

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

WAWASEE COMMUNITY SCHOOL CORPORATION

KOSCIUSKO COUNTY, INDIANA

July 1, 2021 to June 30, 2023



FILED
03/26/2024

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance with <i>Government Auditing Standards</i>	3-4
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	5-8
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards	11-13
Notes to Schedule of Expenditures of Federal Awards.....	14
Schedule of Findings and Questioned Costs.....	15-30
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings.....	32-36
Corrective Action Plan	37-43
Other Reports.....	44

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	James Flecker (Vacant) Rachel Moore	07-01-21 to 06-14-22 06-15-22 to 07-11-22 07-12-22 to 06-30-24
Superintendent of Schools	Dr. Stephen Troyer	07-01-21 to 06-30-24
President of the School Board	Don Bokhart	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 WAWASEE COMMUNITY SCHOOL
CORPORATION, KOSCIUSKO 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 Wawasee 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 March 20, 2024, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, as described in the accompanying Schedule of Findings and Questioned Costs as items 2023-001, 2023-002, and 2023-003, that we consider to be material weaknesses.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2023-001 and 2023-003.

Wawasee Community School Corporation's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School Corporation's response to findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statement, and, accordingly, we express no opinion on it.

Purpose of This Report

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



Beth Kelley, CPA, CFE
Deputy State Examiner

March 20, 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 WAWASEE COMMUNITY SCHOOL CORPORATION, KOSCIUSKO COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the Wawasee Community School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2021 to June 30, 2023. The School Corporation's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings and Questioned Costs.

Qualified Opinion on Title I Grants to Local Educational Agencies

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified and Unmodified Opinions* section of our report, the School Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Title I Grants to Local Educational Agencies for the period of July 1, 2021 to June 30, 2023.

Unmodified Opinion on Each of the Other Major Federal Programs

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 other major federal programs identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2021 to June 30, 2023.

Basis for Qualified and Unmodified Opinions

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

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

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

Matter Giving Rise to Qualified Opinion on Title I Grants to Local Educational Agencies

As described in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with 84.010 Title I Grants to Local Educational Agencies, as described in item 2023-007 for Eligibility. Consequently, we were unable to determine whether the School Corporation complied with those requirements applicable to that program.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School Corporation's compliance based on our audit. Reasonable assurance is a high level of assurance, but is not absolute assurance, and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than 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.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2023-008. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the School Corporation's response to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The School Corporation's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2023-004, 2023-005, 2023-006, 2023-007, and 2023-008, 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.

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 March 20, 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

March 20, 2024

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

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WAWASEE 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			FY2022	\$ -	\$ 253,804	\$ -	\$ -
School Breakfast Program			FY2023	-	-	-	234,279
Total - School Breakfast Program				-	253,804	-	234,279
National School Lunch Program							
School Lunch Program	Indiana Department of Education	10.555					
School Lunch Program			FY2022	-	1,177,026	-	-
School Lunch Program			FY2023	-	-	-	1,054,907
Commodities			FY2022	-	180,377	-	-
Commodities			FY2023	-	-	-	125,320
After School Snack Program			FY2022	-	1,189	-	-
After School Snack Program			FY2023	-	-	-	4,555
Supply Chain Assistance Funds			FY2023	-	-	-	141,802
Total - National School Lunch Program				-	1,358,592	-	1,326,584
Summer Food Service Program for Children							
Summer Food Program	Indiana Department of Education	10.559					
Summer Food Program			FY2022	-	82,234	-	-
Summer Food Program			FY2023	-	-	-	43,650
Total - Summer Food Service Program for Children				-	82,234	-	43,650
Total - Child Nutrition Cluster				-	1,694,630	-	1,604,513
COVID-19 - Pandemic EBT Administrative Costs							
COVID-19 - Pandemic EBT Administrative Costs	Indiana Department of Education	10.649					
COVID-19 - Pandemic EBT Administrative Costs			FY2022	-	3,063	-	-
COVID-19 - Pandemic EBT Administrative Costs			FY2023	-	-	-	3,135
Total - COVID-19 - Pandemic EBT Administrative Costs				-	3,063	-	3,135
Total - Department of Agriculture				-	1,697,693	-	1,607,648
Department of Education							
Special Education Cluster (IDEA)							
Special Education Grants to States							
School Age Special Services Part B 2019	Indiana Department of Education	84.027	19611-113-PN01	-	3,420	-	-
School Age Special Services Part B 2020			20611-113-PN01	-	35,994	-	-
School Age Special Services Part B 2021			21611-113-PN01	-	147,074	-	36,209
School Age Special Services Part B 2022			22611-113-PN01	-	562,013	-	91,608
School Age Special Services Part B 2023			23611-113-PN01	-	-	-	504,883
Subtotal - Special Education Grants to States				-	748,501	-	632,700
COVID-19 - Special Education Grants to States							
IDEA ARP 611 School Age Special Needs	Indiana Department of Education	84.027X	22611-113-ARP	-	4,226	-	76,041
Total - Special Education Grants to States				-	752,727	-	708,741

