

**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

SOUTHWEST DUBOIS COUNTY SCHOOL CORPORATION

DUBOIS COUNTY, INDIANA

July 1, 2022 to June 30, 2024



**FILED**

03/11/2025



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chief Financial Officer	Allison Pund	07-01-22 to 06-30-25
Superintendent of Schools	Timothy LaGrange	07-01-22 to 09-22-23
	(Vacant)	09-23-23 to 09-30-23
	Chip Mehaffey	10-01-23 to 06-30-25
President of the School Board	Jon Menke	07-01-22 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 SOUTHWEST DUBOIS COUNTY  
SCHOOL CORPORATION, DUBOIS 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 Southwest Dubois County School Corporation (School Corporation), for the period of July 1, 2022 to June 30, 2024, and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement and have issued our report thereon dated February 26, 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 a deficiency in internal controls, 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 is described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001.

***Southwest Dubois County School Corporation's Response to Findings***

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

***Purpose of This Report***

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



Beth Kelley, CPA, CFE  
Deputy State Examiner

February 26, 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 SOUTHWEST DUBOIS COUNTY  
SCHOOL CORPORATION, DUBOIS COUNTY, INDIANA

## Report on Compliance for Each Major Federal Program

### ***Qualified and Unmodified Opinions***

We have audited the Southwest Dubois County School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2022 to June 30, 2024. The School Corporation's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings and Questioned Costs.

### ***Qualified Opinion on Child Nutrition Cluster***

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 Child Nutrition Cluster 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.

### **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.

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)

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 Child Nutrition Cluster*

As described in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding 10.553 Child Nutrition Cluster, 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.

**Responsibilities of Management for Compliance**

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

**Auditor's Responsibilities for the Audit of Compliance**

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

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

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

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)

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

**Other Matters**

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

**Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as 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.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statement of the School Corporation, as of and for the period of July 1, 2022 to June 30, 2024, and the related notes to the financial statement. We issued our report thereon dated February 26, 2025, which contained a dual opinion on the financial statement. An adverse opinion was issued regarding the presentation in accordance with accounting principles generally accepted in the United States of America, and an unmodified opinion was issued regarding the presentation in accordance with the regulatory basis of accounting. Our audit was performed for the purpose of forming an opinion on the financial statement as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement as a whole.



Beth Kelley, CPA, CFE  
Deputy State Examiner

February 26, 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.



SOUTHWEST DUBOIS COUNTY SCHOOL CORPORATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2023 and 2024

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 06-30-24
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553			
School Breakfast Program			FY 2023	\$ 166,999	\$ -
School Breakfast Program			FY 2024	-	208,742
Total - School Breakfast Program				<u>166,999</u>	<u>208,742</u>
National School Lunch Program					
National School Lunch Program	Indiana Department of Education	10.555			
National School Lunch Program			FY 2023	766,364	-
National School Lunch Program			FY 2024	-	856,510
Commodities			FY 2023 / FY 2024	67,790	97,721
Total - National School Lunch Program				<u>834,154</u>	<u>954,231</u>
Summer Food Service Program for Children					
Summer Food Service Program for Children	Indiana Department of Education	10.559			
Summer Food Service Program for Children			FY 2023	34,035	-
Summer Food Service Program for Children			FY 2024	-	47,533
Total - Summer Food Service Program for Children				<u>34,035</u>	<u>47,533</u>
Total - Child Nutrition Cluster				<u>1,035,188</u>	<u>1,210,506</u>
Total - Department of Agriculture				<u>1,035,188</u>	<u>1,210,506</u>
<u>Federal Communications Commission</u>					
Emergency Connectivity Fund Program					
Emergency Connectivity Fund	Universal Service Administrative Company	32.009			
Emergency Connectivity Fund			2022/2023	303,141	-
Emergency Connectivity Fund			2023/2024	-	21,111
Total - Emergency Connectivity Fund Program				<u>303,141</u>	<u>21,111</u>
Total - Federal Communications Commission				<u>303,141</u>	<u>21,111</u>
<u>Department of Education</u>					
Special Education Cluster (IDEA)					
Special Education Grants to States	Indiana Department of Education	84.027			
ParaPro Training Grant			2023/2024	-	22,142
FY 2022 Part B 611 IDEA			22611-009-PN01	223,687	-
FY 2023 Part B IDEA 611			23611-009-PN01	240,500	245,426
FY 2024 Part B 611 IDEA			24611-009-PN01	-	272,016
Subtotal - Special Education Grants to States				<u>464,187</u>	<u>539,584</u>
COVID-19 - Special Education Grants to States					
FY 2022 PART B ARP	Indiana Department of Education	84.027X			
			22611-009-ARP	57,901	10,655
Total - Special Education Grants to States				<u>522,088</u>	<u>550,239</u>

