

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION

JOHNSON COUNTY, INDIANA

July 1, 2020 to June 30, 2022



FILED

03/10/2023

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Austin Fruits	07-01-20 to 06-30-23
Superintendent of Schools	Dr. Patrick Spray	07-01-20 to 06-30-23
President of the School Board	Beth Poe Craig Koch Butch Zike David Thompson	07-01-20 to 10-19-21 10-20-21 to 12-31-21 01-01-22 to 12-31-22 01-01-23 to 06-30-23



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 CLARK-PLEASANT COMMUNITY
SCHOOL CORPORATION, JOHNSON 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 Clark-Pleasant Community School Corporation (School Corporation), for the period of July 1, 2020 to June 30, 2022, and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement and have issued our report thereon dated February 21, 2023, 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.

Report on 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) as a basis for designing 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 or significant deficiencies 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)

Report on 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

February 21, 2023



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 CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION, JOHNSON COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Clark-Pleasant 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, 2020 to June 30, 2022. 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.

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2020 to June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the School Corporation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School Corporation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School Corporation's federal programs.

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)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School Corporation's compliance based on our audit. Reasonable assurance is a high level of assurance, but is not absolute assurance, and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually, or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School Corporation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the School Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2022-002. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the School Corporation's response to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. 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.

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)

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2022-001, 2022-002, and 2022-003, to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards require the auditor to perform limited procedures on the School Corporation's response to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The School Corporation's response was not subjected to the other auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on the response.

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR 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)

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, 2020 to June 30, 2022, and the related notes to the financial statement. We issued our report thereon dated February 21, 2023, which contained a dual opinion on the financial statement. An adverse opinion was issued regarding the presentation in accordance with accounting principles generally accepted in the United States of America, and an unmodified opinion was issued regarding the presentation in accordance with the regulatory basis of accounting. Our audit was performed 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

February 21, 2023

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.

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CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2021 and 2022

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 06-30-21	Total Federal Awards Expended 06-30-21	Passd Through to Subrecipient 06-30-22	Total Federal Awards Expended 06-30-22
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
Child Nutrition Breakfast			N109942-NSLP	\$ -	\$ 148,573	\$ -	\$ -
Child Nutrition Breakfast			N109942-NSLP	-	-	-	823,071
Subtotal - School Breakfast Program				-	148,573	-	823,071
COVID-19 - School Breakfast Program	Indiana Department of Education	10.553					
Child Nutrition Breakfast			N109942-NSLP	-	85,604	-	-
Total - School Breakfast Program				-	234,177	-	823,071
National School Lunch Program							
Child Nutrition Lunch	Indiana Department of Education	10.555					
Child Nutrition Lunch			N109942-NSLP	-	506,172	-	-
SNP Emergency Funds			N109942-NSLP	-	-	-	3,164,134
Commodities			N109942-NSLP FY22	-	234,622	-	301,783
Subtotal - National School Lunch Program				-	740,794	-	3,521,402
COVID-19 - National School Lunch Program	Indiana Department of Education	10.555					
Child Nutrition Lunch			N109942-NSLP	-	424,728	-	-
Total - National School Lunch Program				-	1,165,522	-	3,521,402
Summer Food Service Program for Children							
Child Nutrition Summer	Indiana Department of Education	10.559					
Child Nutrition Summer			N109942-NSLP	-	1,726,374	-	-
			N109942-NSLP	-	-	-	189,003
COVID-19 - Summer Food Service Program for Children	Indiana Department of Education	10.559					
Child Nutrition Summer			N109942-NSLP	-	277,053	-	-
Total - Summer Food Service Program for Children				-	2,003,427	-	189,003
Total - Child Nutrition Cluster				-	3,403,126	-	4,533,476
State Pandemic Electronic Benefit Transfer Administrative Costs Grants	Indiana Department of Education	10.649					
P-EBT Administrative Costs			FY22	-	-	-	3,063
Total - Department of Agriculture				-	3,403,126	-	4,536,539
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
Special Ed Part B 611 FY19			19611-130-PN01	-	17,716	-	-
Special Ed Part B 611 FY20			20611-130-PN01	-	291,369	-	2,961
Special Ed Part B 611 FY21			21611-130-PN01	-	983,705	-	395,409

