

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

SCHOOL CITY OF HAMMOND

LAKE COUNTY, INDIANA

July 1, 2021 to June 30, 2023



FILED

02/22/2024

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SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|----------------------------------|--------------------------------|--|
| Treasurer | Alesia Pritchett Eric Kurtz | 07-01-21 to 01-09-23 01-10-23 to 12-31-24 |
| Superintendent of Schools | Scott Miller | 07-01-21 to 12-31-24 |
| President of the School Board | John Czulno Lisa Miller | 07-01-21 to 12-31-22 01-01-23 to 12-31-24 |



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 SCHOOL CITY OF HAMMOND, 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 School City of Hammond (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 14, 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 14, 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 SCHOOL CITY OF HAMMOND, LAKE COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the School City of Hammond'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

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.

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

Our 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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 14, 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 14, 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.

SCHOOL CITY OF HAMMOND
 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 | \$ - | \$ 2,012,341 | \$ - | \$ - |
| School Breakfast Program | | | FY 22-23 | - | - | - | 2,029,554 |
| Total - School Breakfast Program | | | | - | 2,012,341 | - | 2,029,554 |
| National School Lunch Program | | | | | | | |
| School Lunch and Snack Program | Indiana Department of Education | 10.555 | | | | | |
| School Lunch and Snack Program | | | FY 2021-22 | - | 4,810,861 | - | - |
| Supply Chain Assistance | | | FY 2022-23 | - | - | - | 5,764,778 |
| Commodities | | | FY2021-22; FY2022-23 | - | 942,992 | - | 528,497 |
| Subtotal - National School Lunch Program | | | | - | 5,753,853 | - | 6,952,417 |
| COVID-19 - National School Lunch Program | | | | | | | |
| COVID 19 - SNP Emergency Funds | Indiana Department of Education | 10.555 | | | | | |
| | | | FY 2021-22 | - | 622,149 | - | - |
| Total - National School Lunch Program | | | | - | 6,376,002 | - | 6,952,417 |
| Summer Food Service Program for Children (SFSPC) | | | | | | | |
| Summer Food Service Program | Indiana Department of Education | 10.559 | | | | | |
| Summer Food Service Program | | | FY 2021-22 | - | 1,045,623 | - | - |
| | | | FY 2022-23 | - | - | - | 397,359 |
| Total - Summer Food Service Program for Children (SFSPC) | | | | - | 1,045,623 | - | 397,359 |
| Fresh Fruit and Vegetable Program | | | | | | | |
| Other | Indiana Department of Education | 10.582 | | | | | |
| Other | | | FY 2021-22 | - | 361,485 | - | - |
| | | | FY 2022-23 | - | - | - | 407,371 |
| Total - Fresh Fruit and Vegetable Program | | | | - | 361,485 | - | 407,371 |
| Total - Child Nutrition Cluster | | | | - | 9,795,451 | - | 9,786,701 |
| Child and Adult Care Food Program (CACFP) | | | | | | | |
| PACT | Indiana Department of Education | 10.558 | | | | | |
| PACT | | | FY 2021-22 | - | 6,604 | - | - |
| | | | FY 2022-23 | - | - | - | 14,526 |
| Total - Child and Adult Care Food Program (CACFP) | | | | - | 6,604 | - | 14,526 |
| Pandemic EBT Administrative Costs | | | | | | | |
| P-EBT ADMINISTRATIVE COSTS GRANTS | Indiana Department of Education | 10.649 | | | | | |
| P-EBT ADMINISTRATIVE COSTS GRANTS | | | FY 2021-22 | - | 5,814 | - | - |
| | | | FY 2022-23 | - | - | - | 5,950 |
| Total - Pandemic EBT Administrative Costs | | | | - | 5,814 | - | 5,950 |
| Total - Department of Agriculture | | | | - | 9,807,869 | - | 9,807,177 |
| Department of Defense | | | | | | | |
| Army Junior Reserve Officers' Training Corps (JROTC) | | | | | | | |
| JROTC | Army ROTC | 12.000 | | | | | |
| JROTC | | | FY 21-22 | - | 27,445 | - | - |
| | | | FY 22-23 | - | - | - | 29,739 |
| Total - Army Junior Reserve Officers' Training Corps (JROTC) | | | | - | 27,445 | - | 29,739 |
| Total - Department of Defense | | | | - | 27,445 | - | 29,739 |

