

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

LAPORTE COMMUNITY SCHOOL CORPORATION

LAPORTE COUNTY, INDIANA

July 1, 2018 to June 30, 2020



FILED
12/22/2021

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance with <i>Government Auditing Standards</i>	3-4
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	5-7
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards	10-11
Notes to Schedule of Expenditures of Federal Awards.....	12
Schedule of Findings and Questioned Costs.....	13-23
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings.....	26-38
Corrective Action Plan	39-44
Other Reports.....	45

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Jayne L. Grillo	07-01-18 to 06-30-22
Assistant Superintendent of Business and Operations	M. Gregory Hunt	07-01-18 to 06-30-22
Superintendent of Schools	Mark D. Francesconi	07-01-18 to 06-30-22
President of the School Board	Jan Ribordy Shannon Hannon Marie Gilliland Mark Kosior	01-01-18 to 12-31-18 01-01-19 to 12-31-19 01-01-20 to 12-31-20 01-01-21 to 12-31-21



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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 LAPORTE COMMUNITY SCHOOL
CORPORATION, LAPORTE COUNTY, INDIANA

We were engaged to audit, 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 LaPorte Community 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 November 30, 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. The opinion to the financial statement relative to the regulatory basis of accounting was disclaimed because we were unable to obtain sufficient appropriate audit evidence over the cash and investment balances.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2020-001, 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 2020-001.

LaPorte Community School Corporation's Response to Findings

The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statement, and, accordingly, we express no opinion on it.

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

November 30, 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 LAPORTE COMMUNITY SCHOOL CORPORATION, LAPORTE COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the LaPorte Community School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 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.

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)

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 the Special Education Cluster (IDEA) regarding Matching, Level of Effort, and Earmarking. Consequently, we were unable to determine whether the School Corporation complied with those requirements applicable to the program.

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 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 2020-002, 2020-003, 2020-004, and 2020-005, 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 were engaged to audit 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 statements, which collectively comprise the School Corporation's basic financial statement. We issued our report thereon, dated November 30, 2021. However, the scope of our audit of the financial statement was not sufficient to enable us to express an opinion because we were unable to obtain sufficient appropriate audit evidence related to the cash and investment balances and accordingly, we did not express an opinion on such financial statement. The Schedule of Expenditures of Federal Awards is presented for the purposes of additional analysis as required by Uniform Guidance and is not a required part of the basic financial statement. Because of the significance of the matters discussed above, it is inappropriate to, and we do not express an opinion on the Schedule of Expenditures of Federal Awards referred to above.


Paul D. Joyce, CPA
State Examiner

November 30, 2021

(This page intentionally left blank.)

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.

LAPORTE COMMUNITY 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
Department of Agriculture							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
FY 2018-19 National School Breakfast Program			FY 18-19	\$ -	\$ 528,030	\$ -	\$ -
FY 2019-20 National School Breakfast Program			FY 19-20	-	-	-	349,064
COVID-19 - School Breakfast Program	Indiana Department of Education	10.553					
FY 2019-20 National School Breakfast Program			FY 19-20	-	-	-	25,572
Total - School Breakfast Program				-	528,030	-	374,636
National School Lunch Program	Indiana Department of Education	10.555					
FY 2018-19 National School Lunch Program			FY 18-19	-	1,751,011	-	-
FY 2019-20 National School Lunch Program			FY 19-20	-	-	-	1,208,389
Commodities			FY 18-20	-	285,671	-	248,610
Sub-Total - National School Lunch Program				-	2,036,682	-	1,456,999
COVID-19 - National School Lunch Program	Indiana Department of Education	10.555					
FY 2019-20 National School Lunch Program			FY 19-20	-	-	-	90,407
Total - National School Lunch Program				-	2,036,682	-	1,547,406
Summer Food Service Program for Children	Indiana Department of Education	10.559					
FY 2018-19 Summer Food Service Program			FY 18-19	-	63,524	-	-
FY 2019-20 Summer Food Service Program			FY 19-20	-	-	-	57,851
COVID-19 - Summer Food Service Program for Children	Indiana Department of Education	10.559					
FY 2019-20 Summer Food Service Program			FY 19-20	-	-	-	464,940
Total - Summer Food Service Program for Children				-	63,524	-	522,791
Total - Child Nutrition Cluster				-	2,628,236	-	2,444,833
Total - Department of Agriculture				-	2,628,236	-	2,444,833
Department of Education							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
525-7 - Special Ed.			18611-055-PN01	-	784,884	-	-
525-8 - Special Ed.			19611-055-PN01	-	668,597	-	846,745
524-9 - Special Ed.			20611-053-PN01	-	-	-	631,551
Total - Special Education Grants to States				-	1,453,481	-	1,478,296
Special Education Preschool Grants	Indiana Department of Education	84.173					
545-6 Special Ed. Preschool			17619-055-PN01	-	5,980	-	-
545-7 Special Ed. Preschool			18619-055-PN01	-	44,295	-	14,142
545-8 - Special Ed. Preschool			19619-055-PN01	-	-	-	40,804
Total - Special Education Preschool Grants				-	50,275	-	54,946
Total - Special Education Cluster (IDEA)				-	1,503,756	-	1,533,242

LAPORTE COMMUNITY 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
Title I Grants to Local Educational Agencies							
410-7 - Title I Part A	Indiana Department of Education	84.010	S010A150014	-	206,609	-	-
414-7 - Title I Part D			S010A150014	-	3,252	-	-
414-8 - Title I Part D			S010A150014	-	40,984	-	-
414-8 - Title I Part D			S010A150014	-	-	-	11,884
414-9 - Title I Part D			S010A150014	-	-	-	28,355
410-9 - Title I Part A			S010A150014	-	-	-	817,390
410-8 - Title I Part A			S010A180014	-	801,498	-	-
410-8 - Title I Part A			S010A180014	-	-	-	232,708
Total - Title I Grants to Local Educational Agencies				-	1,052,343	-	1,090,337
English Language Acquisition State Grants							
688-6 Title III ENL	Indiana Department of Education	84.365	S365A160014	-	2,103	-	-
688-7 Title III ENL			S365A170014	-	36,272	-	-
688-7 Title III ENL			S365A170014	-	-	-	1,344
688-8 Title III ENL			S365A180014	-	6,648	-	-
688-8 Title III ENL			S365A180014	-	-	-	26,151
Total - English Language Acquisition State Grants				-	45,023	-	27,495
Supporting Effective Instruction State Grants							
684-7 Title II Part A	Indiana Department of Education	84.367	S367A160013	-	1,089	-	-
684-8 Title II Part A			S367A170013	-	143,417	-	-
684-8 Title II Part A			S367A170013	-	-	-	2,083
684-9 Title II Part A			S367A180013	-	51,436	-	-
684-9 Title II Part A			S367A180013	-	-	-	131,497
684-20 Title II Part A			S367A190013	-	-	-	58,902
Total - Supporting Effective Instruction State Grants				-	195,942	-	192,482
Student Support and Academic Enrichment Program							
588-8	Indiana Department of Education	84.424	S424A170015	-	-	-	100,000
588-9 - Title IV Part A			S424A180015	-	-	-	54,226
Total - Student Support and Academic Enrichment Program				-	-	-	154,226
Total - Department of Education				-	2,797,064	-	2,997,782
Department of Health and Human Services							
Medicaid Cluster							
Medical Assistance Program	Indiana Family and Social Services Administration	93.778	2018-2019	-	149,451	-	183,133
Individualized Education Programs	Indiana Department of Education		2018-2019	-	52,050	-	63,643
Medicaid Administrative Claiming							
Total - Medical Assistance Program				-	201,501	-	246,776
Total - Medicaid Cluster				-	201,501	-	246,776
Total - Department of Health and Human Services				-	201,501	-	246,776
Total federal awards expended				\$ -	\$ 5,626,801	\$ -	\$ 5,689,391

