

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

FEDERAL COMPLIANCE AUDIT REPORT  
OF

WEST LAFAYETTE COMMUNITY  
SCHOOL CORPORATION  
TIPPECANOE COUNTY, INDIANA

July 1, 2017 to June 30, 2019



**FILED**  
03/24/2020



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Ross Sloat	01-01-17 to 12-31-20
Superintendent of Schools	Dr. Rocky Killion	07-01-17 to 06-30-20
President of the School Board	Alan Karpick	01-01-17 to 12-31-20



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 WEST LAFAYETTE COMMUNITY SCHOOL  
CORPORATION, TIPPECANOE 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 West Lafayette Community School Corporation (School Corporation), for the period of July 1, 2017 to June 30, 2019, and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement and have issued our report thereon dated February 26, 2020, 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.

***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) to determine the 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, described in the accompanying Schedule of Findings and Questioned Costs as item 2019-001, that we consider to be a material weakness.

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)

***Compliance and Other Matters***

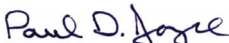
As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 item 2019-001.

***West Lafayette Community School Corporation's Response to Findings***

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.

  
Paul D. Joyce, CPA  
State Examiner

February 26, 2020



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

TO: THE OFFICIALS OF THE WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION, TIPPECANOE COUNTY, INDIANA

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

We have audited the West Lafayette 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, 2017 to June 30, 2019. 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.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2017 to June 30, 2019.

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 items 2019-002, 2019-003, 2019-005, and 2019-006. Our opinion on each major federal program is not modified with respect to these matters.

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**

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2019-002, 2019-003, 2019-005, and 2019-006 to be material weaknesses.

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 deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2019-004 to be a significant deficiency.

The School Corporation's response to the internal control over compliance 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.

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)

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

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

We have audited the financial statement of the School Corporation, as of and for the period of July 1, 2017 to June 30, 2019, and the related notes to the financial statement. We issued our report thereon dated February 26, 2020, which contained a dual opinion on the financial statement. An adverse opinion was issued regarding the presentation in accordance with U.S. Generally Accepted Accounting Principles, and an unmodified opinion was issued regarding the presentation in accordance with the Regulatory Basis of Accounting. Our audit was conducted 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.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

February 26, 2020

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## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2018 and 2019

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-18	Total Federal Awards Expended 06-30-18	Passed Through to Subrecipient 06-30-19	Total Federal Awards Expended 06-30-19
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
School Breakfast Program			FY 2018	\$ -	\$ 43,113	\$ -	\$ -
School Breakfast Program			FY 2019	-	-	-	47,778
Total - School Breakfast Program				-	43,113	-	47,778
National School Lunch Program							
School Lunch Program	Indiana Department of Education	10.555					
Commodities			FY 2018	-	192,142	-	-
School Lunch Program			FY 2018	-	61,445	-	-
Commodities			FY 2019	-	-	-	248,624
Commodities			FY 2019	-	-	-	52,895
Total - National School Lunch Program				-	253,587	-	301,519
Total - Child Nutrition Cluster				-	296,700	-	349,297
Total - Department of Agriculture				-	296,700	-	349,297
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
FY 2017 Federal Part B 611 Grant			14217-021-PN01	-	111,500	-	-
FY 2017 Federal Part B 611 Grant			14217-021-PN01	-	-	-	2,454
FY 2018 Federal Part B 611 Grant			18611-021-PN01	-	312,237	-	-
FY 2018 Federal Part B 611 Grant			18611-021-PN01	-	-	-	114,474
FY 2019 Federal Part B 611 Grant			19611-021-PN01	-	-	-	324,438
Total - Special Education Grants to States				-	423,737	-	441,366
Special Education Preschool Grants	Indiana Department of Education	84.173					
FY 2018 Federal Part B 619 Grant			18619-021-PN01	-	11,234	-	-
FY 2018 Federal Part B 619 Grant			18619-021-PN01	-	-	-	2,820
FY 2019 Federal Part B 619 Grant			19619-021-PN01	-	-	-	11,064
FY 2017 Federal Part B 619 Grant			45717-021-PN01	-	3,264	-	-
Total - Special Education Preschool Grants				-	14,498	-	13,884
Total - Special Education Cluster (IDEA)				-	438,235	-	455,250
Title I Grants to Local Educational Agencies							
Title I Part A	Indiana Department of Education	84.010					
Title I Part A			17-7875	-	49,643	-	-
Title I Part A			18611-001-PN01	-	-	-	86,210
Title I Part A			18-7875	-	32,111	-	-
Title I Part A			18-7875	-	-	-	109,678
Total - Title I Grants to Local Educational Agencies				-	81,754	-	195,888

