

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

NETTLE CREEK SCHOOL CORPORATION

WAYNE COUNTY, INDIANA

July 1, 2019 to June 30, 2021



**FILED**  
05/17/2022



## 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.....	13-15
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings.....	18-20
Corrective Action Plan .....	21
Other Reports.....	22

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Business Manager/Treasurer	Andrew R. Cooper	07-01-19 to 06-30-22
Superintendent of Schools	Dr. John Williams (interim) Dr. Kyle G. Barrentine	07-01-19 to 01-05-20 01-06-20 to 06-30-22
President of the School Board	Cary L. Rhoades Daniel J. Davis	07-01-19 to 12-31-19 01-01-20 to 12-31-22



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 NETTLE CREEK SCHOOL CORPORATION, WAYNE 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 Nettle Creek School Corporation (School Corporation), for the period of July 1, 2019 to June 30, 2021, and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement and have issued our report thereon dated May 2, 2022, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

***Internal Control over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

***Compliance and Other Matters***

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

***Purpose of This Report***

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



Beth Kelley, CPA, CFE  
Deputy State Examiner

May 2, 2022



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 NETTLE CREEK SCHOOL CORPORATION, WAYNE COUNTY, INDIANA

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

We have audited the Nettle Creek 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, 2019 to June 30, 2021. 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 2021-001 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, Earmarking. 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 the Special Education Cluster (IDEA) for the period of July 1, 2019 to June 30, 2021.

***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, 2019 to June 30, 2021.

***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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2021-001, that we consider to be material weaknesses.

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

The 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, 2019 to June 30, 2021, and the related notes to the financial statement. We issued our report thereon dated May 2, 2022, 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.



Beth Kelley, CPA, CFE  
Deputy State Examiner

May 2, 2022

(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.

NETTLE CREEK SCHOOL CORPORATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2020 and 2021

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-20	Total Federal Awards Expended 06-30-20	Passed Through to Subrecipient 06-30-21	Total Federal Awards Expended 06-30-21
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
Nettle Creek School Lunch			8305	\$ -	\$ 51,709	\$ -	\$ -
Food Program Breakfast			8305	-	-	-	2,882
SubTotal - School Breakfast Program				-	51,709	-	2,882
COVID-19 - School Breakfast Program	Indiana Department of Education	10.553	8305	-	49,133	-	13,372
Total - School Breakfast Program				-	100,842	-	16,253
National School Lunch Program							
Nettle Creek School Lunch	Indiana Department of Education	10.555	8305	-	111,112	-	-
Food Program Lunch			8305	-	-	-	4,590
Commodities			8305	-	29,380	-	12,653
SubTotal - National School Lunch Program				-	140,492	-	17,243
COVID-19 - National School Lunch Program	Indiana Department of Education	10.555	8305	-	90,030	-	27,544
Total - National School Lunch Program				-	230,521	-	44,787
Summer Food Service Program for Children	Indiana Department of Education	10.559					
Food Program-Summer			8305	-	-	-	578,929
Total - Child Nutrition Cluster				-	331,363	-	639,969
Child and Adult Care Food Program							
Food Program Supper	Indiana Department of Education	10.558	8305	-	18,197	-	-
			8305	-	-	-	129,829
Total - Child and Adult Care Food Program				-	18,197	-	129,829
Total - Department of Agriculture				-	349,560	-	769,798
<u>Department of Education</u>							
Special Education Cluster							
Special Education Grants to States	Indiana Department of Education	84.027					
			19611-042-PN01	-	91,792	-	-
			20611-042-PN01	-	193,705	-	-
			20611-040-PN01	-	-	-	116,995
			21611-040-PN01	-	-	-	181,250
Total - Special Education Grants to States				-	285,497	-	298,245

NETTLE CREEK SCHOOL CORPORATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2020 and 2021

