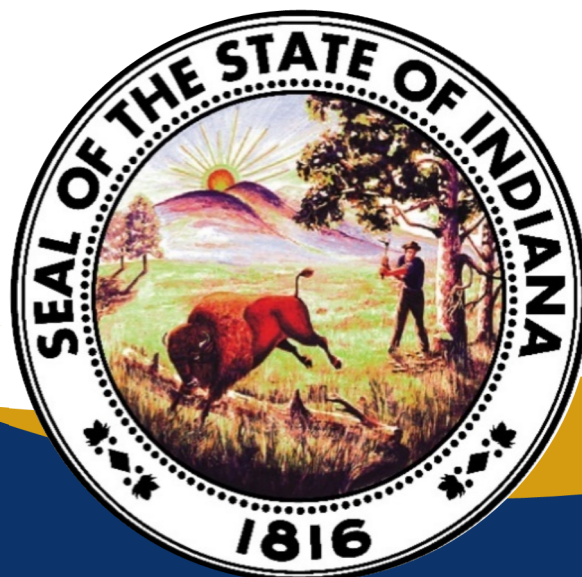


**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

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

FEDERAL COMPLIANCE AUDIT REPORT
OF
METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY
STEUBEN COUNTY, INDIANA
July 1, 2022 to June 30, 2024



FILED

03/31/2025

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance with <i>Government Auditing Standards</i>	3-4
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	5-8
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards	11-13
Notes to Schedule of Expenditures of Federal Awards.....	14
Schedule of Findings and Questioned Costs.....	15-24
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings.....	26-31
Corrective Action Plan	32-35
Other Reports.....	36

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Sherry L. Neumann Jessica L. Swinford	07-01-22 to 12-31-24 01-01-25 to 06-30-25
Superintendent of Schools	Dr. Matthew L. Widenhoefer	07-01-22 to 06-30-25
President of the School Board	Cory L. Archbold	07-01-22 to 06-30-25



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769
Telephone: (317) 232-2513
Fax: (317) 232-4711
www.in.gov/sboa

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 METROPOLITAN SCHOOL DISTRICT
OF STEUBEN COUNTY, STEUBEN 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 Metropolitan School District of Steuben County (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 March 25, 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, 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 item 2024-001, 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 item 2024-001.

Metropolitan School District of Steuben County'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 25, 2025



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769
Telephone: (317) 232-2513
Fax: (317) 232-4711
www.in.gov/sboa

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 METROPOLITAN SCHOOL DISTRICT
OF STEUBEN COUNTY, STEUBEN COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the Metropolitan School District of Steuben County'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.

Qualified Opinion on Special Education Cluster (IDEA)

In our opinion, except for the noncompliance described in the *Basis for Qualified and Unmodified Opinions* section of our report, the School Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Special Education Cluster (IDEA) for the period of July 1, 2022 to June 30, 2024.

Qualified Opinion on Title I Grants to Local Educational Agencies

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 Title I Grants to Local Educational Agencies for the period of July 1, 2022 to June 30, 2024.

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, 2022 to June 30, 2024.

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, the School Corporation did not comply with requirements regarding the Special Education Cluster (IDEA), as described in item 2024-003 for Procurement and Suspension and Debarment. Compliance with such requirement is necessary, in our opinion, for the School Corporation to comply with the requirements applicable to that program.

Matter Giving Rise to Qualified Opinion on Title I Grants to Local Educational Agencies

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 Title I Grants to Local Educational Agencies, as described in item 2024-002 for Activities Allowed or Unallowed and Allowable Costs/Cost Principles. Consequently, we were unable to determine whether the School Corporation complied with the requirements applicable to that program.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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.

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 items 2024-002 and 2024-003, to be material weaknesses.

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.

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

The 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, 2022 to June 30, 2024, and the related notes to the financial statement. We issued our report thereon dated March 25, 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

March 25, 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.



METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY
 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
Department of Agriculture							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
Food Service Breakfast			FY23	\$ -	\$ 245,599	\$ -	\$ -
Food Service Breakfast			FY24	-	-	-	194,276
Total - School Breakfast Program				-	245,599	-	194,276
National School Lunch Program							
Food Service Lunch	Indiana Department of Education	10.555	FY23	-	1,005,178	-	-
Food Service Lunch			FY24	-	-	-	784,559
Commodities			FY23	-	114,572	-	-
Commodities			FY24	-	-	-	135,595
Summer Food Service Program for Children			FY23	-	129,255	-	-
Summer Food Service Program for Children			FY24	-	-	-	80,809
Total - National School Lunch Program				-	1,249,005	-	1,000,963
Summer Food Service Program for Children							
Food Service Summer Feed	Indiana Department of Education	10.559	FY23	-	20,386	-	-
Food Service Summer Feed			FY24	-	-	-	34,243
Total - Summer Food Service Program for Children				-	20,386	-	34,243
Total - Child Nutrition Cluster				-	1,514,990	-	1,229,482
Pandemic EBT Administrative Costs							
	Indiana Department of Education	10.649	FY23	-	628	-	-
Total - Department of Agriculture				-	1,515,618	-	1,229,482
Federal Communications Commission							
COVID-19 - Emergency Connectivity Fund Program							
State Connectivity Grant Fund 3780,3781,3782,3783	Direct Grant	32.009	ECF202104680	-	309,340	-	7,671
Total - Federal Communications Commission				-	309,340	-	7,671
Department of Education							
Special Education Cluster (IDEA)							
Special Education Grants to States							
FY2021 Federal Part B 611	Indiana Department of Education	84.027	21611-042-PN01	-	5,231	-	-
FY2022 Federal Part B 611			22611-042-PN01	-	15,947	-	-
FY2022 Federal Part B 611			22611-042-PN01	-	-	-	8,819
FY2023 Federal Part B 611			23611-042-PN01	-	583,926	-	-
FY2023 Federal Part B 611			23611-042-PN01	-	-	-	8,324
FY2024 Federal Part B 611			24611-042-PN01	-	-	-	616,192
Subtotal - Special Education Grants to States				-	605,104	-	633,335