SCHOOL CITY OF HAMMOND
 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 Education | | | | | | | |
| Special Education Cluster (IDEA) | | | | | | | |
| Special Education - Grants to States | Indiana Department of Education | 84.027 | | | | | |
| IDEA Special Ed FY 2018-2020 | | | H027A180084 | - | 240,690 | - | - |
| IDEA Special Ed FY 2019-2021 | | | H027A190084 | - | 1,401,349 | - | - |
| IDEA Special Ed FY 2020-2022 | | | H027A200084 | - | 2,124,900 | - | - |
| IDEA Special Ed FY 2020-2022 | | | H027A200084 | - | - | - | 1,242,773 |
| IDEA Sp Ed Grant FY 2022 | | | H027A210084 | - | - | - | 2,432,486 |
| Subtotal - Special Education - Grants to States | | | | - | 3,766,939 | - | 3,675,259 |
| COVID-19 - Special Education - Grants to States FY 2022 IDEA (ARP) 611 | Indiana Department of Education | 84.027X | H027X210084 | - | - | - | 497,192 |
| Total - Special Education - Grants to States | | | | - | 3,766,939 | - | 4,172,451 |
| Special Education Preschool Grants | Indiana Department of Education | 84.173 | | | | | |
| Special Ed Pre-School FY 2021 | | | H173A200104 | - | 51,239 | - | - |
| FY 2022 Special Ed Pre-School | | | H173A210104 | - | - | - | 104,915 |
| Total - Special Education Preschool Grants | | | | - | 51,239 | - | 104,915 |
| Total - Special Education Cluster (IDEA) | | | | - | 3,818,178 | - | 4,277,366 |
| Adult Education - Basic Grants to States | Center of Workforce Innovations Inc. (CWI) | 84.002 | | | | | |
| Adult Ed 21-22 CFDA 84.002 | | | AE21-01 | - | 154,452 | - | - |
| Adult Ed 21-22 CFDA 84.002 | | | AE21-01 | - | - | - | 58,999 |
| Total - Adult Education - Basic Grants to States | | | | - | 154,452 | - | 58,999 |
| Title I Grants to Local Educational Agencies | Indiana Department of Education | 84.010 | | | | | |
| Title I 2020-21 | | | S010A200014 | - | 2,302,439 | - | - |
| Title I 2021-22 | | | S010A210014 | - | 3,351,455 | - | - |
| Title I 2021-22 | | | S010A210014 | - | - | - | 2,889,324 |
| Title I 2022-23 | | | S010A220014 | - | - | - | 3,719,244 |
| Total - Title I Grants to Local Educational Agencies | | | | - | 5,653,894 | - | 6,608,568 |
| Career and Technical Education - Basic Grants to States | Indiana Governor's Workforce Cabinet | 84.048 | | | | | |
| Perkins Assess Grant 22-23 | | | 23-0512-A002 | - | - | - | 8,298 |
| 2020 Carl D. Perkins | | | 21-0512-4710 | - | 189,721 | - | - |
| Perkins Assess Grant 20-21 | | | 21-0512-A002 | - | 1,515 | - | - |
| 2022-23 Carl Perkins Grant | | | 22-0512- A002 | - | - | - | 373,677 |
| Perkins Assess Grant 2021-22 | | | 22-0512-B002 | - | 390,776 | - | 289,330 |
| Perkins Assess Grant 2021-22 | | | 22-0512-B002 | - | - | - | 7,200 |
| Subtotal - Career and Technical Education - Basic Grants to States | | | | - | 582,012 | - | 678,505 |
| COVID-19 - Career and Technical Education - Basic Grants to States Perkins CTE COVID-19 Grant | Indiana Governor's Workforce Cabinet | 84.048 | 21-0512-C002 | - | 11,043 | - | - |
| Total - Career and Technical Education - Basic Grants to States | | | | - | 593,055 | - | 678,505 |
| Education for Homeless Children and Youth | Indiana Department of Education | 84.196 | | | | | |
| McKinney Vento 20-21 | | | 7000S196A200015 | - | 15,346 | - | - |
| McKinney Vento 21-22 | | | 7000S196A210015 | - | - | - | 33,708 |
| McKinney Vento 22-23 | | | S196A220015 | - | - | - | 30,893 |
| Total - Education for Homeless Children and Youth | | | | - | 15,346 | - | 64,601 |

