

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

FEDERAL COMPLIANCE AUDIT REPORT
OF

NORTH JUDSON-SAN PIERRE
SCHOOL CORPORATION
STARKE COUNTY, INDIANA

July 1, 2018 to June 30, 2020



FILED
07/12/2021

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Guy Richie Dalton Tunis	07-01-18 to 02-28-21 03-01-21 to 06-30-21
Superintendent of Schools	Dr. Annette Zupin	07-01-18 to 06-30-21
President of the School Board	Shelia Akers Derrick Stalbaum	07-01-18 to 06-30-19 07-01-19 to 06-30-21



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 NORTH JUDSON-SAN PIERRE
SCHOOL CORPORATION, STARKE 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 North Judson-San Pierre School Corporation (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 June 9, 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, 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 items 2020-001 and 2020-002, that we consider to be material weaknesses.

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

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 2020-002.

North Judson-San Pierre 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
Paul D. Joyce, CPA
State Examiner

June 9, 2021



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 NORTH JUDSON-SAN PIERRE
SCHOOL CORPORATION, STARKE COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the North Judson-San Pierre 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, 2018 to June 30, 2020. 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. Except as discussed below, 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.

Basis for Qualified Opinion on Special Education Cluster (IDEA)

As described in item 2020-005 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting compliance of the School Corporation with Special Education Cluster (IDEA) regarding the earmarking requirements of the Matching, Level of Effort, Earmarking compliance requirement. Consequently, we were unable to determine whether the School Corporation complied with those requirements applicable to the program.

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)

Qualified Opinion on Special Education Cluster (IDEA)

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion on Special Education Cluster (IDEA)* paragraph, 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 Special Education Cluster (IDEA) for the period of July 1, 2018 to June 30, 2020.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2018 to June 30, 2020.

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 2020-004. 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.

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

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


Our consideration of internal control over compliance was for the limited purpose described in the 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 items 2020-003, 2020-004, 2020-005, and 2020-006, 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.

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 June 9, 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, CPA
State Examiner

June 9, 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.

NORTH JUDSON-SAN PIERRE SCHOOL CORPORATION
 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					
Breakfast Program			FY 2018-2019	\$ -	\$ 80,392	\$ -	\$ -
Breakfast Program			FY 2019-2020	-	-	-	56,439
COVID-19 School Breakfast Program	Indiana Department of Education	10.553					
Breakfast Program			FY 2019-2020	-	-	-	4,147
Total School Breakfast Program				-	80,392	-	60,586
National School Lunch Program							
National School Lunch Program	Indiana Department of Education	10.555					
Lunch Program			FY 2018-2019	-	262,717	-	-
Lunch Program			FY 2019-2020	-	-	-	186,509
Commodities			FY 2018-2019	-	44,950	-	-
Commodities			FY 2019-2020	-	-	-	36,192
Sub-Total National School Lunch Program				-	307,667	-	222,701
COVID-19 National School Lunch Program	Indiana Department of Education	10.555					
Lunch Program			FY 2019-2020	-	-	-	14,319
Total - National School Lunch Program				-	307,667	-	237,020
Summer Food Service Program for Children	Indiana Department of Education	10.559					
Summer Food			FY 2019-2020	-	-	-	2,303
COVID-19 Summer Food Service Program for Children	Indiana Department of Education	10.559					
Summer Food			FY 2019-2020	-	-	-	52,925
Total - Summer Food Service Program				-	-	-	55,228
Total - Child Nutrition Cluster				-	388,059	-	352,834
Total - Department of Agriculture				-	388,059	-	352,834
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
Spec Ed Reg #5218			18611-109-PN01	-	78,873	-	-
Spec Ed Reg #5219			19611-109-PN01	-	233,195	-	61,943
Special Ed Reg #5220			20611-109-PN01	-	-	-	256,941
Total - Special Education Grants to States				-	312,068	-	318,884

