

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

RIVER FOREST COMMUNITY SCHOOL CORPORATION

LAKE COUNTY, INDIANA

July 1, 2021 to June 30, 2023



FILED
03/05/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Samantha Berrier	07-01-21 to 06-30-24
Superintendent of Schools	Dr. Steven C. Disney, Jr. Kevin Trezak	07-01-21 to 04-18-22 04-19-22 to 06-30-24
President of the School Board	Steve Kissel	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 RIVER FOREST COMMUNITY
SCHOOL CORPORATION, LAKE COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the River Forest Community School Corporation (School Corporation), for the period of July 1, 2021 to June 30, 2023, and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement and have issued our report thereon dated February 21, 2024, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 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 21, 2024



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

TO: THE OFFICIALS OF THE RIVER FOREST COMMUNITY SCHOOL CORPORATION, LAKE COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the River Forest 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.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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)

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 item 2023-001, to be significant deficiencies.

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.

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

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

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

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

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

We have audited the financial statement of the School Corporation, as of and for the period of July 1, 2021 to June 30, 2023, and the related notes to the financial statement. We issued our report thereon dated February 21, 2024, which contained a dual opinion on the financial statement. An adverse opinion was issued regarding the presentation in accordance with accounting principles generally accepted in the United States of America, and an unmodified opinion was issued regarding the presentation in accordance with the regulatory basis of accounting. Our audit was performed for the purpose of forming an opinion on the financial statement as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for the purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement as a whole.



Beth Kelley, CPA, CFE
Deputy State Examiner

February 21, 2024

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-22	Total Federal Awards Expended 06-30-22	Passed Through to Subrecipient 06-30-23	Total Federal Awards Expended 06-30-23
Department of Agriculture							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
School Breakfast Program			FY 21-22	\$ -	\$ 151,965	\$ -	\$ -
School Breakfast Program			FY 22-23	-	-	-	239,498
Total - School Breakfast Program				-	151,965	-	239,498
National School Lunch Program							
National School Lunch Program	Indiana Department of Education	10.555					
National School Lunch Program			FY 21-22	-	685,808	-	-
National School Lunch Program			FY 22-23	-	-	-	920,017
After School Snack Program			FY 22-23	-	-	-	9,596
Commodities			FY 22-23	-	-	-	61,647
Supply Chain Assistance Funds			FY2022-2023	-	-	-	86,459
Subtotal - National School Lunch Program				-	685,808	-	1,077,719
COVID-19 - National School Lunch Program							
SNP Emergency Funds	Indiana Department of Education	10.555					
			FY2022-2023	-	26,544	-	-
Total - National School Lunch Program				-	712,352	-	1,077,719
Summer Food Service Program for Children							
Summer Food Service Program for Children	Indiana Department of Education	10.559					
			FY 21-22	-	146,714	-	-
Total - Child Nutrition Cluster				-	1,011,031	-	1,317,217
Pandemic EBT Administrative Costs							
Pandemic EBT Administrative Costs		10.649					
Pandemic EBT Administrative Costs			2021-2022	-	3,063	-	-
Pandemic EBT Administrative Costs			2022-2023	-	-	-	628
Total - Pandemic EBT Administrative Costs				-	3,063	-	628
Total - Department of Agriculture				-	1,014,094	-	1,317,845
Federal Communications Commission							
Emergency Connectivity Fund Program	Direct Grant	32.009					
Emergency Connectivity Fund Program			130306	-	260,000	-	-
Total - Federal Communications Commission				-	260,000	-	-
Department of Education							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
Special Education Grants to States			20611-043-PN01	-	3,095	-	-
Special Education Grants to States			21611-043-PN01	-	94,592	-	-
Special Education Grants to States			22611-043-PN01	-	-	-	64,348
Special Education Grants to States			22611-043-ARP	-	34,548	-	-
Special Education Grants to States			22611-043-PN01	-	334,806	-	-
Special Education Grants to States			23611-043-PN01	-	-	-	268,116
Subtotal - Special Education Grants to States				-	467,041	-	332,464
COVID-19 - Special Education Grants to States							
Special Education Grants to States ARP	Indiana Department of Education	84.027					
			22611-043-ARP	-	-	-	46,073
Total - Special Education Grants to States				-	467,041	-	378,537

