

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

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

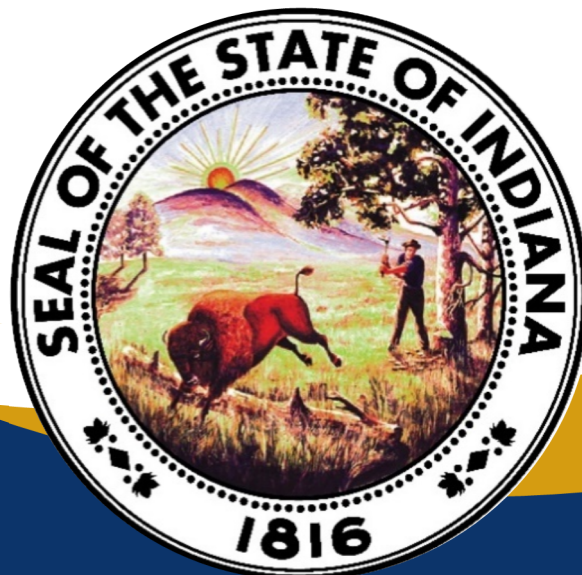
FEDERAL COMPLIANCE AUDIT REPORT

OF

CONCORD COMMUNITY SCHOOLS

ELKHART COUNTY, INDIANA

July 1, 2022 to June 30, 2024



FILED

03/12/2025

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	James Evans	07-01-22 to 06-30-25
Superintendent of Schools	Daniel W. Funston	07-01-22 to 06-30-25
President of the School Board	Kami E. Wait Jennifer Davis	07-01-22 to 12-31-24 01-01-25 to 06-30-25



Paul D. Joyce, CPA
State Examiner

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 CONCORD COMMUNITY SCHOOLS, ELKHART 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 Concord Community Schools (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 4, 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.

Concord Community Schools' 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 4, 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 CONCORD COMMUNITY SCHOOLS, ELKHART COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Concord Community Schools' (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.

Responsibilities of Management for Compliance

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

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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.

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)

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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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 4, 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 4, 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.



CONCORD COMMUNITY SCHOOLS
 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					
School Breakfast FY 2022-23			FY2023	\$ -	\$ 578,636	\$ -	\$ -
School Breakfast FY 2023-24			FY2024	-	-	-	647,388
Total - School Breakfast Program				-	578,636	-	647,388
National School Lunch Program							
School Lunch FY 2022-23	Indiana Department of Education	10.555	FY2023	-	2,375,391	-	-
School Snack FY 2022-23			FY2023	-	10,965	-	-
School Lunch FY 2023-24			FY2024	-	-	-	2,295,708
School Snack FY 2023-24			FY2024	-	-	-	10,654
Supply Chain Assistance FY 2022-2023			FY2023	-	247,702	-	-
Supply Chain Assistance FY 2023-2024			FY2024	-	-	-	160,267
Commodities			FY2023	-	264,584	-	-
Commodities			FY2024	-	-	-	275,890
Total - National School Lunch Program				-	2,898,642	-	2,742,519
Summer Food Service Program for Children							
Summer Food Service	Indiana Department of Education	10.559	FY2023	-	25,644	-	-
Summer Food Service			FY2024	-	-	-	25,639
Total - Summer Food Service Program for Children				-	25,644	-	25,639
Total - Child Nutrition Cluster				-	3,502,922	-	3,415,546
COVID-19 - Pandemic EBT Administrative Costs							
SNP Emergency Funds	Indiana Department of Education	10.649	FY2023	-	3,135	-	-
Total - Department of Agriculture				-	3,506,057	-	3,415,546
Federal Communications Commission							
COVID-19 - Emergency Connectivity Fund Program							
	Direct Grant	32.009					
			E-Rate 2022	-	305,880	-	-
			ECF202202563	-	-	-	752,000
Total - COVID-19 - Emergency Connectivity Fund Program				-	305,880	-	752,000
Total - Federal Communications Commission				-	305,880	-	752,000
Department of Education							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
Special Ed Part B FY 21			21611-14-PN01	-	288,162	-	-
Special Ed Part B FY 22			22611-14-PN01	-	-	-	1,377,020
Special Ed Part B FY 23			23611-14-PN01	-	-	-	1,370,165
Special Ed Part B FY 24			24611-14-PN01	-	-	-	964,935
Subtotal - Special Education Grants to States				-	288,162	-	3,712,120