WAWASEE 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					
Preschool Special Needs 2021			21619-014-PN01	-	819	-	208
Preschool Special Needs 2022			22619-014-PN01	-	13,072	-	1,439
Preschool Special Needs 2023			23619-014-PN01	-	-	-	14,299
Subtotal - Special Education Preschool Grants				-	13,891	-	15,946
COVID-19 - Special Education Preschool Grants ARP IDEA PART B 619	Indiana Department of Education	84.173X	22619-113-ARP	-	-	-	811
Total - Special Education Preschool Grants				-	13,891	-	16,757
Total - Special Education Cluster (IDEA)				-	766,618	-	725,498
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I A 20-21			S010A200014	-	79,780	-	-
Title I A 21-22			S010A210014	-	324,746	-	91,847
Title I A 22-23			S010A220014	-	-	-	312,582
Total - Title I Grants to Local Educational Agencies				-	404,526	-	404,429
Career and Technical Education - Basic Grants to States	Indiana Governor's Workforce Cabinet	84.048					
18-19 Perkins Basic Grant			19-4700-4345	-	52,658	-	-
20-21 Perkins Basic Grant			21-0512-4345	-	70,895	-	-
21-22 Perkins Basic Grant			22-0512-B013	-	-	-	30,821
22-23 Perkins Assessment Grant			23-0512-A013	-	-	-	770
22-23 Perkins Basic Grant			23-0512-P013	-	-	-	73,114
Total - Career and Technical Education - Basic Grants to States				-	123,553	-	104,705
English Language Acquisition State Grants	Indiana Department of Education	84.365					
Title III Part A			S365A190014	-	4,200	-	5,690
Title III Part A			S365A210014	-	5,690	-	1,943
Title III Part A			S365A220014	-	-	-	88
Total - English Language Acquisition State Grants				-	9,890	-	7,721
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
Title II Part A			S367A180013	-	39,388	-	-
Title II Part A			S367A190013	-	65,877	-	7,508
Title II Part A			S367A200013	-	33,280	-	51,869
Title II Part A			S367A210013	-	-	-	47,058
Title II Part A			S367A220013	-	-	-	117
Total - Supporting Effective Instruction State Grants				-	138,545	-	106,552

WAWASEE 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			S424A190015	-	33,962	-	-
Title IV Part A			S424A200015	-	28,254	-	14,706
Title IV Part A			S424A210015	-	-	-	8,437
Title IV Part A			S424A220015	-	-	-	353
Total - Student Support and Academic Enrichment Program				-	62,216	-	23,496
COVID-19 - Education Stabilization Fund	Indiana Department of Education	84.425					
ESSER I		84.425D	S425D200013	-	72,480	-	40,796
ESSER II		84.425D	S425D210013	-	449,727	-	710,099
ESSER III		84.425U	S425U210013	-	111,116	-	556,140
Total - COVID-19 - Education Stabilization Fund				-	633,323	-	1,307,035
Total - Department of Education				-	2,138,671	-	2,679,436
Department of Health and Human Services							
Medicaid Cluster							
Medical Assistance Program	Indiana Family and Social Services Administration	93.778					
Individualized Education Program (IEP)			FY2022	-	20,732	-	-
Individualized Education Program (IEP)			FY2023	-	-	-	44,561
Medical Assistance Program	Indiana Department of Education	93.778					
Medicaid Administrative Claiming (MAC)			FY2022	-	22,814	-	-
Medicaid Administrative Claiming (MAC)			FY2023	-	-	-	18,506
Total - Medical Assistance Program				-	43,546	-	63,067
Total - Medicaid Cluster				-	43,546	-	63,067
Total - Department of Health and Human Services				-	43,546	-	63,067
Department of Homeland Security							
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Indiana Department of Homeland Security	97.036					
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)			FY2022	-	35,814	-	-
Total - Department of Homeland Security				-	35,814	-	-
Total federal awards expended				\$ -	\$ 3,915,724	\$ -	\$ 4,350,151

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

WAWASEE 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. West Noble Consortium

The School Corporation is a member of the West Noble Consortium (Consortium). As a result, some of the activity for the English Language Acquisition State Grants (Title III) 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 Consortium's fiscal agent.

WAWASEE 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?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

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

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

Assistance Listings Number	Name of Federal Program or Cluster	Opinion Issued
	Child Nutrition Cluster	Unmodified
	Special Education Cluster (IDEA)	Unmodified
84.010	Title I Grants to Local Educational Agencies	Qualified
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

FINDING 2023-001

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

Condition and Context

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

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

Cash and Investments

The School Corporation did not establish internal controls over the completion of depository reconciliations of the investment balances to the fund balances. Depository reconciliations were completed throughout the audit period; however, the reconciliations did not include all outstanding investments. The depository reconciliations did not include investment balances as of June 30, 2022, and June 30, 2023, totaling \$8,505,532, and \$10,536,029, respectively. Depository reconciliations prepared by the State Board of Accounts, which included the investments, reconciled to the funds ledger as of June 30, 2022, and June 30, 2023.