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

LAPORTE COMMUNITY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 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 a Special Education Cooperative and serves as the fiscal agent. As a result, some activity for the Special Education Cluster (IDEA) that is presented as receipts and disbursements in the financial statement is not presented on the SEFA for the School Corporation. This activity is reported on the SEFAs of the member school corporations as appropriate.

LAPORTE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Disclaimer 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:

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

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

Auditee qualified as low-risk auditee?	no
--	----

Section II - Financial Statement Findings

FINDING 2020-001

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

Repeat Finding

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

Condition and Context

There were several deficiencies in the internal control system of the School Corporation related to financial transactions and reporting.

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

Cash and Investments (Bank Reconciliations)

The School Corporation had not been able to reconcile its bank accounts to its funds ledger since the conversion to a new accounting software system in April of 2016.

The School Corporation's three bank accounts were not reconciled timely, nor was there a combined reconciliation performed to verify the reconciling items noted for all banks were accurate and properly substantiated. A review of all the reconciliations presented as of June 30, 2020, noted 592 reconciling items totaling \$9,319,584 in possible adjustments to the financial statement.

During 2021, the School Corporation reviewed the reconciling items for all banks and determined several reconciling items noted were not accurate.

As of November 2, 2021, the School Corporation has not completed a combined bank reconciliation of all bank accounts to the fund ledger.

Receipts and Other Financing Sources

One individual posted the receipts without a proper review or oversight process documented to ensure the accuracy and classification of receipts recorded in the accounting software system.

Vendor Disbursements and Other Financing Uses

One employee processed the accounts payable vouchers without a proper review or oversight process documented to ensure the accuracy and classification of disbursements recorded in the accounting software system.

No evidence was presented of a documented oversight or review process for the self-insurance claims processed by a service organization to ensure the accuracy and completeness of the claims disbursed, and to ensure they were for School Corporation personnel only.

Payroll Disbursements

1. One employee processed payroll without a documented oversight or review process to ensure the accuracy, completeness, and classification of the payroll transactions. The Treasurer approved the total payroll amount recorded; however, the detail was not provided at the time of approval.
2. One employee completed correcting entries by recording voids, quick voids, and miscellaneous payments for payroll without an oversight, review, or approval process.

Furthermore, the quick voids were backdated to the original date of the check in the accounting software system, and replacement checks were dated in the accounting software system the date of the original check, rather than the date the correction was determined and the replacement check written.

3. A process was not in place to ensure that employees were paid the correct rate of pay. A School Board approved salary schedule for hourly employees was not provided for audit. The rates of pay were based on pay sheets submitted to payroll. A prior salary schedule and the School Board approved increases over the years were used as a suggested pay rate.

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

Financial Close and Reporting

The School Corporation's accounting software system allowed users to date transactions in the past if the period had not been closed. As of November 2021, the School Corporation had not closed any periods since the conversion in April 2016.

The School Corporation properly included the activity of the Payroll Clearing Fund in the financial statement. However, the School Corporation totaled the activity of all asset and liability accounts within the Payroll Clearing Funds to determine the amounts reported. The Payroll Clearing Fund receipts and disbursements were determined to be overstated by \$225,659,709 and \$225,455,918, respectively, for the audit period.

Bank to bank transfers and transfers within the same funds were incorrectly reported as transfers in and out. This resulted in the overstatement of transfers in and transfers out by \$12,938,419.

Audit adjustments were proposed, approved by management, and made to the financial statement.

In addition, the School Corporation had no process to identify or communicate corrective actions to improve internal controls. Effective internal controls over financial reporting required the School Corporation to monitor and assess the quality of the system of internal controls.

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. . . ."

"Evaluations are used to determine whether each of the five components of internal control is present and functioning. These evaluations may be conducted on an ongoing or periodic basis. The criteria used are developed by the oversight body, elected officials, management, governing boards, or recognized standard-setting bodies or regulators. . . .

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

A baseline of the current state of the internal control system is compared against the original design of the internal control system. The baseline consists of issues and deficiencies identified in the internal control system. The results of the monitoring process are evaluated and documented. . . .

Management remediates identified issues. . . ."

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

When it is determined that an error has been posted in the financial records, the error must be corrected in a timely manner. The correction of the error should be dated as of the date that the correction occurred and should not be back dated to the date the error occurred. The adjustment should be labeled as a correcting entry. All documentation of the error and the adjustments must be maintained to support the correction. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

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

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

Cause

Management of the School Corporation had not established a proper system of internal controls related to financial transactions and reporting. Additionally, management had not conducted risk assessment procedures related to the School Corporation's financial transactions and reporting.

Effect

The failure to establish internal controls enabled material misstatements or irregularities to remain undetected. The failure to monitor the internal control system placed the School Corporation at risk that internal controls may not have been either designed properly or operating effectively to provide reasonable assurance that internal controls would have prevented, or detected and corrected, material misstatements in a timely manner.

Views of Responsible Officials

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

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2020-002

Subject: Child Nutrition Cluster - Internal Control
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Number: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY 18-19, FY 19-20
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Eligibility, Program Income
Audit Finding: Material Weakness

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 Eligibility and Program Income compliance requirements.

Eligibility

The School Corporation utilized computer software to determine eligibility. The Food Service Director/Coordinator was responsible for verifying the computer software made the correct determination by reviewing every fifth application verified by the computer software. There was no evidence of this review to ensure the eligibility determinations made by the software system were accurate.

Program Income - Assessing

The Food Service Coordinator was responsible for verifying that the approved school food prices were properly entered into the software system. There was no evidence of the Food Service Coordinator's review of the entered prices that would have ensured sales to students and adults were properly assessed.

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). . . ."

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

Cause

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

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the Eligibility and Program Income compliance requirements.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish an effective system of internal controls to ensure compliance with the grant agreement and the Eligibility 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 2020-003

Subject: Title I to Local Educational Agencies - Eligibility, Level
of Effort - Maintenance of Effort, Reporting

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): S010A150014, S010A180014

Pass-Through Entity: Indiana Department of Education

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

Audit Finding: Material Weakness

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 Eligibility; Matching, Level of Effort, Earmarking; and Reporting compliance requirements.