CONCORD COMMUNITY SCHOOLS
 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 IDEA ARP	Indiana Department of Education	84.027	22611-14-ARP	-	-	-	343,995
Total - Special Education Grants to States				-	288,162	-	4,056,115
Special Education Preschool Grants Spec Ed Preschool FY22 Spec Ed Preschool FY23 Spec Ed Preschool FY24	Indiana Department of Education	84.173	22619-14-PN01 23619-14-PN01 24619-14-PN01	- - -	- - -	- - -	45,265 46,769 49,108
Subtotal - Special Education Preschool Grants				-	-	-	141,142
COVID-19 - Special Education Preschool Grants IDEA Preschool ARP	Indiana Department of Education	84.173	22619-14-ARP	-	-	-	25,838
Total - Special Education Preschool Grants				-	-	-	166,980
Total - Special Education Cluster (IDEA)				-	288,162	-	4,223,095
Title I Grants to Local Educational Agencies Title I FY 2021 Title I Delinquent 2020-2021 Title I FY 2022 Title I Delinquent 2021-22 Title I FY 2023 Title I Delinquent 2022-23 Title I FY 2024 Title I Delinquent 2023-24	Indiana Department of Education	84.010	S010A210014 S010A210014 S010A220014 S010A220014 S010A220014 S010A220014 S010A220014 S010A230014 S010A230014	- - - - - - - - -	696,103 32,017 596,956 14,585 - - - - -	- - - - - - - - -	- - - - 197,297 14,453 672,095 22,367
Total - Title I Grants to Local Educational Agencies				-	1,339,661	-	906,212
Innovative Approaches to Literacy; Promise Neighborhoods; Full-Service Community Schools; and Congressionally Directed Spending for Elementary and Secondary Education Community Projects Full-Service Community Schools Program	Elkhart Community Schools	84.215	S215J220038	-	-	-	76,304
Total - Innovative Approaches to Literacy; Promise Neighborhoods; Full-Service Community Schools; and Congressionally Directed Spending for Elementary and Secondary Education Community Projects				-	-	-	76,304
English Language Acquisition State Grants Title III Immigrant Influx 2020-2021 Title III Limited English 2019-2021 Title III Limited English 2021-2023 Title III Limited English 2022-2024 Title III Limited English 2023-2025 Title III Influx 2023-25	Indiana Department of Education	84.365	S365A180014 S365A190014 S365A210014 S365A220014 S365A230014 S365A230014	- - - - - -	36,690 327,885 - - - -	- - - - - -	- - 182 107,838 51,628 10,440
Total - English Language Acquisition State Grants				-	364,575	-	170,088
Supporting Effective Instruction State Grants Title II Part A 2019-2021 Title II Part A FY 2020-2022 Title II Part A FY 2020-2022	Indiana Department of Education	84.367	S367A190013 S367A200013 S367A210013	- - -	5,575 141,417 120,212	- - -	- - 7,280