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2021 and 2022

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 06-30-21	Total Federal Awards Expended 06-30-21	Passd Through to Subrecipient 06-30-22	Total Federal Awards Expended 06-30-22
Special Ed Part B 611 FY22			22611-130-PN01	-	-	-	796,298
Subtotal - Special Education Grants to States				-	1,292,790	-	1,194,668
COVID-19 - Special Education Grants to States ARP IDEA 611	Indiana Department of Education	84.027	22611-130-ARP	-	-	-	30,083
Total - Special Education Grants to States				-	1,292,790	-	1,224,751
Special Education Preschool Grants	Indiana Department of Education	84.173					
Special Ed Part B 619 FY 2019			19619-130-PN01	-	19,680	-	-
Special Ed Part B 619 FY 2020			20619-130-PN01	-	5,139	-	2,188
Special Ed Part B 619 FY 2021			21619-130-PN01	-	16,693	-	11,288
Special Ed Part B 619 FY 2022			22619-130-PN01	-	-	-	6,612
Subtotal - Special Education Preschool Grants				-	41,512	-	20,088
COVID-19 - Special Education Preschool Grants ARP IDEA 619	Indiana Department of Education	84.173	22619-130- ARP	-	-	-	225
Total - Special Education Preschool Grants				-	41,512	-	20,313
Total - Special Education Cluster (IDEA)				-	1,334,302	-	1,245,064
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I FY 19-20			S010A190014	-	74,641	-	-
Title I FY 20-21			S010A200014	-	420,994	-	208,624
Title I FY 21-22			S010A210014	-	-	-	405,900
Total - Title I Grants to Local Educational Agencies				-	495,635	-	614,524
English Language Acquisition State Grants	Indiana Department of Education	84.365					
Title III FY 18-20			S365A180014	-	2,171	-	-
Title III FY 19-21			S365A190014	-	11,162	-	3,099
Title III FY 20-22			S365A200014	-	32,573	-	9,937
Title III FY 21-23			S365A210014	-	-	-	30,992
Total - English Language Acquisition State Grants				-	45,906	-	44,028
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
Title II FY 18-20			S367A180013	-	8,316	-	-
Title II FY 19-21			S367A190013	-	124,411	-	19,671
Title II FY 20-22			S367A200013	-	14,233	-	133,586
Title II FY 21-23			S367A210013	-	-	-	14,747
Total - Supporting Effective Instruction State Grants				-	146,960	-	168,004

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2021 and 2022

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 06-30-21	Total Federal Awards Expended 06-30-21	Passd Through to Subrecipient 06-30-22	Total Federal Awards Expended 06-30-22
Student Support and Academic Enrichment Program	Indiana Department of Education	84.424					
Title IV FY 18-20			S367A180013	-	6,451	-	-
Title IV FY 19-21			S367A190013	-	24,458	-	11,043
Title IV FY 20-22			S424A200015	-	23,500	-	4,434
Total - Student Support and Academic Enrichment Program				-	54,409	-	15,477
COVID-19 - Education Stabilization Fund	Indiana Department of Education	84.425					
Governor's Emergency Education Relief Funds		84.425C	S425C200018	-	640,022	-	162,072
Elementary and Secondary School Emergency Relief Fund		84.425D	S425D200013	-	78,800	-	1,750,555
American Rescue Plan - ESSER		84.425U	S425U200013	-	-	-	31,009
Total - COVID-19 - Education Stabilization Fund				-	718,822	-	1,943,636
Total - Department of Education				-	2,796,034	-	4,030,733
<u>Department of Health and Human Services</u>							
Medicaid Cluster							
Medical Assistance Program	Indiana Department of Education	93.778					
Medical Admin Claiming FY21			FY21	-	161,130	-	-
Medical Admin Claiming FY22			FY22	-	-	-	142,493
Medical Assistance Program	Indiana Family Social Services Administration	93.778					
Medical IEP FY21			FY21	-	96,497	-	-
Medical IEP FY22			FY22	-	-	-	265,163
Total Medicaid Cluster				-	257,627	-	407,656
Total - Department of Health and Human Services				-	257,627	-	407,656
<u>Department of Homeland Security</u>							
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Indiana Department of Homeland Security	97.036					
FEMA FY22			FY22	-	-	-	116,364
Total - COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)				-	-	-	116,364
Total - Department of Homeland Security				-	-	-	116,364
Total federal awards expended				\$ -	\$ 6,456,787	\$ -	\$ 9,091,292

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

CLARK-PLEASANT 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, 2021 and 2022. 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.