Financial Close and Reporting

Financial reports are required to be filed after the close of each fiscal year. The financial information is required to be entered into the Annual Financial Report (AFR) via the Indiana Gateway for Government Units (Gateway) financial reporting system, which is the source of the School Corporation's financial statement.

The School Corporation had not established effective internal controls over the financial information entered into Gateway. Although the Corporation Treasurer prepared and entered the financial information into Gateway, and the Director of Finance reviewed and approved the information entered, the internal control was not effective and did not detect and allow correction of errors prior to submission.

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

- The Clearing fund receipts and disbursements were understated by \$5,790,996, and \$5,797,036, respectively, for fiscal year 2022-2023. As a result, the cash and investments ending balance was overstated by \$6,040 as of June 30, 2023.
- Several additional funds had individually immaterial errors, or omissions that resulted in the cash and investments beginning balance being understated by \$96,064, as of July 1, 2021, receipts and disbursements being understated by \$612,040 and \$609,152 for 2021-2022, and the cash and investments being understated by \$98,952, as of June 30, 2022. In addition, disbursements were understated by \$5,578, for 2022-2023, which resulted in the cash and investments ending balance being overstated by \$5,578 as of June 30, 2023.

Adjustments were proposed, accepted by the School Corporation, and made to the financial statement in the Financial Statement Audit Report for the School Corporation.

Criteria

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

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

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

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

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

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

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

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

Cause

Management of the School Corporation had not established an effective system of internal controls that segregated key functions and would have ensured proper posting of financial transactions and proper financial reporting.

Effect

The failure to establish an effective system of internal controls enabled misstatements or irregularities to occur and remain undetected in the financial statement. The financial statement contained the errors identified in the *Condition and Context*.

Views of Responsible Officials

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

FINDING 2023-002

Subject: Financial Transactions and Reporting
Audit Findings: Material Weakness

Condition and Context

There was a deficiency in the internal control system of the School Corporation related to financial transactions and reporting.

The School Corporation designed a system of internal control that separated incompatible activities related to vendor disbursements; however, it was not properly implemented. One School Corporation employee prepared vendor disbursement claims, and another employee reviewed the vendor disbursement claims; however, the review was not consistently documented.

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

Criteria

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

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

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

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

Cause

Management of the School Corporation had not established a proper system of internal controls that segregated key functions and would ensure proper posting of financial transactions and proper financial reporting.

Effect

Without a proper system of internal controls in place that operated effectively, material misstatements could have occurred and remained undetected.

Views of Responsible Officials

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

FINDING 2023-003

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

This is a repeat finding from the prior audit report. The prior audit finding number was 2021-002.

Condition and Context

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

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

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

The School Corporation did not properly review the federal grant information prepared and submitted in Gateway. Although the Corporation Treasurer prepared and entered the federal award information into Gateway, and the State and Federal Grants Coordinator reviewed and approved the information entered, the internal control was not effective and did not detect and allow correction of errors prior to submission.

Due to the lack of effective internal controls, the SEFA presented for audit included the following errors:

- The Summer Food Service Program for Children was omitted, which understated expenditures by \$82,234 and \$43,650 for fiscal years 2021-2022 and 2022-2023, respectively.
- The COVID-19 - Pandemic EBT Administrative Costs program was omitted, which understated expenditures by \$3,063 and \$3,135 for 2021-2022 and 2022-2023, respectively.
- The Medical Assistance Program was omitted which understated expenditures by \$43,546 for 2021-2022.
- The COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters) program was omitted, which understated expenditures by \$35,814 for 2021-2022.
- The School Breakfast Program was omitted, which understated expenditures by \$234,279 for 2022-2023.
- The Special Education Grants to States expenditures were overstated by \$1,181,419 for 2022-2023.
- The Title I Grants to Local Educational Agencies expenditures were overstated by \$1,084,654 for 2022-2023.
- The COVID-19 - Education Stabilization Fund expenditures were overstated by \$561,888 for 2022-2023.
- The Child Care and Development Block Grant expenditures, totaling \$323,074, were incorrectly presented for 2022-2023, as the School Corporation was considered a beneficiary of the funds not a subrecipient.
- Sixteen additional federal grants had individually immaterial errors or omissions that resulted in misstatements of expenditures of \$268,476, in total, for 2021-2022. Twelve additional federal grants had individually immaterial errors or omissions that resulted in misstatements of expenditures of \$489,167, in total, for 2022-2023.
- Other errors included incorrect program names, federal grantor agencies, and pass-through entities.

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

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

Criteria

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.1 states in part:

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

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

2 CFR 200.508 states in part:

"The auditee must: . . .

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

2 CFR 200.510(b) states:

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

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.

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

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

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

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

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

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

Cause

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

Effect

Without a proper system of internal controls in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Condition and Context*.

Views of Responsible Officials

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

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2023-004

Subject: Child Nutrition Cluster - Internal Controls
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children
Assistance Listings Numbers: 10.553, 10.555, 10.559
Federal Award Numbers and Years (or Other Identifying Numbers): FY2022, FY2023
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Eligibility, Reporting
Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding for Eligibility from the prior audit report. The prior audit finding number was 2021-005.