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY
 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 Grant	Indiana Department of Education	84.027	22611-042-ARP	-	83,322	-	57,442
Total - Special Education Grants to States				-	688,426	-	690,777
Special Education Preschool Grants FY2021 Federal Preschool 619 FY2022 Federal Preschool 619 FY2023 Federal Preschool 619 FY2024 Federal Preschool 619	Indiana Department of Education	84.173	21619-042-PN01 22619-042-PN01 23619-042-PN01 24619-042-PN01	- - - -	142 - 20,292 -	- - - -	- 78 - 20,905
Subtotal - Special Education Preschool Grants				-	20,434	-	20,983
COVID-19 - Special Education Preschool Grants FY 2022 IDEA ARP 619 Grant	Indiana Department of Education	84.173	22619-042-ARP	-	7,104	-	3,404
Total - Special Education Preschool Grants				-	27,538	-	24,387
Total - Special Education Cluster (IDEA)				-	715,964	-	715,164
Title I Grants to Local Educational Agencies Title I 2021-22 Fund 4121 Title I 2021-22 Fund 4122 Title I 2023-24 Fund 4123	Indiana Department of Education	84.010	S010A210014 S010A220014 S010A230014	- - -	202,954 - -	- - -	- 440,405 165,302
Total - Title I Grants to Local Educational Agencies				-	202,954	-	605,707
Education for Homeless Children and Youth McKinney Vento Grant Fund 5110	Fort Wayne Community Schools	84.196	S196A230015	-	-	-	5,037
English Language Acquisition State Grants Title III 2020-21 Fund 6880 Title III 2021-2023 Fund 6881 Title III 2021-2023 Fund 6881 Title III 2022-2024 Fund 6882	Indiana Department of Education	84.365	S365A200014 S365A210014 S365A210014 S365A220014	- 2,656 - -	5,043 2,656 - 13,653	- - 2,680 -	- - 15,904 -
Total - English Language Acquisition State Grants				2,656	21,352	2,680	15,904
Supporting Effective Instruction State Grants Title II Part A 2021-2023 Fund 6842 Title II Part A 2022-2024 Fund 6843 Title II Part A 2023-2025 Fund 6844	Indiana Department of Education	84.367	S367A210013 S367A220013 S367A230013	- - -	- - -	- - -	29,129 82,798 31,725
Total - Supporting Effective Instruction State Grants				-	-	-	143,652
Student Support and Academic Enrichment Program Title IV Part A (iCAP) Fund 5890 Title IV Part A (iCAP) Fund 5890 Title IV Part A Fund 5820	Indiana Department of Education	84.424	69022 69022 S424A200015	- - -	47,644 - 8,217	- - -	- 89,326 -

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY
 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
Title IV Part A Fund 5821			S424A210015	-	26,972	-	-
Title IV Part A Fund 5821			S424A210015	-	-	-	5,247
Title IV Part A Fund 5822			S424A220015	-	8,985	-	-
Title IV Part A Fund 5822			S424A220015	-	-	-	20,960
Title IV Part A Fund 5823			S424A230015	-	-	-	21,135
Total - Student Support and Academic Enrichment Program				-	91,818	-	136,668
COVID-19 - Education Stabilization Fund	Indiana Department of Education						
CARES Fund 7941		84.425D	S425D200013	-	35,215	-	-
ESSER II Fund 7931		84.425D	S425D210013	-	197,149	-	-
CARES ESII Grant Fund 7932		84.425D	S425D210013	-	-	-	337,927
ESSER III Fund 7923		84.425U	S425U210013	-	637,640	-	-
ESSER III Fund 7923		84.425U	S425U210013	-	-	-	820,022
ARP HCY II Fund 7910		84.425W	S425W210015	-	-	-	12,211
Total - COVID-19 - Education Stabilization Fund				-	870,004	-	1,170,160
Total - Department of Education				2,656	1,902,092	2,680	2,792,292
<u>Department of Health and Human Services</u>							
Medicaid Cluster							
Medical Assistance Program	Indiana Family and Social Services Administration	93.778					
Medicaid (Title XIX) Fund 6460			FY23	-	18,962	-	-
Medicaid (Title XIX) Fund 6460			FY24	-	-	-	100,523
Total - Medical Assistance Program				-	18,962	-	100,523
Total - Medicaid Cluster				-	18,962	-	100,523
Total - Department of Health and Human Services				-	18,962	-	100,523
Total federal awards expended				\$ 2,656	\$ 3,746,012	\$ 2,680	\$ 4,129,968

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

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY
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 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 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. Northeast Indiana Special Education Cooperative

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

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY
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
84.010	Child Nutrition Cluster Title I Grants to Local Educational Agencies Special Education Cluster (IDEA)	Unmodified Qualified Qualified
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

Section II - Financial Statement Findings

FINDING 2024-001

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

Repeat Finding

A similar comment appeared in the immediately prior report. The prior audit finding number was 2022-001.

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition and Context

The School Corporation had not established effective internal controls over the federal award information entered into 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 had not established effective internal controls over the federal award information prepared and submitted in Gateway to detect or allow correction of errors prior to submission.

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

- Assistance Listing Number (ALN) 10.553 School Breakfast Program was understated by \$23,882 in fiscal year 2022-2023 and overstated by \$23,881 in 2023-2024.
- ALN 10.555 National School Lunch Program was understated by \$218,239 in 2022-2023 and overstated by \$8,174 in 2023-2024. These adjustments included amounts that were incorrectly reported as other federal programs.
- ALN 10.555 National School Lunch Program Commodities were not reported, which understated expenditures by \$114,572 in 2022-2023 and \$135,595 in 2023-2024.
- One federal program reported amounts that were not federal which overstated expenditures by \$112,519.
- The COVID-19 - Emergency Connectivity Fund Program was not reported, which understated expenditures by \$317,011.
- Additional grants had immaterial errors, which resulted in misstatements of expenditures of \$13,750.
- Other errors included incorrect program names, pass-through entities, and identifying numbers.