Eligibility

The School Corporation utilized computer software to determine eligibility. The Food Service Director/Coordinator was responsible for verifying the computer software made the correct determination by reviewing every fifth application verified by the computer software. There was no evidence of this review to ensure the eligibility determinations made by the software system were accurate.

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

There was no evidence of internal control over the October Real Time Report. The Information Technology (IT) employee uploaded the Real Time Report into the STN website. Any discrepancies found were communicated to the appropriate building secretary or registrar to verify enrollment and resolve conflicts. However, the IT employee was unable to provide adequate documentation of communication with the building secretaries or registrars to support the resolution on the enrollment errors made by the IT employee during the audit period.

The Title I Grant Coordinator entered the nonpublic information into the Title I application manually. There was no evidence of review or oversight to ensure that the information entered was accurate.

Matching, Level of Effort, Earmarking and Reporting

The financial information submitted by the School Corporation to the Indiana Department of Education through the Form 9 reports was used to calculate the School Corporation's level of effort, as well as complete the State Per Pupil Expenditure Report.

The Payroll Clerk ran payroll in Skyward and verified the Summary Report after payroll was prepared. There was no oversight or review process in place over payroll at the School Corporation level to ensure the data used to complete the Form 9 was reported accurately in the correct fund, account, and object code.

The Title I Grant Coordinator included the methodology from the budget process into the Title I application to ensure the School Corporation was not supplanting. There was no oversight or review process to ensure the methodology was properly implemented.

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

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

Cause

Management had not developed a system of internal controls that would have ensured compliance with requirements related to the grant agreement and the Eligibility; Matching, Level of Effort, Earmarking; and Reporting compliance requirements.

Effect

The failure to design and implement a system of internal controls placed the School Corporation at risk of noncompliance with the grant agreement and the Eligibility; Matching, Level of Effort, Earmarking; and Reporting compliance requirements.

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish a system of internal controls related to the grant agreement and the Eligibility; 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 2020-004

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): 18619-055-PN01, 19611-055-PN01,
19619-055-PN01, 20611-053-PN01

Pass-Through Entity: Indiana Department of Education

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

Audit Finding: Material Weakness

Condition and Context

An effective internal control system was not in place at the School Corporation and the South LaPorte County Special Education Cooperative (Cooperative) to ensure compliance with the grant agreement and the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

The Cooperative was a planning district whose purpose was to provide free appropriate public education to students identified as disabled in accordance with state statute who were legal residents and/or have been accepted through means of open enrollment, or other legal means of transfer to the participating member school corporations in LaPorte County. The School Corporation was the administrator of this Cooperative.

The School Corporation had not designed or implemented adequate internal controls to ensure that all activities and costs were allowed. The payroll disbursements were prepared by the Payroll Department without oversight or review.

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

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

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

Cause

The School Corporation had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Activities Allowed or Unallowed and the Allowable Costs/Cost Principles compliance requirements.

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the Activities Allowed or Unallowed and the Allowable Costs/Cost Principles compliance requirements. A lack of an internal control system could have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

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 the 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.

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

FINDING 2020-005

Subject: Special Education Cluster (IDEA) - Earmarking
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 (or Other Identifying Numbers): 18611-055-PN01, 18619-055-PN01,
19611-055-PN01
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Matching, Level of Effort, Earmarking
Audit Findings: Material Weakness, Modified Opinion

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2018-013.

Condition and Context

An effective internal control system was not in place at the School Corporation and at the South LaPorte County Special Education Cooperative (Cooperative) to ensure compliance with the grant agreement and the earmarking requirements of the Matching, Level of Effort, Earmarking compliance requirement.

The Cooperative was a planning district whose purpose was to provide free appropriate public education to students identified as disabled in accordance with state statute who were legal residents and/or have been accepted through means of open enrollment, or other legal means of transfer to the participating member school corporations in LaPorte County. The School Corporation was the administrator of this Cooperative.

The School Corporation and the Cooperative did not maintain adequate supporting documentation used to calculate the amount of special education and related services that were provided to students in nonpublic schools and facilities for grants 18611-055-PN01 and 18619-055-PN01. Additionally, adequate supporting documentation was not maintained for the second quarter of the 19611-055-PN01 grant. Since we could not determine if the transactions were properly classified as nonpublic school expenditures, we were unable to determine compliance with the earmarking requirements.

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). . . ."

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

2 CFR 200.207(a) states in part: "The Federal awarding agency or pass-through entity may impose additional specific award conditions as needed . . ."

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

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

Cause

The School Corporation had not established a system of internal controls to ensure compliance with the grant agreement and the earmarking requirement of the Matching, Level of Effort, Earmarking compliance requirement.

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 Matching, Level of Effort, Earmarking compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish a system of internal controls and maintain adequate supporting documentation to ensure compliance with the grant agreement and the earmarking requirements of the Matching, Level of Effort, Earmarking compliance requirement.

Views of Responsible Officials

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

(This page intentionally left blank.)

AUDITEE-PREPARED DOCUMENTS

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

Board of School Trustees

Mr. Mark Kosior, President
Mrs. Shari Ott-Large, Vice President
Mr. Jim Arnold, Secretary
Mrs. Rhonda Spence, Member
Mrs. Jan Ribordy, Member
Mrs. Shannon Hannon, Member
Mrs. Marie Gilliland, Member

Dr. Mark D. Francesconi, Superintendent
Dr. Jane Larson, Assistant Superintendent Secondary Education
Dr. Benjamin Tonagel, Assistant Superintendent Elementary Education
Mr. M. Greg Hunt, Assistant Superintendent of Business & Operations

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2018-001 FINANCIAL TRANSACTIONS AND REPORTING

Fiscal year in which the finding initially occurred: 2016

Status of Audit Finding: In progress

1. Cash and Investments: As of November 2021, LaPorte Community School Corporation is still working towards implementing controls over this area.
2. Financial Reporting: As of November 2021, LaPorte Community School Corporation is still working towards implementing controls over this area.
3. Receipts, Disbursements, and Journal Entries: As of November 2021, LaPorte Community School Corporation is still working towards implementing controls over this area. Journal entries that are completed by the Treasurer are reviewed and signed off by the Deputy Treasurer. Journal entries that are completed by the Deputy Treasurer are reviewed and signed off by the Treasurer. All journal entries include the backup necessary to provide proof as to why the journal entry was completed.
4. Lack of Segregation of Duties: As of November 2021, LaPorte Community School Corporation is still working towards implementing controls over this area.
5. Monitoring of Controls: As of November 2021, LaPorte Community School Corporation is still working towards implementing controls over this area.

