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

FEDERAL COMPLIANCE AUDIT REPORT

OF

CLOVERDALE COMMUNITY SCHOOL CORPORATION

PUTNAM COUNTY, INDIANA

July 1, 2021 to June 30, 2023

FILED
02/20/2024

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SCHEDULE OF OFFICIALS

Office	Official	Term
Treasurer	Mendy Shrout	07-01-21 to 06-30-24
Superintendent of Schools	Greg Linton	07-01-21 to 06-30-24
President of the School Board	Vivian Whitaker	07-01-21 to 06-30-24

STATE OF INDIANA
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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 CLOVERDALE COMMUNITY SCHOOL CORPORATION, PUTNAM 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 Cloverdale 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 12, 2024, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Report on Internal Control over Financial Reporting

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

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

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

Beth Kelley, CPA, CFE
Deputy State Examiner

February 12, 2024

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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 CLOVERDALE COMMUNITY SCHOOL CORPORATION, PUTNAM COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Cloverdale 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.

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. 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 item 2023-001, to be material weaknesses.

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

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

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

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 12, 2024, which contained a dual opinion on the financial statement. An adverse opinion was issued regarding the presentation in accordance with accounting principles generally accepted in the United States of America, and an unmodified opinion was issued regarding the presentation in accordance with the regulatory basis of accounting. Our audit was performed for the purpose of forming an opinion on the financial statement as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statement.

Beth Kelley

Beth Kelley, CPA, CFE
Deputy State Examiner

February 12, 2024

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

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CLOVERDALE 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 2021-2022	$ -	$ 86,746	$ -	$ -
School Breakfast Program			FY 2022-2023	-	-	-	115,294
Total - School Breakfast Program				-	86,746	-	115,294
National School Lunch Program	Indiana Department of Education	10.555					
Free Lunch Program			FY 2021-2022	-	475,110	-	-
Free Lunch Program			FY 2022-2023	-	-	-	551,714
After School Snack			FY 2021-2022	-	12,582	-	-
After School Snack			FY 2022-2023	-	-	-	16,361
Commodities			FY 2021-2022	-	74,141	-	-
Commodities			FY 2022-2023	-	-	-	50,305
Total - National School Lunch Program				-	561,833	-	618,380
Total - Child Nutrition Cluster				-	648,579	-	733,674
Child Nutrition Discretionary Grants Limited Availability	Indiana Department of Education	10.579					
Child Nutrition Discretionary Grants Limited Availability			FY 2022-2023	-	-	-	25,500
Pandemic EBT Administrative Costs	Indiana Department of Education	10.649					
Pandemic EBT Administrative Costs			FY 2021-2022	-	614	-	-
Pandemic EBT Administrative Costs			FY 2022-2023	-	-	-	628
Total - Pandemic EBT Administrative Costs				-	614	-	628
Total - Department of Agriculture				-	649,193	-	759,802
Department of Education							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
FY 2019 Federal Part B 611 Grant			19611-046-PN01	-	1,452	-	-
FY2020 Federal Part B 611 Grant			20611-044-PN01	-	6,976	-	-
FY2021 Federal Part B 611 Grant			21611-044-PN01	-	144,967	-	1,650
FY 2022 Federal Part B 611 Grant			22611-044-PN01	-	190,724	-	130,745
FY 2023 Federal Part B 611 Grant			23611-044-PN01	-	-	-	261,938
Subtotal - Special Education Grants to States				-	344,119	-	394,333

