

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

**Paul D. Joyce, CPA  
State Examiner**

FEDERAL COMPLIANCE AUDIT REPORT

OF

GREENWOOD COMMUNITY SCHOOL CORPORATION

JOHNSON COUNTY, INDIANA

July 1, 2022 to June 30, 2024



**FILED**

03/04/2025



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Veronica Crooke	07-01-22 to 06-30-25
Superintendent of Schools	Dr. Terry Terhune	07-01-22 to 06-30-25
President of the School Board	Mike Metzger Chris Zaborowsky Mike Metzger	07-01-22 to 01-05-24 01-06-24 to 01-13-25 01-14-25 to 06-30-25



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# INDIANA STATE BOARD OF ACCOUNTS

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## 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 GREENWOOD COMMUNITY SCHOOL  
CORPORATION, JOHNSON COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the Greenwood Community School Corporation (School Corporation), for the period of July 1, 2022 to June 30, 2024, 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 20, 2025, 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 20, 2025



Paul D. Joyce, CPA  
State Examiner

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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 GREENWOOD COMMUNITY SCHOOL CORPORATION, JOHNSON COUNTY, INDIANA

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

### ***Opinion on Each Major Federal Program***

We have audited the Greenwood 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, 2022 to June 30, 2024. The School Corporation's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2022 to June 30, 2024.

### **Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

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

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)

***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.

***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 2024-001. Our opinion on each major federal program is not modified with respect to these matters.

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)

*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. 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. We consider the deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001, to be material weakness.

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, 2022 to June 30, 2024, and the related notes to the financial statement. We issued our report thereon dated February 20, 2025, 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 20, 2025

## 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.



GREENWOOD COMMUNITY SCHOOL CORPORATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2023 and 2024

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 06-30-23	Total Federal Awards Expended 06-30-23	Passed Through to Subrecipient 06-30-24	Total Federal Awards Expended 06-30-24
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program Breakfast	Indiana Department of Education	10.553	FY23 & FY24	\$ -	\$ 430,216	\$ -	\$ 408,475
Total - School Breakfast Program				-	430,216	-	408,475
National School Lunch Program	Indiana Department of Education	10.555					
Supply Chain Assistance			FY23 & FY24	-	189,286	-	107,902
Lunch			FY23 & FY24	-	1,537,925	-	1,374,817
Afternoon Snack			FY23 & FY24	-	4,221	-	4,109
Food Commodities			FY23 & FY24	-	114,793	-	152,437
Total - National School Lunch Program				-	1,846,225	-	1,639,265
Summer Food Service Program for Children Summer Food	Indiana Department of Education	10.559	FY23 & FY24	-	6,821	-	7,757
Total - Summer Food Service Program for Children				-	6,821	-	7,757
Fresh Fruit and Vegetable Program DOD Fresh Fruits/Veggies	Indiana Department of Education	10.582	FY24	-	-	-	45,473
Total - Child Nutrition Cluster				-	2,283,262	-	2,100,970
Pandemic EBT Administrative Costs PEBT Admin	Indiana Department of Education	10.649	FY23	-	3,135	-	-
Total - Department of Agriculture				-	2,286,397	-	2,100,970
<u>Department of Housing and Urban Development</u>							
CDBG - Entitlement Grants Cluster							
Community Development Block Grants/Entitlement Grants	City of Greenwood	14.218					
CDBG-CV (City Cares Act Funds)			FY23	-	32,100	-	-
CDBG-Construction (City Cares Act)			FY23	-	23,442	-	-
Total - Community Development Block Grants/Entitlement Grants				-	55,542	-	-
Total - CDBG - Entitlement Grants Cluster				-	55,542	-	-
Total - Department of Housing and Urban Development				-	55,542	-	-
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027A					
Federal Part B 611 2022			22611-031-PN01	-	129,811	-	-
FY 2023 Fed Part B 611			23611-031-PN01	-	660,275	-	317,014
FY 2024 Fed Part B611			24611-031-PN01	-	-	-	1,038,228
Subtotal - Special Education Grants to States				-	790,086	-	1,355,242

GREENWOOD COMMUNITY SCHOOL CORPORATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2023 and 2024