M. Gregory Hunt

(Name)

Asst. Superintendent of Business & Operations

November 10, 2021

Mr. Mark D. Francesconi, Superintendent
Dr. Jane Larson, Assistant Superintendent Secondary Education
Mr. Benjamin Tonagel, Assistant Superintendent Elementary Education
Mr. M. Greg Hunt, Assistant Superintendent of Business & Operations

Board of School Trustees

Mr. Mark Kosior, President
Mrs. Shari Ott-Large, Vice President
Mr. Jim Arnold, Secretary
Mrs. Rhonda Spence, Member
Mrs. Jan Ribordy, Member
Mrs. Shannon Hannon, Member
Mrs. Marie Gilliland, Member

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2018-002 PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Fiscal year in which the finding initially occurred: 2016

Contact Person Responsible for Corrective Action: Greg Hunt, Assistant Superintendent for Business and Operations

Contact Phone Number: (219) 362-7056

Status of Audit Finding:

Since the accuracy of our financial software has been established, we have been able to obtain accurate reports for the preparation of our SEFA. The Deputy Treasurer prints the corresponding reports and prepares the data on the SEFA for the Annual Financial Report. Both the Treasurer and Assistant Superintendent of Business and Operations (ASBO) sign-off on the prepared report after a complete review of the data. The Deputy Treasurer enters the data on Gateway under the Annual Financial Report and the ASBO submits the data. A paper copy is kept on file.



(Signature)

Assistant Superintendent of Business & Operations
(Title)

February 24, 2021
(Date)

Mr. Mark D. Francesconi, Superintendent
Dr. Jane Larson, Assistant Superintendent Secondary Education
Mr. Benjamin Tonagel, Assistant Superintendent Elementary Education
Mr. M. Greg Hunt, Assistant Superintendent of Business & Operations

Board of School Trustees

Mr. Mark Kosior, President
Mrs. Shari Ott-Large, Vice President
Mr. Jim Arnold, Secretary
Mrs. Rhonda Spence, Member
Mrs. Jan Ribordy, Member
Mrs. Shannon Hannon, Member
Mrs. Marie Gilliland, Member

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2018-003 CHILD NUTRITION CLUSTER - EQUIPMENT

Fiscal year in which the finding initially occurred: 2016

Contact Person Responsible for Corrective Action: Greg Hunt, Assistant Superintendent for Business and Operations

Contact Phone Number: (219) 362-7056

Status of Audit Finding:

In mid 2018, LaPorte Community School Corporation contracted with Lancaster-Schert Equipment LLC, an equipment inventory and asset management company to perform an on-site audit and listing of all food service equipment housed within LaPorte Community School Corporation that was over our \$5,000 threshold. After their initial on-site audit was complete and our capital assets were tagged, the listing was provided to our Food Service Department where it was reconciled by our staff. After a few minor updates, the inventory list was made available through a program called *Asset Tiger*. Through this program, our Food Service staff is immediately able to update inventory that is added, deleted or moved from building to building. This program also provides a suggested preventative maintenance schedule for each capital asset.



(Signature)

Assistant Superintendent of Business & Operations
(Title)

February 24, 2021
(Date)

Mr. Mark D. Francesconi, Superintendent
Dr. Jane Larson, Assistant Superintendent Secondary Education
Mr. Benjamin Tonagel, Assistant Superintendent Elementary Education
Mr. M. Greg Hunt, Assistant Superintendent of Business & Operations

Board of School Trustees

Mr. Mark Kosior, President
Mrs. Shari Ott-Large, Vice President
Mr. Jim Arnold, Secretary
Mrs. Rhonda Spence, Member
Mrs. Jan Ribordy, Member
Mrs. Shannon Hannon, Member
Mrs. Marie Gilliland, Member

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2018-004 SCHOOL BREAKFAST PROGRAM, NATIONAL SCHOOL LUNCH PROGRAM – PROGRAM INCOME

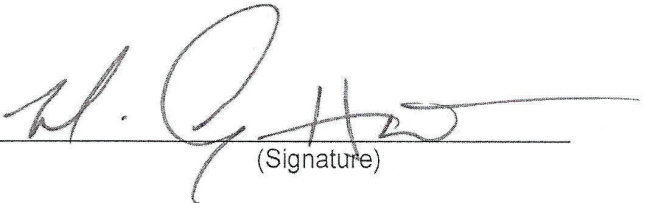
Fiscal year in which the finding initially occurred: 2016

Contact Person Responsible for Corrective Action: Greg Hunt, Assistant Superintendent for Business and Operations

Contact Phone Number: (219) 362-7056

Status of Audit Finding:

The Clearing Account Number 8400 for Prepaid Food (our fund 0840) was established in our financial software in June 2017 and we immediately began receipting the daily breakfast and lunch collections to the respective accounts. After our internal controls process detected the erroneous recordings notated in the 2018 audit finding, online credit card payments have been receipted correctly into this fund on a monthly basis. At the end of each month, the Treasurer receives a Monthly Fund Transfer Report and a monthly report from Titan (formerly used Heartland) from the Food Service Department that provides the amount of breakfast, lunch and ala cart prepaid funds that were used during the month. The Treasurer completes a journal entry to transfer the dollar amounts from the Prepaid Food Service account into the respective School Lunch Fund accounts. The Deputy Treasurer reviews and signs the journal entry and a copy of each month's journal entry is sent to the Food Service Department for their records and review. The original journal entry and backup documentation is kept at the corporation office.



(Signature)

Assistant Superintendent of Business & Operations
(Title)

February 24, 2021
(Date)

Dr. Mark D. Francesconi, Superintendent
Dr. Jane Larson, Assistant Superintendent Secondary Education
Dr. Benjamin Tonagel, Assistant Superintendent Elementary Education
Mr. M. Greg Hunt, Assistant Superintendent of Business & Operations

Board of School Trustees
Mr. Mark Kosior, President
Mrs. Shari Ott-Large, Vice President
Mr. Jim Arnold, Secretary
Mrs. Rhonda Spence, Member
Mrs. Jan Ribordy, Member
Mrs. Shannon Hannon, Member
Mrs. Marie Gilliland, Member

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2018-005 CHILD NUTRITION CLUSTER – ELIGIBILITY, SPECIAL TESTS AND PROVISIONS – PAID LUNCH EQUITY

Fiscal year in which the finding initially occurred: 2018
Contact Person Responsible for Corrective Action: Greg Hunt, Assistant Superintendent for Business and Operations
Contact Phone Number: (219) 362-7056

Status of Audit Finding:

The data for the income guidelines to determine eligibility is entered into the software system directly by Titan. Either the Food Service Director or the administrative assistant prints a copy and verifies that it matches the approved guidelines. After she has verified that the data has been entered correctly, she provides a copy to either the Director or administrative assistant for a secondary review and signature.

The Director of Food Service and her administrative assistant also review the Paid Lunch Equity calculations. On May 3, 2019 they both began signing the documentation after their review was complete.



