

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

NORTH ADAMS COMMUNITY SCHOOLS

ADAMS COUNTY, INDIANA

July 1, 2021 to June 30, 2023



**FILED**

03/08/2024



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance with <i>Government Auditing Standards</i> .....	3-4
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance .....	5-8
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards .....	10-11
Notes to Schedule of Expenditures of Federal Awards.....	12
Schedule of Findings and Questioned Costs.....	13-22
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings.....	24-26
Corrective Action Plan .....	27-30
Other Reports.....	31

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Beth A. Quinn	07-01-21 to 06-30-24
Superintendent of Schools	Kimberly G. Hiatt	07-01-21 to 06-30-24
President of the School Board	Stacey L. Bussel	07-01-21 to 06-30-24



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

TO: THE OFFICIALS OF THE NORTH ADAMS COMMUNITY SCHOOLS, ADAMS 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 North Adams Community Schools (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 27, 2024, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

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

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, as described in the accompanying Schedule of Findings and Questioned Costs as items 2023-001 and 2023-002, that we consider to be material weaknesses.

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

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

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

***North Adams Community Schools' 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 27, 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 NORTH ADAMS COMMUNITY SCHOOLS, ADAMS COUNTY, INDIANA

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

***Qualified and Unmodified Opinions***

We have audited the North Adams Community Schools' (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 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.

**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)

*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 84.425D and 84.425U COVID-19 - Education Stabilization Fund, as described in items 2023-003 for Equipment and Real Property Management and 2023-004 for Special Tests and Provisions - Wage Rate Requirements. Compliance with such requirements 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 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**

*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 2023-003 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 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.

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 27, 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 27, 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.

NORTH ADAMS COMMUNITY SCHOOLS  
 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 21-22	\$ -	\$ 191,132	\$ -	\$ -
			FY 22-23	-	-	-	193,549
				<u>-</u>	<u>191,132</u>	<u>-</u>	<u>193,549</u>
Total - School Breakfast Program							
National School Lunch Program							
	Indiana Department of Education	10.555					
			FY 21-22	-	881,591	-	-
			FY 22-23	-	-	-	86,412
			FY 22-23	-	-	-	708,099
			FY 21-22	-	129,778	-	-
			FY 22-23	-	-	-	85,140
				<u>-</u>	<u>1,011,369</u>	<u>-</u>	<u>879,651</u>
Total - National School Lunch Program							
Summer Food Service Program For Children							
	Indiana Department of Education	10.559					
			FY 21-22	-	57,043	-	-
			FY 22-23	-	-	-	16,311
				<u>-</u>	<u>57,043</u>	<u>-</u>	<u>16,311</u>
Total - Summer Food Service Program For Children							
Total - Child Nutrition Cluster							
Total - Department of Agriculture							
<b>Department of Education</b>							
Special Education Cluster (IDEA)							
Special Education Grants To States							
	Indiana Department of Education	84.027					
			19611-001-PN01	-	3	-	-
			20611-001-PN01	-	49,048	-	-
			21611-001-PN01	-	484,898	-	49,058
			22611-001-PN01	-	10,661	-	486,545
			23611-001-PN01	-	-	-	1,522
				<u>-</u>	<u>544,610</u>	<u>-</u>	<u>537,125</u>
Subtotal - Special Education Grants To States							
COVID-19 - Special Education Grants to States							
	Indiana Department of Education	84.027X	22611-001-ARP	-	5,666	-	94,175
Total - Special Education Grants To States							
Special Education Preschool Grants							
	Indiana Department of Education	84.173					
			21619-001-PN1	-	6,866	-	-
			22619-001-PN1	-	19,766	-	-
			22619-001-PN1	-	-	-	5,041
				<u>-</u>	<u>26,632</u>	<u>-</u>	<u>5,041</u>
Subtotal - Special Education Preschool Grants							
COVID-19 - Special Education Preschool Grants							
	Indiana Department of Education	84.173X	22619-001-ARP	-	-	-	8,688
Total - Special Education Preschool Grants							
Total - Special Education Cluster (IDEA)							
Title I Grants to Local Educational Agencies							
	Indiana Department of Education	84.010					
			S010A220014	-	-	-	170,789