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

Criteria

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;

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

(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. . . ."

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

The review and approval process of federal award information entered into Gateway did not take into consideration the completeness of all federal grant activity in the School Corporation's records.

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

The ineffective review and approval process lead to material misstatements of the SEFA as documented in the *Condition and Context* that remained undetected.

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2024-002

Subject: Title I Grants to Local Educational Agencies - Activities
Allowed or Unallowed, Allowable Costs/Cost Principles
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
Assistance Listings Number: 84.010
Federal Award Number or Year (or Other Identifying Number): S010A210014
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles
Audit Findings: Material Weakness, Modified Opinion

Condition and Context

Direct charges to a federal award are to be for allowable activities and allowable costs made in conformance with the applicable cost principles.

The School Corporation did not have a process or internal controls in place to ensure expenditures for the 2021 Title I grant award were for allowable activities and costs and in conformance with the cost principles. The School Corporation was unable to provide supporting documentation for \$43,141 worth of expenditures transferred out of the 2021 grant award fund 4121 from July 1, 2022 to December 1, 2022. These expenditures were originally expended from the Title I 2021 grant award fund 4121, requested for reimbursement and then the expenditures were moved to other funds. Because these expenditures were reappropriated, they were not an allowable activity or cost of the 2021 Title I grant award. In addition, the School Corporation was unable to provide supporting documentation for \$6,646 worth of certified salary expenditures requested for reimbursement for the same grant award from February 17, 2022 to June 30, 2022. It was determined that this amount was double requested for reimbursement and was not an actual expenditure. The total amount of \$49,787 was considered questioned costs.

Subsequent to the 2021 Title I grant award, the School Corporation established and implemented a process and internal controls to ensure expenditures for the 2022 and 2023 awards from July 1, 2022 through December 31, 2023, were for allowable activities and costs and in conformance with the cost principles. The vendor expenditures are initiated by the Title I Director and the Title I Administrative Assistant. Payroll is reviewed each pay period by the Title I Administrative Assistant. The Business Manager/Treasurer prepares the reimbursement request using a detailed expenditure report from their accounting system. The Title I Administrative Assistant verifies the information entered into the reimbursement request by also comparing it to the detailed expenditure reports. The Title I Administrative Assistant also reconciles the Title I award to the expenditures.

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

If the Title I Administrative Assistant identifies that a correction of errors needs to be made to a Title I fund, they fill out a Corrections Form. The Title I Director then reviews and signs the form and provides it to the Business Manager/Treasurer to make the correction in the accounting system prior to completing a request for reimbursement. After the corrections have been made, the Title I Administrative Assistant verifies the changes were correctly made. After all corrections are made, the reimbursement request is approved by the Title I Director and then submitted by the Business Manager/Treasurer.

We tested 25 other non-journal entry expenditures from all three Title I grant awards during the audit period and did not identify any additional noncompliance with these expenditures.

The lack of internal controls and supporting documentation was isolated to the 2021 Title I grant award number S010A21001 from February 17, 2022 to December 31, 2022.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.403 states in part:

"Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

(a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.

(b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items. . . .

(g) Be adequately documented. . . ."

2 CFR 200.302(b) states in part:

"The recipient's and subrecipient's financial management system must provide for the following: . . .

(7) Written procedures for determining the allowability of costs in accordance with subpart E of this part and the terms and conditions of the Federal award."

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200.334 states in part:

"Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for the Federal awards that are renewed quarterly or annual, from the date of submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. . . ."

Cause

A proper system of internal controls was not designed by management of the School Corporation. The School Corporation segregated duties of knowledgeable staff that were involved in the process of purchasing, entering claim information, processing claim and payroll information, and using reliable financial data from the accounting system. However, it had not established a process or internal controls for the 2021 Title I award number S010A21001 to ensure that all accounting corrections were made prior to processing a request for reimbursement.

Effect

Without the proper implementation of an effectively designed system of internal controls, the School Corporation could not ensure that only expenditures for allowable activities and costs were made and requested for reimbursement. Any program funds the School Corporation reallocated to other funds or double requested for reimbursement would be unallowable, and the awarding agency could potentially recover them.

Questioned Costs

Questioned costs in the amount of \$49,787 were identified as noted in the *Condition and Context*.

Recommendation

We recommended that Management of the School Corporation establish a proper system of internal controls and develop written policies and procedures to ensure that expenditures for all Title I grant awards are for allowable activities and costs in conformance with the cost principles and that support for all expenditures and journal entries is maintained for the date ranges of costs documented on the requests for reimbursement.

Views of Responsible Officials

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

FINDING 2024-003

Subject: Special Education Cluster (IDEA) - Procurement and Suspension and Debarment

Federal Agency: Department of Education

Federal Programs: COVID-19 - Special Education Grants to States,
COVID-19 - Special Education Preschool Grants

Assistance Listings Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 22611-042-ARP, 22619-042-ARP

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Modified Opinion

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition and Context

The School Corporation is a member of the Northeast Indiana Special Education Cooperative (Cooperative). During fiscal years 2022-2023 and 2023-2024, the Cooperative operated the special education program and spent the federal money on behalf of all its members. As the grant agreement was between the Indiana Department of Education and each member school, the School Corporation was responsible for ensuring and providing oversight of the Cooperative.

The School Corporation did not have internal controls in place to ensure that the Cooperative complied with the procurement and the suspension and debarment requirements. The Cooperative did not have adequate procedures in place to ensure that the requirements for the simplified acquisition threshold and for small purchases were met for each applicable procured good or service or to ensure that vendors were not suspended or debarred prior to entering into a covered transaction.