RIVER FOREST 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
Special Education Preschool Grants	Indiana Department of Education	84.173					
Special Education Preschool Grants			21619-43-PN01	-	4,010	-	-
Special Education Preschool Grants			22619-43-PN01	-	2,500	-	-
Special Education Preschool Grants			22619-043-PN01	-	-	-	4,297
Special Education Preschool Grants			23619-043-PN01	-	-	-	10,371
Subtotal - Special Education Preschool Grants				-	6,510	-	14,668
COVID-19 - Special Education Preschool Grants	Indiana Department of Education	84.173					
Special Education Preschool Grants ARP			22619-043-ARP	-	9,521	-	4,347
Total - Special Education Preschool Grants				-	16,031	-	19,015
Total - Special Education Cluster (IDEA)				-	483,072	-	397,552
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I Grants to Local Educational Agencies			S010A190014	-	454	-	-
Title I Grants to Local Educational Agencies			S010A200014	-	385,890	-	-
Title I Grants to Local Educational Agencies			S010A210014	-	-	-	668,486
Title I Grants to Local Educational Agencies			S010A220014	-	-	-	453,354
Total - Title I Grants to Local Educational Agencies				-	386,344	-	1,121,840
English Language Acquisition State Grants	Indiana Department of Education	84.365					
English Language Acquisition State Grants			01120-040-PN01	-	11,526	-	10,657
English Language Acquisition State Grants			01121-040-PN01	-	-	-	13,413
Total - English Language Acquisition State Grants				-	11,526	-	24,070
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	Indiana Department of Education	84.367					
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)			S367A200013	-	50,518	-	-
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)			S367A210013	-	-	-	73,460
Total - Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)				-	50,518	-	73,460
Student Support and Academic Enrichment Program	Indiana Department of Education	84.424					
Student Support and Academic Enrichment Program			S424A200015	-	81,198	-	44,061
COVID-19 - Education Stabilization Fund	Indiana Department of Education	84.425					
Education Stabilization Fund		84.425C	S425C200018	-	53,455	-	-
Education Stabilization Fund		84.425D	S425D200013	-	324,522	-	191,583
Education Stabilization Fund		84.425D	S425D210013	-	542,236	-	-
Education Stabilization Fund		84.425U	S425U200013	-	118,136	-	-
Education Stabilization Fund		84.425U	S425U210013	-	-	-	3,723,375
Total - COVID-19 - Education Stabilization Fund				-	1,038,349	-	3,914,958
Total - Department of Education				-	2,051,007	-	5,575,941
Department of Health and Human Services							
Medicaid Cluster	Indiana Family and Social Services Administration	93.778					
Medical Assistance Program			FY 21-22	-	18,042	-	-
Medical Assistance Program			FY 22-23	-	-	-	46,423
Medical Assistance Program				-	-	-	-
Total - Medicaid Cluster				-	18,042	-	46,423
Total - Department of Health and Human Services				-	18,042	-	46,423
Total federal awards expended				\$	\$ 3,343,143	\$	\$ 6,940,209

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

RIVER FOREST 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. Special Education Cooperative

The School Corporation is a member of the Northwest Indiana Special Education Cooperative (Cooperative). 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 presented in the financial statement of the Cooperative's fiscal agent.

RIVER FOREST 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?	no
Significant deficiencies identified?	yes
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	yes

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

Assistance Listings Number	Name of Federal Program or Cluster	Opinion Issued
	Child Nutrition Cluster	Unmodified
	Special Education Cluster (IDEA)	Unmodified
84.010	Title I Grants to Local Educational Agencies	Unmodified
84.425	COVID-19 - Education Stabilization Fund	Unmodified

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

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

No matters are reportable.

RIVER FOREST COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

FINDING 2023-001

Subject: Child Nutrition Cluster - Eligibility
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
Assistance Listings Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY 22-23, FY2022-2023
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Eligibility
Audit Finding: Significant Deficiency

Condition and Context

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

Any child enrolled in a participating school who meets the applicable program's definition of "child," may receive meals under the applicable program. In the case of the National School Lunch Program and the School Breakfast Program, children belonging to households meeting nationwide income eligibility requirements may receive meals at no charge or at reduced price. Children who have been determined ineligible for free or reduced price school meals pay the full price, set by the School Food Authority, for their meals. Children attending SFSP meal service sites receive their meals at no charge. As a general rule, a child's eligibility for free or reduced price meals under a Child Nutrition Cluster program may be established by the submission of an annual application or statement which furnishes such information as family income and family size. Local educational agencies, institutions, and sponsors then determine eligibility by comparing the data reported by the child's household to published income eligibility guidelines. Additionally, a child may be direct certified. For a direct certification, annual eligibility determinations are based on the child's household receiving benefits under SNAP, FDPIR, the Head Start Program (ALN 93.600), or, under most circumstances, the TANF program (ALN 93.558). A household may furnish documentation of its participation in one of these programs; or the school, institution, or sponsor may obtain the information directly from the state or local agency that administers these programs. Certain foster, runaway, homeless, and migrant children are categorically eligible for free school lunches and breakfasts. Direct certified households do not need to complete an application.

