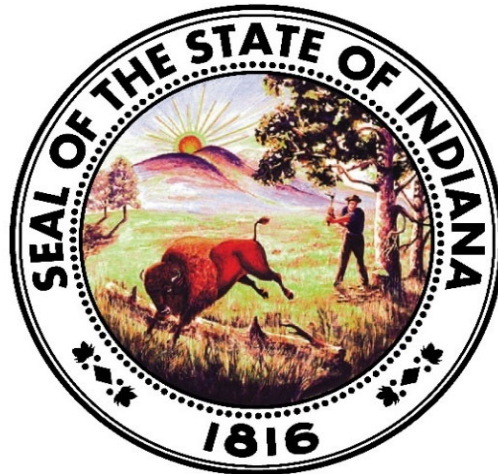


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

FEDERAL COMPLIANCE AUDIT REPORT
OF
LAPORTE COMMUNITY SCHOOL CORPORATION
LAPORTE COUNTY, INDIANA
July 1, 2020 to June 30, 2022



FILED
03/28/2023

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Jayne L. Grillo	07-01-20 to 06-30-23
Assistant Superintendent of Business and Operations	M. Gregory Hunt	07-01-20 to 06-30-23
Superintendent of Schools	Mark D. Francesconi	07-01-20 to 06-30-23
President of the School Board	Marie Gilliland Mark Kosior Shari Ott Jim Arnold	07-01-20 to 12-31-20 01-01-21 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 LAPORTE COMMUNITY SCHOOL
CORPORATION, LAPORTE 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 LaPorte 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 March 14, 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, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, as described in the accompanying Schedule of Findings and Questioned Costs as items 2022-001 and 2022-002, that we consider to be material weaknesses.

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

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2022-001 and 2022-002.

LaPorte Community School Corporation's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School Corporation's response to findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statement, and, accordingly, we express no opinion on it.

Purpose of This Report

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



Beth Kelley, CPA, CFE
Deputy State Examiner

March 14, 2023



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

TO: THE OFFICIALS OF THE LAPORTE COMMUNITY SCHOOL CORPORATION, LAPORTE COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

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

In our opinion, except for the possible effects of the matter 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 Special Education Cluster (IDEA) for the period of July 1, 2020 to June 30, 2022.

Qualified Opinion on COVID-19 - Education Stabilization Fund

In our opinion, except for the possible effects of the matter 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.

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

Basis for Qualified 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.

Matter Giving Rise to Qualified Opinion on Special Education Cluster (IDEA)

As described in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with the Special Education Cluster (IDEA), as described in item 2022-005 for Matching, Level of Effort, Earmarking. Consequently, we were unable to determine whether the School Corporation complied with those requirements applicable to that program.

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

As described in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with 84.425 COVID-19 - Education Stabilization Fund, as described in item 2022-003 for Special Tests and Provisions - Wage Rate Requirements. Consequently, we were unable to determine whether the School Corporation complied with those 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.

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)

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 2022-004. 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.

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.

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)

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 2022-003, 2022-004, and 2022-005, 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.

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 March 14, 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

March 14, 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.