NORTH JUDSON-SAN PIERRE SCHOOL CORPORATION
 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
Special Education Preschool Grants	Indiana Department of Education	84.173					
Spec Ed Pre #5419			19619-109-PN01	-	10,606	-	1,260
Special ed Pre #5420			20619-109-PN01	-	-	-	12,096
Total - Special Education Preschool Grants				-	10,606	-	13,356
Total - Special Education Cluster (IDEA)				-	322,674	-	332,240
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I 2017-18 #4119			S010A180014	-	60,297	-	-
Title I 2018-19 #4120			S010A190014	-	133,012	-	92,719
Title I 2019-20 #4121			S010A190014	-	-	-	176,690
Total - Title I Grants to Local Educational Agencies				-	193,309	-	269,409
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
Title II Part 2017-18 6849			S367A18001	-	37,933	-	-
Title II Part 2017-18 6849			S367A19001	-	-	-	48,603
Total - Supporting Effective Instruction State Grants				-	37,933	-	48,603
School Improvement Grants	Indiana Department of Education	84.377					
Title I Sch Improve #4198			18611-001-PN01	-	-	-	44,904
Total - School Improvement Grants				-	-	-	44,904
Student Support and Academic Enrichment Program	Indiana Department of Education	84.424					
Title IV #5819			S424A180015	-	12,320	-	-
Title IV #5819			S424A190015	-	-	-	21,498
Total - Student Support and Academic Enrichment Program				-	12,320	-	21,498
Total - Department of Education				-	566,236	-	716,654
<u>Department of Health and Human Services</u>							
Medicaid Cluster							
Medical Assistance Program	Indiana Family and Social Services Administration	93.778					
			FY 2019	-	33,904	-	-
			FY 2020	-	-	-	14,683
Total Medicaid Cluster				-	33,904	-	14,683
Total - Department of Health and Human Services				-	33,904	-	14,683
Total federal awards expended				\$ -	\$ 988,199	\$ -	\$ 1,084,171

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

NORTH JUDSON-SAN PIERRE 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, 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.

NORTH JUDSON-SAN PIERRE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

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

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

<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
Child Nutrition Cluster	Unmodified
Special Education Cluster (IDEA)	Qualified
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 2020-001

Subject: Financial Transactions
Audit Finding: Material Weakness

Repeat Finding

This is repeat finding from the immediately prior audit report. The prior audit finding number was 2018-001.

Condition and Context

There were deficiencies in the internal control system of the School Corporation related to financial transactions. The School Corporation had not designed or implemented effective internal controls related to receipts and payroll and fringe benefit disbursements.

NORTH JUDSON-SAN PIERRE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Receipts

One employee was responsible for entering the receipts into the accounting system. There was no documentation of a review or oversight process in place after the receipts had been entered into the accounting system to ensure receipts were posted for the correct amount and to the proper fund.

Disbursements - Payroll and Fringe Benefits

The School Corporation had not properly designed or implemented internal controls over recording transactions for payroll and fringe benefit disbursements to ensure the accuracy and classification of the payroll disbursements.

Fringe benefit invoices were included on the Accounts Payable Voucher (APV) register submitted to the School Board and Treasurer for review and approval. However, the APV register only provided a total of the amounts paid from each fund.

One employee was responsible for processing payroll. Payroll reports were submitted to the School Board and Treasurer for review and approval; however, the reports only provided a total gross amount paid from each fund.

An adequate review or oversight process had not been designed or implemented to ensure the accuracy and proper classification of the payroll and fringe benefit disbursements, by employee, to the correct fund and account.

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

Criteria

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

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

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

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

Cause

Management of the School Corporation had not established a proper system of internal controls over financial transactions.

NORTH JUDSON-SAN PIERRE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

The failure to establish and implement internal controls could have enabled misstatements or irregularities to remain undetected for receipts and payroll and fringe benefit disbursements.

Views of Responsible Officials

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

FINDING 2020-002

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

Condition and Context

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

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

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

1. The School Breakfast Program was omitted for fiscal year 2018-2019, which understated expenditures by \$80,392.
2. The National School Lunch Program was omitted for 2018-2019, which understated expenditures by \$258,610.
3. Commodities for the National School Lunch Program were omitted for both 2018-2019 and 2019-2020, which understated expenditures by \$81,142.
4. The Special Education Grants to State was omitted for 2018-2019, which understated expenditures by \$78,873.
5. The Medical Assistance Program was omitted for both 2018-2019 and 2019-2020, which understated expenditures by \$48,587.
6. Several additional grants had individually immaterial errors that resulted in understated expenditures of \$124,615 in total.
7. Other errors included incorrect federal grantor agency names, cluster names, program names, pass-through entities, and identifying numbers.

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

NORTH JUDSON-SAN PIERRE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Criteria

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

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

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.62 states in part:

"*Internal control over compliance requirements for Federal awards* means a process implemented by a non-Federal entity designed to provide reasonable assurance regarding the achievement of the following objectives for Federal awards:

- (a) Transactions are properly recorded and accounted for, in order to:

- (1) Permit the preparation of reliable financial statements . . ."