The Food Service Director ran the direct certification report monthly and uploaded it to the school lunch point-of-sale system. After the initial upload of the direct certification report, the Food Service Director verified the information was imported correctly by randomly checking a few students' status in the point-of-sale system. This process continued monthly; however, there was no documentation of the subsequent reviews to ensure the upload had imported correctly and students' status was updated accordingly.

The lack of internal controls was isolated to direct certifications during the 2022-2023 school year.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

RIVER FOREST COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

Cause

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

Effect

Without the proper design or implementation of the components of a system of internal controls, including policies and procedures that provide segregation of duties and additional oversight as needed, the internal control system cannot be capable of effectively preventing, or detecting and correcting, material noncompliance.

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

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AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the School Corporation. The documents are presented as intended by the School Corporation.



River Forest Community School Corporation

3250 Michigan St, Hobart, IN 46342

Phone: (219)-962-2909 • Fax: (219) 962-4951

Business Office

Samantha Berrier, CFO · Marissa Tamietto, Deputy Treasurer · Cede Jahnke, Payroll Specialist

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2021-001

Fiscal year in which the finding initially occurred: 2019

Current Audit Period: 2021-2023

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

Summary of Finding:

The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. There was no documented, formal review of the FY20 SEFA before it was submitted to Gateway. The FY 21 SEFA was formally reviewed before the submission to Gateway.

Recommendations were made to establish and document a formal review over the SEFA to ensure amounts reported are accurate.

Status of Audit Finding:

Fully corrected and the original corrective action was implemented

Response Comments:

N/A



River Forest Community School Corporation

3250 Michigan St, Hobart, IN 46342

Phone: (219)-962-2909 • Fax: (219) 962-4951

Business Office

Samantha Berrier, CFO · Marissa Tamietto, Deputy Treasurer · Cede Jahnke, Payroll Specialist

FINDING 2021-002

Fiscal year in which the finding initially occurred: 2019

Current Audit Period: 2021-2023

Finding Subject: Financial Transactions

Summary of Finding:

There were several deficiencies in the internal control system of the School Corporation related to financial transactions. The School Corporation had not separated incompatible activities related to cash and investments, receipts, and payroll disbursements. Control activities should have been in place to reduce the risks of errors in financial reporting. This related to Cash and Investments, Receipts, and Payroll Disbursements.

Recommendations were made to establish proper internal control systems over cash and investments, receipts and payroll disbursements.

Status of Audit Finding:

Fully corrected and the original corrective action was implemented

Response Comments:

N/A



River Forest Community School Corporation

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Business Office

Samantha Berrier, CFO · Marissa Tamietto, Deputy Treasurer · Cede Jahnke, Payroll Specialist

FINDING 2021-003

Fiscal year in which the finding initially occurred: 2019

Current Audit Period: 2021-2023

Finding Subject: Child Nutrition Cluster – Internal Controls

Summary of Finding:

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the cash management compliance requirements. Three claims in a sample of four, prepared by the Food Service Director without a secondary, documented review to ensure the accuracy of the reimbursement claim.

Recommendations were made to establish a documented, secondary review of the reimbursement claims before they are submitted.

Status of Audit Finding:

Fully corrected and the original corrective action was implemented

Response Comments:

N/A



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FINDING 2021-004

Fiscal year in which the finding initially occurred: 2019

Current Audit Period: 2021-2023

Finding Subject: Child Nutrition Cluster – Program Income

Summary of Finding:

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

Program income for prepaid meals and a la carte meals sales are receipted in to the prepaid school lunch fund. On a monthly basis, the School Corporation is required to transfer the funds received for meals sold out of the prepaid accounts to the school lunch fund to recognize program income received. During the audit period, it was noted that the monthly transfer to recognized program income was not made between the months of March 2020 and November 2020. As of June 30, 2021 the missing transfers were not made. Additionally, the January and February 2021 transfers were not made until April 2021.

Recommendations were made to establish a formal review process to ensure that the required monthly transfers are made to recognize program income. Additionally, to make a transfer to recognize program income that was not previously recognized.