Procurement

When the value of the procurement for property or services exceeds the simplified acquisition threshold (SAT), or a lower threshold established by a nonfederal entity, formal procurement methods are required. The SAT is typically set at \$250,000. However, Indiana Code 5-22-8 has a more restrictive threshold. Therefore, the SAT threshold is set at \$150,000. Formal procurement methods require adherence to documented procedures and formal methods such as sealed bids or proposals. When the purchase value exceeds the micro-purchase threshold but is less than the simplified acquisition threshold, a small purchase occurs. Small purchases require documented full and open competition or a documented rationale for limited competition.

For 2022-2023, the Cooperative had one vendor, with disbursements, totaling \$379,313, which exceeded the SAT threshold of \$150,000. The Cooperative did not obtain sealed bids or competitive proposals nor was there documentation detailing the history of the procurement, which must include the reason for the procurement method used.

For 2022-2023, the Cooperative had one vendor with disbursements in the amount of \$55,374, which were less than the SAT threshold of \$150,000, but exceeded the \$50,000 micro-purchase threshold and was selected for testing. The Cooperative did not obtain price or rate quotes nor was there documentation detailing the history of the procurement, which must include the reason for the procurement method used.

For 2023-2024, three vendors with disbursements, totaling \$175,125, were identified as being less than the simplified acquisition threshold of \$150,000, but exceeding the \$50,000 micro-purchase threshold and were selected for testing. The Cooperative did not obtain price or rate quotes for two of the three vendors and there was no documentation detailing the history of the procurement, which must include the reason for the procurement method used.

Suspension and Debarment

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 SAM exclusions, collecting a certification from that vendor, or adding a clause or condition to the covered transaction with that vendor.

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Upon inquiry of the Cooperative in order to review the procedures in place for verifying that a vendor with which it plans to enter into a covered transaction is not suspended, debarred, or otherwise excluded, the Cooperative disclosed there were not any documented internal controls or procedures. Nine covered transactions were identified. The covered transactions, totaling \$803,836, were selected for testing. The Cooperative did not verify the suspension and debarment status of the tested vendors prior to payment.

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). . . ."

2 CFR 200.320 states in part:

"The non-Federal entity must have and use documented procurement procedures, consistent with the standards of this section and §§ 200.317, 200.318, and 200.319 for any of the following methods of procurement used for the acquisition of property or services required under a Federal award or sub-award.

- (a) *Informal procurement methods.* When the value of the procurement for property or services under a Federal award does not exceed the *simplified acquisition threshold (SAT)*, as defined in § 200.1, or a lower threshold established by a non-Federal entity, formal procurement methods are not required. The non-Federal entity may use informal procurement methods to expedite the completion of its transactions and minimize the associated administrative burden and cost. The informal methods used for procurement of property or services at or below the SAT include: . . .

(2) *Small purchases*—

- (i) *Small purchase procedures.* The acquisition of property or services, the aggregate dollar amount of which is higher than the micro-purchase threshold but does not exceed the simplified acquisition threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources as determined appropriate by the non-Federal entity. . . .

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

(b) *Formal Procurement Methods.* When the value of the procurement for property or services under a Federal financial assistance award exceeds the SAT, or a lower threshold established by a non-Federal entity, formal procurement methods are required. Formal procurement methods require following documented procedures. Formal procurement methods also require public advertising unless a non-competitive procurement can be used in accordance with § 200.319 or paragraph (c) of this section. The following formal methods of procurement are used for procurement of property or services above the simplified acquisition threshold or a value below the simplified acquisition threshold the non-Federal entity determines to be appropriate: . . .

- (1) *Sealed bids.* A procurement method in which bids are publicly solicited and a firm fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bids method is the preferred method for procuring construction, if the conditions. . . .
- (2) *Proposals.* A procurement method in which either a fixed price or cost-reimbursement type contract is awarded. Proposals are generally used when conditions are not appropriate for the use of sealed bids. . . ."

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

Cause

The Cooperative noted that the ARP portion of the Special Education grant was new for 2022-2023 and 2023-2024. The ARP funding gave opportunity for types of expenditures that do not typically get expensed using special education funding. The transactions noted within the *Condition and Context* were from the ARP portion of the grant, which provided property or services that exceeded the micro-purchase threshold. Management of the Cooperative was unaware of the procurement requirements when property or services exceed the micro-purchase threshold. In addition, management of the Cooperative was unaware of the suspension and debarment requirements when a covered transaction is expected to equal or exceed \$25,000.

Effect

Without the proper implementation of an effectively designed system of internal controls, including policies and procedures that provide segregation of duties and additional oversight as needed, the internal control system cannot be capable of effectively preventing, or detecting and correcting, material noncompliance. Without following the required methods for procurement, the Cooperative could be overpaying for services. Unverified vendors to whom payments equal to or in excess of \$25,000 could be suspended, debarred, or otherwise excluded.

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Noncompliance with the provisions of federal statutes, regulations, and terms and conditions of the federal award could result in the reduction of future federal funding to the Cooperative.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the Cooperative's management design and implement a system of internal controls related to procurement and suspension and debarment procedures to ensure procurement requirements are met and to ensure entities are neither suspended nor debarred or otherwise excluded or disqualified prior to entering into any covered transactions.

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.



**SMALL COMMUNITY.
BIG OPPORTUNITIES.**

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY

400 South Martha Street Angola, IN 46703 | 260.665.2854
Fax: 260.665.9155 | www.msdsteuben.k12.in.us

Dr. Matthew Widenhoefer
Superintendent

March 24, 2025

Dr. Schauna Relue
Assistant Superintendent

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Mr. Andy Wagner
Director of Student Services

Dr. Chantell Manahan
Director of Technology

Mrs. Wendy Wilson
Director of Human Resources

FINDING 2022-001

Mr. Jonathan Winslow
Director of Elementary Education

Fiscal Year in which the finding initially occurred: 2022

Mrs. Jessica Swinford
Business Manager

Current Audit Period: July 1, 2022-June 30, 2024

Mrs. Amber Parshall
Food Service Director

Finding Subject: Preparation of the Schedule of Expenditures of Federal Awards

Mr. Paul Hyska
Director Transportation

Ms. Kathy Bahr
Special Education Coordinator

Status of Audit Finding: Partially corrected and the original corrective action was implemented.