WEST LAFAYETTE COMMUNITY SCHOOL CORPORATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2018 and 2019

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-18	Total Federal Awards Expended 06-30-18	Passed Through to Subrecipient 06-30-19	Total Federal Awards Expended 06-30-19
English Language Acquisition State Grants	Indiana Department of Education	84.365					
Title III Part A			01116-090-PN-01	-	2,832	-	-
Title III Part A			01118-087-PN01	-	664	-	-
Title III - WVEC			01118-206-PN01	-	113,053	-	-
Title III - WVEC			01118-206-PN01	-	-	-	57,048
Title III - WVEC			01118-212-PN01	-	-	-	15,409
Title III Part A			0117-088-PN01	-	7,139	-	-
Title III - WVEC			0117-207-PN01	-	46,940	-	-
Title III - WVEC			0117-207-PN01	-	-	-	2,712
Title III - WVEC			0119-207-PN01	-	-	-	166,332
Total - English Language Acquisition State Grants				-	170,628	-	241,501
Migrant Education State Grant Program	Indiana Department of Education	84.011					
Title I Part C - WVEC			38215-004-PN01	-	89,239	-	-
Title I Part C - WVEC			38216-004-PN01	-	680,820	-	259,089
Title I Part C - WVEC			38217-004-PN01	-	-	-	91,156
Total - Migrant Education State Grant Program				-	770,059	-	350,245
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
Title II Part A			15-7875	-	11,448	-	-
Title II Part A			16-7875	-	7,653	-	-
Title II Part A			16-7875	-	-	-	15,876
Title II Part A			17-7875	-	15,876	-	-
Title II Part A			17-7875	-	-	-	-
Title II Part A			7000-S367A180013	-	-	-	20,240
Total - Supporting Effective Instruction State Grants				-	34,977	-	36,116
Student Support and Academic Enrichment Program	Indiana Department of Education	84.424					
Title IV Part A - WVEC			24492	-	-	-	161,160
Title IV Part A			2018-424-260	-	-	-	4,877
Total - Student Support and Academic Enrichment Program				-	-	-	166,037
Total - Department of Education				-	1,495,653	-	1,445,037
Total federal awards expended				\$ -	\$ 1,792,353	\$ -	\$ 1,794,334

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

WEST LAFAYETTE 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, 2018 and 2019. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

The Uniform Guidance requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$750,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

**B. Other Significant Accounting Policies**

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

**Note 2. Indirect Cost Rate**

The School Corporation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 3. Special Education Cooperative**

The School Corporation is a member of the Greater Lafayette Area Special Services (GLASS). As a result, some activity for the Special Education Cluster (IDEA) that is presented as federal awards expended in the SEFA is not presented as receipts and disbursements in the financial statement for the School Corporation. This activity is reported on the financial statement of the GLASS.

WEST LAFAYETTE 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?	yes
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	yes

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

<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
Child Nutrition Cluster	Unmodified
Special Education Cluster (IDEA)	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 2019-001**

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

*Condition and Context*

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. An oversight or review process had been implemented; however, the review was not effective as evidenced by the errors noted on the SEFA identified below.

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

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

1. The Migrant Education State Grant Program expenditures were understated by \$259,089 as of June 30, 2019.
2. The National School Lunch Program Commodities expenditures were understated by \$817 as of June 30, 2019, and overstated by \$2,789 as of June 30, 2019.
3. The English Language Acquisition State Grants expenditures were understated by \$274 and \$1,682 as of June 30, 2018 and 2019, respectively.
4. The Migrant Education State Grant Program expenditures were incorrectly reported as CFDA number 84.365, instead of 84.011.