Condition and Context

Eligibility

Any child enrolled in a participating school who meets the applicable program's definition of "child," may receive meals under the applicable programs. A child belonging to households meeting nationwide income eligibility requirements may receive meals at no charge or at a reduced price. Children that have been determined ineligible for free or reduced-price meals pay the full price for their meals. A child's eligibility for free and reduced-priced meals under a Child Nutrition Cluster program may be established by the submission of an annual application or statement which furnished such information as family income and family size. The School Corporation determines eligibility by comparing the data reported by the child's household to published income eligibility guidelines. Annual eligibility determinations may also be based on the child's household receiving benefits under SNAP, FDPIR, the Head Start Program, or, under most circumstances, the TANF program. A household may furnish documentation if its participation in one of those programs, or the School Corporation may obtain the information directly from the State or local agency that administers those 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.

Paper applications and online applications are processed in the School Corporation's software system to determine if students are eligible for free or reduced meals. Paper applications are input by the Nutrition Services Director and online applications are directly submitted by parents. The software's determination of eligibility is recalculated by the Nutrition Services Director without an oversight or review process in place to ensure accuracy. Additionally, the Nutrition Services Director downloaded the Direct Certifications file from the CNC Web Portal and uploaded the file into the School Corporation's software on a monthly basis without a documented oversight or review process in place to ensure directly certified students were properly processed.

The lack of internal controls was isolated to fiscal year 2022-2023.

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

Reporting

The School Corporation must submit monthly sponsor claims for reimbursement (claims) for meals and snacks served to eligible students within 60 days following the last day of the month covered by the claim.

Claims were submitted to the Indiana Department of Education (IDOE) as required; however, the claims were prepared by one employee without a review or approval process in place to prevent, or detect and correct, errors.

The lack of internal controls was a systemic issue throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

Cause

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

Effect

Without the proper 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.

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

Views of Responsible Officials

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

FINDING 2023-005

Subject: Special Education Cluster (IDEA) - Allowable Costs/Cost Principles, Procurement and Suspension and Debarment
Federal Agency: Department of Education
Federal Programs: Special Education Grants to States, COVID-19 - Special Education Grants to States, Special Education Preschool Grants, COVID-19 - Special Education Preschool Grants
Assistance Listings Numbers: 84.027, 84.027X, 84.173, 84.173X
Federal Award Numbers and Years (or Other Identifying Numbers): 19611-113-PN01, 20611-113-PN01, 21611-113-PN01, 21619-014-PN01, 22611-113-PN01, 22619-014-PN01, 23611-113-PN01, 23619-014-PN01, 22611-113-ARP, 22619-113-ARP
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Allowable Costs/Cost Principles, Procurement and Suspension and Debarment
Audit Finding: Material Weakness

Condition and Context

Direct charges to a federal award are to be for allowable costs and made in conformance with the applicable cost principles. In addition, procurements under federal awards are to be made in compliance with applicable federal regulations and other procurement requirements specific to an award.

The School Corporation's process to ensure an expense was for an allowable cost in conformance with the cost principles and procured appropriately was for the Deputy Treasurer or Grant Administrator to prepare an Accounts Payable Voucher (APV), and the Corporation Treasurer to review and approve the APV. To test the internal control for effectiveness, a sample of 40 APVs charged to the grant was selected for testing. For 9 of the 40 APVs tested, there was not a documented review by the Corporation Treasurer. As such, we determined the internal control as designed could not be effective at ensuring an expense was for an allowable cost in conformance with the cost principles and procured appropriately

The lack of internal controls was a systemic issue throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

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

Cause

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

Effect

Without the proper 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.

FINDING 2023-006

Subject: Title I Grants to Local Educational Agencies - Internal Controls

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

Assistance Listings Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): S010A200014, S010A210014,
S010A220014

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles

Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the prior audit report. The prior audit finding number was 2021-007.

Condition and Context

Direct charges to a federal award are to be for allowable costs and made in conformance with the applicable cost principles.

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

The School Corporation's process to ensure an expense was for an allowable cost and in conformance with the cost principles was for the Deputy Treasurer or Grant Administrator to prepare an Accounts Payable Voucher (APV) and the Corporation Treasurer to review and approve the APV. To test the internal control for effectiveness, a sample of 40 APVs charged to the grant was selected for testing. For 11 of the 40 APVs tested, there was not a documented review by the Corporation Treasurer. As such, we determined the internal control as designed could not be effective at ensuring an expense was for an allowable cost, in conformance with the cost principles and procured appropriately.

The lack of internal controls was a systemic issue throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

Cause

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

Effect

Without the proper implementation of an effectively designed system of internal controls, the internal control system cannot be capable of effectively preventing, or detecting and correcting, material noncompliance.

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 to ensure compliance.

Views of Responsible Officials

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

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

FINDING 2023-007

Subject: Title I Grants to Local Educational Agencies - Eligibility
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
Assistance Listings Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): S010A200014, S010A210014,
S010A220014
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Eligibility
Audit Findings: Material Weakness, Modified Opinion

Condition and Context

Eligibility for Title I is determined on the Eligible School Summary of the Title I application. Enrollment and Poverty numbers are automatically pulled from the Indiana Department of Education's (IDOE) Official Pupil Enrollment (PE) count for each school into the Eligible School Summary page of the Title I application. The counts that are pre-populated should be based on the School Corporation's records as of October of the prior fiscal year.