SCHOOL CITY OF HAMMOND
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2022 and 2023

| Federal Grantor Agency Cluster Title/Program Title/Project Title | Pass-Through Entity or Direct Grant | Assistance Listings Number | Pass-Through Entity (or Other) Identifying Number | Passed Through to Subrecipient 06-30-22 | Total Federal Awards Expended 06-30-22 | Passed Through to Subrecipient 06-30-23 | Total Federal Awards Expended 06-30-23 |
|--|-------------------------------------|----------------------------|---|---|--|---|--|
| English Language Acquisition State Grants | Indiana Department of Education | 84.365 | | | | | |
| Title III Lang Inst 2019-21 | | | S365A190014 | - | 47,431 | - | - |
| Title III Lang Inst 2020-22 | | | S365A200014 | - | 136,188 | - | - |
| Title III Lang Inst 2020-22 | | | S365A200014 | - | - | - | 43,060 |
| Title III Lang Inst 2020-23 | | | S365A210014 | - | 14,110 | - | - |
| Title III Lang Inst 2020-23 | | | S365A210014 | - | - | - | 167,044 |
| Title III Lang Inst 2022-24 | | | S365A220014 | - | - | - | 27,452 |
| Total - English Language Acquisition State Grants | | | | - | 197,729 | - | 237,556 |
| Supporting Effective Instruction State Grants | Indiana Department of Education | 84.367 | | | | | |
| Title II A Teacher Ldrs Bootcamp | | | A58-1-21C-I5034 Contract #4573 | - | 3,485 | - | - |
| Title II A Teacher Ldrs Bootcamp 21-22 | | | A58-2-22OT-7965 Contract #4653 | - | 3,485 | - | - |
| Title II A 19/21 | | | S367A190013 | - | 470,165 | - | - |
| Title II A 19/21 | | | S367A190013 | - | - | - | 50,678 |
| Title II A 20/22 | | | S367A200013 | - | 409,959 | - | - |
| Title II A 20/22 | | | S367A200013 | - | - | - | 176,476 |
| Title II A-Tchr Ldr Boot 22-23 | | | S367A210013 | - | - | - | 3,710 |
| Title II-A. 21/23 | | | S367A210013 | - | - | - | 133,729 |
| Total - Supporting Effective Instruction State Grants | | | | - | 887,094 | - | 364,593 |
| Student Support and Academic Enrichment Program | Indiana Department of Education | 84.424 | | | | | |
| Title IV Part A Student Support for | | | S424A180015 | - | 348,966 | - | - |
| Title IV Part A PY 2019 | | | S424A190015 | - | - | - | 72,973 |
| Title IV - A. PY 2020 Part A | | | S424A200015 | - | 52,846 | - | - |
| 5802 Title IV - A. PY 2020 Part A | | | S424A200015 | - | - | - | 230,123 |
| Title IV- A FFY 2021 (FY22) | | | S424A210015 | - | - | - | 168,526 |
| Total - Student Support and Academic Enrichment Program | | | | - | 401,812 | - | 471,622 |
| COVID-19 - Education Stabilization Fund | Indiana Department of Education | 84.425 | | | | | |
| American Rescue Plan – Elementary and Secondary School Emergency Relief – Homeless Children and Youth Homeless & Youth ARPA-ESSA | | 84.425W | 7000S425W210015 | - | - | - | 7,112 |
| Governor's Emergency Education Relief Fund (GEERF) GEERF - Gov's Emer Educ Relief | | 84.425C | S425C200018 | - | - | - | 45,991 |
| Elementary and Secondary School Emergency Relief Fund Federal Stimulus - 18003 Educ St Federal Stimulus - 18003 Educ St | | 84.425D | S425D200013 | - | 2,486,679 | - | - |
| ESSER II | | | S425D200013 | - | - | - | 510,960 |
| ESSER II | | | S425D210013 | - | 3,936,870 | - | - |
| ESSER II | | | S425D210013 | - | - | - | 8,712,359 |
| 2021 Perkins Summer Bridge | | | 21-0512-E002 | - | 11,377 | - | - |
| American Rescue Plan - Elementary and Secondary Emergency Relief Fund ARP ESSER - Dual Lang Program | | 84.425U | S425D210013 | - | - | - | 20,000 |
| ESSER III | | | S425U210013 | - | 11,034,039 | - | - |
| ESSER III | | | S425U210013 | - | - | - | 9,946,012 |
| Total - COVID-19 - Education Stabilization Fund | | | | - | 17,468,965 | - | 19,242,434 |
| Total - Department of Education | | | | - | 29,190,525 | - | 32,004,244 |