SOUTHWEST DUBOIS COUNTY SCHOOL CORPORATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2023 and 2024

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 06-30-24
Special Education Preschool Grants	Indiana Department of Education	84.173			
FY 2022 Part B 619 Preschool			22619-009-PN01	1,804	-
FY 2023 Part B 619 Preschool			23619-009-PN01	14,988	3,207
FY 2024 Part B 619 Preschool			24619-009-PN01	-	16,660
Subtotal - Special Education Preschool Grants				<u>16,792</u>	<u>19,867</u>
COVID-19 - Special Education Preschool Grants	Indiana Department of Education	84.173X			
FY 2022 Part B Preschool ARP			22619-009-ARP	5,871	632
Total - Special Education Preschool Grants				<u>22,663</u>	<u>20,499</u>
Total - Special Education Cluster (IDEA)				<u>544,751</u>	<u>570,738</u>
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010			
Title I 2021-2022			S010A210014	10,851	-
Title I 2022-2023			S010A220014	155,884	22,299
Title I 2023-2024			S010A230014	-	236,195
Total - Title I Grants to Local Educational Agencies				<u>166,735</u>	<u>258,494</u>
Migrant Education State Grant Program	Indiana Department of Education	84.011			
SIEC Migrant Education 2020-2022			S011A200014	642,496	46,137
SIEC Migrant Education 2021-2023			S011A210014	304,175	542,235
SIEC Migrant Education 2022-2024			S011A220014	-	338,091
SIEC Migrant Education 2023-2025			S011A230014	-	9,660
SIEC Migrant Education 2019-2021			S011A190014	316,785	-
Total - Migrant Education State Grant Program				<u>1,263,456</u>	<u>936,123</u>
Special Education - State Personnel Development	Indiana University	84.323			
ICTQ Grant			2022/2023	45,184	-
ICTQ Grant			2023/2024	-	45,184
Total - Special Education - State Personnel Development				<u>45,184</u>	<u>45,184</u>
English Language Acquisition State Grants	Indiana Department of Education	84.365			
SIEC Title III 2020-2022			S365A190014	17,239	-
Title III 2020-2022			S365A190014	3,366	-
SIEC Title III 21-23			S365A210014	29,865	385
Title III 21-23			S365A210014	29,228	11,372
SIEC Title III 2022-2024			S365A220014	2,500	29,999
Title III 22-24			S365A220014	-	32,141
Title III 2023-2025			S365A230014	-	1,950
Total - English Language Acquisition State Grants				<u>82,198</u>	<u>75,847</u>

SOUTHWEST DUBOIS COUNTY SCHOOL CORPORATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2023 and 2024