During the audit period, the School Corporation submitted two Title I Applications. The School Corporation was required to use the October 2020 Real Time Report data for the 2021-2022 Title I application and the October 2021 Real Time Report data for the 2022-2023 Title I Application submitted to the IDOE. Data to be submitted included student socioeconomic status information.

The October 2021 Real Time Report used for the 2022-2023 Title I Application, was not available for review. As such, we were unable to verify the amounts reported in the grant application. Additionally, we were unable to verify if the correct socioeconomic status was properly reported for any of the students.

The lack of internal controls and noncompliance were isolated to the October 2021 Real Time Report and 2022-2023 Title I Application.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.334 states in part:

"Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. . . ."

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

34 CFR 200.78(a)(1) states:

"After reserving funds, as applicable, under § 200.77, including funds for equitable services for private school students, their teachers, and their families, an LEA must allocate funds under this subpart to school attendance areas and schools, identified as eligible and selected to participate under section 1113(a) or (b) of the ESEA, in rank order on the basis of the total number of public school children from low-income families in each area or school."

Cause

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

Effect

Without the proper implementation of an effectively designed system of internal controls, the internal control system cannot be capable of effectively preventing, or detecting and correcting, material noncompliance. As a result, proper documentation was not maintained to ensure enrollment and poverty statuses in the Title I Application were accurate.

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that management of the School Corporation 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 to ensure compliance.

Views of Responsible Officials

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

FINDING 2023-008

Subject: Title I Grants to Local Educational Agencies - Matching, Level of Effort, Earmarking

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

Assistance Listings Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): S010A200014, S010A210014,
S010A220014

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Matching, Level of Effort, Earmarking

Audit Findings: Material Weakness, Other Matters

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

Condition and Context

Earmarking

A portion of the School Corporation's Title I allocation was required to be set aside for homeless reservation. The required amount to be set aside was indicated in the Title I grant application. The School Corporation is responsible for monitoring each required set aside throughout the life of the grant to ensure the obligation is met.

There was no oversight or review process in place to ensure monitoring of each required set aside. The School Corporation did not provide documentation to show that the obligation was met, or not met, to service all the homeless students in the School Corporation and did not transfer the unused funds to the next grant award.

Level of Effort - Individual Transactions (Vendor)

The Form 9 (financial) data was submitted by the School Corporation to the Indiana Department of Education (IDOE) semi-annually. The data reported included the School Corporation's expenditures recorded during that period. The IDOE calculated Maintenance of Effort based on the expenditure information submitted on the Form 9 for that fiscal year. To verify amounts used by the IDOE in their computation were derived from the books and records of the School Corporation, costs were reviewed to ensure they were recorded properly as to account and object code and reported correctly on the Form 9.

The School Corporation did not have an oversight process in place to ensure that expenditures for vendor were posted to the correct fund, account, and object codes.

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

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

20 USC 6313l(3)(A) states:

"A local educational agency shall reserve such funds as are necessary under this part, determined in accordance with subparagraphs (B) and (C), to provide services comparable to those provided to children in schools funded under this part to serve—

- (i) homeless children and youths, including providing educationally related support services to children in shelters and other locations where children may live;
- (ii) children in local institutions for neglected children; and

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

(iii) if appropriate, children in local institutions for delinquent children, and neglected or delinquent children in community day programs."

Cause

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

Effect

Without the proper implementation of an effectively designed system of internal controls, the internal control system cannot be capable of effectively preventing, or detecting and correcting, material noncompliance. As a result, proper documentation was not maintained to ensure the obligation to service homeless students was met or unmet.

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that management of the School Corporation 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 to ensure compliance.

Views of Responsible Officials

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

AUDITEE-PREPARED DOCUMENTS

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



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2021-001 and FINDING 2019-001

Fiscal year in which the finding initially occurred: 2019

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

Finding Subject: Financial Transactions and Reporting

Summary of Finding:

There was no documentation of an internal control design and implementation over receipts to show that there was an oversight, approval, or review process in place to ensure receipts and other financing sources were properly posted. There was also no documented secondary review of the monthly bank reconciliations or the Annual Financial Report submitted in the Indiana Gateway.

Status of Audit Finding:

Fully corrected and the original corrective action was implemented.

Response Comments:

The School Corporation has implemented a system where the receipts are posted by the Treasurer and are reviewed and double checked by a second person. The monthly bank reconciliations are prepared by the Deputy Treasurer and are reviewed by the Treasurer. The Annual Financial Report submitted in the Indiana Gateway is prepared by the Treasurer and is reviewed by the acting Director of Finance and the Superintendent prior to submission.

FINDING 2021-002

Fiscal year in which the finding initially occurred: 2021

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

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

Summary of Finding:

There was no documented secondary review of the SEFA to ensure its accuracy and completeness.

Status of Audit Finding:

Not corrected.