BOARD OF SCHOOL TRUSTEES

Mr. Cory Archbold
President

Response Comments: Apparently the corrective action plan from the 2022 Audit was not implemented properly and still sited during the 2024 audit. Despite implementing controls, it was brought to attention that the inaccurate reporting was due to timing issues of when expenditures showed up in the bank and entered into the system at the time of submitting SEFA and a missed federal grant by the former Treasurer. To improve controls, key individuals will be included to ensure grant information is properly reported.

Mr. Kevin Beard
Vice President

Mrs. Becky Maggart
Secretary

Mr. Tom Caswell
Member

Mr. Scott Poor
Member

Mr. Mark Ridenour
Member

Mr. Leroy Steury
Member

Dr. Schauna Relue
Assistant Superintendent

Jessica Swinford
Treasurer as of 11/1/2024

The School Board of Trustees declares it the policy of the Metropolitan School District of Steuben County to provide equal educational and employment opportunities regardless of race, creed, color, religion, national origin, age, gender, and where applicable marital status, familial status, parental status, domicile, disability, genetic information, veteran status, sexual orientation, political beliefs, reprisal, or any legally protected characteristic.

For inquiries of: Title IX, Section 504, American with Disabilities Act
Contact: Director of Human Resources | 400 S. Martha Street, Angola, IN 46703 | (260) 665-2854



**SMALL COMMUNITY.
BIG OPPORTUNITIES**

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY

400 South Martha Street Angola, IN 46703 | 260.665.2854

Fax: 260.665.9155 | www.msdssteuben.k12.in.us

Dr. Matthew Widenhoefer
Superintendent

February 26, 2025

Dr. Schauna Relue
Assistant Superintendent

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Mr. Andy Wagner
Director of Student Services

FINDING 2022-002

Dr. Chantell Manahan
Director of Technology

Fiscal Year in which the finding occurred: FY 2020-2021, FY 2021-2022

Mrs. Wendy Wilson
Director of Human Resources

Current Audit Period: July 1, 2022 - June 30, 2024

Mr. Jonathan Winslow
Director of Elementary Education

Finding Subject: Child Nutrition Cluster -Activities Allowed and Unallowed, Allowable Costs/Cost Principles

Mrs. Jessica Swinford
Business Manager

Status of Audit Findings: Fully Corrected and the original corrective action was implemented.

Mrs. Amber Parshall
Food Service Director

Mr. Paul Hyska
Director Transportation

Ms. Kathy Bahr
Special Education Coordinator

BOARD OF SCHOOL TRUSTEES

Amber Parshall

Mr. Cory Archbold
President

Food Service Director

Mr. Kevin Beard
Vice President

Mrs. Becky Maggart
Secretary

Mr. Tom Caswell
Member

Mr. Scott Poor
Member

Mr. Mark Ridenour
Member

Mr. Leroy Steury
Member

This institution is an equal opportunity provider.

The School Board of Trustees declares it the policy of the Metropolitan School District of Steuben County to provide equal educational and employment opportunities regardless of race, creed, color, religion, national origin, age, gender, and where applicable marital status, familial status, parental status, domicile, disability, genetic information, veteran status, sexual orientation, political beliefs, reprisal, or any legally protected characteristic.

For inquiries of: Title IX, Section 504, American with Disabilities Act
Contact: Director of Human Resources | 400 S. Martha Street, Angola, IN 46703 | (260) 665-2854



**SMALL COMMUNITY.
BIG OPPORTUNITIES**

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY

400 South Martha Street Angola, IN 46703 | 260.665.2854
Fax: 260.665.9155 | www.msdssteuben.k12.in.us

Dr. Matthew Widenhoefer
Superintendent

February 26, 2025

Dr. Schauna Relue
Assistant Superintendent

Mr. Andy Wagner
Director of Student Services

State Board of Accounts Indianapolis, IN

Dr. Chantell Manahan
Director of Technology

Mrs. Wendy Wilson
Director of Human Resources

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Mr. Jonathan Winslow
Director of Elementary Education

FINDING 2022-003

Mrs. Jessica Swinford
Business Manager

Fiscal Year in which the finding occurred: FY 2020-2021

Mrs. Amber Parshall
Food Service Director

Current Audit Period: July 1, 2022 - June 30, 2024

Mr. Paul Hyska
Director Transportation

Finding Subject: Child Nutrition Cluster - Suspension and Debarment

Ms. Kathy Bahr
Special Education Coordinator

Status of Audit Findings: Fully Corrected and the original corrective action was implemented.

BOARD OF SCHOOL TRUSTEES

Mr. Cory Archbold
President

Mr. Kevin Beard
Vice President

Mrs. Becky Maggart
Secretary

Amber Parshall

Mr. Tom Caswell
Member

Food Service Director

Mr. Scott Poor
Member

Mr. Mark Ridenour
Member

Mr. Leroy Steury
Member

This institution is an equal opportunity provider.

The School Board of Trustees declares it the policy of the Metropolitan School District of Steuben County to provide equal educational and employment opportunities regardless of race, creed, color, religion, national origin, age, gender, and where applicable marital status, familial status, parental status, domicile, disability, genetic information, veteran status, sexual orientation, political beliefs, reprisal, or any legally protected characteristic.