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 06-30-24
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	Indiana Department of Education	84.367			
Title II 2019-2021			S367A190013	112	-
Title II 2020-2022			S367A200013	10,110	-
Title II 21-23			S367A210013	36,106	3,385
Title II 22-24			S367A220013	-	39,613
Title II 2023-2025			S367A230013	-	24,647
Total - Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)				<u>46,328</u>	<u>67,645</u>
Education Innovation and Research (formerly Investing in Innovation (i3) Fund) REC N Grant	University of Indianapolis	84.411	U411B190018	21,742	56,135
Student Support and Academic Enrichment Program	Indiana Department of Education	84.424			
Title IV 2021-2023			S424A210015	4,539	180
Title IV 2022-2024			S424A220015	-	12,948
Title IV 2023-2025			S424A230015	-	9,095
Total - Student Support and Academic Enrichment Program				<u>4,539</u>	<u>22,223</u>
COVID-19 - Education Stabilization Fund	Indiana Department of Education				
SIEC - 3E Grant		84.425U	S425U210013	255,049	549,044
ESSER II		84.425D	S425D210013	99,085	230,784
Employability Skills Innovation and Implementation Grant		84.425D	S425D210013	308,555	13,749
SIEC REACH Cohort 2 Grant Program		84.425U	S425U210013	140,521	202,704
SIEC REACH 21st Century Grant Program		84.425U	S425U210013	-	67,400
ESSER III		84.425U	S425U210013	162,919	324,735
Total - COVID-19 - Education Stabilization Fund				<u>966,129</u>	<u>1,388,416</u>
Total - Department of Education				<u>3,141,062</u>	<u>3,420,805</u>
<b>Department of Health and Human Services</b>					
Medicaid Cluster					
Medical Assistance Program	Family and Social Services Administration	93.778	FY 22-24	14,048	35,047
Medicaid Assistance Program	Indiana Department of Education	93.778	FY 22-24	15,381	22,554
Total - Medical Assistance Program				<u>29,429</u>	<u>57,601</u>
Total - Medicaid Cluster				<u>29,429</u>	<u>57,601</u>
Total - Department of Health and Human Services				<u>29,429</u>	<u>57,601</u>
<b>Total federal awards expended</b>				<u>\$ 4,508,820</u>	<u>\$ 4,710,023</u>

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

SOUTHWEST DUBOIS COUNTY SCHOOL CORPORATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Summary of Significant Accounting Policies**

*A. Basis of Presentation*

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal award activity of the School Corporation under programs of the federal government for the years ended June 30, 2023 and 2024. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

The Uniform Guidance requires an annual audit of non-federal entities expending a total amount of federal awards equal to or in excess of \$750,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

*B. Other Significant Accounting Policies*

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

**Note 2. Indirect Cost Rate**

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

**Note 3. Exceptional Children's Cooperative**

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

**Note 4. GEER I Fiscal Agent**

The School Corporation was a participant in a joint application with other Local Education Agencies (LEAs) to receive GEER I funding from the COVID-19 - Education Stabilization Fund through the Indiana Department of Education (IDOE). The School Corporation serves as the fiscal agent for the grant. As a result, some of the activity for the GEER I award that is presented as receipts and disbursements on the financial statement is not presented as federal awards expended on the SEFA for the School Corporation. This activity is reported on the SEFAs of each participating LEAs as appropriate.

SOUTHWEST DUBOIS COUNTY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I - Summary of Auditor's Results**

Financial Statement:

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

Federal Awards:

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

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

Assistance Listings Number	Name of Federal Program or Cluster	Opinion Issued
84.011	Child Nutrition Cluster Migrant Education State Grant Program Special Education Cluster (IDEA)	Qualified Unmodified 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

**Section II - Financial Statement Findings**

**FINDING 2024-001**

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

SOUTHWEST DUBOIS COUNTY SCHOOL CORPORATION  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 (Continued)

*Condition and Context*

The Annual Financial Report (AFR) is required to be submitted annually via the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the School Corporation's financial statement. The School Corporation had not established effective internal controls over the financial information entered into the AFR. The Chief Financial Officer compiled, reviewed, and entered the School Corporation's financial information in the AFR; however, there was no evidence of review or oversight that the information was accurate and did not detect and allow correction of all errors prior to submission.

Due to the lack of effective internal controls, the financial statement presented for audit did not properly reflect the financial activity of the School Corporation. The following errors were noted:

- The activity of the Self-Insurance fund was not reported on the financial statement. The School Corporation utilized a third-party administrator to administer the School Corporation Self-Insurance fund. The administrator provided the School Corporation with a detailed reconciliation worksheet showing the trust's monthly income, expenditures, and ending cash balances.
- The Together We Will Grant receipts and disbursements were also omitted from the financial statement.
- The Ridge Clearing Account funds were not reported accurately.