(Signature)

Assistant Superintendent of Business and Operations

(Title)

February 24, 2021

(Date)

Mr. Mark D. Francesconi, Superintendent
Dr. Jane Larson, Assistant Superintendent Secondary Education
Mr. Benjamin Tonagel, Assistant Superintendent Elementary Education
Mr. M. Greg Hunt, Assistant Superintendent of Business & Operations

Board of School Trustees
Mr. Mark Kosior, President
Mrs. Shari Ott-Large, Vice President
Mr. Jim Arnold, Secretary
Mrs. Rhonda Spence, Member
Mrs. Jan Ribordy, Member
Mrs. Shannon Hannon, Member
Mrs. Marie Gilliland, Member

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2018-006 CHILD NUTRITION CLUSTER – ALLOWABLE COSTS/COST PRINCIPLES, PROGRAM INCOME

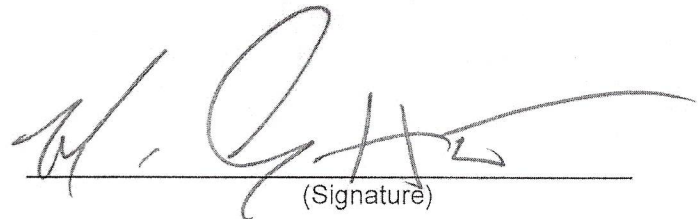
Fiscal year in which the finding initially occurred: 2018

Contact Person Responsible for Corrective Action: Greg Hunt, Assistant Superintendent for Business and Operations

Contact Phone Number: (219) 362-7056

Status of Audit Finding:

When purchasing equipment over \$5,000, the Director of Food Service obtains a Request for Quote for the item(s). The Director of Food Service and the Assistant Superintendent of Business and Operations (ASBO) discuss the equipment need before submitting the Food Service Funds Request for Approval of Capital Food Service Equipment Expenditures form to the IDOE. After written verification of the approval is obtained from the IDOE, the Director of Food Service notifies the ASBO so he can include the request for purchase to the School Board meeting agenda. All documentation associated with the purchase of equipment over \$5,000 is attached to the purchase order and filed at the Food Service office.



(Signature)

Assistant Superintendent of Business & Operations
(Title)

February 24, 2021
(Date)

Mr. Mark D. Francesconi, Superintendent
Dr. Jane Larson, Assistant Superintendent Secondary Education
Mr. Benjamin Tonagel, Assistant Superintendent Elementary Education
Mr. M. Greg Hunt, Assistant Superintendent of Business & Operations

Board of School Trustees
Mr. Mark Kosior, President
Mrs. Shari Ott-Large, Vice President
Mr. Jim Arnold, Secretary
Mrs. Rhonda Spence, Member
Mrs. Jan Ribordy, Member
Mrs. Shannon Hannon, Member
Mrs. Marie Gilliland, Member

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2018-007 CHILD NUTRITION CLUSTER – PROCUREMENT

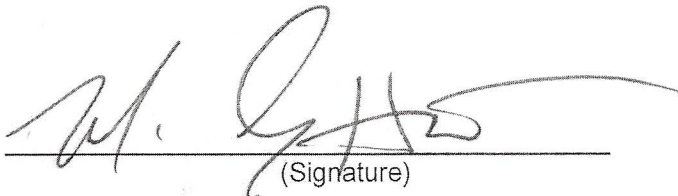
Fiscal year in which the finding initially occurred: 2018

Contact Person Responsible for Corrective Action: Greg Hunt, Assistant Superintendent for Business and Operations

Contact Phone Number: (219) 362-7056

Status of Audit Finding:

Any time the Food Service department intends to order goods or services for small purchases, RFP's or micro purchases, they obtain a price or rate quote from multiple vendors. They have also created and complete a Procurement Summary which includes the procurement method, quantity, item description, vendor names and responses, chosen vendor and what the decision was based upon. The Procurement Summary is prepared and signed by the Director of Food Service and reviewed and signed by one of the administrative assistants. A paper form is kept in the Food Service office and an electronic form is available on the Food Service Department's shared drive.



(Signature)

Assistant Superintendent of Business & Operations
(Title)

February 24, 2021
(Date)

Mr. Mark D. Francesconi, Superintendent
Dr. Jane Larson, Assistant Superintendent Secondary Education
Mr. Benjamin Tonagel, Assistant Superintendent Elementary Education
Mr. M. Greg Hunt, Assistant Superintendent of Business & Operations

Board of School Trustees
Mr. Mark Kosior, President
Mrs. Shari Ott-Large, Vice President
Mr. Jim Arnold, Secretary
Mrs. Rhonda Spence, Member
Mrs. Jan Ribordy, Member
Mrs. Shannon Hannon, Member
Mrs. Marie Gilliland, Member

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2018-008 CHILD NUTRITION CLUSTER – REPORTING

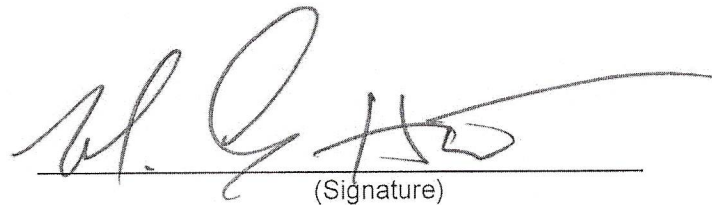
Fiscal year in which the finding initially occurred: 2018

Contact Person Responsible for Corrective Action: Greg Hunt, Assistant Superintendent for Business and Operations

Contact Phone Number: (219) 362-7056

Status of Audit Finding:

During the preparation of the Child Nutrition Cluster Annual Financial Report, the Director of Food Service obtains the data from the Indiana Nutrition website, a report from our Food Service software provider which is Titan, and a report from our financial software which is Skyward. Those three reports are compared together to ensure accuracy of the final amounts entered into the AFR. The Director of Food Service, the Assistant Superintendent of Business and Operations and the Corporation Treasurer review the data and sign-off prior to the submission of the AFR.



(Signature)

Assistant Superintendent of Business & Operations
(Title)

February 24, 2021
(Date)

Mr. Mark D. Francesconi, Superintendent
Dr. Jane Larson, Assistant Superintendent Secondary Education
Mr. Benjamin Tonagel, Assistant Superintendent Elementary Education
Mr. M. Greg Hunt, Assistant Superintendent of Business & Operations

Board of School Trustees

Mr. Mark Kosior, President
Mrs. Shari Ott-Large, Vice President
Mr. Jim Arnold, Secretary
Mrs. Rhonda Spence, Member
Mrs. Jan Ribordy, Member
Mrs. Shannon Hannon, Member
Mrs. Marie Gilliland, Member

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2018-009 TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES – LEVEL OF EFFORT – MAINTENANCE OF EFFORT, REPORTING

Fiscal year in which the finding initially occurred: 2018

Contact Person Responsible for Corrective Action: Greg Hunt, Assistant Superintendent for Business and Operations

Contact Phone Number: (219) 362-7056

Status of Audit Finding:

The incorrect data from the conversion of our financial software has been corrected. Therefore, we have been able to provide accurate information to the Indiana Department of Education (IDOE) through our Form 9 reports. The Treasurer gathers the data for the Form 9 report and reviews it prior to having the Deputy Treasurer and the Assistant Superintendent of Business and Operations review for accuracy as it relates to Title I reporting. After all reviews are complete, the Treasurer submits the data to the IDOE.