For inquiries of: Title IX, Section 504, American with Disabilities Act
Contact: Director of Human Resources | 400 S. Martha Street, Angola, IN 46703 | (260) 665-2854



**SMALL COMMUNITY.
BIG OPPORTUNITIES**

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY
400 South Martha Street Angola, IN 46703 | 260.665.2854
Fax: 260.665.9155 | www.mssteuben.k12.in.us

Dr. Matthew Widenhoefer
Superintendent

February 26, 2025

Dr. Schauna Relue
Assistant Superintendent

Mr. Andy Wagner
Director of Student Services

State Board of Accounts Indianapolis, IN

Dr. Chantell Manahan
Director of Technology

Mrs. Wendy Wilson
Director of Human Resources

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Mr. Jonathan Winslow
Director of Elementary Education

FINDING 2022-004

Mrs. Jessica Swinford
Business Manager

Fiscal Year in which the finding occurred: 2021-2022

Mrs. Amber Parshall
Food Service Director

Current Audit Period: July 1, 2022 - June 30, 2024

Mr. Paul Hyska
Director Transportation

Ms. Kathy Bahr
Special Education Coordinator

Finding Subject: Child Nutrition Cluster - Procurement and Suspension and Debarment

BOARD OF SCHOOL TRUSTEES

Status of Audit Findings: Fully Corrected and the original corrective action was implemented.

Mr. Cory Archbold
President

Mr. Kevin Beard
Vice President

Mrs. Becky Maggart
Secretary

Mr. Tom Caswell
Member

Mr. Scott Poor
Member

Amber Parshall

Mr. Mark Ridenour
Member

Food Service Director

Mr. Leroy Steury
Member

This institution is an equal opportunity provider.

The School Board of Trustees declares it the policy of the Metropolitan School District of Steuben County to provide equal educational and employment opportunities regardless of race, creed, color, religion, national origin, age, gender, and where applicable marital status, familial status, parental status, domicile, disability, genetic information, veteran status, sexual orientation, political beliefs, reprisal, or any legally protected characteristic.

For inquiries of: Title IX, Section 504, American with Disabilities Act
Contact: Director of Human Resources | 400 S. Martha Street, Angola, IN 46703 | (260) 665-2854



**SMALL COMMUNITY.
BIG OPPORTUNITIES.**

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY

400 South Martha Street Angola, IN 46703 | 260.665.2854
Fax: 260.665.9155 | www.msdsteuben.k12.in.us

Dr. Matthew Widenhoefer
Superintendent

Dr. Schauna Relue
Assistant Superintendent

Mr. Andy Wagner
Director of Student Services

Dr. Chantell Manahan
Director of Technology

Mrs. Wendy Wilson
Director of Human Resources

Mr. Jonathan Winslow
Director of Elementary Education

Mrs. Jessica Swinford
Business Manager

Mrs. Amber Parshall
Food Service Director

Mr. Paul Hyska
Director Transportation

Ms. Kathy Bahr
Special Education Coordinator

BOARD OF SCHOOL TRUSTEES

Mr. Cory Archbold
President

Mr. Kevin Beard
Vice President

Mrs. Becky Maggart
Secretary

Mr. Tom Caswell
Member

Mr. Scott Poor
Member

Mr. Mark Ridenour
Member

Mr. Leroy Steury
Member

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-005

Fiscal year in which the finding initially occurred: FY21
Current Audit Period: July 1, 2022-June 30, 2024

Finding Subject: Special Education Cluster (IDEA) Earmarking

Status of Audit Finding: Fully corrected and the original corrective action was implemented

Kathy Bahr
MSD of Steuben County Special Education Coordinator
02/26/2025

The School Board of Trustees declares it the policy of the Metropolitan School District of Steuben County to provide equal educational and employment opportunities regardless of race, creed, color, religion, national origin, age, gender, and where applicable marital status, familial status, parental status, domicile, disability, genetic information, veteran status, sexual orientation, political beliefs, reprisal, or any legally protected characteristic.

For inquiries of: Title IX, Section 504, American with Disabilities Act
Contact: Director of Human Resources | 400 S. Martha Street, Angola, IN 46703 | (260) 665-2854



**SMALL COMMUNITY.
BIG OPPORTUNITIES.**

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY

400 South Martha Street Angola, IN 46703 | 260.665.2854
Fax: 260.665.9155 | www.msdssteuben.k12.in.us

Dr. Matthew Widenhoefer
Superintendent

February 26, 2025

Dr. Schauna Relue
Assistant Superintendent

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Mr. Andy Wagner
Director of Student Services

Dr. Chantell Manahan
Director of Technology

Mrs. Wendy Wilson
Director of Human Resources

FINDING 2022-006

Mr. Jonathan Winslow
Director of Elementary Education

Fiscal Year in which the finding initially occurred: 2022

Mrs. Jessica Swinford
Business Manager

Current Audit Period: July 1, 2022-June 30, 2024

Mrs. Amber Parshall
Food Service Director

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

Mr. Paul Hyska
Director Transportation

Ms. Kathy Bahr
Special Education Coordinator

Status of Audit Finding: Fully Corrected and the original corrective action was implemented.

BOARD OF SCHOOL TRUSTEES

Mr. Cory Archbold
President

Mr. Kevin Beard
Vice President

Dr. Schauna Relue
Assistant Superintendent

Mrs. Becky Maggart
Secretary

Mr. Tom Caswell
Member

Mr. Scott Poor
Member

Mr. Mark Ridenour
Member

Mr. Leroy Steury
Member

The School Board of Trustees declares it the policy of the Metropolitan School District of Steuben County to provide equal educational and employment opportunities regardless of race, creed, color, religion, national origin, age, gender, and where applicable marital status, familial status, parental status, domicile, disability, genetic information, veteran status, sexual orientation, political beliefs, reprisal, or any legally protected characteristic.

