

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

CLARKSVILLE COMMUNITY SCHOOL CORPORATION

CLARK COUNTY, INDIANA

July 1, 2020 to June 30, 2022



FILED

03/15/2023

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Dianne Lacy	07-01-20 to 06-30-23
Superintendent of Schools	Tina Bennett	07-01-20 to 06-30-23
President of the School Board	William P. Wilson April Hauber	07-01-20 to 01-03-22 01-04-22 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 CLARKSVILLE COMMUNITY
SCHOOL CORPORATION, CLARK 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 Clarksville 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 28, 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 28, 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 CLARKSVILLE COMMUNITY SCHOOL CORPORATION, CLARK COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the Clarksville 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.

Qualified Opinion on COVID-19 - Education Stabilization Fund

In our opinion, except for the noncompliance described in the *Basis for Qualified and Unmodified Opinions* section of our report, the School Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the COVID-19 - Education Stabilization Fund for the period of July 1, 2020 to June 30, 2022.

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, 2020 to June 30, 2022.

Basis for Qualified and Unmodified Opinions

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.

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)

Matter Giving Rise to Qualified Opinion on COVID-19 - Education Stabilization Fund

As described in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding 84.425 COVID-19 - Education Stabilization Fund, as described in item 2022-001 for Equipment and Real Property Management. Compliance with such requirement is necessary, in our opinion, for the School Corporation to comply with the requirements applicable to that program.

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.

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.

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)

Other 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.

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 item 2022-001, 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 28, 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 28, 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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CLARKSVILLE 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	Passed Through to Subrecipient 06-30-22	Total Federal Awards Expended 06-30-22
Department of Agriculture							
Child Nutrition Cluster							
School Breakfast Program							
	Indiana Department of Education	10.553					
			FY20-21	\$ -	\$ 197,406	\$ -	\$ -
			FY21-22	-	-	-	234,547
				-	-	-	-
	Indiana Department of Education	10.553	FY20-21	-	55,393	-	-
				-	-	-	-
				-	252,799	-	234,547
				-	-	-	-
	Indiana Department of Education	10.555					
			FY20-21	-	426,354	-	-
			FY21-22	-	-	-	723,556
			FY20-21/FY21-22	-	63,878	-	82,836
				-	-	-	-
				-	490,232	-	806,392
				-	-	-	-
	Indiana Department of Education	10.555					
			FY20-21	-	110,794	-	-
			FY21	-	-	-	4,540
				-	-	-	-
				-	601,026	-	810,932
				-	-	-	-
	Indiana Department of Education	10.559					
			FY20-21	-	67,849	-	-
				-	-	-	-
				-	921,674	-	1,045,479
				-	-	-	-
	Indiana Department of Education	10.649					
			FY21	-	-	-	3,063
				-	-	-	-
				-	921,674	-	1,048,542
				-	-	-	-
Department of Education							
Special Education Cluster (IDEA)							
Special Education Grants to States							
	Indiana Department of Education	84.027					
			19611-036-PN01	-	51,860	-	-
			20611-035-PN01	-	237,452	-	-
			20611-035-PN01	-	-	-	63,083
			21611-035-PN01	-	60,322	-	-
			21611-035-PN01	-	-	-	269,765
			22611-035-PN01	-	-	-	99,152
				-	-	-	-
				-	349,634	-	432,000
				-	-	-	-

