

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

ORLEANS COMMUNITY SCHOOLS

ORANGE COUNTY, INDIANA

July 1, 2018 to June 30, 2020



**FILED**  
03/11/2021

*Reissued on April 19, 2021, to correct  
the Schedule of Expenditures of  
Federal Awards and related reports.*



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Theresa Robbins	07-01-18 to 06-30-21
Superintendent of Schools	Gary McClintic	07-01-18 to 06-30-20
	James Ellis	07-01-20 to 06-30-21
President of the School Board	David Henderson	07-01-18 to 12-31-18
	Carl Anderson	01-01-19 to 12-31-19
	Steven Johnson	01-01-20 to 12-31-20
	Barry Bishop	01-01-21 to 12-31-21



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 ORLEANS COMMUNITY SCHOOLS, ORANGE 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 Orleans Community Schools (School Corporation), for the period of July 1, 2018 to June 30, 2020, 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 18, 2021, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


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

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

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

  
Paul D. Joyce, CPA  
State Examiner

February 18, 2021



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE 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 ORLEANS COMMUNITY SCHOOLS, ORANGE COUNTY, INDIANA

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

We have audited the Orleans Community Schools' (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the period of July 1, 2018 to June 30, 2020. The School Corporation's major federal program is 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 the School Corporation's major federal program 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 the major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

***Opinion on the 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 its major federal program for the period of July 1, 2018 to June 30, 2020.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE 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 2020-001. Our opinion on the 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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the 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.

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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section 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. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2020-001, that we consider to be material weaknesses.

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.

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 THE 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, 2018 to June 30, 2020, and the related notes to the financial statement. We issued our report thereon dated February 18, 2021, 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 18, 2021

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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.

ORLEANS COMMUNITY SCHOOLS  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2019 and 2020

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 06-30-19	Total Federal Awards Expended 06-30-19	Passed Through to Subrecipient 06-30-20	Total Federal Awards Expended 06-30-20
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553	FY 2018-2019	\$ -	\$ 76,919	\$ -	\$ -
School Breakfast Program		10.553	FY 2019-2020	-	-	-	57,343
School Breakfast Program				-	-	-	-
COVID-19 - School Breakfast Program	Indiana Department of Education			-	-	-	-
School Breakfast Program		10.553	FY 2019-2020	-	-	-	4,887
Total - School Breakfast Program				-	76,919	-	62,230
National School Lunch Program							
National School Lunch Program	Indiana Department of Education	10.555	FY 2018-2019	-	220,783	-	-
National School Lunch Program		10.555	FY 2019-2020	-	-	-	152,024
Commodities				-	32,953	-	29,533
Sub-Total - National School Lunch Program				-	253,736	-	181,557
COVID-19 - National School Lunch Program	Indiana Department of Education			-	-	-	-
National School Lunch Program		10.555	FY 2019-2020	-	-	-	11,976
Total - National School Lunch Program				-	253,736	-	193,533
Summer Food Service Program for Children							
Summer Food Service Program for Children	Indiana Department of Education	10.559	FY 2018-2019	-	9,402	-	-
Summer Food Service Program for Children		10.559	FY 2019-2020	-	-	-	9,153
COVID-19 - Summer Food Service Program for Children	Indiana Department of Education			-	-	-	-
Summer Food Service Program for Children		10.559	FY 2019-2020	-	-	-	71,149
Total - Summer Food Service Program for Children				-	9,402	-	80,302
Total - Child Nutrition Cluster				-	340,057	-	336,065
Total - Department of Agriculture				-	340,057	-	336,065
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education			-	-	-	-
FY 2017 Federal Part B 611 Grant		84.027	14217-049-PN01	-	32,118	-	-
FY 2018 Federal Part B 611 Grant		84.027	18611-049-PN01	-	35,088	-	-
FY 2018 Federal Part B 611 Grant		84.027	18611-047-PN01	-	-	-	34,567

ORLEANS COMMUNITY SCHOOLS  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2019 and 2020