LAPORTE 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
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
School Breakfast			FY 2020-2021	\$ -	\$ 523,719	\$ -	\$ -
School Breakfast			FY 2021-2022	-	-	-	754,273
Total - School Breakfast Program				-	523,719	-	754,273
National School Lunch Program							
School Lunch	Indiana Department of Education	10.555					
Commodities			FY 2020-2021	-	1,628,009	-	-
School Lunch			FY 2020-2021	-	276,623	-	-
Commodities			FY 2021-2022	-	-	-	2,772,442
SNP Emergency Fund			FY 2021-2022	-	-	-	318,591
After School Snacks			FY 2021-2022	-	-	-	92,068
After School Snacks			FY 2020-2021	-	13,129	-	-
After School Snacks			FY 2021-2022	-	-	-	22,890
Total - National School Lunch Program				-	1,917,761	-	3,205,991
COVID-19 - Summer Food Service Program for Children							
Summer Feeding	Indiana Department of Education	10.559					
Summer Feeding			FY 2020-2021	-	259,160	-	-
Summer Food Service Program for Children							
Summer Feeding	Indiana Department of Education	10.559					
Summer Feeding			FY 2020-2021	-	1,184	-	-
Summer Feeding			FY 2021-2022	-	-	-	78,398
Total - Summer Food Service Program for Children				-	260,344	-	78,398
Total - Child Nutrition Cluster				-	2,701,824	-	4,038,662
Pandemic EBT Administrative Costs							
0800 School Lunch	Indiana Department of Education	10.649					
0800 School Lunch			FY 2021-2022	-	-	-	3,063
Total - Department of Agriculture				-	2,701,824	-	4,041,725
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education Grants to States							
524-9 Special Ed.	Indiana Department of Education	84.027					
524-20 Special Ed.			20611-053-PN01	-	820,851	-	-
524-20 Special Ed.			21611-053-PN01	-	580,897	-	-
524-20 Special Ed.			21611-053-PN01	-	-	-	953,133
524-21 Special Ed.			22611-053-PN01	-	-	-	392,358
Total - Special Education Grants to States				-	1,401,748	-	1,345,491
Special Education Preschool Grants							
545-8 Special Ed. Preschool	Indiana Department of Education	84.173					
545-9 Special Ed. Preschool			19619-055-PN01	-	21,419	-	-
545-20 Special Ed. Preschool			20619-053-PN01	-	40,722	-	21,394
545-20 Special Ed. Preschool			21619-053-PN01	-	-	-	55,533
Total - Special Education Preschool Grants				-	62,141	-	76,927
Total - Special Education Cluster (IDEA)				-	1,463,889	-	1,422,418
Title I Grants to Local Educational Agencies							
Title I	Indiana Department of Education	84.010					
Title I			S010A190014	-	411,154	-	819
Title I			S010A200014	-	643,574	-	291,908
Title I			S010A210014	-	-	-	803,223
Total - Title I Grants to Educational Agencies				-	1,054,728	-	1,095,950

LAPORTE 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
English Language Acquisition State Grants	Indiana Department of Education	84.365					
688-9 Title III ENL			S365A190014	-	31,328	-	3,932
688-20 Title III ENL			S365A200014	-	4,124	-	-
688-20 Title III ENL			S365A200014	-	-	-	27,344
688-20 Title III ENL			S365A180014	-	1,258	-	-
Total - English Language Acquisition State Grants				-	36,710	-	31,276
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
684-20 Title II Part A			S365A180013	-	8,712	-	1,493
684-20 Title II Part A			S367A190013	-	142,443	-	-
684-20 Title II Part A			S367A190013	-	-	-	3,692
684-21 Title II Part A			S367A200013	-	49,866	-	-
684-21 Title II Part A			S367A200013	-	-	-	175,588
Total - Supporting Effective Instruction State Grants				-	201,021	-	180,773
Student Support and Academic Enrichment Program	Indiana Department of Education	84.424					
588-9 Title IV Part A			S424A180015	-	24,424	-	-
588-119 Title IV Part A			SA424190015	-	74,094	-	36,354
588-20 Title IV Part A			S424A200015	-	24,048	-	-
588-20 Title IV Part A			S424A200015	-	-	-	45,110
588-21 Title IV Part A			S424A210015	-	-	-	319
Total - Student Support and Academic Enrichment Program				-	122,566	-	81,783
COVID-19 - Education Stabilization Fund	Indiana Department of Education	84.425					
7940-20 GEER		84.425C	S425C200018	-	56,149	-	-
7940-20 GEER		84.425C	S425C200018	-	-	-	306,351
7941-20 CARES		84.425D	S425D200013	-	484,700	-	306,315
7931-21 ESSER II CARES 2.0		84.425D	S425D210013	-	-	-	314,150
7923-21 ESSER III		84.425U	S425U210013	-	-	-	1,078,534
Total - COVID-19 - Education Stabilization Fund				-	540,849	-	2,005,350
Total - Department of Education				-	3,419,763	-	4,817,550
<u>Department of Health and Human Services</u>							
Medicaid Cluster							
Medical Assistance Program	Indiana Department of Health and Human Services	93.778					
Medicaid Administrative Claiming			2020-2021	-	204,382	-	-
Medicaid Administrative Claiming			FY 2021-2022	-	-	-	270,644
Total - Medical Assistance Program				-	204,382	-	270,644
Total - Medicaid Cluster				-	204,382	-	270,644
Total - Department of Health and Human Services				-	204,382	-	270,644
Total federal awards expended				\$ -	\$ 6,325,969	\$ -	\$ 9,129,919