CONCORD COMMUNITY SCHOOLS
 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 II Part A FY 2020-2022			S367A220013	-	14,090	-	113,623
Title II Part A FY 2020-2022			S367A230013	-	-	-	79,958
Total - Supporting Effective Instruction State Grants				-	281,294	-	200,861
Student Support and Academic Enrichment Program	Indiana Department of Education	84.424					
Title IV Part A 2019-2020			S424A190015	-	57,564	-	-
Title IV Part A 2020-2021			S424A200015	-	48,726	-	-
Title IV Part A 2020-2021			S424A210015	-	45,155	-	-
Title IV Part A 2020-2021			S424A220015	-	27,014	-	-
Title IV Part A 2021-2023			S424A210015	-	-	-	17,310
Title IV Part A 2022-2024			S424A220015	-	-	-	1,220
Total - Student Support and Academic Enrichment Program				-	178,459	-	18,530
COVID-19 - Education Stabilization Fund	Indiana Department of Education						
Governor Emergency Education Relief Fund (GEER)		84.425C	S425C200018	-	66,450	-	-
ESII-Employability Skills		84.425D	S425D210013	-	13,915	-	22,469
Education Stabilization Relief Fund (CARES Act FY 2020)		84.425D	S425D200013	-	343,026	-	-
R.E.A.C.H.		84.425U	S425U210013	-	78,332	-	-
Education Stabilization Relief Fund II (ESSER II)		84.425D	S425D210013	-	1,708,366	-	38,788
Education Stabilization Relief Fund II (ESSER III)		84.425U	S425U210013	-	3,120,509	-	2,228,998
3E Grant (Explore Engage Exp)		84.425U	S425U210013	-	133,439	-	45,814
ARP-Homeless Children & Youth		84.425W	S425W210015	-	5,545	-	18,738
Total - COVID-19 - Education Stabilization Fund				-	5,469,582	-	2,354,807
Total - Department of Education				-	7,921,733	-	7,949,897
Department of Health and Human Services							
Medicaid Cluster							
Medical Assistance Program	Indiana Family and Social Services Administration	93.778					
Medicaid Reimbursements for IEP Services FY 2021			SY2022-23	-	55,223	-	-
Medicaid Reimbursements for IEP Services FY 2024			SY2023-24	-	-	-	53,343
Medical Assistance Program	Indiana Department of Education	93.778					
Medicaid Administrative Claiming FY 2021			SY2022-23	-	30,592	-	-
Medicaid Administrative Claiming FY 2024			SY2023-24	-	-	-	44,839
Total - Medical Assistance Program				-	85,815	-	98,182
Total - Medicaid Cluster				-	85,815	-	98,182
Total - Department of Health and Human Services				-	85,815	-	98,182
Total federal awards expended				\$ -	\$ 11,819,485	\$ -	\$ 12,215,625

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

CONCORD COMMUNITY SCHOOLS
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.

CONCORD COMMUNITY SCHOOLS
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?	no
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	no

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
32.009	Child Nutrition Cluster COVID-19 - Emergency Connectivity Fund Program	Unmodified
84.010	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

FINDING 2024-001

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

Condition and Context

The School Corporation is required to file financial reports after the close of each fiscal year. The reports are to be filed electronically as prescribed.

CONCORD COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The School Corporation filed its reports as prescribed; however, the 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), were not effective.

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

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

- The School Breakfast Program expenditures were overstated by \$203,923 for fiscal year 2022-2023.
- The National School Lunch Program expenditures were understated by \$177,426, and the programs commodities were overstated by \$28,566,727 for 2022-2023 and 2023-2024, respectively.
- The COVID-19 - Emergency Connectivity Fund Program was omitted, which understated expenditures by \$305,880 and \$752,000 for 2022-2023 and 2023-2024, respectively.
- Two additional federal grants had individually immaterial errors or omissions that resulted in an overstatement of expenditures of \$9,058 for 2022-2023. Three additional federal grants had individually immaterial errors that resulted in an overstatement of expenditures of \$8,074 for 2023-2024.
- 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

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

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner as set forth in the uniform compliance guidelines. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

CONCORD COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200.1 states in part:

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

- (1) Processes designed and implemented by non-Federal entities to provide reasonable assurance regarding the achievement of objectives in the following categories:
 - (i) Effectiveness and efficiency of operations;
 - (ii) Reliability of reporting for internal and external use; . . ."

2 CFR 200.508 states in part:

"The auditee must: . . .

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

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.

CONCORD COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (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."

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

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

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

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

Cause

One employee compiled and entered the information for the SEFA into the AFR, and another employee reviewed the information before submission. However, the review was not implemented properly in order to detect and correct material errors.