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 06-30-23	Total Federal Awards Expended 06-30-23	Passed Through to Subrecipient 06-30-24	Total Federal Awards Expended 06-30-24
COVID-19 - Special Education Grants to States FY 2022 IDEA ARP 611	Indiana Department of Education	84.027X	22611-031-ARP	-	155,749	-	17,509
Total - Special Education Grants to States				-	945,835	-	1,372,751
Special Education Preschool Grants FY 2022 Federal Preschool 619 FY 2023 Fed Preschool 619 FY 2024 Federal Preschool 619	Indiana Department of Education	84.173A	22619-031-PN01 23619-031-PN01 24619-031-PN01	- - -	3,667 13,322 -	- - -	- 7,920 22,280
Subtotal - Special Education Preschool Grants				-	16,989	-	30,200
COVID-19 - Special Education Preschool Grants FY 2022 IDEA ARP 619	Indiana Department of Education	84.173X	22619-031-ARP	-	11,222	-	6,230
Total - Special Education Preschool Grants				-	28,211	-	36,430
Total - Special Education Cluster (IDEA)				-	962,824	-	1,402,951
Title I Grants to Local Educational Agencies Title I 21/22 Title I 22/23 Title I 22/23 Title I 23/24 Title I 23/24 - Beech Grove for OLG Title I 23/24 Clark Pleasant for OLG	Indiana Department of Education	84.010	S010A210014 S010A220014 S010A220014 S010A230014 S010A230014 S010A230014	- 18,391 - - - -	197,645 248,021 - - - -	- - - - - -	- - 246,055 311,420 665 13,719
Total - Title I Grants to Local Educational Agencies				18,391	445,666	-	571,859
English Language Acquisition State Grants Title III 2019-2021 Title III 20/22 Title III 21/23 Title III 21-23 Title III 22/24 Title III 23/25	Indiana Department of Education	84.365	S365A190014 S365A190014 S365A210014 S365A210014 S365A220014 S365A230014	- 4,712 1,130 - - -	10,154 22,061 1,130 - - -	- - - - - -	- - - 10,520 7,005 2,342
Total - English Language Acquisition State Grants				5,842	33,345	-	19,867
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants) Title II Level Up Leadership Title II 2019/2020 Title II 20/22 Title II - Teacher Bootcamp 21/22 Title II 21/23 Title II 22/24 Title II 23/25	Indiana Department of Education	84.367	A58-4-24CI-0161 S367A190013 S367A200013 S367A200013 S367A210013 S367A220013 S367A230013	- 63 6,480 - 1,243 - -	- 6,889 104,821 3,000 20,964 158 -	- - - - - - -	3,483 - - - 67,139 44,147 6,213
Total - Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)				7,786	135,832	-	120,982

GREENWOOD COMMUNITY SCHOOL CORPORATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2023 and 2024

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 06-30-23	Total Federal Awards Expended 06-30-23	Passed Through to Subrecipient 06-30-24	Total Federal Awards Expended 06-30-24
Student Support and Academic Enrichment Program	Indiana Department of Education	84.424					
Title IV 20/21			S367A200013	210	20,931	-	-
Title IV 21/23			S424A210015	2,239	13,244	-	-
Title IV 21/23			S424A210015	-	-	-	20,923
Title IV 22/24			S424A220015	259	11,168	-	-
Title IV 22-24			S424A220015	-	-	-	18,763
Title IV 23/25			S424A230015	-	-	-	7,525
Total - Student Support and Academic Enrichment Program				<u>2,708</u>	<u>45,343</u>	<u>-</u>	<u>47,211</u>
COVID-19 - Education Stabilization Fund	Indiana Department of Education						
Indiana Learns/Mind Trust		84.425U	FY23 & FY24	-	3,726	-	21,537
ARP HCY II		84.425W	S425W210015	-	-	-	6,489
ARP HCY II		84.425W	S425W210015	-	-	-	8,820
ESSER II		84.425D	S425D200013	-	33,147	-	-
Cares Act FY 2020		84.425D	S425D200013	1,669	281,535	-	-
ESSER II		84.425D	S425D200013	-	-	-	570,331
ESSER III		84.425U	S425U210013	-	1,207,558	-	-
ESSER III		84.425U	S425U210013	-	-	-	807,502
ARP HCY II		84.425W	S425W210015	-	1,133	-	-
Total - COVID-19 - Education Stabilization Fund				<u>1,669</u>	<u>1,527,099</u>	<u>-</u>	<u>1,414,679</u>
Total - Department of Education				<u>36,396</u>	<u>3,161,331</u>	<u>-</u>	<u>3,583,779</u>
<u>Department of Health and Human Services</u>							
Medicaid Cluster							
Medical Assistance Program		93.778					
Federal Medicaid - MAC	Indiana Department of Education		FY23 & FY24	-	74,769	-	102,213
Federal Medicaid - IEP	Indiana Family and Social Services Administration		FY23 & FY24	-	255,752	-	220,967
Total - Medicaid Cluster				<u>-</u>	<u>330,521</u>	<u>-</u>	<u>323,180</u>
Total - Department of Health and Human Services				<u>-</u>	<u>330,521</u>	<u>-</u>	<u>323,180</u>
Total federal awards expended				<u>\$ 36,396</u>	<u>\$ 5,833,791</u>	<u>\$ -</u>	<u>\$ 6,007,929</u>