CLARKSVILLE 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	Passed Through to Subrecipient 06-30-22	Total Federal Awards Expended 06-30-22
Special Education Preschool Grants	Indiana Department of Education	84.173					
FY 2019 Federal Preschool 619 Grant			19619-036-PN01	-	3,768	-	-
FY 2020 Federal Preschool 619 Grant			20619-035-PN01	-	8,294	-	-
FY 2020 Federal Preschool 619 Grant			20619-035-PN01	-	-	-	3,165
FY 2021 Federal Preschool 619 Grant			21619-035-PN01	-	829	-	-
FY 2021 Federal Preschool 619 Grant			21619-035-PN01	-	-	-	8,465
Total - Special Education Preschool Grants				-	12,891	-	11,630
Total - Special Education Cluster (IDEA)				-	362,525	-	443,630
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
FY 2020 Title I			S010A190014	-	100,406	-	-
FY 2021 Title I			S010A200014	-	133,665	-	-
FY 2021 Title I			S010A200014	-	-	-	87,840
FY 2022 Title I			S010A210014	-	-	-	212,006
Total - Title I Grants to Local Educational Agencies				-	234,071	-	299,846
English Language Acquisition State Grants	Indiana Department of Education	84.365					
FFY 2018 Title III Part A Grant			S365A180014	-	2,134	-	-
FFY 2019 Title III Grant			S365A190014	-	10,368	-	-
FFY 2020-2022 Title III Part A Grant			S365A200014	-	1,841	-	-
2020-2022 Title III Part A Grant			S365A200014	-	-	-	7,359
2019-2021 Title III Grant			S365A190014	-	-	-	2,873
2021-2023 Title III Part A Grant			S365A210014	-	-	-	798
Total - English Language Acquisition State Grants				-	14,343	-	11,030
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
FFY 2018 Title II Part A Grant			7000-S367A180013	-	33,253	-	-
FFY 2021 Title II Part A Grant			7000-S367A210013	-	-	-	-
FFY 2019 Title II Part A Grant			S367A190013	-	5,944	-	37,218
FFY 2019 Title II Part A Grant			S367A180013	-	-	-	9,000
FFY 2020-2022 Title II Part A Grant			S367A200013	-	7,094	-	-
FFY 2020 Title II Part A Grant			S367A200013	-	-	-	13,781
Total - Supporting Effective Instruction State Grants				-	46,291	-	59,999
Student Support and Academic Enrichment Grant	Indiana Department of Education	84.424					
FFY 2018-2020 Title IV Part A Grant			S424A180015	-	2,993	-	-
FFY 2019-2021 Title IV Part A Grant			S424A190015	-	16,162	-	-
FFY 2019-2021 Title IV Part A Grant			S424A190015	-	-	-	106
FFY 2020-2022 Title IV Part A Grant			S424A200015	-	11,487	-	-
FFY 2020-2022 Title IV Part A Grant			S424A200015	-	-	-	1,739
FFY 2021-2023 Title IV Part A Grant			S424A210015	-	-	-	3,513
Total - Student Support and Academic Enrichment Grant				-	30,642	-	5,358

CLARKSVILLE 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	Passed Through to Subrecipient 06-30-22	Total Federal Awards Expended 06-30-22
COVID-19 - Education Stabilization Fund	Indiana Department of Education	84.425					
FY 2021 ESSER II (CRRSA)		84.425D	S425D210013	-	324,746	-	-
FY 2020 CARES Act		84.425D	S425D200013	-	100,748	-	-
FY 2021 ESSER II (CRRSA)		84.425D	S425D210013	-	-	-	408,696
FY 2020 CARES Act		84.425D	S425D200013	-	-	-	118,722
FY 2021 ESSER III (ARP)		84.425U	S425U210013	-	-	-	1,028,904
Total - COVID-19 - Education Stabilization Fund				-	425,494	-	1,556,322
Total - Department of Education				-	1,113,366	-	2,376,185
<u>Department of Health and Human Services</u>							
Medicaid Cluster							
Medical Assistance Program		93.778					
FY21 IEP Services	Indiana Family and Social Services Administration		FY21	-	29,262	-	-
FY22 IEP Services			FY22 Medicaid 1753	-	-	-	30,938
FY21 Medicaid Administrative Claiming (MAC)	Indiana Department of Education		FY21	-	6,440	-	-
FY22 Medicaid Administrative Claiming (MAC)			FY22 Medicaid 1753	-	-	-	3,525
Total - Medical Assistance Program				-	35,702	-	34,463
Total - Medicaid Cluster				-	35,702	-	34,463
Total - Department of Health and Human Services				-	35,702	-	34,463
<u>Department of Homeland Security</u>							
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Indiana Department of Homeland Security	97.036					
DR 4515 COVID-19 - Public Assistance Grant			PA-05-IN-4515-PW-00327	-	-	-	26,564
Total - Department of Homeland Security				-	-	-	26,564
Total federal awards expended				\$ -	\$ 2,070,742	\$ -	\$ 3,485,754

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

CLARKSVILLE 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 Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

Note 2. Indirect Cost Rate

The School Corporation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3. Special Education Cooperative

The School Corporation is a member of the Madison Area Educational Special Services Unit (MAESSU), a special education cooperative. The MAESSU operates the special education programs for the School Corporation. As a result, some activity for the Special Education Cluster (IDEA) federal program that is presented on the Schedule of Expenditures of Federal Awards is not presented as receipts and disbursements in the financial statement of the School Corporation. This activity is reported on the financial statement of the MAESSU.

CLARKSVILLE 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
84.425	Child Nutrition Cluster	Unmodified
	Special Education Cluster (IDEA)	Unmodified
	COVID-19 - Education Stabilization Fund	Qualified

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

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

No matters are reportable.

Section III - Federal Award Findings and Questioned Costs

FINDING 2022-001

Subject: COVID-19 - Education Stabilization Fund - Equipment and Real Property Management
 Federal Agency: Department of Education
 Federal Program: COVID-19 - Education Stabilization Fund
 Assistance Listings Numbers: 84.425D, 84.425U
 Federal Award Numbers and Years (or Other Identifying Numbers): S425D200013, S425U210013
 Pass-Through Entity: Indiana Department of Education
 Compliance Requirement: Equipment and Real Property Management
 Audit Findings: Material Weakness, Modified Opinion

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

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 Equipment and Real Property Management compliance requirement.