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. . . ."

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:

NORTH JUDSON-SAN PIERRE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (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 an effective system of internal controls that would have ensured proper reporting of the SEFA.

Effect

Without a proper system of internal controls in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA included 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.

NORTH JUDSON-SAN PIERRE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

FINDING 2020-003

Subject: Child Nutrition Cluster - Eligibility and Special Tests and Provisions - Paid Lunch Equity

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 Requirements: Eligibility, Special Tests and Provisions - Paid Lunch Equity

Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2018-002.

Condition and Context

An effective internal control system, which would include segregation of duties, was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the compliance requirements listed above.

Eligibility

One employee entered the direct certified students into the food service software system without any evidence of an oversight, review, or approval process to ensure all direct certified students were entered correctly.

Special Tests and Provisions - Paid Lunch Equity

The School Corporation implemented a review process for the paid lunch equity calculation; however, no documentation of the review was available for audit.

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

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

NORTH JUDSON-SAN PIERRE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

Management had not developed or implemented a system of internal controls that 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 also allow noncompliance with the compliance requirements and allow 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 internal controls to ensure compliance with the Eligibility and Special Tests and Provisions - Paid Lunch Equity 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 2020-004

Subject: Child Nutrition Cluster - Activities Allowed or Unallowed,
Allowable Costs/Cost Principles, Program Income

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 Requirements: Activities Allowed or Unallowed, Allowable
Costs/Cost Principles, Program Income

Audit Findings: Material Weakness, Other Matters

Condition and Context

An effective internal control system was not in place at the School Corporation to ensure compliance with the requirements related to the grant agreement and the compliance requirements listed above.

The School Corporation had not designed or implemented adequate internal controls to ensure that payroll disbursements were only for food service operating costs. There were no internal controls in place to ensure that payroll disbursements were supported by timesheets and time cards, or time and effort reports, for all employees paid from the School Lunch fund. In addition, the payroll reports that were submitted to the School Board for review only listed a total amount paid from the fund, the reports did not list the employees who were paid from the fund.

NORTH JUDSON-SAN PIERRE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The School Corporation paid a portion of the salaries for administrative, custodial, and substitute aide personnel from the School Lunch fund without proper documentation to support the amount paid.

Payroll disbursements for administrative, custodial, and substitute aide employees were allocated to the Child Nutrition Cluster based on the number of hours the employees spent working for the Child Nutrition programs; however, there were no time cards, time sheets, or time and effort logs maintained to support the number of hours worked.

The amounts charged to the Child Nutrition Cluster, which was not supported by time cards, time sheets, or time and effort logs, totaled \$13,016 and are considered questioned costs.

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

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.403 states in part:

"Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

- (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
- (b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items. . . .
- (g) Be adequately documented. . . ."

2 CFR 200.430(i) states in part:

"*Standards for Documentation of Personnel Expenses* (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- (ii) Be incorporated into the official records of the non-Federal entity;

NORTH JUDSON-SAN PIERRE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS); . . .
- (vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which allocated using different allocation bases; or an unallowable activity and a direct or indirect costs activity. . . ."

2 CFR 200.307(e)(2) states in part: "*Addition.* With prior approval of the Federal awarding agency . . . program income may be added to the Federal award by the Federal agency and the non-Federal entity. The program income must be used for the purposes and under the conditions of the Federal award."

Cause

The School Corporation's management had not designed or implemented internal controls which would have ensured compliance with the compliance requirements listed above.

Effect

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

Questioned Costs

Known questioned costs of \$13,016 were identified, as detailed in the *Condition and Context*.

Recommendation

We recommended that the School Corporation establish effective internal controls to ensure compliance and comply with the Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Program Income 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 2020-005

Subject: Special Education Cluster (IDEA) - Level of Effort, Earmarking, Reporting

Federal Agency: Department of Education

Federal Programs: Special Education Grants to States, Special Education Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 18611-109-PN01, 19611-109-PN01,
20611-109-PN01, 19619-109-PN01,
20619-109-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Matching, Level of Effort, Earmarking; Reporting

Audit Findings: Material Weakness, Modified Opinion

NORTH JUDSON-SAN PIERRE SCHOOL CORPORATION
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 to ensure compliance with requirements related to the grant agreement and the compliance requirements listed above.

The School Corporation had not designed or implemented effective internal controls to ensure that amounts considered in maintaining the level of effort, earmarked for private schools, and reported for proportionate shares for the nonpublic school services were accurate and supported by the School Corporation's records.