NORTH ADAMS COMMUNITY SCHOOLS  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2022 and 2023

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-22	Total Federal Awards Expended 06-30-22	Passed Through to Subrecipient 06-30-23	Total Federal Awards Expended 06-30-23
Title I Grants to Local Educational Agencies			S010A200014	-	65,709	-	-
Title I Grants to Local Educational Agencies			S010A210014	-	-	-	293,155
<b>Total - Title I Grants to Local Educational Agencies</b>				<b>-</b>	<b>65,709</b>	<b>-</b>	<b>463,944</b>
Career and Technical Education - Basic Grants to States	Bluffton-Harrison MSD	84.048					
Career and Technical Education - Basic Grants to States			FY 21-22	-	10,372	-	-
Career and Technical Education - Basic Grants to States			FY 22-23	-	-	-	21,745
<b>Total - Career and Technical Education - Basic Grants to States</b>				<b>-</b>	<b>10,372</b>	<b>-</b>	<b>21,745</b>
Education for Homeless Children and Youth	Indiana Department of Education	84.196					
Education for Homeless Children and Youth			7000S196A210015	-	-	-	19,215
<b>Total - Education for Homeless Children and Youth</b>				<b>-</b>	<b>-</b>	<b>-</b>	<b>19,215</b>
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	Indiana Department of Education	84.367					
Supporting Effective Instruction State Grants			S367A200013	-	43,240	-	4,730
Supporting Effective Instruction State Grants			S367A200013	-	12,325	-	-
Supporting Effective Instruction State Grants			S367A200013	-	-	-	44,229
Supporting Effective Instruction State Grants			S367A210013	-	-	-	7,871
Supporting Effective Instruction State Grants			S367A220013	-	-	-	1,632
<b>Total - Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)</b>				<b>-</b>	<b>55,565</b>	<b>-</b>	<b>58,462</b>
Student Support and Academic Enrichment Program	Indiana Department of Education	84.424					
Student Support and Academic Enrichment Program			S424A190015	-	984	-	566
Student Support and Academic Enrichment Program			S424A200015	-	5,664	-	-
Student Support and Academic Enrichment Program			S424A210015	-	-	-	18,365
Student Support and Academic Enrichment Program			S424A220015	-	-	-	831
<b>Total - Student Support and Academic Enrichment Program</b>				<b>-</b>	<b>6,648</b>	<b>-</b>	<b>19,762</b>
COVID-19 - Education Stabilization Fund	Indiana Department of Education	84.425					
COVID-19 - Education Stabilization Fund		84.425D	S425D200013	-	193,346	-	-
COVID-19 - Education Stabilization Fund		84.425D	S425D200013	-	-	-	10,882
COVID-19 - Education Stabilization Fund		84.425D	S425D210013	-	765,144	-	-
COVID-19 - Education Stabilization Fund		84.425U	S425U210013	-	538,811	-	-
COVID-19 - Education Stabilization Fund		84.425U	S425U210013	-	-	-	1,682,404
<b>Total - COVID-19 - Education Stabilization Fund</b>				<b>-</b>	<b>1,497,301</b>	<b>-</b>	<b>1,693,286</b>
<b>Total - Department of Education</b>				<b>-</b>	<b>2,212,503</b>	<b>-</b>	<b>2,921,443</b>
<b>Department of Health and Human Services</b>							
Medicaid Cluster	Indiana Department of Education	93.778					
Medical Assistance Program			FMAP FY22	-	26,908	-	-
Medical Assistance Program			FMAP FY23	-	-	-	60,945
<b>Total - Medical Assistance Program</b>				<b>-</b>	<b>26,908</b>	<b>-</b>	<b>60,945</b>
<b>Total - Medicaid Cluster</b>				<b>-</b>	<b>26,908</b>	<b>-</b>	<b>60,945</b>
<b>Total - Department of Health and Human Services</b>				<b>-</b>	<b>26,908</b>	<b>-</b>	<b>60,945</b>
<b>Total federal awards expended</b>				<b>\$ -</b>	<b>\$ 3,498,955</b>	<b>\$ -</b>	<b>\$ 4,071,899</b>

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

NORTH ADAMS COMMUNITY SCHOOLS  
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. Adams-Wells Special Services Cooperative**

The School Corporation is a member of the Adams-Wells Special Services Cooperative and serves as the fiscal agent. As a result, some of the activity for the Special Education Cluster (IDEA) that is presented as receipts and disbursements in the financial statement is not presented on the SEFA for the School Corporation. This activity is reported on the SEFAs of the member school corporations as appropriate.