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Response Comments:

The School Corporation has implemented a system where the SEFA is prepared by the Treasurer and is reviewed by the Grant Coordinator prior to submission, but it was not effective in detecting material misstatements of the SEFA.

FINDING 2021-003, FINDING 2019-004, and FINDING 2017-003

Fiscal year in which the finding initially occurred: 2017

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

Finding Subject: Child Nutrition Cluster – Internal Controls

Summary of Finding:

During the testing of vendor disbursements charged to Fund 0800, Food Service, five instances were noted in a sample of 40 vendor disbursements in which the accounts payable voucher did not have a documented approval. There was also one instance noted in testing of payroll disbursements where an employee did not have a signed pay rate form to support the rate paid for the time period selected.

Status of Audit Finding:

Fully corrected and the original corrective action was implemented.

Response Comments:

The School Corporation has implemented a system where the accounts payable vouchers are prepared by the Treasurer and are reviewed and double checked by the Food Service Manager. The payroll claims are prepared by the Deputy Treasurer and reviewed and double checked by the Food Service Manager. The School Corporation is working on a system to be put into place to ensure that records are stored in accordance with all applicable retention schedules and guidelines.

FINDING 2021-004

Fiscal year in which the finding initially occurred: 2021

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

Finding Subject: Child Nutrition Cluster – Cash Management

Summary of Finding:

There was no documented secondary review of the meals claimed for reimbursement. The School Corporation was unable to locate some underlying records of meal counts claimed for reimbursement.

Status of Audit Finding:

Partially corrected.



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Response Comments:

Beginning January 4, 2021 the School Corporation has implemented a system where the meals claimed for reimbursement are prepared by the Food Service Manager and are reviewed by the Treasurer. The School Corporation is working on a system to be put into place to ensure that records are stored in accordance with all applicable retention schedules and guidelines.

FINDING 2021-005 and FINDING 2019-006

Fiscal year in which the finding initially occurred: 2019

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

Finding Subject: Child Nutrition Cluster – Internal Controls

Summary of Finding:

During the testing of students selected for eligibility determinations and verification of application data, the School Corporation was unable to locate documentation to support the review of the application and eligibility status.

Status of Audit Finding:

Partially corrected. Supporting documentation was maintained for eligibility and verification, but a secondary review of the documentation was not implemented.

Response Comments:

The School Corporation is working on a system to provide for the formal, documented secondary review of the application eligibility and verification processes.

FINDING 2021-006, FINDING 2019-003, and FINDING 2017-004

Fiscal year in which the finding initially occurred: 2017

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

Finding Subject: Child Nutrition Cluster – Program Income

Summary of Finding:

There was no documented, secondary review of the monthly report utilized to receipt program income.

Status of Audit Finding:

Fully corrected and the original corrective action was implemented.

Response Comments:

The School Corporation has implemented a system where the monthly report utilized to receipt program income is posted by the Treasurer and reviewed and double checked by the Food Service Manager.



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FINDING 2021-007

Fiscal year in which the finding initially occurred: 2021

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

Finding Subject: Title I Grants – Activities Allowed or Unallowed and Allowable Costs

Summary of Finding:

The School Corporation was unable to locate pay distribution reports, payroll registers and employee contracts for the payroll disbursements selected for testing.

Status of Audit Finding:

Partially corrected. An internal control process was consistently implemented for Activities Allowed or Unallowed, but not for Allowable Costs.

Response Comments:

The School Corporation is working on a system to be put into place to ensure that records are stored in accordance with all applicable retention schedules and guidelines.

FINDING 2021-008 and FINDING 2019-002

Fiscal year in which the finding initially occurred: 2019

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

Finding Subject: Title I Grants – Reporting, Special Tests and Provisions

Summary of Finding:

The School Corporation had one person solely responsible for the preparation and submission of the Final Expenditure Reports. There were no review and approval controls in place to ensure that the submitted reports were accurate. The School Corporation also did not have a control in place to ensure that all School Corporation staff that were required to take the training had done so.

Status of Audit Finding:

Fully Corrected



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Response Comments:

The School Corporation is working on a system to implement a secondary, documented review of the Final Expenditure Reports to ensure their accuracy. The School Corporation is working on a system to provide for the documentation of staff training, and to ensure that records are stored in accordance with all applicable retention schedules and guidelines.

FINDING 2021-009

Fiscal year in which the finding initially occurred: 2021

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

Finding Subject: ESSER – Allowable Costs

Summary of Finding:

The School Corporation was unable to locate pay distribution reports, payroll registers and employee contracts for the payroll disbursements selected for testing.

Status of Audit Finding:

Fully corrected and the original corrective action was implemented.

FINDING 2021-010

Fiscal year in which the finding initially occurred: 2021

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

Finding Subject: ESSER – Internal Controls

Summary of Finding:

The Annual Data Report for the period of March 13, 2020 to September 30, 2020 was due to the Indiana Department of Education (IDOE) by January 21, 2021. There was no documented review by someone other than the preparer of the report to ensure the information submitted was complete and accurate.

Status of Audit Finding:

Fully corrected and the original corrective action was implemented.