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-20	Total Federal Awards Expended 06-30-20	Passed Through to Subrecipient 06-30-21	Total Federal Awards Expended 06-30-21
Special Education Preschool Grants	Indiana Department of Education	84.173					
			19619-042-PN01	-	4,042	-	-
			20619-042-PN01	-	9,693	-	-
			20619-040-PN01	-	-	-	4,771
			21619-040-PN01	-	-	-	10,111
Total - Special Education Preschool Grants				-	13,736	-	14,882
Total - Special Education Cluster				-	299,233	-	313,126
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
			S010A180014	-	142,398	-	-
			S010A190014	-	91,729	-	136,936
			S010A200014	-	-	-	102,239
Total - Title I Grants to Local Educational Agencies				-	234,127	-	239,176
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
			S367A170013	-	33,183	-	-
			S367A180013	-	19,546	-	21,432
			S367A190013	-	-	-	8,942
			S367A20013-20A	-	-	-	4,285
Total - Supporting Effective Instruction State Grants				-	52,728	-	34,659
Student Support and Academic Enrichment Program Title IV Part A Grant	Indiana Department of Education	84.424					
			S424A170015	-	2,944	-	-
			S424A180015	-	13,812	-	-
			S424A190015	-	587	-	18,625
			S424A200015	-	-	-	4,776
Total - Student Support and Academic Enrichment Program				-	17,343	-	23,401
Education Stabilization Fund	Indiana Department of Education	84.425					
ESSER II			S425D200013	-	-	-	159,232
			S425D210013	-	-	-	7,409
				-	-	-	2,103
Total - Education Stabilization Fund				-	-	-	168,744
Total - Department of Education				-	603,431	-	779,106
Total federal awards expended				\$ -	\$ 952,991	\$ -	\$ 1,548,904

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

NETTLE CREEK 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, 2020 and 2021. 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. New Castle Area Special Services Cooperative (Cooperative)**

The School Corporation is a member of the New Castle Area Special Services Cooperative (Cooperative). As a result, some of the activity for the Special Education Cluster (IDEA) that is presented on the SEFA is not presented as receipts and disbursements in the financial statement for the School Corporation. This activity is presented in the financial statement of the Cooperative's fiscal agent.

NETTLE CREEK 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?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

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**

No matters are reportable.

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

**FINDING 2021-001**

Subject: Special Education Cluster (IDEA) - Earmarking  
 Federal Agency: Department of Education  
 Federal Program: Special Education Grants to States  
 Assistance Listings Number: 84.027  
 Federal Award Number and Year (or Other Identifying Number): 20611-040-PN01  
 Pass-Through Entity: Indiana Department of Education  
 Compliance Requirement: Matching, Level of Effort, Earmarking  
 Audit Findings: Material Weakness, Modified Opinion

NETTLE CREEK SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition and Context*

The School Corporation is a member of the New Castle Area Program for Exceptional Children (Cooperative). During fiscal year 2020-2021, the Cooperative operated the special education programs and spent the federal money on behalf of all its members. As the grant agreements were between the Indiana Department of Education (IDOE) and each member school, the School Corporation was responsible for ensuring and providing oversight of the Cooperative. However, there was inadequate oversight performed by the School Corporation in order to ensure compliance with the Matching, Level of Effort, Earmarking compliance requirement.

The School Corporation did not have internal controls in place to ensure that the Cooperative complied with the earmarking requirements. The Cooperative did not have adequate procedures in place to ensure that the required level of expenditures for nonpublic school students with disabilities was met for each member school. The Cooperative did not have effective internal controls to ensure nonpublic school expenditures were appropriately identified and reported.

The Non-Public Proportionate Share expenditures for the 20611 grant award could not be verified for the individual member schools. The non-public school share funds for all member schools were comingled and the aggregate amount of expenditures was then allocated to the member schools on a percentage basis. These allocations were the amounts reported to the IDOE. As such, we were unable to identify which expenditures were for each school in order to verify the minimum amount per the grant award was expended and properly reported to the IDOE as required.

The lack of internal controls and noncompliance was isolated to the 20611 grant award.

*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: . . .

(g) Be adequately documented. . . ."

2 CFR 200.208(b) states in part: "The Federal awarding agency or pass-through entity may adjust specific Federal award conditions as needed, . . ."