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	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:

Assistance Listings Number	Name of Federal Program or Cluster	Opinion Issued
	Child Nutrition Cluster	Unmodified
	Special Education Cluster (IDEA)	Unmodified
84.425	COVID-19 - Education Stabilization Fund	Unmodified
84.010	Title I Grants to Local Educational Agencies	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

No matters are reportable.

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

FINDING 2022-001

Subject: Title I Grants to Local Educational Agencies - Eligibility
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
Assistance Listings Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): S010A190014, S010A200014,
S010A210014
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Eligibility
Audit Finding: Material Weakness

Condition and Context

An effective internal control system was not designed, nor implemented at the School Corporation to ensure compliance with requirements related to the grant agreement and the Eligibility compliance requirement.

Eligibility for Title I was determined on the Eligible School Summary of the Title I application. Enrollment and Poverty numbers for the public school district were automatically pulled from Indiana Department of Education's Official Pupil Enrollment count for each school into the Eligible School Summary page of the Title I application. Enrollment and poverty numbers for any non-public schools were manually entered into the application by the School Corporation. These numbers were used to calculate Percent Poverty, which was then used to rank schools for Title I eligibility.

The School Corporation had not designed, nor implemented policies and procedures to ensure that the information entered into the *Eligible Schools Summary* section in the Title I application for non-public schools was accurate.

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 designed nor implemented a system of internal controls that would have ensured compliance with the grant agreement and the Eligibility compliance requirement.

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

The failure to design and implement a system of internal controls could have enabled noncompliance with the grant agreement and the Eligibility 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 to ensure compliance with the grant agreement and the Eligibility compliance requirement.

Views of Responsible Officials

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

FINDING 2022-002

Subject: Special Education Grants to States - 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): 20611-130-PN01
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Matching, Level of Effort, Earmarking
Audit Findings: Material Weakness, Other Matters

Condition and Context

An effective internal control system was not designed, nor implemented at the School Corporation to ensure compliance with requirements related to the grant agreement and the Matching, Level of Effort, Earmarking compliance requirement.

Proportionate share is an amount of funds that must be expended on special education/related services for parentally-placed private school and homeschooled students. The amount to be spent is automatically calculated within each grant application.

The School Corporation had not designed, nor implemented, policies and procedures to ensure that the required level of expenditures for non-public students was met for each grant. The Non-Public Proportionate Share expenditures for the 20611-130-PN01 grant were not spent in full, and the School Corporation did not file a waiver which if approved would have allowed the funds to be moved and spent under the regular Part B special education scope.

The lack of internal controls and noncompliance were isolated to the 20611-130-PN01 grant award.

CLARK-PLEASANT 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). . . ."

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 . . ."

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

Management had not designed nor implemented a system of internal controls that would have ensured compliance with the grant agreement and the Matching, Level of Effort, Earmarking compliance requirement.

Effect

The failure to establish an effective system of internal controls enabled noncompliance to go undetected. Noncompliance with the grant agreement and the Matching, Level of Effort, Earmarking compliance requirement could result in the loss of future funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

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

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Views of Responsible Officials

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

FINDING 2022-003

Subject: COVID-19 - Education Stabilization Fund - Reporting

Federal Agency: Department of Education

Federal Program: COVID-19 - Education Stabilization Fund

Assistance Listings Numbers: 84.425C, 84.425D, 84.425U

Federal Award Numbers and Years (or Other Identifying Numbers): S425C200018, S425D200013,
S425U210013

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting

Audit Finding: Material Weakness

Condition and Context

An effective internal control system was not designed, nor implemented, at the School Corporation to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirement.