For inquiries of: Title IX, Section 504, American with Disabilities Act
Contact: Director of Human Resources | 400 S. Martha Street, Angola, IN 46703 | (260) 665-2854



**SMALL COMMUNITY.
BIG OPPORTUNITIES.**

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY

400 South Martha Street Angola, IN 46703 | 260.665.2854
Fax: 260.665.9155 | www.msdssteuben.k12.in.us

Dr. Matthew Widenhoefer
Superintendent

Dr. Schauna Relue
Assistant Superintendent

Mr. Andy Wagner
Director of Student Services

Dr. Chantell Manahan
Director of Technology

Mrs. Wendy Wilson
Director of Human Resources

Mr. Jonathan Winslow
Director of Elementary Education

Mrs. Jessica Swinford
Business Manager

Mrs. Amber Parshall
Food Service Director

Mr. Paul Hyska
Director Transportation

Ms. Kathy Bahr
Special Education Coordinator

BOARD OF SCHOOL TRUSTEES

Mr. Cory Archbold
President

Mr. Kevin Beard
Vice President

Mrs. Becky Maggart
Secretary

Mr. Tom Caswell
Member

Mr. Scott Poor
Member

Mr. Mark Ridenour
Member

Mr. Leroy Steury
Member

FINDING 2024 - 001

Finding Subject: Preparation of the Schedule of Expenditures of Federal Awards

Contact Person Responsible for Corrective Action: Jessica Swinford, Treasurer
Contact Phone Number: 260-665-2854, ext. 1204
Contact Email Address: jswinford@msdsc.us

Views of Responsible Officials:
We concur with the finding.

Description of Corrective Action Plan:

Before the SEFA is submitted, the Treasurer will have the Assistant Treasurer and/or the Assistant Superintendent review the spreadsheet (numbers and reports) before the final submission into Gateway and initial the documentation.

The Treasurer will work with the Food Service Director and request she pull the Commodities report from CNP. The documentation will be initiated by both the Food Service Director and Treasurer.

The Treasurer will reach out to key individuals when receiving stabilization grants and future Connectivity grants to confirm the type of grant and have a better understanding if it needs to be included in SEFA or not.

Anticipated Completion Date: By the next submission of SEFA on Gateway.

Jessica Swinford
Treasurer
March 20, 2025

The School Board of Trustees declares it the policy of the Metropolitan School District of Steuben County to provide equal educational and employment opportunities regardless of race, creed, color, religion, national origin, age, gender, and where applicable marital status, familial status, parental status, domicile, disability, genetic information, veteran status, sexual orientation, political beliefs, reprisal, or any legally protected characteristic.

For inquiries of: Title IX, Section 504, American with Disabilities Act

Contact: Director of Human Resources | 400 S. Martha Street, Angola, IN 46703 | (260) 665-2854



**SMALL COMMUNITY.
BIG OPPORTUNITIES.**

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY

400 South Martha Street Angola, IN 46703 | 260.665.2854
Fax: 260.665.9155 | www.msdsteuben.k12.in.us

Dr. Matthew Widenhoefer
Superintendent

Dr. Schauna Relue
Assistant Superintendent

Mr. Andy Wagner
Director of Student Services

Dr. Chantell Manahan
Director of Technology

Mrs. Wendy Wilson
Director of Human Resources

Mr. Jonathan Winslow
Director of Elementary Education

Mrs. Jessica Swinford
Business Manager

Mrs. Amber Parshall
Food Service Director

Mr. Paul Hyska
Director Transportation

Ms. Kathy Bahr
Special Education Coordinator

BOARD OF SCHOOL TRUSTEES

Mr. Cory Archbold
President

Mr. Kevin Beard
Vice President

Mrs. Becky Maggart
Secretary

Mr. Tom Caswell
Member

Mr. Scott Poor
Member

Mr. Mark Ridenour
Member

Mr. Leroy Steury
Member

CORRECTIVE ACTION PLAN

FINDING 2024-002

Finding Subject: Title I Grants to Local Educational Agencies - Activities

Allowed or Unallowed, Allowable Costs/Cost Principles

Contact Person Responsible for Corrective Action: Schauna Relue, Jessica Swinford

Contact Phone Number and Email Address: 260-665-2854

srelue@msdsc.us; jswinford@msdsc.us

Views of Responsible Officials: We concur with the finding.

Corrective Action Plan: As described in the finding, the corrective action was put into place Subsequent to the 2021 Title I grant award, the School Corporation established and implemented a process and internal controls to ensure expenditures for the 2022 and 2023 awards from July 1, 2022 through December 31, 2023, were for allowable activities and costs and in conformance with the cost principles. The Title I Director and the Title I Administrative Assistant initiate the vendor expenditures. Payroll is reviewed each pay period by the Title I Administrative Assistant. The Business Manager/Treasurer prepares the reimbursement request using a detailed expenditure report from their accounting system. The Title I Administrative Assistant verifies the information entered into the reimbursement request by also comparing it to the detailed expenditure reports. The Title I Administrative Assistant also reconciles the Title I award to the expenditures. If the Title I Administrative Assistant identifies that errors need to be corrected to a Title I fund, they fill out a Corrections Form.

The Title I Director then reviews and signs the form and provides it to the Business Manager/Treasurer to make the accounting system correction before completing a reimbursement request. After the corrections have been made, the Title I Administrative Assistant verifies the changes were correctly made. After all corrections are made, the reimbursement request is approved by the Title I Director and then submitted by the Business Manager/Treasurer.

Anticipated Completion Date: Immediately

The School Board of Trustees declares it the policy of the Metropolitan School District of Steuben County to provide equal educational and employment opportunities regardless of race, creed, color, religion, national origin, age, gender, and where applicable marital status, familial status, parental status, domicile, disability, genetic information, veteran status, sexual orientation, political beliefs, reprisal, or any legally protected characteristic.