NORTH ADAMS COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

Financial Statement:

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

Federal Awards:

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

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

Assistance Listings Number	Name of Federal Program or Cluster	Opinion Issued
84.425	Child Nutrition Cluster COVID-19 - Education Stabilization Fund	Unmodified 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 Finding: Material Weakness, Noncompliance

*Repeat Finding*

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

*Condition and Context*

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

NORTH ADAMS COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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

The School Corporation failed to properly review the federal grant information prepared and submitted in Gateway. Although the Business Manager prepared and entered the federal award information into Gateway, and the Superintendent of Schools and the Director of Learning reviewed and approved the information entered, the internal control was not effective and did not detect or allow for correction of errors prior to submission.

Due to the lack of effective internal controls, the SEFA presented for audit included six grants with individually immaterial errors, which resulted in misstatements of expenditures of \$445,057, in total.

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

*Criteria*

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

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner as set forth in the uniform compliance guidelines. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3-8.7](#)."

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.1 states in part:

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

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

2 CFR 200.508 states in part:

"The auditee must: . . .

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

NORTH ADAMS COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

2 CFR 200.510(b) states:

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

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

The 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. . . .

NORTH ADAMS COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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 a 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.

**FINDING 2023-002**

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

*Condition and Context*

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

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

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

1. Bank to bank transfers were included in the AFR receipts and disbursements, which overstated receipts and disbursements by \$480,983 for fiscal year 2022-2023.
2. Construction fund receipts and disbursements included investment activity of a certificate of deposit purchase, which overstated receipts and disbursements by \$2,000,000, respectively, for 2022-2023.
3. A receipt of \$357,018 was incorrectly recorded into the School Lunch fund for 2022-2023. The receipt should have been recorded in the Prepaid School Lunch Accounts fund.
4. Transfers in and transfers out reported on the Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis did not agree on the AFR for 2021-2022 and 2022-2023.
5. Receipts and disbursements contained multiple miscoded entries which incorrectly classified receipts and disbursements for 2021-2022 and 2022-2023.

NORTH ADAMS COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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

*Criteria*

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

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner as set forth in the uniform compliance guidelines. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3-8.7](#)."

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

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

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

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

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

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

*Cause*

Management of the School Corporation had not established an effective system of internal controls that would have ensured proper reporting of the financial statement.

*Effect*

Without an effective system of internal controls that operated effectively, material misstatements of the financial statement remained undetected. The financial statement contained the errors identified in the *Condition and Context*.

NORTH ADAMS COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Views of Responsible Officials*

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

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

**FINDING 2023-003**

Subject: COVID-19 - Education Stabilization Fund - Equipment and Real Property Management  
Federal Agency: Department of Education  
Federal Program: COVID-19 - Education Stabilization Fund  
Assistance Listings Number: 84.425U  
Federal Award Number: S425U210013  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Equipment and Real Property Management  
Audit Findings: Material Weakness, Modified Opinion

*Condition and Context*

A property record or capital asset listing which would include a description of the property, a serial number or other identification number, the source of funding for the property (including the federal award identification number (FAIN)), who holds title, the acquisition date, cost of the property, percentage of federal participation in the project costs for the federal award under which the property was acquired, the location, and use and condition of the property is to be maintained for assets purchased that exceed the School Corporation's capitalization threshold.

The School Corporation purchased the following items during the audit period: an HVAC system in the amount of \$1,420,440; paving for a traffic improvement project in the amount of \$1,069,051; and a dehumidification unit for the pool in the amount of \$328,076. The dehumidification unit for the pool was added to the capital asset listing; however, the source of the funding, who holds title, percentage of federal participation in the project costs for the federal award, and the condition of property were not noted. The HVAC system and the traffic improvement project were not included on the asset listing.