The School Corporation paid \$173,134 for the purchase of capital assets with federal awards from the COVID-19 - Education Stabilization Fund. These assets included several wrestling mats, two dishwashers, the installation of HVAC systems with scrubbers, a building audio upgrade, and outdoor playground equipment. These assets were not added to a detailed listing of capital assets that would include a description of the property, a serial number or other identification number, the source of funding for the property (including the federal award identification number (FAIN)), who holds title, the acquisition date, cost of the property, percentage of federal participation in the project costs for the federal award under which the property was acquired, the location, and the use and condition of the property. In addition, a physical inventory had not been taken in the past two years. Assets were not properly safeguarded and maintained.

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

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.313(d) states in part:

"Management requirements. Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a federal award, until disposition takes place will, as a minimum, meet the following requirements:

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
- (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated"

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

Cause

Management had not developed nor implemented a system of internal controls that would have ensured compliance with the grant agreement and the Equipment and Real Property Management compliance requirement.

Effect

The failure to establish an effective internal controls system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the Equipment and Real Property Management compliance requirement could result in the loss of future federal 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 related to the grant agreement and the Equipment and Real Property Management compliance requirement.

Views of Responsible Officials

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

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AUDITEE-PREPARED DOCUMENTS

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



CLARKSVILLE COMMUNITY SCHOOLS

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2020-001

Fiscal years in which the finding initially occurred: FY 2019

Status of Audit Finding:

Clarksville Community School is continually designing and implementing a proper system of internal control to prevent, or detect and correct, errors on the Schedule of Federal Awards. The Corporation Treasurer inputs and reports all federal awards on the SEFA using the Gateway portal annually. School lunch commodities are included on the SEFA in the National School Lunch Program section titled Commodities. Federal Medicaid is also properly documented on the SEFA as well. The SEFA is verified by the Assistant Superintendent or Superintendent before forwarding to our Financial Consultant for additional review.

The Corrective Action Plan began implementation in February 2021 in preparation for the SEFA submitted in August of that year.

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2020-002

Fiscal year in which the finding initially occurred: FY 2019

Status of Audit Finding:

The Corporation has made procedural changes and developed a system of internal controls as it relates to Financial Transactions and Reporting - EFT Vendor Disbursements:

Beginning on February 12, 2021, all EFT vendor payments have been included on the After Checks Accounts Payable Voucher and approved by the Board of School Trustees when they sign the Allowance of Vouchers each month.

The Corrective Action Plan was implemented when the initial finding was presented and the first Voucher was signed on February 12, 2021.

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2020-003

Fiscal year in which the finding initially occurred: FY 2015

Status of Audit Finding:

This is a repeat finding from the immediately prior audit report for Cash Management and Procurement and Suspension and Debarment compliance requirements.

- The Corporation made procedural changes as it relates to Cash Management and has implemented a system of internal controls, including segregation of duties related to Cash Management. We are still working on additional controls and have a Spend-Down Plan on file with the IDOE.
- The Corporation made procedural changes as it relates to Procurement and Suspension and Debarment. We are still working on internal control implementation over this compliance requirement.

The Corrective Action Plan was implemented in September 2018 when the initial finding was presented. Additional procedures were put into place in April and July 2019 when the figures for the following school year were posted and is continually monitored.

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2020-004

Fiscal year in which the finding initially occurred: FY 2015

Status of Audit Finding:

The Clarksville Community School Corporation is a member of a special education cooperative who received this finding. CCSC has established an internal control, related to the Procurement and Suspension and Debarment compliance requirement for the Cooperative.

The Cooperative completes inquiries into suspension and debarment every year using the OIG website and sends a copy of the findings to the CCSC Corporation Treasurer.

This was implemented in December of 2020.

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CORRECTIVE ACTION PLAN

FINDING 2022-001

Contact Person Responsible for Corrective Action: Dianne Lacy
Contact Phone Number: 812.282.7753

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

An effective internal control system, which would include the segregation of duties was not in place to ensure compliance with requirements related to the federal grant agreement and the Equipment and Real Property Management compliance requirement.

The Corporation Treasurer is going to contact vendors that work with school corporations to collect documentation that is incorporated to support the Capital Assets Ledger (Form 369). A vendor will be selected to provide the following:

- a. Collect and archive invoices for capital purchases according to district guidelines. Record assets that meet or exceed the inventory threshold amount.
- b. Validate land/property descriptions/documents as recorded in the County Assessor's Office.
- c. Verify accuracy of Corporation owned vehicles (buses, trucks, etc.) including model, year, VIN, purchase date, purchase price.
- d. Conduct on-site inventory of each building/location.
- e. Affix bar code labels to pertinent assets that meet the threshold.
- f. Incorporate accumulated depreciation calculations as required by SBOA.
- g. Assemble information into a Capital Assets Ledger, using the SBOA Form 369 format.

Anticipated Completion Date: August 31, 2023

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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/>.