The School Corporation had not designed, nor implemented, a system of internal controls to ensure that the annual Elementary and Secondary School Emergency Relief (ESSER) and the Governor's Emergency Education Relief (GEER) annual Data Collection reports (Reports) were complete and accurately submitted. The Reports were prepared by one employee without an oversight or review process in place to prevent, or detect and correct, errors.

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 designed, nor implemented, a system of internal controls that would have ensured compliance with the grant agreement and the Reporting compliance requirement.

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

The failure to design and implement an effective system of internal controls could have enabled noncompliance with the grant agreement and the Reporting 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 related to the grant agreement and the Reporting compliance requirement.

Views of Responsible Officials

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

AUDITEE-PREPARED DOCUMENTS

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



Clark-Pleasant Community School Corporation

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2020-001

Fiscal year in which the finding initially occurred: 2018

Status of Audit Finding: The internal controls surrounding our free and reduced meal eligibility determination process was found to be inadequate. Action taken was to select a sample of students to check against the criteria for free and reduced meal consideration on a monthly basis.



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2020-002

Fiscal year in which the finding initially occurred: 2018

Status of Audit Finding: The school corporation was found to have inadequate internal controls for complying with procurement requirements for small purchases and full and open competition. The school corporation also did not have adequate internal controls to ensure compliance with the suspension and debarment requirements. The action taken was by the food service director to attain at least 3 quotes from different vendors for small purchases and providing documentation for the procurement method rationale. The food service director also attains certifications from individuals or businesses in which we enter into business with.



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2020-003

Fiscal year in which the finding initially occurred: 2018

Status of Audit Finding: The school corporation did not have an effective internal control to ensure compliance with activities allowed or unallowed and allowable costs/cost principles requirements. The school corporation also did not have a control in place to ensure employees paid from grant funds completed time and effort logs and semi-annual certifications in a timely manner. The action taken was by the corporation treasurer to maintain a budget spreadsheet of the positions covered by the grant to ensure individuals are submitting time and effort logs and semi-annual certifications in a timely manner. Once the forms are received, the special ed director signs the forms and stores in the specific binder.

The Special Ed Director, Student Support Services Coordinator, and Corporation Treasurer now meet monthly to ensure compliance with the activities allowed or unallowed and allowable costs/cost principles requirements.





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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2020-004

Fiscal year in which the finding initially occurred: 2018

Status of Audit Finding: The school corporation did not have an effective internal control to ensure compliance with requirements related to grant agreements and reporting compliance. The action taken was for the corporation treasurer to attain signatures from the Director of Curriculum on all Title I reimbursement requests and Annual reports before submission. This has been completed for the current audit period.



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CORRECTIVE ACTION PLAN

FINDING 2022-001 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Austin Fruits
Contact Phone Number: 317-535-7579

Views of Responsible Official: We concur with the finding that there was not an effective control system in place to ensure the correct information entered in the Eligible Schools Summary section in the Title I application for Non-public schools was accurate.

Description of Corrective Action Plan: The school corporation will work with the non-public schools within our district to implement a set of procedures to ensure the accuracy in reporting poverty counts in the Title I application.

Anticipated Completion Date: 4/30/23



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CORRECTIVE ACTION PLAN

FINDING 2022-002 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Austin Fruits
Contact Phone Number: 317-535-7579

Views of Responsible Official: We concur with the finding that there was not an effective internal control system in place to ensure compliance with the Matching, Level of Effort, and Earmarking requirements in the Special Education grant.

Description of Corrective Action Plan: The school corporation will continue to hold regular meetings with the non-public schools in our district to ensure they spend their allocations appropriately and timely. If the non-public schools do not spend their allocations within the grant period, Clark-Pleasant will request a waiver from the DOE to repurpose those funds in the grant.

Anticipated Completion Date: 4/30/23



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CORRECTIVE ACTION PLAN

FINDING 2022-003 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Austin Fruits
Contact Phone Number: 317-535-7579

Views of Responsible Official: We concur with the finding that there was not an effective internal control system in place to ensure compliance with the Reporting requirement in the COVID-19 ESSER grants.

Description of Corrective Action Plan: The school corporation will implement an internal control of dual signatures on all reporting related to the ESSER and GEER grants. This will provide an extra layer of oversight to ensure complete accuracy with reporting.

Anticipated Completion Date: 4/30/23



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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/>.