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

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

Note 1. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 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.

Note 3. South LaPorte County Special Education Cooperative

The School Corporation is a member of the South LaPorte County Special Education Cooperative and serves as the fiscal agent. As a result, some of the activity for the Special Education Cluster (IDEA) that is presented as receipts and disbursements in the financial statement is not presented on the SEFA for the School Corporation. This activity is reported on the SEFAs of the member school corporations as appropriate.

LAPORTE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

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

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

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

Section II - Financial Statement Findings

FINDING 2022-001

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

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2020-001.

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

Condition and Context

There were several deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. In addition, the School Corporation had no process to monitor, identify, or communicate corrective actions to improve internal controls. Effective internal controls over financial reporting required the School Corporation to monitor and assess the quality of the system of internal controls.

Cash and Investments (Bank Reconciliations)

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

The School Corporation's three bank accounts were not reconciled timely, nor was there a combined reconciliation of all bank accounts performed. The School Corporation engaged a consultant in 2022 to perform reconciliations. The consultant prepared reconciliations for the months of July 2020, June 2021, June 2022, and monthly thereafter. Additional audit procedures were performed to test the June 30, 2020, 2021, and 2022 reconciliations provided.

In reviewing the documentation provided, we noted the following items:

1. There were various items in the reconciliations that could not be identified, explained, or supported. Additional audit procedures were performed, and at June 30, 2020 and 2021, the adjusted bank balance was determined to be less than the ledger balance by \$140,563 and \$284,799, respectively. As of June 30, 2022, the adjusted bank balance was determined to be greater than the ledger balance by \$121,088. The financial statement was not adjusted for these variances.
2. The June 30, 2022 outstanding check listing included checks issued prior to June 30, 2021, totaling \$16,708. However, the June 30, 2021 outstanding check listing did not properly include those checks.

Financial Close and Reporting

The School Corporation did not have effective internal controls to detect and prevent errors on the Annual Financial Report entered into the Indiana Gateway for Government Units financial reporting system, which was the source of the financial statement.

The lack of effective internal controls allowed the following material misstatements to remain undetected:

1. The fiscal year 2020-2021 Clearing fund activity was omitted from the financial statement, which understated receipts and disbursements by \$17,996,833 and \$17,818,422, respectively.
2. The 2021-2022 Clearing fund activity was included in the financial statement. However, the receipts and disbursements were determined to be overstated by \$39,482,934 and \$38,221,830, respectively.
3. The Prepaid School Lunch fund was omitted from the financial statement, which understated receipts, disbursements, and the ending cash and investment balance by \$323,534, \$331,582, and \$189,781, respectively.

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

Audit adjustments were proposed, accepted by the School Corporation, and made to the financial statement.

Criteria

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

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

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

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

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

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

Management remediates identified issues. . . ."

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

At all times, the manual and /or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

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

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

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

Cause

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

Effect

The failure to establish an effective system of internal controls enabled material misstatements or irregularities to remain undetected. The failure to monitor the internal control system placed the School Corporation at risk that internal controls may not have been either designed properly or operating effectively to provide reasonable assurance that internal controls will prevent, or detect and correct, material misstatements in a timely manner.

Views of Responsible Officials

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

FINDING 2022-002

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

Condition and Context

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

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

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

1. The Child Nutrition Cluster was incorrectly reported, which resulted in the misstatement of expenditures by \$758,390, in total.
2. Several additional grants were incorrectly reported, which resulted in the misstatement of expenditures by \$255,764, in total.
3. Other errors included incorrect program names and identifying numbers.