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 06-30-19	Total Federal Awards Expended 06-30-19	Passed Through to Subrecipient 06-30-20	Total Federal Awards Expended 06-30-20
FY 2019 Federal Part B 611 Grant		84.027	19611-047-PN01	-	47,691	-	125,652
FY 2020 Federal Part B 611 Grant		84.027	20611-045-PN01	-	-	-	108,724
<b>Total - Special Education Grants to States</b>				<b>-</b>	<b>114,897</b>	<b>-</b>	<b>268,943</b>
Special Education Preschool Grants	Indiana Department of Education						
FY 2018 Federal Preschool 619 Grant		84.173	18619-047-PN01	-	-	-	283
FY 2018 Federal Preschool 619 Grant		84.173	18619-049-PN01	-	1,798	-	-
FY 2019 Federal Preschool 619 Grant		84.173	19619-047-PN01	-	1,437	-	2,155
FY 2020 Federal Preschool 619 Grant		84.173	20619-045-PN01	-	-	-	1,736
FY 2017 Federal Preschool 619 Grant		84.173	45717-049-PN01	-	65	-	-
<b>Total - Special Education Preschool Grants</b>				<b>-</b>	<b>3,300</b>	<b>-</b>	<b>4,174</b>
<b>Total - Special Education Cluster (IDEA)</b>				<b>-</b>	<b>118,197</b>	<b>-</b>	<b>273,117</b>
Title I Grants to Local Educational Agencies	Indiana Department of Education						
Title I 2017-2018		84.010	18-6145	-	73,799	-	-
Title I 2018-2019		84.010	S010A170014	-	181,171	-	30,233
Title I 2019-2020		84.010	S010A190014	-	-	-	90,391
<b>Total - Title I Grants to Local Educational Agencies</b>				<b>-</b>	<b>254,970</b>	<b>-</b>	<b>120,624</b>
Rural Education	Indiana Department of Education						
Rural/L-I Sch Grant/16-18		84.358	S358B0160014	-	19,281	-	-
Rural/L-I Sch Grant/17-19		84.358	S358B170014	-	-	-	15,363
<b>Total - Rural Education</b>				<b>-</b>	<b>19,281</b>	<b>-</b>	<b>15,363</b>
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	Indiana Department of Education						
Title II (Pt.A) 2017-2019		84.367	S367A170013	-	31,822	-	-
Title II (Pt.A) 2018-2020		84.367	S367A180013	-	13,284	-	17,892
<b>Total - Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)</b>				<b>-</b>	<b>45,106</b>	<b>-</b>	<b>17,892</b>
Student Support and Academic Enrichment Program	Indiana Department of Education						
Title IV Part A 2017-2019		84.424	S424A170015	-	-	-	50,500
<b>Total - Department of Education</b>				<b>-</b>	<b>437,554</b>	<b>-</b>	<b>477,496</b>
<b>Total federal awards expended</b>				<b>\$ -</b>	<b>\$ 777,611</b>	<b>\$ -</b>	<b>\$ 813,561</b>

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

ORLEANS COMMUNITY SCHOOLS  
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, 2019 and 2020. 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 Orange-Lawrence-Jackson-Martin-Greene Joint Services Special Education Cooperative (Cooperative), which operates the special education program for the School Corporation. As a result, activity for the Special Education Cluster (IDEA) that is presented on the SEFA is not presented as receipts and disbursements in the financial statement for the School Corporation. This activity is reported on the financial statement of the Cooperative.

ORLEANS COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I - Summary of Auditor's Results**

Financial Statement:

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

Federal Awards:

Internal control over major program:	
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 the Major Program and type of auditor's report issued on compliance for it:

<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
Child Nutrition Cluster	Unmodified

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

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

No matters are reportable.

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

**FINDING 2020-001**

Subject: Child Nutrition Cluster - Procurement

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, COVID-19 - School Breakfast Program, National School Lunch Program, COVID-19 - National School Lunch Program, Summer Food Service Program for Children, COVID-19 - Summer Food Service Program for Children

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2018-2019, FY 2019-2020

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Other Matters

ORLEANS COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2018-005.

*Condition and Context*

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

*Procurement*

The School Corporation had not established effective internal controls to ensure proper procurement methods and procedures were followed.

The School Corporation established a procurement policy for fiscal year 2017-2018, but the stated procedures were not always followed. An updated procurement policy for 2019-2020 was on file, but not always followed. Procurements made from two vendors during 2018-2019 and three vendors during 2019-2020 fell within the small purchase procedures requirements. There was no evidence presented for audit that an adequate number of quotations were obtained or documentation as to the rationale to limit competition in those cases where competition was limited and that the limitation was justified.

The lack of internal controls and noncompliance were systemic 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 Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal awards 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 200.318(a) states: "The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part."

2 CFR 200.320 states in part:

"The non-Federal Entity must use one of the following methods of procurement. . . ."

(b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. . . ."

ORLEANS COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Cause*

Management of the School Corporation 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 noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish internal controls and follow the School Corporation's documented procurement policy to ensure compliance 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.

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#### AUDITEE-PREPARED DOCUMENTS

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

# ORLEANS COMMUNITY SCHOOLS

## OFFICE OF THE SUPERINTENDENT

**James Ellis, Superintendent**  
**Theresa Robbins, Treasurer**  
**Bridget Knight, Deputy Trea.**  
**Chelsie Atchison, Secretary**



173 W. Marley Street - Orleans, IN 47452  
(812) 865-2688  
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*"Commitment to Excellence"*

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

#### ***FINDING 2018-001***

Fiscal year in which the finding initially occurred: 2014

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

Contact Person Responsible for Corrective Action: Theresa Robbins and Dorothy Dorsett

Contact Phone Number: 812-865-2688

Status of Audit Finding: Regarding Program Income, Fund 8400 has been set up with the elementary ECA treasurer starting with the 2019-2020 school year. Deposits to lunch accounts are now deposited to Fund 8400 with the elementary ECA treasurer. Each month, the sales number on the Z report is used to determine what amount should be transferred to the corporation treasurer, where Fund 800 is now located. The cafeteria manager verifies this number in addition to the corporation treasurer. Regarding Verification of Free and Reduced Price Applications, oversight and a review by a second individual over these applications should have been implemented by the cafeteria manager. Regarding both the Monthly Sponsor Claims and the Annual Financial Report, the control issue was resolved for the 2017-2018 school year. Regarding Paid Lunch Equity, a second employee should be responsible for reviewing the calculation, and both employees should now need to provide a signature on this document.