CLOVERDALE 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
COVID-19 - Special Education Grants to States	Indiana Department of Education	84.027X					
FY 2022 IDEA ARP 611 Grant			22611-044-ARP	-	4,175	-	26,772
Total - Special Education Grants to States				-	348,294	-	421,105
Special Education Preschool Grants	Indiana Department of Education	84.173					
FY 2019 Federal Preschool 619 Grant			19619-046-PN01	-	52	-	-
FY 2020 Federal Preschool 619 Grant			20619-044-PN01	-	10,510	-	-
FY2021 Federal Preschool 619 Grant			21619-044-PN01	-	103	-	10,310
FY 2022 Federal Preschool 619 Grant			22619-044-PN01	-	166	-	122
FY 2023 Federal Preschool 619 Grant			23619-044-PN01	-	-	-	326
Subtotal - Special Education Preschool Grants				-	10,831	-	10,758
COVID-19 - Special Education Preschool Grants	Indiana Department of Education	84.173X					
FY 2022 IDEA ARP 619 Grant			22619-044-ARP	-	-	-	3,773
Total - Special Education Preschool Grants				-	10,831	-	14,531
Total - Special Education Cluster (IDEA)				-	359,125	-	435,636
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I			FY2020-2021	-	54,443	-	-
Title I			FY2021-2022	-	228,697	-	31,447
Title I			FY2022-2023	-	-	-	213,024
Total - Title I Grants to Local Educational Agencies				-	283,140	-	244,471
Twenty-First Century Community Learning Centers	Indiana Department of Education	84.287					
CoHort 8			Cohort 8	-	53,844	-	-
CoHort 10 Year 1			S287C10014	-	189,283	-	1,144
CoHort 10 Year 1			S287C10014	-	-	-	190,428
Total - Twenty-First Century Community Learning Centers				-	243,127	-	191,572
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
Title IIa			FY 2019-2021	-	8,551	-	354
Title IIa			FY2020	-	25,782	-	7,222
Title IIa			FY2021-2023	-	8,917	-	30,738
Title IIa			FY2022	-	-	-	5,610
Total - Supporting Effective Instruction State Grants				-	43,250	-	43,924

CLOVERDALE 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
Student Support and Academic Enrichment Program	Indiana Department of Education	84.424					
Title IV Part A			S424A170015	-	17,036	-	-
Title IV Part A			S424A170015	-	-	-	15,941
Title IV Part A			S424A170015	-	-	-	3,756
Total - Student Support and Academic Enrichment Program				-	17,036	-	19,697
COVID-19 - Education Stabilization Fund	Indiana Department of Education	84.425					
Governors Emergency Relief Fund		84.425C	S425C200018	-	14,400	-	12,830
CARES Act		84.425D	S425D200013	-	788	-	-
Elementary and Secondary School Emergency Relief Fund II		84.425D	S425D200013	-	549,982	-	162,041
Elementary and Secondary School Emergency Relief Fund III		84.425U	S425U210013	-	458,779	-	348,194
Total - COVID-19 - Education Stabilization Fund				-	1,023,949	-	523,065
Total - Department of Education				-	1,969,627	-	1,458,365
Department of Health and Human Services							
Medicaid Cluster							
Medical Assistance Program	Indiana Family and Social Services Administration	93.778					
Medicaid IEP			FY 2022	-	54,627	-	-
Medicaid IEP			FY 2023	-	-	-	60,234
Total - Medical Assistance Program				-	54,627	-	60,234
Total - Medicaid Cluster				-	54,627	-	60,234
Total - Department of Health and Human Services				-	54,627	-	60,234
Department of Homeland Security							
COVID-19 - Disaster Grants-Public Assistance (Presidentially Declared Disasters)	Indiana Department of Homeland Security	97.036					
FEMA COVID 19 Ppe Project			FY 2021-2022	-	27,234	-	-
Total - COVID-19 - Disaster Grants-Public Assistance (Presidentially Declared Disasters)				-	27,234	-	-
Total - Department of Homeland Security				-	27,234	-	-
Total federal awards expended				$ -	$ 2,700,681	$ -	$ 2,278,401

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

CLOVERDALE 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. Old National Trail Special Services

The School Corporation is a member of the Old National Trail Special Services 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.

CLOVERDALE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

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

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

Assistance Listings Number	Name of Federal Program or Cluster	Opinion Issued
	Special Education Cluster (IDEA)	Unmodified
84.425	COVID-19 - Education Stabilization Fund	Unmodified

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

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

No matters are reportable.

Section III - Federal Award Findings and Questioned Costs

FINDING 2023-001

Subject: COVID-19 - Education Stabilization Fund - Internal Controls over Annual Data Report
Federal Agency: Department of Education
Federal Program: COVID-19 - Education Stabilization Fund
Assistance Listings Numbers: 84.425D, 84.425U
Federal Award Numbers and Years (or Other Identifying Numbers): S425D200013, S425U210013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Finding: Material Weakness

Condition and Context

The School Corporation had not properly designed or implemented a system of internal controls, which would include appropriate segregation of duties, that would likely be effective in preventing, or detecting and correcting, noncompliance. The School Corporation was required to submit annual data reports to the Indiana Department of Education via JotForm, a form/report builder. Data to be submitted included, but was not limited to, current period expenditures, prior period expenditures, and expenditures per activity.