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

*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. . . .

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduced here for reference purposes: . . .

- Accurate and timely recording of transactions. . . ."

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 Financial statements. . . ."

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

2 CFR 200.510(b) states:

*"Schedule of expenditures of Federal awards.* The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. 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 a cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA 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 Basis for determining Federal awards expended, paragraph (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 Indirect (F&A) costs."

*Cause*

Management had not established a system of internal control that would have ensured proper reporting of the SEFA.

*Effect*

Without a proper system of internal control 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.

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

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

**FINDING 2019-002**

Subject: National School Lunch Program - Special Tests and Provisions - Paid Lunch Equity  
Federal Agency: Department of Agriculture  
Federal Program: National School Lunch Program  
CFDA Number: 10.555  
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2018  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Special Tests and Provisions - Paid Lunch Equity  
Audit Findings: Material Weakness, Other Matters

*Repeat Finding*

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2017-005.

*Condition and Context*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Paid Lunch Equity compliance requirement.

The Paid Lunch Equity calculation was not completed for fiscal year 2017-2018.

This was a systemic issue during 2017-2018.

*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). . . ."

7 CFR 210.14(e) states in part:

"*Pricing paid lunches.* For each school year beginning July 1, 2011, school food authorities shall establish prices for paid lunches in accordance with this paragraph.

- (1) *Calculation procedures.* Each school food authority shall:

- (i) Determine the average price of paid lunches. The average shall be determined based on the total number of paid lunches claimed for the month of October in the previous school year, at each different price charged by the school food authority.

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

(ii) Calculate the difference between the per meal Federal reimbursement for paid and free lunches received by the school food authority in the previous school year (*i.e.*, the reimbursement difference);

(iii) Compare the average price of a paid lunch under paragraph (e)(1)(i) of this section to the difference between reimbursement rates under paragraph (e)(1)(ii) of this section. . . ."

*Cause*

Management had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Special Tests and Provisions - Paid Lunch Equity compliance requirement.

*Effect*

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the Special Tests and Provisions - Paid Lunch Equity compliance requirement could have resulted in the loss of funds to the School Corporation.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish a system of internal controls to ensure compliance and comply with the grant agreement and the Special Tests and Provisions - Paid Lunch Equity compliance requirement.

*Views of Responsible Officials*

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

**FINDING 2019-003**

Subject: Child Nutrition Cluster - Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2018, FY 2019

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)

Audit Findings: Material Weakness, Other Matters

*Condition and Context*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirement.

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

The School Corporation did not perform verifications of its free and reduced price meal applications or submit a Verification Summary Report during fiscal year 2017-2018.

This was a systemic problem during 2017-2018.

*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). . . ."

7 CFR 245.6a(c) states in part:

*"Verification requirement - (1) General.* The local educational agency must verify eligibility of children in a sample of household applications approved for free and reduced price meal benefits for that school year.

- (i) A State may, with the written approval of FNS, assume responsibility for complying with the verification requirements of this section on behalf of its local educational agencies. When assuming such responsibility, States may qualify, if approved by FNS, to use one of the alternative sample sizes provided for in paragraph (c)(4) of this section if qualified under paragraph (d) of this section.
- (ii) An application must be approved if it contains the essential documentation specified in the definition of *Documentation* in § 245.2 and, if applicable, the household meets the income eligibility criteria for free or reduced price benefits. Verification efforts must not delay the approval of applications. . . ."

*Cause*

Management had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirement.

*Effect*

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirement could have resulted in the loss of funds to the School Corporation.

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

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish a system of internal controls to ensure compliance and comply with the grant agreement and the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirement.

*Views of Responsible Officials*

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

**FINDING 2019-004**

Subject: Child Nutrition Cluster - Internal Controls

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2018, FY 2019

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Cash Management, Eligibility, Special Tests  
and Provisions - School Food Accounts

Audit Finding: Significant Deficiency

*Condition and Context*

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

*Cash Management*

The School Corporation did not have effective controls in place to ensure that the three month average expenditures were calculated for comparison to monthly School Lunch fund cash balances.

*Eligibility*

The School Corporation did not have a proper system of oversight or review in place to ensure that the federal income guidelines entered into the software program were accurate for fiscal years 2017-2018 and 2018-2019.