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

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

Criteria

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

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

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.1 states in part:

". . . *Internal controls* for non-Federal entities means:

- (1) Processes designed and implemented by non-Federal entities to provide reasonable assurance regarding the achievement of objectives in the following categories:

- (i) Effectiveness and efficiency of operations;
- (ii) Reliability of reporting for internal and external use; . . ."

2 CFR 200.508 states in part:

"The auditee must: . . .

- (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510. . . ."

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

2 CFR 200.510(b) states:

"Schedule of expenditures of Federal awards. The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the Assistance Listings Number or other identifying number when the Assistance Listings information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502(b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414."

Cause

Management had not established an effective system of internal controls that would have ensured proper reporting of the SEFA.

Effect

Without a proper system of internal controls in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Condition and Context*.

Views of Responsible Officials

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

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2022-003

Subject: COVID-19 - Education Stabilization Fund - Special
Tests and Provisions - Wage Rate Requirements
Federal Agency: Department of Education
Federal Program: COVID-19 - Education Stabilization Fund
Assistance Listings Number: 84.425U
Federal Award Number and Year (or Other Identifying Number): S425U210013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Wage Rate Requirements
Audit Findings: Material Weakness, Modified Opinion

Condition and Context

An effective internal control system was not designed or implemented at the School Corporation to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Wage Rate Requirements compliance requirement.

Construction contracts in excess of \$2,000 financed by federal assistance funds must pay wages not less than those established for the locality of the project (prevailing wage rates) by the Department of Labor (DOL) to their laborers and mechanics. Nonfederal entities are to include in their construction contracts subject to the Wage Rate Requirements a provision that the contractor or subcontractor comply with these requirements and the DOL regulations. This would include a requirement to submit a copy of the payroll and statement of compliance to the entity for each week in which contract work was performed.

The School Corporation did not have adequate policies or procedures to ensure that all construction contracts in excess of \$2,000 paid from federal grant funds included a prevailing wage rate clause. Two construction contracts during the audit period were subject to the wage rate requirements; however, the contracts did not have the required prevailing wage rate clause included in the contract, nor were certified payrolls submitted by the contractors.

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

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

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

29 CFR 5.5 states in part:

"(a) The Agency head shall cause or require the contracting officer to insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a public building or public work, or building or work financed in whole or in part from Federal funds or in accordance with guarantees of a Federal agency or financed from funds obtained by pledge of any contract of a Federal agency to make a loan, grant or annual contribution (except where a different meaning is expressly indicated), and which is subject to the labor standards provisions of any of the acts listed in § 5.1, the following clauses . . .

(1) *Minimum wages.*

(i) All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. . . .

(3) *Payrolls and basic records. . . .*

(ii)

(A) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the (write in name of appropriate federal agency) if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant, sponsor, or owner, as the case may be, for transmission to the (write in name of agency). . . ."

2 CFR 200 Appendix II states in part:

"In addition to other provisions required by the Federal agency or non-Federal entity; all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable. . . .

(D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, 'Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction'). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. . . ."

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

Cause

Management had not established a system of internal controls that would have ensured compliance or that the required clause was included in the contracts for the Special Tests and Provisions - Wage Rate Requirements compliance requirement.

Effect

The failure to establish an effective system of internal controls and include the required clause in contracts prevented the determination of the School Corporation's compliance with the Special Tests and Provisions - Wage Rate Requirements compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish internal controls to ensure compliance and comply with the grant agreement and the Special Tests and Provisions - Wage Rate Requirements 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 2022-004

Subject: COVID-19 - Education Stabilization Fund - Reporting
Federal Agency: Department of Education
Federal Program: COVID-19 - Education Stabilization Fund
Assistance Listings Number: 84.425C
Federal Award Number and Year (or Other Identifying Number): S425C200018
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Findings: Material Weakness, Other Matters

Condition and Context

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

The School Corporation filed the four Elementary and Secondary School Emergency Relief (ESSER) and the two Governor's Emergency Education Relief (GEER) annual data reports due during the audit period. However, for GEER I, Year 2, the School Corporation reported \$56,149 in expenditures although the School Corporation had \$314,301 in expenditures from the GEER fund during the Year 2 reporting period.