Status of Audit Finding:

Fully corrected and the original corrective action was implemented

Response Comments:

N/A



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FINDING 2021-005

Fiscal year in which the finding initially occurred: 2019

Current Audit Period: 2021-2023

Finding Subject: Child Nutrition Cluster – Internal Controls

Summary of Finding:

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the activities allowed or unallowed and allowable costs/cost principle compliance requirements. There was no secondary, documented review of the child nutrition cluster accounts payable vouchers. The vouchers were prepared by one individual without a documented review of the vouchers and underlying support.

Recommendations were made to establish a documented, secondary review of all child nutrition cluster account payable claims before they are paid.

Status of Audit Finding:

Fully corrected and the original corrective action was implemented

Response Comments:

N/A



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FINDING 2021-006

Fiscal year in which the finding initially occurred: 2019

Current Audit Period: 2021-2023

Finding Subject: Title I Grants to Local Educational Agencies – Internal Controls

Summary of Finding:

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the reporting compliance requirements. During the audit period there were two final expenditure reports required to be submitted. For 2019-2020 final expenditure report selected for testing, there was no documented, secondary review of the report.

Recommendations were made to establish a documented, secondary review of the final expenditure reports before they are submitted.

Status of Audit Finding:

Fully corrected and the original corrective action was implemented

Response Comments:

N/A



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FINDING 2021-007

Fiscal year in which the finding initially occurred: 2019

Current Audit Period: 2021-2023

Finding Subject: Title I Grants to Local Educational Agencies – Internal Controls

Summary of Finding:

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

During the audit period, the earmarking requirement for Parental Involvement was not met for the fiscal year 2019-2020 Title I grant, which ended during the audit period. There was \$2,122 disbursed parental involvement for the 2019-2020 grant. However, per the Title I application, the School Corporation was required to disburse \$6,011 for parental involvement for 2019-2020 grant. The earmarking requirement was properly met for the 2018-2019 Title I grant which ended during the audit period.

Recommendations were made to establish a formal process to ensure the School Corporation meets the earmarking requirement.

Status of Audit Finding:

Fully corrected and the original corrective action was implemented

Response Comments:

N/A



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FINDING 2021-008

Fiscal year in which the finding initially occurred: 2019

Current Audit Period: 2021-2023

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

Summary of Finding:

An effective internal control system, which would include segregation of duties, was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions – Assessment System Security compliance requirement.

The Corporation Test Coordinator did not have a control in place to ensure that all School Corporation staff that were required to take the training had done so. The lack of controls was isolated to the 2019-2020 school year.

Recommendations were made to establish a system of internal controls, including segregation of duties, related to the grant agreement and the Special Tests and Provisions – Assessment System Security compliance requirement.

Status of Audit Finding:

Fully corrected and the original corrective action was implemented

Response Comments:

N/A



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FINDING 2021-009

Fiscal year in which the finding initially occurred: 2019

Current Audit Period: 2021-2023

Finding Subject: Title I Grants to Local Educational Agencies – Internal Controls

Summary of Finding:

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the activities allowed or unallowed and allowable costs/cost principle compliance requirements.

There was no secondary, documented review of the Title I Grants to Local Educational Agencies accounts payable vouchers. The vouchers were prepared by one individual without a documented review of the vouchers and underlying support.

Recommendations were made to establish a documented, secondary review of all account payable claims before they are paid.

Status of Audit Finding:

Fully corrected and the original corrective action was implemented

Response Comments:

N/A



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CORRECTIVE ACTION PLAN

FINDING 2023-001

Finding Subject: Child Nutrition Cluster – Eligibility

Summary of Finding:

The Food Service Director was responsible for running the direct certification match report monthly from the Indiana Department of Education and uploading it to the school lunch point-of-sale system. The School Corporation did not have a proper system of oversight or review to ensure that all students on the direct certification match report were entered accurately into the point-of-sale system. We recommended that the School Corporation's management establish a system of internal control to ensure compliance and comply with the Eligibility compliance requirement

Contact Person Responsible for Corrective Action: Nick Alessandri

Contact Phone Number and Email Address: 219-962-7551

Views of Responsible Officials:

We concur with the finding.

Description of Corrective Action Plan:

River Forest Community School Corporation is now part of the Community Eligibility Provision (CEP) and therefore the direct certification process will no longer take place. In the event that we are no longer CEP and begin the direct certification process, we will implement a process of internal controls that ensure proper oversight and review to ensure all students are entered accurately into our point-of-sale system.

Anticipated Completion Date:

July 1, 2023

Per Uniform Guidance:

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

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

OTHER REPORTS

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