*James Ellis*

*9/28/20*

# ORLEANS COMMUNITY SCHOOLS

## OFFICE OF THE SUPERINTENDENT

**James Ellis, Superintendent**  
**Theresa Robbins, Treasurer**  
**Bridget Knight, Deputy Trea.**  
**Chelsie Atchison, Secretary**



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### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

***FINDING 2018-002***

Fiscal year in which the finding initially occurred: 2018

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

Contact Person Responsible for Corrective Action: Theresa Robbins

Contact Phone Number: 812-865-2688

Status of Audit Finding: In April of 2019, the elementary ECA treasurer tracked her hours each day as pertaining to cafeteria or to all other work. She used a Time and Effort Log to record these hours and these logs should be located in her personnel file. At the end of May, this information was collected and used to support the 50% allocation of her time to cafeteria. Per the auditor, this could be good for a couple of years. After a couple of years, another measure of her work should be taken to determine if the percentage needs adjusted.

*James Ellis 9/24/23*

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see 2 CFR §200.511(b).)

# ORLEANS COMMUNITY SCHOOLS

## OFFICE OF THE SUPERINTENDENT

**James Ellis**, Superintendent  
**Theresa Robbins**, Treasurer  
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### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

**FINDING 2018-003**

Fiscal year in which the finding initially occurred: 2014

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

Contact Person Responsible for Corrective Action: Theresa Robbins

Contact Phone Number: 812-865-2688

Status of Audit Finding: A spreadsheet is used to monitor the three months average expenditures. This is updated and reviewed on a monthly basis by both the corporation treasurer, cafeteria manager, and the superintendent and board. In addition, during the fall of 2019 a written plan was completed and submitted to the school nutrition department of the IDOE. It was approved.

*James Ellis*  
*9/28/20*

# ORLEANS COMMUNITY SCHOOLS

## OFFICE OF THE SUPERINTENDENT

**James Ellis**, Superintendent  
**Theresa Robbins**, Treasurer  
**Bridget Knight**, Deputy Trea.  
**Chelsie Atchison**, Secretary



173 W. Marley Street - Orleans, IN 47452  
(812) 865-2688  
www.orleans.k12.in.us

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### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

***FINDING 2018-004***

Fiscal year in which the finding initially occurred: 2018

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

Contact Person Responsible for Corrective Action: Theresa Robbins and Dorothy Dorsett

Contact Phone Number: 812-865-2688

Status of Audit Finding: The capital asset listing has been reviewed to ensure that relevant information is contained on there as well as that capital assets are placed on the listing when purchased. In addition, the cafeteria manager will be required to request approval from the Indiana Department of Education prior to making purchases greater than \$5,000.00.

*James Ellis 9/29/20*

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see 2 CFR §200.511(b).)

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### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

#### **FINDING 2018-005**

Fiscal year in which the finding initially occurred: 2016

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

Contact Person Responsible for Corrective Action: Theresa Robbins and Dorothy Dorsett

Contact Phone Number: 812-865-2688

Status of Audit Finding: There is a procurement policy and the procedures contained within are being followed more closely. The cafeteria manager documents the purchases and verifies which category they fall within in addition to which requirements should be met for the purchases. In relation to suspension and debarment (for signed contracts over \$25,000), the cafeteria manager is able to access documentation which verifies that this condition has been met.

*James Ellis 9/18/20*

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see 2 CFR §200.511(b).)

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### CORRECTIVE ACTION PLAN

#### **FINDING 2020-001**

Contact Person Responsible for Corrective Action: Theresa Robbins and Dorothy Dorsett  
Contact Phone Number: (812)865-2688

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The most recent procurement policy needs to be reviewed and followed more closely. The cafeteria director is responsible for reviewing each purchase and preparing documentation for which type of procurement method is to be followed for each purchase. The cafeteria director has been doing this the past couple of years but a control needs to be established to provide assurance that all purchases have been reviewed and documented. At the end of each fiscal year, the treasurer should pull a report that summarizes the vendor amounts for the year. This report should then be compared to the documentation that the cafeteria director collected over the year. This control should be able to identify any purchases that are missing documentation and allow for the cafeteria director to go back to those.

Anticipated Completion Date: Summer of 2021

## 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/>.