The lack of internal controls and noncompliance was isolated to the GEER Year 2 annual report.

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

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.302(b) states in part:

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

(2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.328 and 200.329. . . ."

34 CFR 76.722 states: "A State may require a subgrantee to submit reports in a manner and format that assists the State in complying with the requirements under 34 CFR 76.720 and in carrying out other responsibilities under the program."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Reporting compliance requirement.

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the Reporting 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 internal controls to ensure compliance and comply with 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.

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

FINDING 2022-005

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): 21611-053-PN01
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Matching, Level of Effort, Earmarking
Audit Findings: Material Weakness, Modified Opinion

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2020-005.

Condition and Context

The School Corporation is a member of the South LaPorte County Special Education Cooperative (Cooperative). During fiscal year 2021-2022, the Cooperative operated the special education programs and spent the federal money on behalf of all its member schools. 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. 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 non-public school students with disabilities was met for each member school. The Cooperative did not have effective internal controls to ensure non-public school expenditures were appropriately identified and reported.

The Non-Public Proportionate Share expenditures for the 21611-053-PN01 grant award could not be verified for the individual member schools. Total grant expenditures were posted as expended. The non-public proportionate share expenditures were determined by applying a percentage to the non-public school budgeted expenditures. These were the amounts reported to the IDOE. As such, we were unable to identify if the minimum amount per the grant awards was expended and properly reported to the IDOE as required.

The lack of internal controls and noncompliance was isolated to the 21611-053-PN01 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). . . ."

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

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

The School Corporation's management had not developed an effective system of internal controls that would have ensured compliance with the grant agreements 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

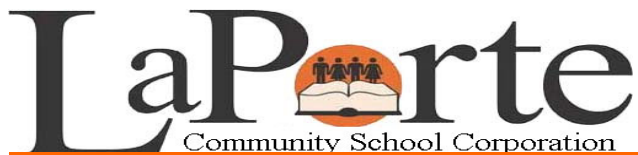
We recommended that the School Corporation's management establish an effective system of internal controls, as well as appropriately document and identify federal award expenditures to ensure compliance with the Matching, Level of Effort, Earmarking compliance requirement.

Views of Responsible Officials

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

AUDITEE-PREPARED DOCUMENTS

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



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

Board of School Trustees

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS – PAGE 1

FINDING 2020-001 FINANCIAL TRANSACTIONS AND REPORTING

Fiscal year in which the finding initially occurred: 2018

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

Contact Phone Number: (219) 362-7056

Status of Audit Finding:

1. Cash and Investments: Due to our inaccurate software conversion in 2016, we were unable to reconcile our bank statements until all conversion corrections had been completed. Since our last audit, our *Bank 3* has been completely reconciled by our Treasurer from April 2016 to current. Our *Bank 5 Accounts Payable Bank* has also been fully reconciled from April 2016 to current. Each reconciliation has been signed and reviewed by our Treasurer and Assistant Superintendent for Business and Operations (ASBO). Due to COVID19 in 2020, office closures and re-openings have caused a delay in completing the remaining bank reconciliations. Our Payroll *Bank 10* reconciliations are still in progress as these are more time consuming due to the amount of monthly activity incurred each month. We had to unreconciled all of the *Bank 10* reconciliations and started using a consultant that has been working on reconciling *Bank 10* as well as all three banks combined. Due to how Skyward handles liability accounts, cleared outstanding checks and carry over purchase orders, we had to make several adjustments within the system to get our accounts in balance. Even with the additional Skyward issues, we feel strongly that we will be in balance for all three banks very soon.
2. Receipts and Other Financing Sources: Since our last audit, the Treasurer provides a Cash Receipt Report at the end of the day once a week – usually on Friday – to the ASBO to review and sign. Both the Treasurer's signature and the ASBO's signature are on the report which is filed with the copies of the receipts for that week.
3. Vendor Disbursements and Other Financing Uses: Since our last audit, the Treasurer now reviews the AP Invoice Listing Report that is provided by the Accounts Payable Coordinator (APC) as checks or ACH's are entered into the software system. If there are any changes to be made, they can be corrected prior to payment being made. Both employees sign the report after reviewing.