(Signature)

Assistant Superintendent of Business & Operations
(Title)

February 24, 2021
(Date)

Mr. Mark D. Francesconi, Superintendent
Dr. Jane Larson, Assistant Superintendent Secondary Education
Mr. Benjamin Tonagel, Assistant Superintendent Elementary Education
Mr. M. Greg Hunt, Assistant Superintendent of Business & Operations

Board of School Trustees

Mr. Mark Kosior, President
Mrs. Shari Ott-Large, Vice President
Mr. Jim Arnold, Secretary
Mrs. Rhonda Spence, Member
Mrs. Jan Ribordy, Member
Mrs. Shannon Hannon, Member
Mrs. Marie Gilliland, Member

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2018-010 TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES – REPORTING

Fiscal year in which the finding initially occurred: 2018

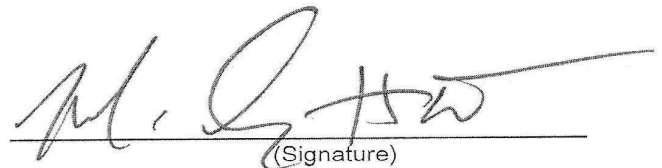
Contact Person Responsible for Corrective Action: Greg Hunt, Assistant Superintendent for Business and Operations

Contact Phone Number: (219) 362-7056

Status of Audit Finding:

All required journal entries in our financial system are completed by either the Treasurer or Deputy Treasurer. If the Treasurer prepares the journal entry, the Deputy Treasurer reviews the entry and both parties sign-off on the printed report. If the Deputy Treasurer prepares the journal entry, the Treasurer reviews the entry and both parties sign-off on the printed report. Two signatures are on each journal entry to ensure accuracy in our funds.

The Deputy Treasurer prepares the monthly reimbursements and the Treasurer signs-off after reviewing the details. The Deputy Treasurer prints the backup reports for the specific month of expenses plus a separate report that includes extended dates for each grant to ensure that nothing had been posted to a prior or later time frame. Both reports are kept with the monthly reimbursement for each grant.



(Signature)

Assistant Superintendent of Business & Operations
(Title)

February 24, 2021
(Date)

Mr. Mark D. Francesconi, Superintendent
Dr. Jane Larson, Assistant Superintendent Secondary Education
Mr. Benjamin Tonagel, Assistant Superintendent Elementary Education
Mr. M. Greg Hunt, Assistant Superintendent of Business & Operations

Board of School Trustees
Mr. Mark Kosior, President
Mrs. Shari Ott-Large, Vice President
Mr. Jim Arnold, Secretary
Mrs. Rhonda Spence, Member
Mrs. Jan Ribordy, Member
Mrs. Shannon Hannon, Member
Mrs. Marie Gilliland, Member

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2018-011 TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES – SPECIAL TESTS AND PROVISIONS – ANNUAL REPORT CARD, HIGH SCHOOL GRADUATION RATE

Fiscal year in which the finding initially occurred: 2018

Contact Person Responsible for Corrective Action: Greg Hunt, Assistant Superintendent for Business and Operations

Contact Phone Number: (219) 362-7056

Status of Audit Finding:

Beginning in the fall of 2019, LaPorte High School implemented a system of checks and balances to accurately report students who have withdrawn from LPHS. A withdraw form is completed on each of the students who are no longer attending LaPorte High School and indicates the reason for the withdraw. This withdraw form is signed by the designated Assistant Principal and reviewed by the Registrar before withdrawing the student. If a student is no longer attending school a certified letter is sent to the parent or guardian upon the tenth consecutive school day of absence. This letter is sent by the LPCSC Attendance Officer through the US Postal Service. The certified mail receipt is kept as part of the withdraw documentation. The Attendance Officer submits the online form to the Indiana Clearinghouse for Information on Missing Children & Missing Endangered Adults (INDIANA CLEARINGHOUSE GRADUATION RATE). Once the Attendance Officer has received a response from the Clearinghouse via email, the Officer will complete and sign the withdraw paperwork for the Registrar, at that point the student is withdrawn from school in the student management system. All withdraw paperwork is placed in the student cum file. A running list of the "missing students" is kept and updated as necessary by the assigned administrator at LPHS.



(Signature)

Assistant Superintendent of Business & Operations
(Title)

February 24, 2021
(Date)



Mr. Mark D. Francesconi, Superintendent
 Dr. Jane Larson, Assistant Superintendent Secondary Education
 Mr. Benjamin Tonagel, Assistant Superintendent Elementary Education
 Mr. M. Greg Hunt, Assistant Superintendent of Business & Operations

Board of School Trustees
 Mr. Mark Kosior, President
 Mrs. Shari Ott-Large, Vice President
 Mr. Jim Arnold, Secretary
 Mrs. Rhonda Spence, Member
 Mrs. Jan Ribordy, Member
 Mrs. Shannon Hannon, Member
 Mrs. Marie Gilliland, Member

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2018-012 SPECIAL EDUCATION CLUSTER (IDEA) – ALLOWABLE COSTS/COST PRINCIPLES, CASH MANAGEMENT, REPORTING

Fiscal year in which the finding initially occurred: 2018
 Contact Person Responsible for Corrective Action: Greg Hunt, Assistant Superintendent for Business and Operations
 Contact Phone Number: (219) 362-7056

Status of Audit Finding:

All required journal entries in our financial system are completed by either the Treasurer or Deputy Treasurer. If the Treasurer prepares the journal entry, the Deputy Treasurer reviews the entry and both parties sign-off on the printed report. If the Deputy Treasurer prepares the journal entry, the Treasurer reviews the entry and both parties sign-off on the printed report. Two signatures are on each journal entry to ensure accuracy in our funds.

The Deputy Treasurer prepares the monthly reimbursements and the Treasurer signs-off after reviewing the details. The Deputy Treasurer prints the backup reports for the specific month of expenses plus a separate report that includes extended dates for each grant to ensure that nothing had been posted to a prior or later time frame. Both reports are kept with the monthly reimbursement for each grant.

In the beginning of our transition with our new financial software, we were unaware that health insurance costs were being charged each pay. Once we discovered the error, the automatic charge for health insurance was turned off in our system and all health, life, ltd and workman's compensation charges have been manually entered once a year in November or December. The duplicate charge for health insurance at the time of our last audit was corrected and has not occurred again.