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

GREENWOOD 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 award activity of the School Corporation under programs of the federal government for the years ended June 30, 2023 and 2024. 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 non-federal 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 the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable 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. Earlywood Educational Services**

The School Corporation was a member of the Earlywood Educational Services (Cooperative). As a result, the activity for the Special Education Cluster (IDEA) that is presented on the SEFA is not presented as receipts and disbursements in the financial statement for the School Corporation. This activity is presented in the financial statement of the Cooperative's fiscal agent. The Cooperative dissolved effective June 30, 2024, and the School Corporation is no longer part of a Cooperative.

GREENWOOD 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
84.010	Child Nutrition Cluster	Unmodified
84.425	Title I Grants to Local Educational Agencies	Unmodified
84.425	COVID-19 - Education Stabilization Fund	Unmodified

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.

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

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

**FINDING 2024-001**

Subject: Child Nutrition Cluster

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program,  
Summer Food Service Program for Children, Fresh Fruit  
and Vegetable Program

Assistance Listings Numbers: 10.553, 10.555, 10.559, 10.582

Federal Award Numbers and Years (or Other Identifying Numbers): FY23 & FY24, FY24

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Other Matters

*Condition and Context*

The School Corporation had not properly designed or implemented a system of internal controls, which would include appropriate segregation of duties, that would likely be effective in preventing, or detecting and correcting, noncompliance related to the Procurement and Suspension and Debarment compliance requirement.

Prior to entering into subawards and covered transactions with federal award funds, recipients are required to verify that such contractors and subrecipients are not suspended, debarred, or otherwise excluded. "Covered transactions" include, but are not limited to, contracts for goods and services awarded under a nonprocurement transaction (i.e., grant agreement) that are expected to equal or exceed \$25,000. The verification is to be done by checking the SAMs exclusions, collecting a certification from that vendor, or adding a clause or condition to the covered transaction with that vendor.

During the audit period, the School Corporation had expenditures exceeding \$25,000 for one vendor. For this vendor, there was no evidence provided for audit to verify that the vendor was verified to not be suspended, debarred, or otherwise excluded, prior to entering into the transaction.

The lack of internal controls and noncompliance was isolated to FY24.

*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). . . ."

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

2 CFR 180.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:

- (a) Checking the SAM.gov Exclusions, or
- (b) Collecting a certification from that person, or
- (c) Adding a clause or condition to the covered transaction with that person."

2 CFR 180.220 states:

"(a) Covered transactions under this part -

- (1) Do not include any procurement contracts awarded directly by a Federal agency; but
  - (2) Do include some procurement contracts awarded by non-Federal participants in nonprocurement covered transactions.
- (b) Specifically, a contract for goods or services is a covered transaction if any of the following applies:
- (1) The contract is awarded by a participant in a nonprocurement transaction that is covered under §180.210, and the amount of the contract is expected to equal or exceed \$25,000.
  - (2) The contract requires the consent of an official of a Federal agency. In that case, the contract, regardless of the amount, always is a covered transaction, and it does not matter who awarded it. For example, it could be a subcontract awarded by a contractor at a tier below a nonprocurement transaction, as shown in the appendix to this part.
  - (3) The contract is for Federally required audit services.
- (c) A subcontract also is a covered transaction if,
- (1) It is awarded by a participant in a procurement transaction under a nonprocurement transaction of a Federal agency that extends the coverage of paragraph (b)(1) of this section to additional tiers of contracts (see the diagram in the appendix to this part showing that optional lower tier coverage); and
  - (2) The value of the subcontract is expected to equal or exceed \$25,000."