Amounts reported for compliance with level of effort - maintenance of effort were not supported by the School Corporation's records. A proportionate share of special education funds was earmarked to the local private school. The School Corporation could not provide records to substantiate that services were provided, and that the dollar amount of the services were reported accurately on the Quarterly Monitoring Report for Proportional Shares for Nonpublic Schools.

In addition, the School Corporation did not have a system of internal controls in place to ensure the Maintenance of Effort (MOE) requirement was met. The Superintendent of Schools reviewed the application, but there was no documented review over the MOE calculation itself.

The lack of internal controls and failure to maintain supporting documentation were systemic issues throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

34 CFR 300.203(b) states:

"*Compliance standard.*

- (1) Except as provided in §§ 300.204 and 300.205, funds provided to an LEA under Part B of the Act must not be used to reduce the level of expenditures for the education of children with disabilities made by the LEA from local funds below the level of those expenditures for the preceding fiscal year.

NORTH JUDSON-SAN PIERRE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (2) An LEA meets this standard if it does not reduce the level of expenditures for the education of children with disabilities made by the LEA from at least one of the following sources below the level of those expenditures from the same source for the preceding fiscal year, except as provided in §§ 300.204 and 300.205:
- (i) Local funds only;
 - (ii) The combination of State and local funds;
 - (iii) Local funds only on a per capita basis; or
 - (iv) The combination of State and local funds on a per capita basis.
- (3) Expenditures made from funds provided by the Federal government for which the SEA is required to account to the Federal government or for which the LEA is required to account to the Federal government directly or through the SEA may not be considered in determining whether an LEA meets the standard in paragraphs (b)(1) and (2) of this section."

511 IAC 7-34-7(b) states:

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

2 CFR 200.333 states in part:

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

2 CFR 200.302(b) states in part:

"The financial management system of each non-Federal entity must provide for the following . . .

- (2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.327 Financial reporting . . ."

Cause

The School Corporation had not established an effective system of internal controls that would have ensured compliance with the grant agreement and the compliance requirements listed above.

NORTH JUDSON-SAN PIERRE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

The failure to maintain and provide appropriate supporting documentation prevented the determination of the School Corporation's compliance with the earmarking requirements of the compliance requirements listed above.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish a system of internal controls and maintain adequate supporting documentation to ensure compliance with the grant agreement and the Matching, Level of Effort, Earmarking and Reporting 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 2020-006

Subject: Special Education Cluster (IDEA) - Activities Allowed
or Unallowed, Allowable Costs/Cost Principles

Federal Agency: Department of Education

Federal Programs: Special Education Grants to States, Special Education Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 18611-109-PN01, 19611-109-PN01,
20611-109-PN01, 19619-109-PN01,
20619-109-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles

Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2018-003.

Condition and Context

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the compliance requirements listed above.

The School Corporation did not have a system of internal controls in place to ensure that the amounts for payroll withholdings and employee fringe benefits made by electronic fund transfers were reviewed.

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

NORTH JUDSON-SAN PIERRE 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 or implemented a system of internal controls that 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. A lack of segregation of duties within an internal control system could also allow noncompliance with the compliance requirements and allow 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 internal controls to ensure compliance with the grant agreement and the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

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.



NORTH JUDSON-SAN PIERRE

SCHOOL CORPORATION

801 Campbell Drive • North Judson, IN 46366 • Ph (574) 896-2155 • Fax (574) 896-2156

Dr. Annette Zupin
Superintendent

May 24, 2021

Summary Schedule of Prior Audit Findings

Finding Number: 2018-001

Fiscal Year in which the finding initially occurred: 2018

Contact Person: Dalton C. Tunis

Title: Treasurer

Phone Number: 574-896-2155 ext. #504

Status of Findings:

The NJSP School Corporation is still implementing controls that assures all invoices will be attached to a monthly claim form that they correspond to, this will create an effective system of internal controls over disbursements for fringe benefits.

Also, one employee will prepare and another will sign off that the bill is true and documentation has been attached.

A handwritten signature in black ink, appearing to read 'Dalton C. Tunis', written over a horizontal line.