For inquiries of: Title IX, Section 504, American with Disabilities Act
Contact: Director of Human Resources | 400 S. Martha Street, Angola, IN 46703 | (260) 665-2854



**SMALL COMMUNITY.
BIG OPPORTUNITIES.**

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY

400 South Martha Street Angola, IN 46703 | 260.665.2854
Fax: 260.665.9155 | www.msdssteuben.k12.in.us

Dr. Matthew Widenhoefer
Superintendent

Dr. Schauna Relue
Assistant Superintendent

Mr. Andy Wagner
Director of Student Services

Dr. Chantell Manahan
Director of Technology

Mrs. Wendy Wilson
Director of Human Resources

Mr. Jonathan Winslow
Director of Elementary Education

Mrs. Jessica Swinford
Business Manager

Mrs. Amber Parshall
Food Service Director

Mr. Paul Hyska
Director Transportation

Ms. Kathy Bahr
Special Education Coordinator

BOARD OF SCHOOL TRUSTEES

Mr. Cory Archbold
President

Mr. Kevin Beard
Vice President

Mrs. Becky Maggart
Secretary

Mr. Tom Caswell
Member

Mr. Scott Poor
Member

Mr. Mark Ridenour
Member

Mr. Leroy Steury
Member

CORRECTIVE ACTION PLAN

FINDING 2024-003

Finding Subject: Special Education Cluster (IDEA) - Procurement and Suspension and Debarment
Contact Person Responsible for Corrective Action: Dawn Mason, Business Manager, DeKalb Co. Eastern CSD
Contact Phone Number and Email Address: 260-868 2125; dmason@dkeschools.com

Subject: Special Education Cluster

(IDEA) - Procurement and Suspension and Debarment Federal Agency: Department of Education
Federal Programs: COVID-19 -Special Education Grants to States; COVID-19 - Special Education Preschool Grants
Assistance Listings Numbers: 84.027; 84.173
Federal Award Numbers and Years (or Other Identifying Numbers): 22611-042-ARP; 22619-042-ARP Pass-Through Entity: Indiana
Department of Education Compliance Requirement(s): Procurement and Suspension and Debarment Audit Findings: Material Weakness, Modified Opinion

Views of Responsible Officials: We concur with the findings.

Description of Corrective Action

Plan: The expenditures referenced in the finding were expended from the American Rescue Plan Special Education grant funds which were fully expended during the audit period. All future expenditures triggering procurement and suspension and debarment requirements will include implementing the following procurement policies.

Reference Procurement Standards 2 CFR 200.318

Districts may not enter into contracts with entities that have been suspended or debarred from participating in contracts with federal funds. For contracts over \$25,000, districts must verify a contractor is not excluded or disqualified. Contractors must be verified in one of three ways:

1. Checking the System for Award Management (SAM) (www.SAM.gov)
2. Collecting a certificate from that contractor.

The School Board of Trustees declares it the policy of the Metropolitan School District of Steuben County to provide equal educational and employment opportunities regardless of race, creed, color, religion, national origin, age, gender, and where applicable marital status, familial status, parental status, domicile, disability, genetic information, veteran status, sexual orientation, political beliefs, reprisal, or any legally protected characteristic.

For inquiries of: Title IX, Section 504, American with Disabilities Act
Contact: Director of Human Resources | 400 S. Martha Street, Angola, IN 46703 | (260) 665-2854



**SMALL COMMUNITY.
BIG OPPORTUNITIES.**

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY

400 South Martha Street Angola, IN 46703 | 260.665.2854
Fax: 260.665.9155 | www.mssteuben.k12.in.us

3. Adding a clause or condition to the covered transaction with that contractor.
(Recommended)

***Proper verification and documentation must be sent to the LEA for audit purposes.*

Methods of Procurement

Where specific EDGAR/UG thresholds apply, Districts must meet baseline requirements for procurement. If State or local rules have more restrictive thresholds, the most restrictive rule must be followed.

Informal Procurement Procedures

1. Micro-purchase (0-\$50,000)
Dekalb County Eastern CSD has self-certified micro-purchases for up to \$50,000
Micro-purchases may be awarded without soliciting competitive quotes if the district considers the price to be reasonable. Quotes must be attached to the invoice/checks for proper documentation and retained by the LEA.
2. Small Purchase (\$50,000 – \$150,000)
Three quotes are required prior to purchase unless the purchase comes from a “Sole Source” vendor. Small purchases are required to be ordered under a purchase order unless in an emergency. Additional quotes must be presented along with the purchase order prior to being approved by the LEA.

Formal Procurement Procedures

1. Sealed Bids (above \$150,000)
Bids must be solicited from an adequate number of suppliers, providing them with sufficient response time prior to the opening of the bids. Proper advertisement and procedures must be followed per IC 5-22 and corresponding documentation must be presented to the LEA prior to any final approval or purchases being made.
2. Competitive Proposals (above \$150,000)
The Request for Proposal method is used for procurements in which factors other than cost play a significant role. Per IC 5-22-9, when a purchasing agent makes a written determination that the use of competitive sealed bidding is either not practicable or not advantageous to the governmental body, the purchasing agent may award a contract using this procedure instead of competitive sealed bidding. This provides a formal process for the procurement of goods and/or services for which price is not the sole factor in the selection of a vendor or vendors. Proper advertisement and procedures must be followed per IC 5-22 and corresponding documentation must be presented to the LEA prior to any final approval or purchases being made.

Noncompetitive (Sole Source)

All sole source procurements require adequate written justification and must be attached to the corresponding purchase order or payment.

Anticipated Completion Date:

All expenditures initiated after March 12, 2025

The School Board of Trustees declares it the policy of the Metropolitan School District of Steuben County to provide equal educational and employment opportunities regardless of race, creed, color, religion, national origin, age, gender, and where applicable marital status, familial status, parental status, domicile, disability, genetic information, veteran status, sexual orientation, political beliefs, reprisal, or any legally protected characteristic.

For inquiries of: Title IX, Section 504, American with Disabilities Act
Contact: Director of Human Resources | 400 S. Martha Street, Angola, IN 46703 | (260) 665-2854

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/>.