These errors resulted in an understatement of the funds as follows:

Fund	Cash and Investments 07-01-22			Cash and Investments 06-30-23			Cash and Investments 06-30-24		
	Receipts	Disbursements		Receipts	Disbursements		Receipts	Disbursements	
Self-Insurance	\$ 5,888,758	\$ 2,376,076	\$ 2,525,494	\$ 5,739,340	\$ 3,627,681	\$ 3,457,871	\$ 5,909,150		
Together We Will Grant	-	6,442	6,442	-	-	-	-		
Ridge Clearing Account	-	41,442	41,442	-	31,290	31,290	-		
<b>Total</b>	<u>\$ 5,888,758</u>	<u>\$ 2,423,960</u>	<u>\$ 2,573,378</u>	<u>\$ 5,739,340</u>	<u>\$ 3,658,971</u>	<u>\$ 3,489,161</u>	<u>\$ 5,909,150</u>		

Adjustments were proposed, accepted by the School Corporation, and made to the financial statement and to the Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis presented as Other Information in the Financial Statement Audit Report for the School Corporation.

*Criteria*

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

SOUTHWEST DUBOIS COUNTY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

"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. . . ."

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](#)."

*Cause*

The Chief Financial Officer compiled, reviewed, and entered the School Corporation's financial information in Gateway. There was no oversight that the information submitted was accurate. Due to the change in the source data for the financial statements from the Form 9 submitted to the Indiana Department of Education to the AFR, the officials were not aware that the AFR should also be reviewed.

*Effect*

Without a proper system of internal controls in place that operated effectively, material misstatement of the financial statement remained undetected. The financial statement contained errors identified in the *Condition and Context*. Misstatement of the financial statement could mislead the readers of the financial statement, which could result in improper decision making.

*Views of Responsible Officials*

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

SOUTHWEST DUBOIS COUNTY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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

**FINDING 2024-002**

Subject: Child Nutrition Cluster - Eligibility and Special Tests  
and Provisions - Non-Profit School Food Accounts  
Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program,  
Summer Food Service Program for Children  
Assistance Listings Numbers: 10.553, 10.555, 10.559  
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2023, FY 2024  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirements: Eligibility, Special Tests and Provisions - Non-Profit School Food Accounts  
Audit Finding: Material Weakness

*Condition and Context*

*Eligibility*

Any child enrolled in a participating school who meets the applicable program's definition of "child," may receive meals under the applicable programs. A child belonging to households meeting nationwide income eligibility requirements may receive meals at no charge or at a reduced price. Children that have been determined ineligible for free or reduced-price meals pay the full price for their meals. A child's eligibility for free and reduced-priced meals under a Child Nutrition Cluster program may be established by the submission of an annual application or statement which furnished such information as family income and family size. The School Corporation determines eligibility by comparing the data reported by the child's household to published income eligibility guidelines. Annual eligibility determinations may also be based on the child's household receiving benefits under SNAP, FDPIR, the Head Start Program, or, under most circumstances, the TANF program. A household may furnish documentation if its participation in one of those programs, or the School Corporation may obtain the information directly from the State or local agency that administers those programs. Certain foster, runaway, homeless, and migrant children are categorically eligible for free school lunches and breakfasts. Direct certified households do not need to complete an application.

Paper applications and online applications are processed in the School Corporation's software system to determine if students are eligible for free or reduced meals. Paper applications are input by the Food Service Director for all schools except one. These applications are input by a long-term cafeteria employee and the Food Service Director reviews the data; however, no evidence was provided to show this review. Online applications are directly submitted by parents. A random review of applications is performed by the Food Service Director; however, there was no documentation provided to show this review. The software's determination of eligibility is recalculated by the Food Service Director without an oversight or review process in place to ensure accuracy. Additionally, the Food Service Director downloaded the Direct Certifications file from the CNC Web Portal and uploaded the file into the School Corporation's software on a monthly basis without a documented oversight or review process in place to ensure directly certified students were properly processed.

SOUTHWEST DUBOIS COUNTY SCHOOL CORPORATION  
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(Continued)

*Special Tests and Provisions - Non-Profit School Food Accounts*

The School Corporation had established an internal control process where the Food Service Director maintained accurate reports and records and provided the information to the School Corporation Chief Financial Officer. However, there was no evidence of that review.

The lack of internal controls was systemic throughout the audit period for the Eligibility and the Special Tests and Provisions - Non-Profit School Food Accounts compliance requirements.

*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). . . ."