 (Signature)

Assistant Superintendent of Business & Operations
 (Title)

February 24, 2021
 (Date)

1000 Harrison Street, LaPorte, IN 46350 Ph. (219) 362-7056 Fax (219) 324-1398

"Learn Today to Excel Tomorrow"



Mr. Mark D. Francesconi, Superintendent
 Dr. Jane Larson, Assistant Superintendent Secondary Education
 Mr. Benjamin Tonagel, Assistant Superintendent Elementary Education
 Mr. M. Greg Hunt, Assistant Superintendent of Business & Operations

Board of School Trustees
 Mr. Mark Kosior, President
 Mrs. Shari Ott-Large, Vice President
 Mr. Jim Arnold, Secretary
 Mrs. Rhonda Spence, Member
 Mrs. Jan Ribordy, Member
 Mrs. Shannon Hannon, Member
 Mrs. Marie Gilliland, Member

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2018-013 SPECIAL EDUCATION CLUSTER (IDEA) – EARMARKING AND REPORTING

Fiscal year in which the finding initially occurred: 2018
 Contact Person Responsible for Corrective Action: Greg Hunt, Assistant Superintendent for Business and Operations
 Contact Phone Number: (219) 362-7056

Status of Audit Finding:

Beginning with the January 2019 semi-annual reports, the Special Education staff paid from Federal Grant funds complete a Time and Effort or PARS log for the amount of time spent on duties with the non-public school(s). The logs are submitted to and reviewed by the Special Education office on a monthly basis. Since the percentage and dollar amount is prefigured in the grant based upon the student count, a spreadsheet is maintained that includes the amount of hours/dollars spent on the non-pubs by using the data obtained from the Time and Effort or PARS logs.

Proportionate share forms are completed and verified for each district by the Administrative Assistant for Special Education. These forms are reviewed and signed by the Director or Special Education and the Assistant Superintendent of Business and Operations.

Every month our Deputy Treasurer completes a request for reimbursement for expenses incurred during the prior month. The Treasurer reviews and signs-off before the Deputy Treasurer submits the report(s). A copy of each reimbursement request is provided to the Director of Special Education. If any errors have been found, the corrections are completed before the next month's reimbursement request. After all funds have been depleted and after the final reimbursement request has been submitted, the Director of Special Education verifies the amounts are correct and completes the final report for the IDOE. Both the Director of Special Education and the Assistant Superintendent of Business and Operations sign-off on the final report.

 (Signature)

Assistant Superintendent of Business & Operations
 (Title)

 February 24, 2021
 (Date)



Dr. Mark D. Francesconi, Superintendent
Dr. Jane Larson, Assistant Superintendent Secondary Education
Dr. Benjamin Tonagel, Assistant Superintendent Elementary Education
Mr. M. Greg Hunt, Assistant Superintendent of Business & Operations

Board of School Trustees

Mr. Mark Kosior, President
Mrs. Shari Ott-Large, Vice President
Mr. Jim Arnold, Secretary
Mrs. Rhonda Spence, Member
Mrs. Jan Ribordy, Member
Mrs. Shannon Hannon, Member
Mrs. Marie Gilliland, Member

FINDING 2020-001: Financial Statement Findings

Contact Person Responsible for Corrective Action: Greg Hunt, Assistant Superintendent for Business & Operations
Contact Phone Number: (219) 362-7056

Views of Responsible Official:
We concur with the findings listed.

Description of Corrective Action Plan:

Cash and Investments (Bank Reconciliations)

Since the beginning of this audit, two out of the three banks are completely balanced. Bank 3 was balanced in September 2020 and Bank 5 was balanced in September 2021 for the time period of April 2016 until current. We are currently working on Bank 10 which is our payroll bank. Once we've balanced Bank 10, we should be able to reconcile to our fund ledger.

Anticipated Completion Date:
December 2022

Receipts and Other Financing Sources

A Cash Receipt report will be printed on a monthly basis and the Treasurer and the Deputy Treasurer or Assistant Superintendent for Business and Operations will review and sign.

Anticipated Completion Date:
November 2021

Vendor Disbursements and Other Financing Uses

After the monthly docket is run, a Check Summary report is reviewed by our Treasurer and Assistant Superintendent for Business and Operations before every Board meeting. We will obtain both signatures after their review and a copy will be kept with each docket.

The Human Resource Director will review the self-insurance claims to ensure accuracy at a minimum of once a month. After it's been reviewed, a signed copy will be kept by the HR Director.

Anticipated Completion Date:
November 2021

Payroll Disbursements

1. After each payroll, a detailed distribution report will be printed, reviewed and signed by the Treasurer. The Food Service department, the Grants Coordinator and the Special Education department will review the funds related to them then sign and return the distribution report to the Payroll department along with any corrections that may need to be made.
2. After each payroll, a spreadsheet with any errors/omissions/corrections/comments is being completed by payroll. That spreadsheet is reviewed by the Treasurer and the Assistant Superintendent for Business and Operations. All three employees sign the spreadsheet and a copy is included in each payroll folder. Quick Voids in the payroll system should not be used in the future.
3. The Assistant Superintendent for Business and Operations will ensure that a salary schedule for hourly employees will be Board approved on a yearly basis.

Anticipated Completion Date:
February 2022

Financial Close and Reporting

Upon completion of reconciling all three banks in Skyward, we will be able to close each month in our software system. However, the system will still allow payroll to post to any date.

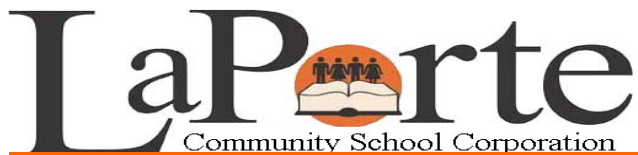
We have been working with Skyward to find a way to process our 8010 payroll clearing account liabilities within the software. We will continue to work with them until we find a process that works correctly.

The bank to bank transfers will be removed from the financial statement on our 2020-2022 audit.

Anticipated Completion Date:
December 2022

1000 Harrison Street, LaPorte, IN 46350 Ph. (219) 362-7056 Fax (219) 324-1398

"Learn Today to Excel Tomorrow"



Dr. Mark D. Francesconi, Superintendent
Dr. Jane Larson, Assistant Superintendent Secondary Education
Dr. Benjamin Tonagel, Assistant Superintendent Elementary Education
Mr. M. Greg Hunt, Assistant Superintendent of Business & Operations

Board of School Trustees

Mr. Mark Kosior, President
Mrs. Shari Ott-Large, Vice President
Mr. Jim Arnold, Secretary
Mrs. Rhonda Spence, Member
Mrs. Jan Ribordy, Member
Mrs. Shannon Hannon, Member
Mrs. Marie Gilliland, Member

FINDING 2020-002: Child Nutrition Cluster – Internal Controls

Contact Person Responsible for Corrective Action: Greg Hunt, Assistant Superintendent for Business & Operations
Contact Phone Number: (219) 362-7056

Views of Responsible Official:

We concur with the finding that we were unable to provide proof that we were reviewing and verifying food service eligibility applications and approved school food prices within the software.