NETTLE CREEK SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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's management had not developed an effective system of internal control that would have ensured compliance with the grant agreement and the earmarking requirements of the Matching, Level of Effort, Earmarking compliance requirement.

*Effect*

The failure to establish an effective internal control system, as well as adequately document costs of federal awards, 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 an effective system of internal control, as well as appropriately document and identify federal award expenditures to ensure compliance with 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.



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

***FINDING 2019-001***

Fiscal year in which the finding initially occurred: 2019

Status of Audit Finding: Corrected

Treasurer and Superintendent have been reviewing the Form-9 before submittal. The new financial report added to the Gateway annual report has been included in this review. The addition of a review with another financial person is being planned.

***FINDING 2019-002***

Fiscal year in which the finding initially occurred: 2017

Status of Audit Finding: Corrected

Treasurer and Superintendent have been reviewing the SEFA as part of the Gateway annual report before submittal. The addition of a review with another financial person is being planned.

***FINDING 2019-003***

Fiscal year in which the finding initially occurred: 2019

Status of Audit Finding: Corrected

The Treasurer has a monthly meeting with the Food Service Director to review financial matters, including a review of invoices for allowable expenses.

***FINDING 2019-004***

Fiscal year in which the finding initially occurred: 2019

Status of Audit Finding: Corrected

The Treasurer has a monthly meeting with the Food Service Director to review financial matters, including a review of the School Lunch fund balance. A spreadsheet was created to compare the balance to the target.



***FINDING 2019-005***

Fiscal year in which the finding initially occurred: 2019

Status of Audit Finding: Corrected

The Treasurer has a monthly meeting with the Food Service Director to review financial matters, including a review of the eligibility process. This review includes an annual sign-off on the software parameters.

***FINDING 2019-006***

Fiscal year in which the finding initially occurred: 2017 (Finding 2017-003)

Status of Audit Finding: Corrected

The Treasurer reviews purchases made by the school to ensure vendors have not been suspended or debarred. The internal control to monitor Chartwells needs more development.

***FINDING 2019-007***

Fiscal year in which the finding initially occurred: 2017 (Finding 2017-005)

Status of Audit Finding: Corrected

The Treasurer has a monthly meeting with the Food Service Director to review financial matters, including a review of the eligibility process. This review includes an annual sign-off on the software parameters as they relate to the Verification process.

***FINDING 2019-008***

Fiscal year in which the finding initially occurred: 2017 (Finding 2017-004)

Status of Audit Finding: Corrected

The Treasurer has a monthly meeting with the Food Service Director to review financial matters, including an annual review of the Paid Lunch Equity calculation. Due to the waivers for free lunch during the Covid-19 Pandemic, this internal control has not been fully tested.

Nettle Creek School Corporation  
297 E. Northmarket Street  
Hagerstown, IN 47346  
765-489-4543  
[www.nettlecreekschools.com](http://www.nettlecreekschools.com)



***FINDING 2019-009***

Fiscal year in which the finding initially occurred: 2019

Status of Audit Finding: Corrected

This finding is being corrected by the New Castle Area Special Services Cooperative. Nettle Creek is working with the Cooperative to ensure a corrective action plan is in place and is being followed.

Nettle Creek School Corporation  
297 E. Northmarket Street  
Hagerstown, IN 47346  
765-489-4543  
[www.nettlecreekschools.com](http://www.nettlecreekschools.com)  
Small School. Big Experience



## CORRECTIVE ACTION PLAN

### FINDING 2021-001

Contact Person Responsible for Corrective Action: Drew Cooper  
Contact Phone Number: 765-489-4543

Views of Responsible Official:  
We concur with the finding.

Description of Corrective Action Plan:  
The Business Manager and Superintendent will work with the New Castle Area Special Education Co-Op to develop an internal control system to ensure compliance with the Special Education grant agreement in regards to Earmarking Requirements.

Anticipated Completion Date:  
June 30, 2022

---

*Dr. Kyle G. Barrentine, Superintendent*  
*Mr. Drew Cooper, Business Manager*

*Mrs. Emily Schaeffer, Director of Learning*  
*Mrs. Sarah Buroker, Executive Secretary*

## 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/>.