Since the last audit, the HR Director prints the Claim Detail Report from Anthem and UMR to review and verify that all of the people on the report are part of our self-insurance program. The ASBO also reviews the report and both the HR Director and the ASBO sign the report.
4. Payroll Disbursements: Since our last audit, a detailed payroll report is provided to the Treasurer for review after the payroll has been completed. In our software system, there isn't a way to get a report to review prior to processing the payroll. The Treasurer and ASBO review the entire payroll report and signs the report. A copy of payroll report is provided to Child Care Office, Food Service Office, Special Ed Office, the Grants & Testing Coordinator, the Deputy Treasurer, and the SEL/VLA Coordinator to review their personnel for the funds that apply to them. The complete a form, note any changes necessary and return it to the Treasurer to make the proper changes and file the signed report with the corresponding payroll.

FINDING 2020-001 FINANCIAL TRANSACTIONS AND REPORTING

Fiscal year in which the finding initially occurred: 2018

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

Contact Phone Number: (219) 362-7056

Status of Audit Finding:

Our payroll department has been trying to make sure that all necessary voids to a payroll created check is not completed by using the Quick Void process. The Skyward Quick Void process does not allow us to change a date and it posts the void back to the original check date. Any voids are notated on the Payroll Cover Review Sheet.

A non-certified wage schedule and an administrative draft salary range schedule was approved by the School Board on 5-9-22. Any further pay changes are submitted to the School Board for review and approval.

5. Financial Close and Reporting: Since our bank reconciliations are almost complete, we have been able to close each month in our software system beginning with calendar year 2022. After the calendar year is over and our Form 9 is approved, we do a year end process within our software which closes the entire calendar year in the system. This does the same thing as closing each month individually. However, there are parts of the software that can override a date even if it's closed according to Skyward.

Several corrections within the Payroll Clearing Fund have been made with our consultant due to the way Skyward handles the liability invoices created after each payroll. The further we get into our reconciliation process for our Payroll Bank 10, we are discovering that we may need to update our payroll set up within Skyward. However, we cannot do this until we are reconciled and watch a couple months after that to really understand how Skyward is processing these invoices.

The only transfers in and out that we are currently completing are the monthly Education to Operations fund transfers starting in the 21-22 school year.

M. Greg Hunt

(Signature)

Assistant Superintendent of Business & Operations

(Title)

11-14-22

(Date)



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

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Mrs. Shannon Hannon, Member

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2020-002 CHILD NUTRITION CLUSTER – INTERNAL CONTROLS

Fiscal year in which the finding initially occurred: 2020
Contact Person Responsible for Corrective Action: Greg Hunt, Assistant Superintendent for Business and Operations
Contact Phone Number: (219) 362-7056

Status of Audit Finding:

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

The meal pricing is entered into the software. The Food Service Office Coordinator prints the meal prices from the software and checks them against the student and adult prices for the current school year. The coordinator initials and dates the printout before the Food Service Director reviews and initials.

M. Greg Hunt

(Signature)

Assistant Superintendent of Business & Operations
(Title)

11-14-22

(Date)

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

"Learn Today to Excel Tomorrow"



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- Dr. Benjamin Tonagel, Assistant Superintendent Elementary Education
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2020-003 TITLE I TO LOCAL EDUCATIONAL AGENCIES – ELIGIBILITY, LEVEL OF EFFORT – MAINTENANCE OF EFFORT, REPORTING

Fiscal year in which the finding initially occurred: 2020

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

Contact Phone Number: (219) 362-7056

Eligibility

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

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

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

Matching, Level of Effort, Earmarking and Reporting

Payroll reports are reviewed after each payroll to ensure the correct personnel is being paid from each fund. After verifying the report the person reviewing them signs them and maintain those records for each audit period.