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. Material misstatements of the SEFA remained undetected after review. The SEFA contained the errors identified in the *Condition and Context*.

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

AUDITEE-PREPARED DOCUMENTS

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



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-001

Fiscal year in which the finding initially occurred: 2021

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

Finding Subject: Child Nutrition Cluster - Reporting

Summary of Finding: The Monthly Sponsored Claims for reimbursement were prepared without an oversight or review process in place to ensure that the information was accurate, complete, and prepared in accordance with the grant requirements.

Status of Audit Finding: Fully Corrected and the original corrective action was implemented. A process was put into place in July, 2022 so that the monthly claims are reviewed by a second person in the Food Service Department. An additional staff member was hired and that staff member reviews the information used to prepare the monthly sponsored claims for reimbursement to verify that the claims are accurate, complete and were prepared in accordance with grant requirements. Once the review is complete, the monthly sponsored claims are printed and signed by both the Food Service official who prepared the claims and the food service official who reviewed the claims for accuracy, completeness and compliance with grant requirements.

Response Comments:



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-002, FINDING 2020-004, and FINDING 2018-005

Fiscal year in which the finding initially occurred: 2017

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

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

Summary of Finding: The School Corporation did not obtain price or rate quotes for four of four purchases of goods or services that were less than the simplified acquisition threshold of \$150,000, but exceeded the \$10,000 micro-purchase threshold.

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

The corrective action plan for this finding included discontinuing purchases from the vendor in question for the 2022-2023 school year. In subsequent years, purchases will be monitored by the Food Service Director and the Food Service manager in each building. Additionally, the school board approved a resolution to raise the micro-purchase threshold for the use of federal funds from \$10,000.00 to \$50,000.00.

Response Comments:



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-003

Fiscal year in which the finding initially occurred: 2021
Current Audit Period: July 1, 2022 to June 30, 2024

Finding Subject: Semi-Annual certification forms not completed for employees paid with Title I funds

Summary of Finding:

During testing, it was found that 2 out of 25 employees selected in the payroll sample for allowable costs did not have a completed semi-annual certification form or time and effort log for their work within the Title I program. Controls were not effective in ensuring all hours worked or salaries charged to the grant had the proper supporting documentation.

Status of Audit Finding:

Fully Corrected and the original corrective action was implemented. *In order to address the issue related to semi-annual certifications, Concord Community Schools created a Grants and Assessment Coordinator position in May 2022. A person was hired to fill this position starting on July 1, 2022. One of the essential functions of this position is maintaining current and accurate records related to federal and state grants. Starting in July 2024, in addition to the Grants and Assessment Coordinator, a member of the business department has reviewed and signed the semi-annual certifications.*

Response Comments:

The semi-annual certification form was modified to include a third signature by the business department. All semi-annual certification forms are signed by a school administrator, the grants and assessment coordinator, and a business department representative.



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-004

Fiscal year in which the finding initially occurred: 2021

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

Finding Subject: No documentation could be found to support non-public school students qualifying for Title I

Summary of Finding:

Non-Public Schools: No documentation could be found to support non-public school students qualifying for Title I on the 2020-2021 and 2021-2022 Applications. These numbers determine equitable share distributions to these non-public schools...

Status of Audit Finding:

Fully Corrected and the original corrective action was implemented. Non public schools are consulted prior to the initial Title pre-application on an annual basis being submitted at the start of each grant cycle. Non-public school consultation forms and spreadsheet(s) for any equitable share calculations are uploaded into the Title I application center as attachments. These are verified by the corporation treasurer before the Title I application is submitted annually. The IDOE will not approve any Title pre-application if the consultation forms for all non-public schools are included as part of the pre-application.

Response Comments:

The IDOE has included the requirement for non-public school consultation forms to be included with the Title pre-application each year. the Title pre-application will not be approved by the IDOE unless all consultation forms are included with the pre-application on an annual basis.