*Cause*

Although the School Corporation had designed a system of internal controls, there was no documented evidence of the implementation of the internal control process. Due to the lack of documentation, it could not be determined if the School Corporation and the Food Service Director had developed a system of internal controls that would have ensured compliance with the grant agreement, the Eligibility, and the Special Tests and Provisions - Non-Profit School Food Accounts compliance requirements.

*Effect*

The lack of an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements listed above. Without a proper system of internal controls over eligibility, improper determination could go undetected and result in incorrect prices charged to students and improper claiming of federal reimbursement. Without a proper system of internal controls over the Special Tests and Provisions - Non-Profit School Food Accounts, improper reporting of receipts and disbursements could remain undetected and result in improper reporting on the financial statement of the School Corporation.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish a system of internal controls and provide documentation of those internal controls to ensure compliance and comply with the grant agreement, the Eligibility, and the Special Tests and Provisions - Non-Profit School Food Accounts compliance requirements.

SOUTHWEST DUBOIS COUNTY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*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: Child Nutrition Cluster - Procurement and Suspension and Debarment  
Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program,  
Summer Food Service Program for Children  
Assistance Listings Numbers: 10.553, 10.555, 10.559  
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2023, FY 2024  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Procurement and Suspension and Debarment  
Audit Findings: Material Weakness, Modified Opinion

*Condition and Context*

An effective internal control system, which would include segregation of duties, was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

*Procurement*

Federal regulations allow for informal procurement methods when the value of the procurement for property or services does not exceed the simplified acquisition threshold, which is set at \$250,000 unless a lower, more restrictive threshold is set by a nonfederal entity. As Indiana Code has set a more restrictive threshold of \$150,000, informal procurement methods are permitted when the value of the procurement does not exceed \$150,000. This informal process allows for methods other than the formal bid process. The informal process is divided between two methods based on thresholds. Micro-purchases, typically for those purchases \$10,000 or under, and small purchase procedures for those purchases above the micro-purchase threshold, but below the simplified acquisition threshold. Micro-purchases may be awarded without soliciting competitive price rate quotations. If small purchase procedures are used, then price or rate quotations must be obtained from an adequate number of qualified sources.

During the audit period, the School Corporation had two vendors, totaling \$900,414, that were considered simplified acquisition purchases. Both vendors were selected for testing. For one vendor in both fiscal years, the School Corporation procured more than \$150,000 in services without providing bid tabulations or evaluation criteria for awarding the bid and without obtaining a contract agreement. For the other vendor, services were properly procured; however, the School Corporation did not have a contract with this vendor.

During the audit period, the School Corporation had nine vendors, totaling \$324,810, that were considered small purchases. Two vendors were selected for testing. For one vendor during the fiscal year 2022-2023, the School Corporation procured \$12,830 in services and could not provide evidence of open competition or quotes for the purchase.

SOUTHWEST DUBOIS COUNTY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

During the audit period, the School Corporation had 122 transactions, totaling \$106,328, that were considered micro-purchases. Eighteen transactions were selected for testing. Three of the transactions sampled did not include the approval of the Food Service Director per the internal control process. The internal control was not properly implemented.

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

Upon inquiry of the School Corporation, in order to review the procedures in place verifying that a vendor with which it plans to enter into a covered transaction is not suspended, debarred, or otherwise excluded, the School Corporation disclosed that the Food Service Director verified vendors were not suspended or debarred by reviewing the SAMs exclusions. The School Corporation had three vendors in both fiscal years, and one vendor in 2022-2023 had incurred more than \$25,000 in covered transactions, totaling \$1,150,939. The School Corporation did not maintain documentation to show that the vendor was verified for suspension and debarment status prior to payment.

*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 200.318 states in part:

"(a) The non-Federal entity must have and use documented procurement procedures, consistent with State, local, and tribal laws and regulations and the standards of this section, for the acquisition of property or services required under a Federal award or subaward. The non-Federal entity's documented procurement procedures must conform to the procurement standards identified in §§ 200.317 through 200.327. . . ."

(i) The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to, the following: Rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price. . . ."

SOUTHWEST DUBOIS COUNTY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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:

(1) *Micro-purchases*— . . .