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

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

M. Greg Hunt

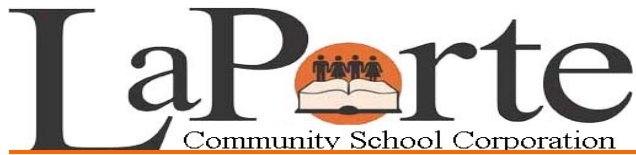
(Signature)

Assistant Superintendent of Business & Operations
(Title)

(Date)

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

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

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2020-004 SPECIAL EDUCATION CLUSTER (IDEA) – ACTIVITIES ALLOWED OR UNALLOWED, ALLOWABLE COSTS/COST PRINCIPLES

Fiscal year in which the finding initially occurred: 2020

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

Contact Phone Number: (219) 362-7056

Status of Audit Finding:

Beginning in November 2021, after each payroll, the Treasurer and ASBO review the Payroll Distribution Report and both parties sign-off on the printed report. The Treasurer also provides a copy of the report to the Special Education Department for review - specifically for the Special Education funds. The Special Education administrative assistant reviews the report and signs off on the report. If there are any corrections needed, she notates it for the Business Office so they can complete a journal entry. The Business Office provides a copy of the requested corrections to the HR and Payroll departments if there is a correction with an account number so they can update it in Skyward before the next payroll.

M. Greg Hunt

(Signature)

Assistant Superintendent of Business & Operations
(Title)

(Date)

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2020-005 SPECIAL EDUCATION CLUSTER (IDEA) – EARMARKING

Fiscal year in which the finding initially occurred: 20

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

Contact Phone Number: (219) 362-7056

Status of Audit Finding: Not Corrected

Internal controls and compliance over Earmarking is an ongoing process.

M. Greg Hunt

(Signature)

Assistant Superintendent of Business & Operations

(Title)

11-14-22

(Date)



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Dr. Tara Rinehart, Assistant Superintendent South La Porte County Special Education Cooperative

CORRECTIVE ACTION PLAN

FINDING 2022-001 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Greg Hunt

Contact Phone Number: (219) 362-7056

Views of Responsible Official:

We concur with the finding

Description of Corrective Action Plan:

LaPorte Community School Corporation has hired a consultant to assist with the bank reconciliation of bank 10. The consultant will continue to be utilized until the amount can correctly be reconciled. Internal controls have been established.

Anticipated Completion Date: July 1, 2023

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CORRECTIVE ACTION PLAN

FINDING 2022-002 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Greg Hunt

Contact Phone Number: (219) 362-7056

Views of Responsible Official:

We concur with the finding.

Description of Corrective Action Plan:

LaPorte Community School Corporation will review the Schedule of Expenditures of Federal Awards more closely, for potential errors, before submitting the report in Gateway.

Anticipated Completion Date: June 30, 2023

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CORRECTIVE ACTION PLAN

FINDING 2022-003 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Greg Hunt

Contact Phone Number: (219) 362-7056

Views of Responsible Official:

We concur with the finding.

Description of Corrective Action Plan:

LaPorte Community School Corporation will review the wage schedule of contractors associated with federal grants with each pay application submitted to ensure proper documentation has been submitted.

Anticipated Completion Date: May 15, 2023

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CORRECTIVE ACTION PLAN

FINDING 2022-003 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Greg Hunt

Contact Phone Number: (219) 362-7056

Views of Responsible Official:

We concur with the finding.

Description of Corrective Action Plan:

LaPorte Community School Corporation will review the Education Stabilization Fund schedule of disbursements more closely prior to submission.

Anticipated Completion Date: May 15, 2023

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CORRECTIVE ACTION PLAN

FINDING 2022-005 (Auditor Assigned Reference Number)

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

Contact Phone Number: (219) 362-7056

Views of Responsible Official:

We concur with the finding.

Description of Corrective Action Plan:

LaPorte Community School Corporation will review more closely the submission of costs of the Federal Special Education Grant to ensure that earmarking requirements of the Matching, Level of Effort, Earmarking compliance is followed.

Anticipated Completion Date: May 15, 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/>.