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-005

Fiscal year in which the finding initially occurred: 2021

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

Finding Subject: Title I Annual Expenditure reports

Summary of Finding:

Internal controls were not in place/effective in relation to the Title I Annual Expenditure Reports filed during the audit period.

Status of Audit Finding:

Fully Corrected and the original corrective action was implemented. When expenditure reports are completed for submission, they are reviewed by the controller for accuracy. Both the treasurer and the grants coordinator sign the reports. A Grants and Assessment Coordinator position was created in May 2022. One of the essential functions of this position is maintaining current and accurate records related to federal and state grants. Starting in January 2023, in addition to the Grants and Assessment Coordinator, a member of the business department became a second reviewer and signs the final (annual) expenditure reports.

Response Comments:

FERs/APRs are signed by the Grants Coordinator and a representative (controller or CFO) of the business department for submission.



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-006

Fiscal year in which the finding initially occurred: 2021

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

Finding Subject: Earmarking / Set Aside of Parental Involvement Funds

Summary of Finding:

Earmarking. Of the \$7,139.98 set-aside for the SY 20 Grant it was determined that only \$2,284.50 was spent on Parent Involvement. Of the \$6,817.51 set-aside for the SY 21 Grant, only \$95.78 was spent during the audit period.

Status of Audit Finding:

Fully Corrected and the original corrective action was implemented. In order to address the issue related to earmarking and set-asides within Title I not be completed, Concord Community Schools created a Grants and Assessment Coordinator position in May 2022. One of the essential functions of this position is maintaining current and accurate records related to federal and state grants. The 33000 Account codes are used specifically for the parental involvement funds in order to accurately account for these expenses and that minimum set asides are spent each year.

Response Comments:

In FY23 and FY24 more than the minimum was spent for the parental involvement set asides due to having parent liaisons at two of our Title I elementary schools. Our required 1% parental involvement set aside is less than \$10,000 annually, so we spend over triple that amount annually on these positions.



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-007

Fiscal year in which the finding initially occurred: 2021

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

Finding Subject: Timely submission of ESSER Reports and Internal Controls

Summary of Finding:

ESSER reports, including Annual Expenditure reports and data requests were not submitted to the IDOE in a timely manner and were not verified by a second reviewer for accuracy.

Status of Audit Finding:

Fully Corrected and the original corrective action was implemented. When required annual federal grant reports are completed for submission, they are reviewed by the treasurer/controller for accuracy. Both the treasurer and the grants coordinator sign off on the reports.

Response Comments:

ESSER funds were all expended by August of 2024, so there will not be any more reports or reimbursement claims submitted related to these grants.



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-008

Fiscal year in which the finding initially occurred: 2021

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

Finding Subject: Proof of Consultation with Non-Public Schools

Summary of Finding:

Concord was unable to find proof that consultation had occurred with all non-public school for the GEER grant.

Status of Audit Finding:

Fully Corrected and the original corrective action was implemented. Prior to the submission of the Title I application annually, the federal grants coordinator consults with all non-public schools within our district boundaries as listed by the IDOE in the grant application portal. The signed consultation forms are required to be included as part of the submission of the annual Title pre-application by the IDOE. The consultation forms are also uploaded to the IDOE's Title I Programs Application Center as attachments. The corporation treasurer verifies that consultation forms are signed and uploaded in the Application Center before the initial grant application budget is submitted for review.

Response Comments:

The IDOE requires all consultation forms be submitted along with the Title pre-application each year and will not approve any preapplication without proof of consultation each year. This was a new process started by the IDOE to ensure that the consultation was occurring. LEAs can not receive Title funding without including these consultation forms.



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CORRECTIVE ACTION PLAN

FINDING 2024-001

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

Contact Person Responsible for Corrective Action: Jim Evans

Contact Phone Number: (574) 875-5161

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

To prevent the over statement of items on the Schedule of Expenditures of Federal Awards (SEFA), an internal control system will be put into place that includes running an adding machine tape to verify the amounts listed on the SEFA.

Anticipated Completion Date: August 15, 2025

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/>.