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). . . ."

NORTH ADAMS COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

2 CFR 200.313(d)(1) states:

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

*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, assets purchased with federal dollars were not properly added to the School Corporation's asset listing. In addition, the one asset added did not have all the required elements.

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

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

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

*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: 84.425U  
Federal Award Number: S425U210013  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Special Tests and Provisions - Wage Rate Requirements  
Audit Findings: Material Weakness, Modified Opinion

NORTH ADAMS COMMUNITY SCHOOLS  
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 complies 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. The School Corporation entered into two contracts during the audit period. Both contracts were selected for testing. One contract included the cost of installation for a HVAC system in the amount of \$443,020. This contract contained the required wage rate clause. Another contract for paving related to a traffic improvement project contained labor costs in the amount of \$1,116,335. This contract did not contain the required wage rate clause. Certified payrolls and a statement of compliance for each week in which contract work was performed were not collected by the School Corporation for either project.

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

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

29 CFR 5.5 states in part:

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

(1) *Minimum wages.*

NORTH ADAMS COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

(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.* . . .

(ii)

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

2 CFR 200 Appendix II states in part:

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

(D) Davis-Bacon Act, as amended (40 U.S.C 3141-3148). When required by Federal program legislations, 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, contracts must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in 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.

*Effect*

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

NORTH ADAMS COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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.

*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.

# NORTH ADAMS COMMUNITY SCHOOLS

GOOD AT LEARNING.



GOOD AT LIFE.

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDINGS 2021-001 and 2019-001

Fiscal year in which the finding initially occurred: 2011-2013

Current Audit Period: 2021-2023

Finding Subject:

SEFA Internal Controls

Summary of Finding:

The SEFA did contain controls, however there were errors that resulted in misstatements of expenses and reimbursements, program names, pass-through entities and identifying numbers.

Status of Audit Finding:

Partially corrected program names, pass-through entities and identifying numbers. The Treasurer, Superintendent and Director of Learning combined their efforts in providing correct information.

Response Comments:

Continuing to work with Food Service Director in identifying federal funding. The reviewers will look closer at supporting documentation when finalizing the SEFA to ensure dollar amounts reported are correct.

260.724.7146

625 STADIUM DRIVE, DECATUR, IN 46733

[WWW.NADAMS.K12.IN.US](http://WWW.NADAMS.K12.IN.US)

# NORTH ADAMS COMMUNITY SCHOOLS

GOOD AT LEARNING.



GOOD AT LIFE.

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### FINDING 2021-002

Fiscal year in which the finding initially occurred: 2019-2021

Current Audit Period: 2021-2023

Finding Subject: Child Nutrition Cluster - Suspension and Debarment

#### Summary of Finding:

An effective system of internal control was not in place at the School Corporation related to Region 8 Educational Service Center.

#### Status of Audit Finding:

Fully Corrected but the corrective action plan was different than the submitted corrective action plan. Price comparisons were submitted for expenses by the Food Service Program.

#### Response Comments:

The prior corrective action plan stated that Region 8 would have procedures in place to make sure that they had signed debarment forms for every year, but our Food Service Director compiled various quotes from other vendors which took the place of Region 8's procedure changes.

260.724.7146

625 STADIUM DRIVE, DECATUR, IN 46733

[WWW.NADAMS.K12.IN.US](http://WWW.NADAMS.K12.IN.US)

# NORTH ADAMS COMMUNITY SCHOOLS

GOOD AT LEARNING.



GOOD AT LIFE.

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### FINDING 2021-003

Fiscal year in which the finding initially occurred: 2019-2021

Current Audit Period: 2021-2023

Finding Subject: Child Nutrition Cluster - Program Income

#### Summary of Finding:

Food Service lacked proper documentation for monthly transfers.

#### Status of Audit Finding:

Fully corrected and the original corrective action plan was implemented by including more detailed information sales report that shows daily sales for the month and that is where the transfer amount comes from.

#### Response Comments:

260.724.7146

625 STADIUM DRIVE, DECATUR, IN 46733

[WWW.NADAMS.K12.IN.US](http://WWW.NADAMS.K12.IN.US)

# NORTH ADAMS COMMUNITY SCHOOLS

GOOD AT LEARNING.