(Signature)

Dalton C. Tunis

(Treasurer)

5/24/2021

(Date)



NORTH JUDSON-SAN PIERRE SCHOOL CORPORATION

801 Campbell Drive • North Judson, IN 46366 • Ph (574) 896-2155 • Fax (574) 896-2156

Dr. Annette Zupin
Superintendent

May 24, 2021

Summary Schedule of Prior Audit Findings

Finding Number: 2018-002

Fiscal Year in which the finding initially occurred: 2016

Contact Person: Dalton C. Tunis

Title: Treasurer

Phone Number: 574-896-2155 ext. #504

Status of Findings:

The NJSP School Corporation is still implementing an internal control that has at least two people overseeing that directly certified students are being entered and approved. NJSP is also still working to implement an effective system of internal controls overseeing the paid lunch equity calculations.

The NJSP School Corporation monitors the three month average on a monthly basis. This is reviewed and signed off by two employees. The NJSP School Corporation was increasing expenditures along with purchasing various equipment and adding additional required staff and food supplies to help lower the monthly average. During the pandemic the three monthly average has reached requirement average. NJSP School Corporation has been using time sheets and/or time cards to monitor the food service fund. NJSP is working to implement an effective system of internal controls overseeing that food service funds are only being used for work that is related to the food service operations. Time cards and time sheets are monitored and initialed by employee supervisor.

(Signature)

Dalton C. Tunis

(Treasurer)

5/24/2021

(Date)



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Dr. Annette Zupin
Superintendent

May 24, 2021

Summary Schedule of Prior Audit Findings

Finding Number: 2018-003

Fiscal Year in which the finding initially occurred: 2018

Contact Person: Dalton C. Tunis

Title: Treasurer

Phone Number: 574-896-2155 ext. #504

Status of Findings:

The NJSP School Corporation is still working on implementing controls that assures that the amount of payroll withholdings and employee fringe benefits made by electronic fund transfers were documented, reviewed and verified. NJSP will have two employees review and sign off. The child count report is to assure the report agrees with the supporting documentation and NJSP is still working to implement an effective system of internal controls to ensure that the report agrees to the supporting documentation. The report is filed at Central Office. NJSP implemented an effective internal control system over the period of performance compliance requirement.

(Signature)

Dalton C. Tunis

(Treasurer)

5/24/2021

(Date)



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Dr. Annette Zupin
Superintendent

May 24, 2021

Summary Schedule of Prior Audit Findings

Finding Number: 2018-004

Fiscal Year in which the finding initially occurred: 2018

Contact Person: Dalton C. Tunis

Title: Treasurer

Phone Number: 574-896-2155 ext. #504

Status of Findings:

NJSP School Corporation is still working on implementing controls where all invoices are attached to monthly corresponding claims.

NJSP uses time cards/sheets to monitor employees paid from Special Ed grant. The corporation is still working to implement an effective internal control system to ensure that time and effort logs are kept to monitor employees paid from the Special Education Grants.

NJSP has internal controls so that allowed costs/cost principles are met. Verification reports from NJSP financial system are reviewed and sign by two.

(Signature)

Dalton C. Tunis

(Treasurer)

5/24/2021

(Date)



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Dr. Annette Zupin
Superintendent

May 24, 2021

Summary Schedule of Prior Audit Findings

Finding Number: 2018-005

Fiscal Year in which the finding initially occurred: 2016

Contact Person: Dalton C. Tunis

Title: Treasurer

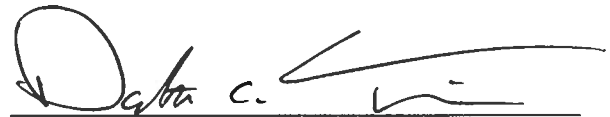
Phone Number: 574-896-2155 ext. #504

Status of Findings:


The NJSP Corporation is still working to implement an effective system of internal controls to ensure that the level of effort, earmarking, and reporting are supported by the School Corporation's records.

NJSP School Corporation is also still working to implement an effective internal control system to ensure that time and effort logs are kept to monitor employee paid from the Special Education grants.

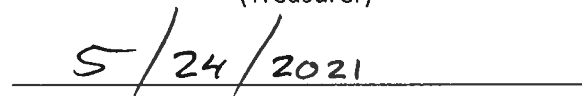
Amounts reported for compliance with level of effort were not supported by the School Corporation's records. The NJSP School Corporation is still working on internal controls to ensure records can be provided to substantiate that services were provided, and that the dollar amount of the services were reported accurately on the Quarterly Monitoring Report for Proportional shares for the school.