During the audit period, the School Corporation submitted two ESSER I reports, two ESSER II reports, and two ESSER III reports, for a total of six reports. Although, the School Corporation's process for the annual data reports was for the Treasurer and the Director of Curriculum and Instruction to compile and prepare the reports, and the School Board to approve the reports prior to submission, there was no documented evidence of this review. As such, the reports were submitted by the Treasurer without an oversight or review process in place to prevent, or detect and correct, errors.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

Cause

A proper system of internal controls was not designed and 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 control, 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 are documented 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.

Cloverdale Community School Corporation

310 East Logan St. • Cloverdale, Indiana 46120 • (765) 795-4664 • (765) 795-5166 Fax

Greg Linton	Cathy Ames	Heather Stokes	Mendy Shrout	Sara Zaring
Superintendent	Curriculum Director	Executive Secretary	Treasurer	Deputy Treasurer

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

December 27, 2023

FINDING 2019-001- PREPARATION OF SEFA
FINDING 2021-001 – PREPARATION OF SEFA
FY2021
Current audit period: July 2021-June 2023

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

Summary of Finding: The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).

Status of Audit Finding: Corrected. Management is using the Federal Clearing House website to verify the fund title with the CFDA number. The Corporation Treasurer and Superintendent review and approve the financial data before it is submitted formally for the corporation. A copy of the SEFA is printed, signed by the Superintendent and retained for audit.

Response Comments: This was implemented with the SEFA for August 2023 following the end of audit in November 2022.

Cloverdale Community School Corporation

310 East Logan St. · Cloverdale, Indiana 46120 · (765) 795-4664 · (765) 795-5166 Fax

Greg Linton	*Cathy Ames*	*Heather Stokes*	*Mendy Shrout*	*Sara Zaring*
Superintendent	Curriculum Director	Executive Secretary	Treasurer	Deputy Treasurer

Finding 2021-002 – LATE ADR SUBMISSION TO IDOE
FY2021
Current audit period: July 2021 - June 2023

Summary of Finding: The annual data report for the period of March 13, 2020 to September 30, 2020 was due to the IDOE by January 21, 2021.

Status of Audit Finding: Corrected. Management has created a grant management timeline with deadline due dates.

Cloverdale Community School Corporation

310 East Logan St. • Cloverdale, Indiana 46120 • (765) 795-4664 • (765) 795-5166 Fax

Greg Linton	Cathy Ames	Heather Stokes	Mendy Shrout	Sara Zaring
Superintendent	Curriculum Director	Executive Secretary	Treasurer	Deputy Treasurer

CORRECTIVE ACTION PLAN

FINDING 2023-001

Finding Subject: Education Stabilization Fund – Internal Controls Over Annual Data Report
Summary of Finding:
Significant Deficiency; A failure to establish an effective internal control system creating a risk of noncompliance with the grant agreement and the reporting compliance requirement.

Contact Person Responsible for Corrective Action: Mendy Shrout
Contact Phone Number and Email Address: 765-795-4664 mshrout@cloverdale.k12.in.us

Views of Responsible Officials:
We concur with the finding.

Explanation and Reasons for Disagreement:
NA

Description of Corrective Action Plan:
Management has created a google doc to record the reviewed by and submitted by dates of the reporting. As well as including financial reports in respective report files.

Anticipated Completion Date:
Google doc was created February 5, 2024.

Per Uniform Guidance:
2 CFR § 200.511(a) – "The auditee is responsible for follow-up and corrective action on all audit findings. . .The auditee must also prepare a corrective action plan for current year audit findings. . . The corrective action plan and summary schedule of prior audit findings must include findings relating to the financial statements which are required to be reported in accordance with GAGAS. "
2 CFR § 200.511(c) – "At the completion of the audit, the auditee must prepare, in a document separate from the auditor's findings described in § 200.516, a corrective action plan to address each audit finding included in the current year auditor's reports. The corrective action plan must provide the name(s) of the contact person(s) responsible for corrective action, the corrective action planned, and the anticipated completion date. If the auditee does not agree with the audit findings or believes corrective action is not required, then the corrective action plan must include an explanation and specific reasons."

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/.