Description of Corrective Action Plan:

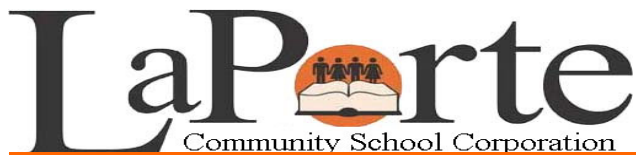
Meal applications will be processed and reviewed by the Food Service Office Coordinator. Every 5th application will be checked to verify the status of the application by the Food Service Director. The application will be initialed and dated after completion of the review. A spreadsheet will be completed after each application is reviewed. It will include the application number, name of the student on the application, the application status, the date it was checked and the initials of the Food Service Director. (See attached copy of the spreadsheet.)

The meal pricing will be entered into the software. The Food Service Office Coordinator will print the meal prices from the software and check them against the student and adult prices for the current school year. The coordinator will initial and date the printout before the Food Service Director reviews and initials as well.

Anticipated Completion Date:
July 1, 2021

1000 Harrison Street, LaPorte, IN 46350 Ph. (219) 362-7056 Fax (219) 324-1398

"Learn Today to Excel Tomorrow"



Dr. Mark D. Francesconi, Superintendent
Dr. Jane Larson, Assistant Superintendent Secondary Education
Dr. Benjamin Tonagel, Assistant Superintendent Elementary Education
Mr. M. Greg Hunt, Assistant Superintendent of Business & Operations

Board of School Trustees

Mr. Mark Kosior, President
Mrs. Shari Ott-Large, Vice President
Mr. Jim Arnold, Secretary
Mrs. Rhonda Spence, Member
Mrs. Jan Ribordy, Member
Mrs. Shannon Hannon, Member
Mrs. Marie Gilliland, Member

FINDING 2020-003: Title I to Local Educational Agencies – Eligibility, Level of Effort – Maintenance of Effort, Reporting

Contact Person Responsible for Corrective Action: Greg Hunt, Assistant Superintendent for Business & Operations
Contact Phone Number: (219) 362-7056

Views of Responsible Official:
We concur with the findings listed.

Description of Corrective Action Plan:

Eligibility

Meal applications will be processed and reviewed by the Food Service Office Coordinator. Every 5th application will be checked to verify the status of the application by the Food Service Director. The application will be initialed and dated after completion of the review. A spreadsheet will be completed after each application is reviewed. It will include the application number, name of the student on the application, the application status, the date it was checked and the initials of the Food Service Director.

The student rosters that are sent to each school by the technology employee will be reviewed and signed by each school and then returned to technology. Corrections will be made and the report will be submitted. If the submitted report is flagged with any errors, the school will be asked to verify and make the correction and will send their responses back to the technology department.

After the Title I budget is approved, the grant coordinator will send a copy of the final budget to our nonpublic school to review and approve with their signature.

Matching, Level of Effort, Earmarking and Reporting

Payroll reports will be reviewed monthly to ensure the correct personnel are being paid from each fund. After verifying the reports the person reviewing them will sign them and maintain those records for each audit period.

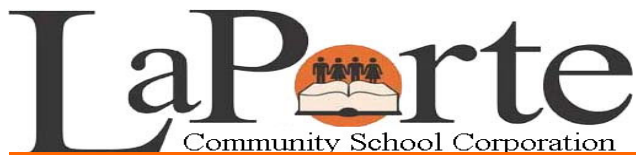
The Assistant Superintendent of Business and Operations will review and sign the budget application supporting the methodology for Title I to ensure that the corporation is not supplanting.

The Assistant Superintendent of Business and Operations and the Assistant Superintendent of Elementary (Title I Coordinator) will review teaching positions, for all the LPCSC elementary schools, on a quarterly basis as it applies to the needs and number of students. The staffing spreadsheet will be signed by both the Assistant Superintendent of Business and Operations and the Assistant Superintendent of Elementary.

Anticipated Completion Date:
November 2021

1000 Harrison Street, LaPorte, IN 46350 Ph. (219) 362-7056 Fax (219) 324-1398

"Learn Today to Excel Tomorrow"



Dr. Mark D. Francesconi, Superintendent
Dr. Jane Larson, Assistant Superintendent Secondary Education
Dr. Benjamin Tonagel, Assistant Superintendent Elementary Education
Mr. M. Greg Hunt, Assistant Superintendent of Business & Operations

Board of School Trustees

Mr. Mark Kosior, President
Mrs. Shari Ott-Large, Vice President
Mr. Jim Arnold, Secretary
Mrs. Rhonda Spence, Member
Mrs. Jan Ribordy, Member
Mrs. Shannon Hannon, Member
Mrs. Marie Gilliland, Member

FINDING 2020-004: Special Education Cluster (IDEA) – Activities Allowed or Unallowed, Allowable Costs/Cost Principles

Contact Person Responsible for Corrective Action: Greg Hunt, Assistant Superintendent for Business & Operations
Contact Phone Number: (219) 362-7056

Views of Responsible Official:
We concur with the finding listed.

Description of Corrective Action Plan:

Condition and Context

Each school and/or department reviews and signs their building employees time sheets and absentee reports prior to submitting to the payroll department. The payroll department will continue to enter all of the payroll into Skyward. After each payroll is ran, the payroll department will provide a copy of the "Labor Distribution Report for Payroll" to the Special Education Department for review. The Director and/or Administrative Assistant will sign the copy and return it to payroll. Payroll will keep a signed copy with each payroll distribution.

Anticipated Completion Date:
November 2021

1000 Harrison Street, LaPorte, IN 46350 Ph. (219) 362-7056 Fax (219) 324-1398

"Learn Today to Excel Tomorrow"



Dr. Mark D. Francesconi, Superintendent
Dr. Jane Larson, Assistant Superintendent Secondary Education
Dr. Benjamin Tonagel, Assistant Superintendent Elementary Education
Mr. M. Greg Hunt, Assistant Superintendent of Business & Operations

Board of School Trustees

Mr. Mark Kosior, President
Mrs. Shari Ott-Large, Vice President
Mr. Jim Arnold, Secretary
Mrs. Rhonda Spence, Member
Mrs. Jan Ribordy, Member
Mrs. Shannon Hannon, Member
Mrs. Marie Gilliland, Member

FINDING 2020-005: Special Education Cluster (IDEA) – Earmarking

Contact Person Responsible for Corrective Action: Greg Hunt, Assistant Superintendent for Business & Operations
Contact Phone Number: (219) 362-7056

Views of Responsible Official:
We concur with the finding during the beginning of this audit period only.

Description of Corrective Action Plan:

Condition and Context

During our 2016-2018 audit, the SBoA auditor indicated that our handwritten calculations for the percentage of time spent for nonpublic school expenditures wasn't sufficient enough. We immediately created a spreadsheet, showed it to the auditor and he verified that the spreadsheet is acceptable. We continue to collect the Time and Effort logs for our staff members that work with our nonpublic school students. Proportionate share forms and Time and Effort logs are reviewed and we also obtain dual signatures on the spreadsheets containing the percentages.

Anticipated Completion Date:
May 2019

1000 Harrison Street, LaPorte, IN 46350 Ph. (219) 362-7056 Fax (219) 324-1398

"Learn Today to Excel Tomorrow"

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/>.