SCHOOL CITY OF HAMMOND
 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 |
|---|---|----------------------------------|--|---|---|---|---|
| <u>Department of Health and Human Services</u> | | | | | | | |
| Head Start Cluster | | | | | | | |
| Head Start | | | | | | | |
| | Geminus Corporation | 93.600 | | | | | |
| Headstart 2022 T & T | | | 2022 | - | 13,432 | - | - |
| Headstart 2022 | | | 2022 | - | 1,339,113 | - | - |
| Headstart 2023 | | | 2023 | - | 323,250 | - | - |
| Headstart 2023 T & T | | | 2023 | - | - | - | 13,432 |
| Headstart 2023 | | | 2023 | - | - | - | 1,476,965 |
| Headstart 2024 T & T | | | 2024 | - | - | - | 1,008 |
| Headstart 2024 | | | 2024 | - | - | - | 369,540 |
| Subtotal - Head Start | | | | - | 1,675,795 | - | 1,860,945 |
| COVID-19 - Head Start | | | | | | | |
| | Geminus Corporation | 93.600 | | | | | |
| Headstart COVID Resp/Sum School | | | COVID-19 Expenses | - | 82,011 | - | - |
| Headstart COVID Resp/Sum School | | | COVID-19 Expenses | - | - | - | 77,354 |
| Total - Head Start Cluster | | | | - | 1,757,806 | - | 1,938,299 |
| Medicaid Cluster | | | | | | | |
| Medical Assistance Program | | | | | | | |
| | Indiana Family and Social Services Administration | 93.778 | | | | | |
| Fed Medicaid Rec (66.52%) | | | FY 2021-22 | - | 194,157 | - | - |
| Fed Medicaid Rec (66.52%) | | | FY 2022 | - | - | - | 230,218 |
| Total - Medical Assistance Program | | | | - | 194,157 | - | 230,218 |
| Total - Medicaid Cluster | | | | - | 194,157 | - | 230,218 |
| Total - Department of Health and Human Services | | | | - | 1,951,963 | - | 2,168,517 |
| Total federal awards expended | | | | \$ - | \$ 40,977,802 | \$ - | \$ 44,009,677 |

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

SCHOOL CITY OF HAMMOND
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.

SCHOOL CITY OF HAMMOND
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? | none reported |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | no |

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 | Unmodified |
| | Special Education Cluster (IDEA) | Unmodified |
| | COVID-19 - Education Stabilization Fund | Unmodified |
| | Head Start Cluster | Unmodified |

Dollar threshold used to distinguish between Type A and Type B programs: \$2,549,624

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

No matters are reportable.

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

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AUDITEE-PREPARED DOCUMENT

The subsequent document was provided by management of the School Corporation. The document is presented as intended by the School Corporation.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

January 11, 2024

FINDING 2021-001

Fiscal year in which the finding initially occurred:

July 1, 2019 to June 30, 2021

Current Audit Period:

July 1, 2021 to June 30, 2023

Finding Subject:

Financial Transactions Audit Findings: Material Weakness, Noncompliance Condition and Context

Summary of Finding:

The Associate Superintendent was able to direct the Payroll Department to make changes to compensation, including her own, without an oversight or review process that it was approved by the School Board, taking advantage of deficiencies in the internal control system of the School Corporation related to payroll transactions.

Status of Audit Finding:

Substantial material improvements have been made; the factors present today would not allow a recurrence; this finding has been corrected.

Regards,

Eric D. Kurtz
Assistant Superintendent
- Operations & Chief Financial Officer / Treasurer



Mr. Scott E. Miller, Superintendent

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2021-002

Fiscal year in which the finding initially occurred: 2019

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

Finding Subject: Special Education Cluster (IDEA) - Earmarking

Summary of Finding:

Condition and Context

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the earmarking requirements of the Matching, Level of Effort, Earmarking compliance requirement.

The School Corporation did not have internal controls in place to ensure that its expenditures were at least an amount that was the same proportion of the total subgrant as the number of nonpublic school students with disabilities within its boundaries was to the total of students with disabilities of the same age range.

The School Corporation did not meet the earmarking requirements for the 18611-024-PN01 grant award. Based upon the documentation provided for non-public school expenditures, the School Corporation expended \$34,993 of the required \$65,859 earmarked for the Non-Public Proportionate Share.

For fiscal year 2018-2019.

The lack of effective internal controls was a systemic issue that occurred throughout the audit period. The noncompliance was isolated to the 18611-024-PN01 grant.

Criteria

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

Cause

The School Corporation's management had not established a system of internal control that would have ensured compliance with the grant agreement and the compliance requirement listed above.

Effect

The failure to establish an effective internal control system placed the School Corporation in noncompliance with the grant agreement and the Matching, Level of Effort, Earmarking compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish internal controls to ensure compliance and comply with the earmarking requirements of the Matching, Level of Effort, Earmarking

compliance requirement.

Views of Responsible Officials

Status of Audit Finding: Fully Corrected

- Corrected Action was taken.

Response Comments:

Board of School Trustees

Carlotta Blake - Manny Candelaria - Lisa Miller - Cindy Murphy - Kelly Spencer

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/>.