GOOD AT LIFE.

## CORRECTIVE ACTION PLAN

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

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

**Summary of Finding: Internal Controls were not effective in preparing the Schedule of Federal Awards which caused errors to be entered into Gateway.**

**Contact Person Responsible for Corrective Action: Beth Quinn**

Contact Phone Number and Email Address: 260-728-3306

quinnb@nadams.k12.in.us

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

We concur with the finding.

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

We will continue to work with the Food Service Director in identifying the Federal Funds. The Business Manager has login in access as well as the Food Service Director to gather this information. We will continue to improve the data that is entered into Gateway by enlisting the help of the Deputy Treasurer in gathering the information. We will have the Director of Learning and Superintendent give final approval on all information that is entered, with them comparing what is entered to the supporting documentation.

### **Anticipated Completion Date:**

July 31, 2024

260.724.7146

625 STADIUM DRIVE, DECATUR, IN 46733

[WWW.NADAMS.K12.IN.US](http://WWW.NADAMS.K12.IN.US)

# NORTH ADAMS COMMUNITY SCHOOLS

GOOD AT LEARNING.



GOOD AT LIFE.

## CORRECTIVE ACTION PLAN

### ***FINDING 2023-002***

#### **Finding Subject: Financial Transactions and Reporting**

**Summary of Finding: Internal Controls were not effective in preparing the Financial Statement which caused errors to be entered into Gateway.**

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

Contact Phone Number and Email Address: 260-728-3306  
quinnb@nadams.k12.in.us

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

We concur with the finding.

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

We will continue to improve the data that is entered into Gateway by enlisting the help of the Deputy Treasurer in gathering the information. We will have the Director of Learning and Superintendent give final approval on all information that is entered, with them comparing what is entered to the supporting documentation.

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

July 31, 2024

---

260.724.7146  
625 STADIUM DRIVE, DECATUR, IN 46733  
[WWW.NADAMS.K12.IN.US](http://WWW.NADAMS.K12.IN.US)

# NORTH ADAMS COMMUNITY SCHOOLS

GOOD AT LEARNING.



GOOD AT LIFE.

## CORRECTIVE ACTION PLAN

### ***FINDING 2023-003***

**Finding Subject: Covid 19-Education Stabilization Fund-Equipment and Real Property Management**

**Summary of Finding: Capital Asset purchased with ESSER funds were not added to the Capital Asset listing.**

**Contact Person Responsible for Corrective Action: Beth Quinn**

Contact Phone Number and Email Address: 260-728-3306

quinnb@nadams.k12.in.us

**Views of Responsible Officials:**

We concur with the finding.

**Description of Corrective Action Plan:**

Ensure that all purchased items over the capital asset threshold are added to the listing and other information required per federal guidelines. Have the District Library Coordinator sign off on Capital Asset entries in Destiny.

**Anticipated Completion Date:**

July 31, 2024

---

260.724.7146  
625 STADIUM DRIVE, DECATUR, IN 46733  
[WWW.NADAMS.K12.IN.US](http://WWW.NADAMS.K12.IN.US)

# NORTH ADAMS COMMUNITY SCHOOLS

GOOD AT LEARNING.



GOOD AT LIFE.

## CORRECTIVE ACTION PLAN

### ***FINDING 2023-004***

#### **Finding Subject: Covid-19 Education Stabilization Fund-Special Tests and Provisions-Wage Rate Requirements**

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

School Corporation did not ensure the compliance related to the Wage Rates and did not provide them on a weekly basis.

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

Contact Phone Number and Email Address: 260-728-3306

quinnb@nadams.k12.in.us

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

We concur with the finding.

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

Future Federally funded projects will follow the wage regulations outlined in the Davis-Bacon Act. The Director of Learning will collect required documentation and the Director of Facilities will sign off and ensure correct wages were paid.

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

July 31, 2024

---

260.724.7146  
625 STADIUM DRIVE, DECATUR, IN 46733  
[WWW.NADAMS.K12.IN.US](http://WWW.NADAMS.K12.IN.US)

## 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/>.