*Special Tests and Provisions - School Food Accounts*

The School Corporation did not have a proper system of oversight or review in place to ensure that revenues for its non-profit school food service program were in accordance with state requirements.

This was a systemic issue throughout the audit period.

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

*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*

Management had not developed a system of internal controls to would have ensured compliance with the grant agreement and the compliance requirements listed above.

*Effect*

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements listed above. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish a system of internal controls related to the grant agreement and Cash Management, Eligibility, and Special Tests and Provisions - School Food Accounts compliance requirements.

*Views of Responsible Officials*

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

**FINDING 2019-005**

Subject: Child Nutrition Cluster - Procurement and Suspension and Debarment  
Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program  
CFDA Numbers: 10.553, 10.555  
Federal Award Number and Years (or Other Identifying Numbers): FY 2018, FY 2019  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Procurement and Suspension and Debarment  
Audit Findings: Material Weakness, Other Matters

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

*Repeat Finding*

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2017-003.

*Condition and Context*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

*Procurement*

The School Corporation did not perform proper procurement procedures when procuring their group purchasing organization.

*Suspension and Debarment*

The School Corporation did not perform any of the required procedures to ensure that vendors were not suspended or debarred from participation in federal programs.

The lack of controls and noncompliance were systematic issues, which occurred 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). . . ."

7 CFR 210.21(c) states in part:

*"Procedures.* . . . A school food authority may use its own procurement procedures which reflect applicable State and local laws and regulations, provided that procurements made with nonprofit school food service account funds adhere to the standards set forth in this part and §§ 3016.36(b) through 3016.36(i), 3016.60 and 3019.40 through 3019.48 of this title, as applicable, and in the applicable Office of Management and Budget Circulars. School food authority procedures must include a written code of standards of conduct meeting the minimum standards of § 3016.36(b)(3) or § 3019.42 of this title, as applicable.

- (1) *Pre-issuance review requirement.* The State agency may impose a pre-issuance review requirement on a school food authority's proposed procurement. The school food authority must make available, upon request by the State agency, its procurement documents, including but not limited to solicitation documents, specifications, evaluation criteria, procurement procedures, proposed contracts and contract terms. . . ."

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

2 CFR 180.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified.

You do this by:

- (a) Checking SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

*Cause*

Management had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

*Effect*

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement could have resulted in the loss of funds to the School Corporation.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish a system of internal controls to ensure compliance and comply with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

*Views of Responsible Officials*

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

**FINDING 2019-006**

Subject: Child Nutrition Cluster - Program Income  
Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program  
CFDA Numbers: 10.553, 10.555  
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2018, FY 2019  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Program Income  
Audit Findings: Material Weakness, Other Matters

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

*Condition and Context*

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

The School Corporation had not designed or implemented adequate internal controls to ensure that program income was properly recorded in accordance with applicable requirements. Program income was transferred by one individual without a proper oversight, review, or approval process.

Additionally, the lunch price charged at one of the elementary schools was less than the lunch price approved by the School Board.

This is 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). . . ."

7 CFR 220.7(e) states in part:

"Each school food authority approved to participate in the program shall enter into a written agreement with the State agency or the Department through the FNSRO, as applicable that may be amended as necessary. . . . Such agreements shall provide that the School Food Authority shall, with respect to participating schools under its jurisdiction: . . . ."

(12) Maintain a financial management system as prescribed by the State agency, or FNSRO where applicable; . . . ."

7 CFR 210.14(c) states:

"*Financial assurances.* The school food authority shall meet the requirements of the State agency for compliance with § 210.19(a) including any separation of records of nonprofit school food service from records of any other food service which may be operated by the school food authority as provided in paragraph (a) of this section."

7 CFR 210.14(e) states in part:

"*Pricing paid lunches.* For each school year beginning July 1, 2011, school food authorities shall establish prices for paid lunches in accordance with this paragraph.

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

(1) *Calculation procedures.* Each school food authority shall:

(i) Determine the average price of paid lunches. The average shall be determined based on the total number of paid lunches claimed for the month of October in the previous school year, at each different price charged by the school food authority.