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CORRECTIVE ACTION PLAN

FINDING 2023-001

Finding Subject: Financial Transactions and Reporting

Summary of Finding:

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

The School Corporation did not establish internal controls over investments, including the completion of depository reconciliations of the investment balances to the fund balances. Depository reconciliations were completed throughout the audit period; however, the reconcilements did not include all outstanding investments.

The School Corporation did not establish effective internal controls over the financial information entered into the Annual Financial Report (AFR) via the Gateway financial reporting system, resulting in the misstatement of multiple funds.

Contact Person Responsible for Corrective Action: Rachel Moore

Contact Phone Number and Email Address: 574-457-3188 x 1369, rmoore@wawasee.k12.in.us

Views of Responsible Officials:

Management concurs with the finding.

Description of Corrective Action Plan:

Corrections have been made to the forms used for the monthly reconcilements to include the investment accounts, beginning with the February 2024 reconcilements. An internal sign-off form will be created and implemented to document the secondary review of the reconcilements.

Adjustments to the financial statements in Gateway have been proposed and accepted by the School Corporation and made to the financial statements in Gateway to correct the misstatements. The Treasurer will prepare the Annual Financial Report in Gateway and will have the information reviewed by the Director of Finance, Superintendent and/or the Deputy Treasurer prior to submission to ensure accuracy of the reported data. An internal sign-off form will be created and implemented to document the secondary review of the Annual Financial Report data.



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Anticipated Completion Date:

Corrections have been made to the reconcilements and the financial reports in Gateway. The expected completion date for the creation and implementation of an internal sign-off form is April 2024.

FINDING 2023-002

Finding Subject: Financial Transactions and Reporting

Summary of Finding:

There was a deficiency in the internal control system of the School Corporation related to financial transactions and reporting.

The School Corporation had designed an internal control system that separated incompatible activities related to vendor disbursements; however, the internal control system was not consistently implemented. One school corporation employee would prepare vendor disbursement claims but a separate employee was not consistently reviewing them.

Contact Person Responsible for Corrective Action: Rachel Moore

Contact Phone Number and Email Address: 574-457-3188 x 1369, rmoore@wawasee.k12.in.us

Views of Responsible Officials:

Management concurs with the finding.

Description of Corrective Action Plan:

The School Corporation will put a system in place to ensure that all vendor disbursement claims are reviewed by a secondary person and to ensure that the secondary reviewer signs off on all vendor disbursement claims.

Anticipated Completion Date:

The projected date of completion is April 2024.

FINDING 2023-003

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

Summary of Finding:

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2021-002.

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The School Corporation did not establish effective internal controls over the federal award information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the Schedule of Expenditures of Federal Awards (SEFA).

The School Corporation did not properly review the federal grant information prepared and submitted in Gateway, resulting in errors and misstatements on the SEFA.

Contact Person Responsible for Corrective Action: Rachel Moore

Contact Phone Number and Email Address: 574-457-3188 x 1369, rmoore@wawasee.k12.in.us

Views of Responsible Officials:

Management concurs with the finding.

Description of Corrective Action Plan:

Adjustments to the SEFA in Gateway have been proposed and accepted by the School Corporation and made to the SEFA in Gateway to correct the errors and misstatements. The Treasurer will prepare the SEFA in Gateway and will have the information reviewed by the Grant Coordinator prior to submission to ensure accuracy of the reported data. An internal sign-off form will be created and implemented to document the secondary review of the SEFA data.

Anticipated Completion Date:

The projected date of completion is April 2024.

FINDING 2023-004

Finding Subject: Child Nutrition Cluster – Internal Controls

Summary of Finding:

This is a repeat finding for Eligibility from the immediately prior audit report. The prior audit finding number was 2021-005.

The School Corporation did not properly design or implement an effective system of internal controls, which would include segregation of duties, that would likely be effective in preventing, or detecting and correcting, material noncompliance.

The free and reduced-price applications were processed by one employee and updated within the software without an oversight or review process in place to ensure accuracy. Additionally, one employee uploaded the Direct Certification reports from the state into the software system without a

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documented oversight or review process in place to ensure directly certified students were properly processed.

One employee at the School Corporation submitted meal reimbursement claim reports on a monthly basis with no review or oversight process in place to ensure the reports were properly and timely submitted.

Contact Person Responsible for Corrective Action: Jessica Murray

Contact Phone Number and Email Address: 574-457-3188 x 3234, jmurray@wawasee.k12.in.us

Views of Responsible Officials:

Management concurs with the finding.

Description of Corrective Action Plan:

The meal reimbursement claim reports will be prepared by the Food Service Director and reviewed and verified by the Treasurer prior to submission. The Food Service Director will submit the reports and the Treasurer will review the submitted reports to verify accuracy in submission. An internal sign-off form will be created and implemented to document the secondary review of the report data.

The direct certification lists will be downloaded monthly by the Food Service Director and uploaded into the software system. A secondary person will review the data following upload into the software system to ensure data was uploaded correctly and that direct certified students were correctly processed. An internal sign-off form will be created and implemented to document the secondary review of the upload data.