(Signature)



(Treasurer)



(Date)



Dr. Annette Zupin
Superintendent

NORTH JUDSON-SAN PIERRE

SCHOOL CORPORATION

801 Campbell Drive • North Judson, IN 46366 • Ph (574) 896-2155 • Fax (574) 896-2156

June 8, 2021

CORRECTIVE ACTION PLAN

FINDING 2020-001

Contact Person Responsible for Corrective Action: Dalton C Tunis

Contact Phone Number: 574-896-2155 ext. #504

Views of Responsible Official:

We concur with the Finding.

Description of Corrective Action Plan:

The NJ-SP School Corporation will implement internal controls to oversee that financial transactions related to receipts and payroll and fringe benefits disbursements are reviewed and verified by proper management to ensure that accuracy and documentation is in place. These controls will be implemented by July 1, 2021.

Anticipated Completion Date: September 1, 2021



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801 Campbell Drive • North Judson, IN 46366 • Ph (574) 896-2155 • Fax (574) 896-2156

Dr. Annette Zupin
Superintendent

June 8, 2021

CORRECTIVE ACTION PLAN

FINDING 2020-002

Contact Person Responsible for Corrective Action: Dalton C Tunis
Contact Phone Number: 574-896-2155 ext. #504

Views of Responsible Official:
We concur with the Finding.

Description of Corrective Action Plan:

The NJ-SP School Corporation will implement effective internal controls to oversee that the federal grant information prepared and submitted in Gateway is accurate and reviewed. This will be done in order to detect and correct errors that may be entered prior to submission. This will be done by having an employee prepare the federal award information while another employee reviews and approves the information before entering. These controls will be implemented by July 1, 2021.

Anticipated Completion Date: September 1, 2021



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Dr. Annette Zupin
Superintendent

June 8, 2021

CORRECTIVE ACTION PLAN

FINDING 2020-003

Contact Person Responsible for Corrective Action: Dalton C Tunis
Contact Phone Number: 574-896-2155 ext. #504

Views of Responsible Official:
We concur with the Finding.

Description of Corrective Action Plan:

The NJ-SP School Corporation will implement internal controls to oversee that management establishes controls to ensure that compliance is met with the Eligibility and Special Tests and Provisions, along with paid lunch equity compliance requirements. This would include segregation of duties. These controls will be implemented by July 1, 2021.

Anticipated Completion Date: September 1, 2021



Dr. Annette Zupin
Superintendent

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June 8, 2021

CORRECTIVE ACTION PLAN

FINDING 2020-004

Contact Person Responsible for Corrective Action: Dalton C Tunis
Contact Phone Number: 574-896-2155 ext. #504

Views of Responsible Official:
We concur with the Finding.

Description of Corrective Action Plan:

The NJ-SP School Corporation will implement internal controls to ensure compliance and comply with the activities allowed or not allowed, allowable costs/cost principles, and program income compliance requirements. This will consist of payroll disbursements only being for food service operating costs. While also having supporting timesheets and timecards, or time and effort reports for all employees paid from the School lunch fund. These controls will be implemented by July 1, 2021.

Anticipated Completion Date: September 1, 2021



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Dr. Annette Zupin
Superintendent

June 8, 2021

CORRECTIVE ACTION PLAN

FINDING 2020-005

Contact Person Responsible for Corrective Action: Dalton C Tunis
Contact Phone Number: 574-896-2155 ext. #504

Views of Responsible Official:
We concur with the Finding.

Description of Corrective Action Plan:

The NJ-SP School Corporation will implement internal controls to ensure that management establishes a system and maintains adequate supporting documentation to ensure compliance with the grant agreement and the Matching, level of effort, earmarking and reporting compliance requirements. This will include documented reviews to ensure accuracy. These controls will be implemented by July 1, 2021.

Anticipated Completion Date: September 1, 2021



Dr. Annette Zupin
Superintendent

NORTH JUDSON-SAN PIERRE

SCHOOL CORPORATION

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June 8, 2021

CORRECTIVE ACTION PLAN

FINDING 2020-006

Contact Person Responsible for Corrective Action: Dalton C Tunis
Contact Phone Number: 574-896-2155 ext. #504

Views of Responsible Official:
We Concur with the Finding.

Description of Corrective Action Plan:

The NJ-SP School Corporation will implement internal controls to ensure compliance with the grant agreement and the Activities allowed or not allowed and allowable costs/cost principles compliance requirements. A segregation of duties will allow for better use and management of federal funds and assets. This will give better proper oversight, reviews, and approvals over the activities of the program. These controls will be implemented by July 1, 2021.

Anticipated Completion Date: September 1, 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/>.