cash and investments and financial close and reporting.

### **Status of Audit Finding:**

Fully Corrected and the original corrective action was implemented for this audit period.

### **Response Comments:**

N/A

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## CORRECTIVE ACTION PLAN

### **FINDING 2023-001**

#### **Finding Subject: Special Education Cluster (IDEA) - Earmarking**

##### **Summary of Finding:**

The School Corporation did not have internal controls in place to ensure that the Greater Lafayette Area Special Services Cooperative complied with the earmarking requirements. The Cooperative did not have adequate procedures in place to ensure that the required level of expenditures for non-public school students with disabilities was met for each member school. The Cooperative did not have effective internal controls to ensure non-public school expenditures were appropriately identified and reported.

##### **Contact Person Responsible for Corrective Action:**

Lissa Stranahan, GLASS Director and Michelle Cronk, CFO of West Lafayette Schools

##### **Contact Phone Number and Email Address:**

Lissa Stranahan	Michelle Cronk
765-771-6013	765-746-1602
lstranahan@lsc.k12.in.us	cronkm@wl.k12.in.us

##### **Views of Responsible Officials:**

We concur with the finding for earmarking. GLASS did not have adequate procedures in place to ensure that the required level of expenditures for non-public school students with disabilities was met for each member school. The Cooperative did not have effective internal controls to ensure non-public school expenditures were appropriately identified and reported. The methodology used by the Cooperative to monitor non-public proportionate share expenditures was based upon a percentage for each school corporation that comprises the Cooperative rather than basing the expenditures off of the grant award for each non-public school within the geographical boundaries of the school corporations. While all proportionate share funds were expended, it was problematic in determining if the minimum amount per the grant awards was expended and properly reported prior to July 1, 2023.

##### **Description of Corrective Action Plan:**

The former Director of GLASS retired June 30, 2023. Upon hire on July 1, 2023, the new director immediately implemented measures to correct the previous methodology used at GLASS. Non-public proportionate share funds are identified and reported based upon the grant award for each school corporation. The expenditures are based upon the geographical location of the non-public school and the corresponding public school corporation, not based upon the “home” school corporation of the student. The school corporation will review the methodology used to calculate non-public proportionate share on the grant applications to ensure that the correct methodology is used.

##### **Anticipated Completion Date:**

The corrective action was already put into place on July 1, 2023. The audit finding reflects the previous grant cycle prior to the action taken.

**FINDING 2023-002**

**Finding Subject: COVID-19 – Education Stabilization Fund – Subrecipient Monitoring**

**Summary of Finding:**

The School Corporation received and passed through to subrecipients \$495,386 of ESF funds. The School Corporation is to clearly identify the award and applicable requirements to the subrecipients, evaluate the risk of noncompliance related to the subrecipients to determine appropriate monitoring of the subaward, and monitor the activities of the subrecipients to ensure that the subaward is used for authorized purposes, complies with the terms and conditions of the subaward, and achieves performance goals.

**Contact Person Responsible for Corrective Action:**

Dr. Judi Hendrix, Director of WVEC and Michelle Cronk, CFO of West Lafayette Schools

**Contact Phone Number and Email Address:**

Dr. Judi Hendrix	Michelle Cronk
765-894-0333	765-746-1602
judi.hendrix@esc5.k12.in.us	cronkm@wl.k12.in.us

**Views of Responsible Officials:**

We concur with the finding regarding the informing and monitoring of subrecipients for federal grants.

**Description of Corrective Action Plan:**

We concur with the findings from the State Audit regarding the 3E grants funds; 2023-002. Our Corrective Action Plan would consist of the following:

- Before ESF funds are dispersed to school districts (subrecipients), the WVEC Grant Director will ask districts for proper documentation such as receipts, college entrance letters, staff documented timesheets to support their request for funding.
- The WVEC Grant Director will monitor the activities of the subrecipients to ensure that the financial subaward is used for authorized purposes, complies with the terms and conditions of the subaward, and achieves performance goals of the grant.
- Once the school district's information and documentation is received and approved, grant funding will be dispersed. Both the Service Center Executive Director and WVEC Grant Manager will approve and sign off on any payment made to a subrecipient.
- On a biannual basis (periods ending June 30 and December 31), West Lafayette School Corporation will request the monitoring documentation from WVEC to ensure that proper monitoring is taking place.

The WVEC Grant Director will create a sub-grantee reporting procedure:

- Monthly spreadsheet with district allowable expense and sign off by Grant Manager, WVEC Executive Director and WVEC Treasurer approval.
- This will take place every pay period to monitor the disbursement of any federal funds and to ensure that they are used for allowable expenditures under the grant.
- This monitoring will begin in the month of March 2024 and continue until the end of the grant or Final Report, December 31, 2024. This procedure will also be used for other federal grants received.
- On a biannual basis (periods ending June 30 and December 31), West Lafayette School Corporation will request the monitoring documentation from WVEC to ensure that proper monitoring is taking place.

**Anticipated Completion Date:**

Monthly monitoring will begin promptly (March 2024) and end with the final report of 3E grant activities on December 31, 2024.

## OTHER REPORTS

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