The free and reduced-price applications will be processed by the Food Service Director. The Treasurer will review each application to ensure it has been accurately processed and will sign off on each application to indicate completion of the secondary review.

Anticipated Completion Date:

The projected date of completion is August 2024.

FINDING 2023-005

Finding Subject: Special Education Cluster (IDEA) – Allowable Costs / Cost Principles, Procurement and Suspension and Debarment

Dr. Shelly Wilfong
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Summary of Finding:

There was a material weakness in internal controls, which was a systemic issue throughout the audit period. Vendor claims were prepared by the Deputy Treasurer or Grant Administrator and reviewed by the Corporation Treasurer to ensure proper payment. However, this review was not completed for 9 of 40 vendor claims tested to ensure claims were for allowable costs and made in conformance with applicable cost principles.

Contact Person Responsible for Corrective Action: Rachel Moore

Contact Phone Number and Email Address: 574-457-3188 x 1369, rmoore@wawasee.k12.in.us

Views of Responsible Officials:

Management concurs with the finding.

Description of Corrective Action Plan:

The School Corporation will put a system in place to ensure that all vendor disbursement claims are reviewed by a secondary person and to ensure that the secondary reviewer signs off on all vendor disbursement claims.

Anticipated Completion Date:

The projected date of completion is April 2024.

FINDING 2023-006

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

Summary of Finding:

There was a material weakness, in that the School Corporation had not properly designed or implemented a system of internal controls, including appropriate segregation of duties, that would likely be effective in preventing, or detecting and correcting, noncompliance. Vendor claims were prepared by the Deputy Treasurer or Grant Coordinator and reviewed by the Corporation Treasurer to ensure compliance with allowable costs / cost principles compliance requirement. However, this review was not documented for 11 out of the 40 vendor claims tested.

Contact Person Responsible for Corrective Action: Rachel Moore

Contact Phone Number and Email Address: 574-457-3188 x 1369, rmoore@wawasee.k12.in.us

Views of Responsible Officials:

Management concurs with the finding.

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Director of Technology

Description of Corrective Action Plan:

The School Corporation will put a system in place to ensure that all vendor disbursement claims are reviewed by a secondary person and to ensure that the secondary reviewer signs off on all vendor disbursement claims.

Anticipated Completion Date:

The projected date of completion is April 2024.

FINDING 2023-007

Finding Subject: Title I Grants to Local Educational Agencies - Eligibility

Summary of Finding:

There was a material weakness, in that the School Corporation had not properly designed or implemented a system of internal controls, including appropriate segregation of duties, that would likely be effective in preventing, or detecting and correcting, noncompliance. During the audit period, the School Corporation submitted two Title I Applications using the prior year's Real Time Report data. The October 2021 Real Time Report used for the 2022-2023 Title I Application was not available for review to ensure compliance with the grant's eligibility requirement.

Contact Person Responsible for Corrective Action: Amanda Knipper

Contact Phone Number and Email Address: 574-457-3188 x 1376, aknipper@wawasee.k12.in.us

Views of Responsible Officials:

Management concurs with the finding.

Description of Corrective Action Plan:

The Real Time Report data is pulled by Data Exchange directly from the School Corporation's student management software system. The School Corporation will put a system in place to ensure that all student data within the student software system is accurate to ensure correct reporting of the Real Time data. The Grant Coordinator will review the Real Time report before submission with the information housed in the student management software and a second person will review the data for accuracy. An internal sign-off form will be created and implemented to document the secondary review of the report data. The Superintendent and the Treasurer will both sign off on the data digitally during the certification period as determined by IDOE.

Anticipated Completion Date:

The projected date of completion is August 2024.

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FINDING 2023-008

Finding Subject: Title I Grants to Local Educational Agencies – Matching, Level of Effort, Earmarking

Summary of Finding:

There was a material weakness, in that the School Corporation had not properly designed or implemented a system of internal controls, including appropriate segregation of duties, that would likely be effective in preventing, or detecting and correcting, noncompliance. There was no oversight or review process in place to ensure monitoring of each required set aside within the Title I grant. The School Corporation did not provide documentation to show that set aside obligations were met or not met. The School Corporation did not have an oversight process in place to ensure that expenditures for vendors were posted to the correct fund, account and object codes and reported correctly on the Form 9 so that the IDOE could complete MOE calculations based on Form 9 data.

Contact Person Responsible for Corrective Action: Rachel Moore

Contact Phone Number and Email Address: 574-457-3188 x 1369, rmoore@wawasee.k12.in.us

Views of Responsible Officials:

Management concurs with the finding.

Description of Corrective Action Plan:

The Title I grant will be prepared and managed by the Grant Coordinator. The Treasurer will review and monitor the required set asides within the Title I grants to ensure obligations are met or transferred to the next grant award if not met. An internal sign-off form will be created and implemented to document the secondary review of the grant data.

All vendor claims will be prepared by the Grant Coordinator or the Treasurer and reviewed for accuracy by a second person, with both signing the claims to document the review, to ensure that all expenditures are reported correctly on the Form 9 for accurate calculation of MOE data by the DOE.

Anticipated Completion Date:

The projected date of completion is April 2024.

OTHER REPORTS

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