(ii) Calculate the difference between the per meal Federal reimbursement for paid and free lunches received by the school food authority in the previous school year (*i.e.*, the reimbursement difference);

(iii) Compare the average price of a paid lunch under paragraph (e)(1)(i) of this section to the difference between reimbursement rates under paragraph (e)(1)(ii) of this section. . . ."

7 CFR 210.14(f)(3) states: "All revenue from the sale of nonprogram foods shall accrue to the nonprofit school food service account of a participating school food authority."

7 CFR 220.13(i) states in part: "Each State agency, or FNS where applicable, shall establish a financial management system under which School Food Authorities shall account for all revenues and expenditures of their nonprofit school food service. . . ."

*Cause*

Management had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Program Income compliance requirement.

*Effect*

The failure to establish an effective internal control system enabled noncompliance to go undetected. Noncompliance with the grant agreement and the Program Income compliance requirement could have resulted in the loss of funds to the School Corporation.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish a system of internal controls to ensure compliance and comply with the grant agreement and the Program Income compliance requirement.

*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.

# West Lafayette Community School Corporation

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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2017-001** (Auditor Assigned Reference Number)

Fiscal year in which the finding initially occurred: 2015-2016, 2016-2017  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education  
Contact Person Responsible for Corrective Action: Courtney FitzSimons  
Contact Phone Number: 765-746-0421

#### Status of Audit Finding:

The number of employees in our Food Service department has increased over the last 18 months, as forecasted in our Corrective Action Plan from the 2015-2017 audit.

Prior to the fall of the 2017-2018 school year, there was one central/satellite kitchen that served all three school buildings. Between the Fall of 2018 and Spring Semester of 2020, the corporation went from having one kitchen to three kitchens. Therefore, the need for more staff to keep three kitchens running created an additional expense, bringing the average cash balance down on a continuous basis.

The spending down plan of the 3-month cash balance was in place for the 2017-2019 audit as stated in the Corrective Action Plan but relied on the completion of construction projects for the opening of the kitchens, creating the need for additional hiring.

### **FINDING 2017-002** (Auditor Assigned Reference Number)

Fiscal year in which the finding initially occurred: 2015-2016, 2016-2017  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education  
Contact Person Responsible for Corrective Action: Courtney FitzSimons  
Contact Phone Number: 765-746-0421

#### Status of Audit Finding:

On January 29, 2019 (immediately following the 2015-2017 Audit) Courtney FitzSimons, Food Service Director for WLCSC, prepared an extensive email to the DOE with examples and supporting documentation on how the corrective actions had been implemented and/or satisfied. Reports will be double-checked by Courtney for accuracy before submission. The timing of the audit concluding in 2019 did not allow for the changes to occur for the 2017-2019 Audit period.

Within the above-mentioned email, documentation was included (and on file in the Business Office) showing the Free & Reduced Verification Process for the 2018-2019 school year and signed off on by the FS Director and Assistant. In addition, there are samples of the signed claim review, reviewed application, claim receipt review and the 2018 verification report.

Reports are now being reviewed by someone other than the preparer. Internal Controls have been put in place for the Eligibility Requirement.

**FINDING 2017-003** (Auditor Assigned Reference Number)

Fiscal year in which the finding initially occurred: 2015-2016, 2016-2017  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education  
Contact Person Responsible for Corrective Action: Courtney FitzSimons  
Contact Phone Number: 765-746-0421

Status of Audit Finding:

On January 29, 2019 (immediately following the 2015-2017 Audit) Courtney FitzSimons, Food Service Director for WLCSC, prepared an extensive email to the DOE with examples and supporting documentation on how the corrective actions had been implemented and/or satisfied. The timing of the audit concluding in 2019 did not allow for the changes to occur for the entire 2017-2019 Audit period.

Within the above-mentioned email, documentation was included (and on file in the Business Office) showing that a plan had been put together to comply with procurement, suspension and debarment procedures. The Corporation ended the relationship with HPS and joined the West Indy Coop as approved by the School Board. The WLCSC Procurement Plan was created in August of 2018 for School Board Adoption in September of 2018. (Sanitation Bids done separately and are on file in the Business Office.)