(ii) *Micro-purchase awards.* Micro-purchases may be awarded without soliciting competitive price or rate quotation if the non-Federal entity considers the price to be reasonable based on research, experience, purchase history or other information and documents it files accordingly. . . .

(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. . . .

(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.

(i) In order for sealed bidding to be feasible, the following conditions should be present:

(A) A complete, adequate, and realistic specification or purchase description is available;

SOUTHWEST DUBOIS COUNTY SCHOOL CORPORATION  
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(Continued)

- (B) Two or more responsible bidders are willing and able to compete effectively for the business; and
  - (C) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.
- (ii) If sealed bids are used, the following requirements apply:
- (A) Bids must be solicited from an adequate number of qualified sources, providing them sufficient response time prior to the date set for opening the bids, for local, and tribal governments, the invitation for bids must be publicly advertised;
  - (B) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
  - (C) All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;
  - (D) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
  - (E) Any or all bids may be rejected if there is a sound documented reason.
- (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. They are awarded in accordance with the following requirements:
- (i) Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Proposals must be solicited from an adequate number of qualified offerors. Any response to publicized requests for proposals must be considered to the maximum extent practical;
  - (ii) The non-Federal entity must have a written method for conducting technical evaluations of the proposals received and making selections;
  - (iii) Contracts must be awarded to the responsible offeror whose proposal is most advantageous to the non-Federal entity, with price and other factors considered; and

SOUTHWEST DUBOIS COUNTY SCHOOL CORPORATION  
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(Continued)

(iv) The non-Federal entity may use competitive proposal procedures for qualifications based procurement of architectural/engineering (A/E) professional services whereby offeror's qualifications are evaluated and the most qualified offeror is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services through A/E firms that are a potential source to perform the proposed effort. . . ."

Indiana Code 5-22-8-3 states in part:

"(a) This section applies only if the purchasing agency expects the purchase to be:

- (1) at least fifty thousand (\$50,000); and
- (2) not more than one fifty thousand (\$150,000).

(b) A purchasing agent may purchase supplies under this section by inviting quotes from at least three (3) persons known to deal in the lines or classes of supplies to be purchased. . . .

(d) If the purchasing agency receives a satisfactory quote, the purchasing agent shall award a contract to the lowest responsible and responsive offeror for each line or class of supplies required. . . ."

2 CFR 180.300 states:

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

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

*Cause*

There was no documented evidence of the internal control process. The School Corporation and the Food Service Director had not developed an adequate system of internal controls that would ensure compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement. According to the Food Service Director and the Chief Financial Officer, due to the change of the Food Service Director, the School Corporation did not have the proper safeguards in place to ensure that the documentation was properly maintained. As a result, the Chief Financial Officer and the Food Service Director were unable to locate the documentation for each procurement method.

SOUTHWEST DUBOIS COUNTY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Effect*

The School Corporation was not able to provide the documentation that they followed the proper procurement procedures or that they verified vendors were not suspended or debarred. By not following proper procurement procedures, the School Corporation may not be receiving the most competitive pricing. If the School Corporation does not verify that vendors are not suspended or debarred, the School Corporation may be purchasing from vendors that are not eligible to receive federal funds.

Without a proper system of internal controls in place that operated effectively, material noncompliance remained undetected. Noncompliance with the provisions of federal statutes, regulations, and the terms and conditions of the federal award could result in the loss of future federal funding to the School Corporation.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommend that management of the School Corporation establish a proper system of internal controls and develop policies and procedures to ensure there are appropriate procurement procedures for goods and services and contractors and subrecipients, as appropriate, are not suspended, debarred, or otherwise excluded prior to entering into any contracts or subawards. Documentation of all procurement and suspension and debarment activities should be maintained.

*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.