*Cause*

Management had not developed or implemented a system of internal controls that would have ensured compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement. This happened because of a change in staffing where more than one person completed the process.

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(Continued)

*Effect*

Without the proper implementation of an effectively designed system of internal controls, the internal control system cannot be capable of effectively preventing, or detecting and correcting, material noncompliance. Noncompliance with the Procurement and Suspension and Debarment compliance requirement could result in a contract to be awarded to a company that was suspended and debarred.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the management of the School Corporation establish a proper system of internal controls to ensure compliance and comply with the grant agreement and the Procurement and Suspension and Debarment 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 the management of the School Corporation. The documents are presented as intended by the School Corporation.

# Greenwood Community School Corporation

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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2022-001** (Auditor Assigned Reference Number)

**Fiscal year in which the finding initially occurred: FY2021**

**Current Audit Period: 7/1/22 – 6/30/24**

**Finding Subject: Child Nutrition**

**Summary of Finding:**

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

**Status of Audit Finding:**

Fully Corrected and the original corrective action plan was implemented

**Response Comments:**

The Director of Food Services is continuing to attend meetings, webinars and trainings to further her knowledge of the Child Nutrition Program. She has files backing up the purchases the child nutrition program has made for equipment.

### **FINDING 2022-002** (Auditor Assigned Reference Number)

**Fiscal year in which the finding initially occurred: FY2020**

**Current Audit Period: 7/1/22 – 6/30/24**

**Finding Subject: COVID-19 - Education Stabilization Fund - Reporting**

**Summary of Finding:**

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

**Status of Audit Finding:**

Fully Corrected and the original corrective action plan was implemented

**Response Comments:**

We now have the people involved in completing/reviewing reports actually sign the completed reports. At least two people are involved in this.

# Greenwood Community School Corporation



## CORRECTIVE ACTION PLAN

**FINDING 2024-001** (Auditor Assigned Reference Number)

**Finding Subject:** Child Nutrition Cluster

**Summary of Finding:** Lack of an internal control system to ensure compliance with the Suspension and Debarment requirements for contractors and subrecipients

**Contact Person Responsible for Corrective Action:** Katy Dowling

**Contact Phone Number and Email Address:** 317-889-4060 and kdowling@gws.k12.in.us

### **Views of Responsible Officials:**

The district concurs with the finding. The procurement of the item in question began with the prior Director of Food Service and was then completed at a later date by her successor. We believe this is a contributing factor to this error.

The district participates in CIESC's Region 9 Child Nutrition Cooperative. This cooperative conducts the bidding/procurement process on behalf of its members in compliance with all Federal Procurement and Suspension and Debarment requirements. From time to time, there are items needed that are not available through the cooperative. Most often, this is food service equipment purchases.

### **Description of Corrective Action Plan:**

Policy 6325 covers procurement for federal grants/funds. Within this policy, procurement and suspension and debarment expectations are provided. The district plans to add an administrative guideline that will cover the process for any purchase reasonably expected to exceed \$25,000 including, but not limited to, (1) how to verify if a vendor is suspended or debarred; (2) what documentation is required and how it is submitted/tracked; (3) validation process involving accounts payable for purchases over \$25,000 from federal grants/funds to confirm steps 1 and 2 were properly followed.

In addition, communication and direction will be provided to any staff in the district who have the ability to make purchases for grant-funded items.

### **Anticipated Completion Date:**

3/1/25 – Review of purchases from grant funds from 7/1/24 through 2/20/25 to ensure compliance.

3/1/25 – Completion of Administrative Guidelines 6325 to specify the internal control process.

3/1/25 – Communication to impacted staff regarding the policy and administrative guideline.

## 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/>.