**FINDING 2017-004** (Auditor Assigned Reference Number)

Fiscal year in which the finding initially occurred: 2015-2016, 2016-2017  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education  
Contact Person Responsible for Corrective Action: Courtney FitzSimons  
Contact Phone Number: 765-746-0421

Status of Audit Finding:

On January 29, 2019 (immediately following the 2015-2017 Audit) Courtney FitzSimons, Food Service Director for WLCSC, prepared an extensive email to the DOE with examples and supporting documentation on how the corrective actions had been implemented and/or satisfied. The timing of the audit concluding in 2019 did not allow for the changes to occur for the entire 2017-2019 Audit period.

The Food Service Transfer from Prepaid Funds (Fund 8400) to the Expense Account (Fund 0800) and reports are prepared by the Deputy Treasurer on a monthly basis and then approved/signed by the CFO. Copies of the transfers are detailed with saved reports and on file in the Business Office with approval(s).

**FINDING 2017-005** (Auditor Assigned Reference Number)

Fiscal year in which the finding initially occurred: 2015-2016, 2016-2017

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Courtney FitzSimons

Contact Phone Number: 765-746-0421

Status of Audit Finding:

On January 29, 2019 (immediately following the 2015-2017 Audit) Courtney FitzSimons, Food Service Director for WLCSC, prepared an extensive email to the DOE with examples and supporting documentation on how the corrective actions had been implemented and/or satisfied. The timing of the audit concluding in 2019 did not allow for the changes to occur for the entire 2017-2019 Audit period.

In August 2018, the following policy was written, "The West Lafayette Community School Corporation Food Service Department will determine the necessity of increasing lunch prices annually. The Food Service Department will utilize the Paid Lunch Equity calculator to compare the difference between the per meal Federal reimbursement for paid and free lunches with the average price of a paid lunch. The West Lafayette Community School Corporation CFO will review and sign off on the results. If a lunch price increase is required, The Food Service Department will submit a formal request to the School Board for approval." The FSD/CFO signed Paid Lunch Equity Calculator is on file in the Business Office.

**FINDING 2017-006** (Auditor Assigned Reference Number)

Fiscal year in which the finding initially occurred: 2015-2016, 2016-2017

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Janelle Wade/Ross Sloat

Contact Phone Number: 765-746-1602

Status of Audit Finding:

It was an oversight on the Business Office not to have the CFO do a review of what is being requested for reimbursement since it does not have the dual signature line like all other reimbursement grants do. The problem was brought to our attention and the Deputy Treasurer has the CFO review as part of the process now.

This has already been completed, following the 2013-2015 audit. The review and signature of the CFO continues with each reimbursement request.

Janille Wade

(Signature)

Deputy Treasurer

(Title)

2-26-2020

(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

# West Lafayette Community School Corporation

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## CORRECTIVE ACTION PLAN

### **FINDING 2019-001** (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Courtney FitzSimons  
Contact Phone Number: 765-746-0421

Views of Responsible Official: Agreed

#### Description of Corrective Action Plan:

In order to provide adequate internal control in the preparation of the SEFA the following steps will be followed:

1. The SEFA will be completed by the Deputy Treasurer
2. A review of the completed SEFA will be reviewed and compared to the financial reports by the Business Manager/CFO.
3. The process to enter the SEFA into Gateway can be cumbersome, therefore a review of this process and data entered will be carefully scrutinized by the Deputy Treasurer and Business Manager/CFO.
4. Grants that are part of the Wabash Valley Education Cooperative (item #1) will be reviewed by the WVEC treasurer for accuracy.
5. School lunch program (item #2) data will also be reviewed by the Food Service Director.

Anticipated Completion Date: Upcoming summer of 2020, when the next SEFA is completed and due.

### **FINDING 2019-002** (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Courtney FitzSimons  
Contact Phone Number: 765-746-0421

Views of Responsible Official: Agreed

#### Description of Corrective Action Plan:

As stated following the 2015-2017 audit that concluded in the Fall of 2018, the WLCSC Food Service Department will determine the necessity of increasing lunch prices annually. The FS Department will utilize the Paid Lunch Equity calculator to compare the difference between price paid and Federally reimbursed and free lunches with the average price of paid lunch. The Interim CFO will review and sign off on the results. If price change is necessary, it will be presented to the School Board for approval.

Anticipated Completion Date: This was completed in Fall of 2018, and documentation sent to the IDOE via email January 29, 2019. Due to the timing of the audits, it was not possible to have corrected this before the first year of 2017-2019 audit.

**FINDING 2019-003** (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Courtney FitzSimons  
Contact Phone Number: 765-746-0421

Views of Responsible Official: Agreed

Description of Corrective Action Plan:

As stated following the 2015-2017 audit that concluded in the Fall of 2018, WLCSC hired a new Food Service Director after the 2013-2015 audit was completed. Courtney FitzSimons is the new Food Service Director for WLCSC, and has hired some additional staff to help with the shortage. She has stepped in to help keep the department in compliance, by serving as a second set of eyes for Free & Reduced applications and verifications. Reports will be double-checked by Courtney for accuracy before submission.

Anticipated Completion Date: Completed in the Fall of 2018. The documentation for this finding was sent to the IDOE via email January 29, 2019. Due to the timing of the audits, it was not possible to have corrected this before the first year of 2017-2019 audit.

**FINDING 2019-004** (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Courtney FitzSimons/Janelle Wade  
Contact Phone Number: 765-746-1602

Views of Responsible Official: Agreed

Description of Corrective Action Plan:

As stated following the 2015-2017 audit that concluded in the Fall of 2018, with new kitchens opening at the two other school buildings, there will be a need for more staff. As a result, the cash balance will not continue to be as excessive as it has been in years past. In addition, the newly hired Food Service Director will oversee more of the financial management of the accounts and be in communication with the Business Office. The Food Service Director, with the assistance of the Business Office, will keep a documented/calculated trail of the three-month average expenditures to compare cash balances.

The assistant to the FSD receives all Free & Reduced Applications for the Corporation, then the FSD reviews every tenth application. Beginning in the 2020-2021 school year we will review two out of every ten, or every fifth application as suggested by the IDOE during their February 2020 audit/review of WLCSC.

Anticipated Completion Date: In progress now, additional staff has been hired and all three kitchens are open as of January 2020. Documentation was sent to the IDOE via email January 29, 2019. Eligibility and Cash Management practices are in place.

**FINDING 2019-005** (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Courtney FitzSimons  
Contact Phone Number: 765-746-0421

Views of Responsible Official: Agreed

Description of Corrective Action Plan:

As stated following the 2015-2017 audit that concluded in the Fall of 2018, WLCSC hired a DOE-approved Food Service Director, Courtney FitzSimons, during the summer of 2018. She put together a plan, which complies with procurement, suspension and debarment procedures. The School Board was presented with the recommendation to join West Indy Coop, ending our relationship with HPS. In addition, bids were taken for milk, bread, and sanitation. They were taken to the School Board for approval.

Anticipated Completion Date: Completed in the Fall of 2018. The documentation for this finding was sent to the IDOE via email January 29, 2019. Due to the timing of the audits, it was not possible to have corrected this before the first year of 2017-2019 audit.

**FINDING 2019-006** (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Courtney FitzSimons/Ross Sloat and Janelle Wade  
Contact Phone Number: 765-746-1602

Views of Responsible Official: Agreed

Description of Corrective Action Plan:

As stated following the 2015-2017 audit that concluded in the Fall of 2018, the Deputy Treasurer receives the Treasurer of the State ACH notifications for the Lunch/Breakfast Program reimbursements each month. The funds are automatically deposited into the corporation's bank account and entry for revenue is made into the financial software. A copy of the receipt is sent to the Food Service Director and/or Assistant Food Service Director for verification that the amount matches what was submitted to the State for that month.

In addition, the monthly transfers in the financial software system from Prepaid Lunch Account Fund 8400 to Fund 0800 will be reviewed and initialed by WLCSC CFO to verify reports and correct amounts.

Anticipated Completion Date: This was completed in Fall of 2018, and documentation sent to the IDOE via email January 29, 2019. Due to the timing of the audits, it was not possible to have corrected this before the first year of 2017-2019 audit.

## 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/>.