**Chip Mehaffey, Superintendent**

Melissa Boeglin, Director of Curriculum

Allison Pund, Chief Financial Officer

Corey Steckler, Director of Facilities

Rossina Sandoval, Director of Community Engagement

April Trayweek, Executive Secretary

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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2022-001***

**Fiscal year in which the finding initially occurred: 2022**

**Current Audit Period: 07/01/2022 to 06/30/2024**

**Finding Subject: COVID-19 – Education Stabilization Fund – Allowable Costs/Cost Principles**

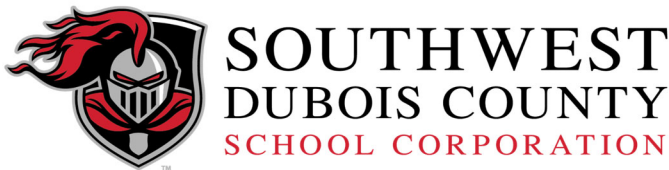
#### **Summary of Finding:**

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

State Board of Accounts recommended that the School Corporation's management establish internal controls to ensure compliance and comply with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

#### **Status of Audit Finding:**

Fully Corrected and the original corrective action was implemented.



**Chip Mehaffey, Superintendent**

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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2022-002**

Fiscal year in which the finding initially occurred: **2022**

Current Audit Period: 07/01/2022 to 06/30/2024

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

#### **Summary of Finding:**

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirement. State Board of Accounts recommended that the School Corporation's management establish internal controls to ensure compliance and comply with the grant agreement and the Reporting compliance requirement.

#### **Status of Audit Finding:**

*Fully Corrected and the original corrective action was implemented.*



**Chip Mehaffey, Superintendent**

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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2022-003***

**Fiscal year in which the finding initially occurred: 2022**

**Current Audit Period: 07/01/2022 to 06/30/2024**

**Finding Subject: Child Nutrition Cluster - Reporting**

### **Summary of Finding:**

An internal control system was designed and implemented, but not effective, at the School Corporation to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirement. State Board of Accounts recommended that the School Corporation's management establish a system of internal controls to ensure compliance and comply with the Reporting compliance requirement.

### **Status of Audit Finding:**

Fully Corrected and the original corrective action was implemented.



**Chip Mehaffey, Superintendent**

Melissa Boeglin, Director of Curriculum

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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2022-004***

**Fiscal year in which the finding initially occurred: 2022**

**Current Audit Period: 07/01/2022 to 06/30/2024**

**Finding Subject: Special Education Cluster (IDEA) - Earmarking**

### **Summary of Finding:**

The School Corporation did not have internal controls in place to ensure that the Cooperative complied with the earmarking requirements. The Cooperative did not have adequate procedures in place to ensure that the required level of expenditures for non-public school students with disabilities was met for each member school. The Cooperative did not have effective internal controls to ensure non-public school expenditures were appropriately identified and reported.

### **Status of Audit Finding:**

Fully Corrected and the original corrective action was implemented.



## CORRECTIVE ACTION PLAN

### **FINDING 2024-001**

**Finding Subject:** Financial Transactions and Reporting

**Summary of Finding:**

The School Corporation did not have a proper system of internal controls over information entered into the annual financial report causing a material misstatement of the financial statement to go undetected.

**Contact Person Responsible for Corrective Action:** Allison Pund

**Contact Phone Number and Email Address:** 812-683-3971 x5002; [punda1@swdubois.k12.in.us](mailto:punda1@swdubois.k12.in.us)

**Views of Responsible Officials:**

*We concur with the finding.*

**Explanation and Reasons for Disagreement:** NA

**Description of Corrective Action Plan:**

The School Corporation will put proper internal controls in place to prevent errors in the annual financial report. This will be accomplished by creating procedures where an individual not submitting the annual financial report will check and sign off on it before it is submitted.

**Anticipated Completion Date:**

August 2025



**Chip Mehaffey, Superintendent**

Melissa Boeglin, Director of Curriculum

Allison Pund, Chief Financial Officer

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## CORRECTIVE ACTION PLAN

### **FINDING 2024-002**

**Finding Subject:** Child Nutrition Cluster – Eligibility and Special Tests and Provisions – Non-Profit School Food Accounts

**Summary of Finding:**

Documented evidence of the implementation of the internal controls was not maintained. Due to the lack of controls, it could not be determined if the School Corporation ensured compliance with Eligibility and Non-Profit School Food Accounts.

**Contact Person Responsible for Corrective Action:** Allison Pund and Margaret Leavitt

**Contact Phone Number and Email Address:** 812-683-3971 x5002; [punda1@swdubois.k12.in.us](mailto:punda1@swdubois.k12.in.us);  
[leavittm@swdubois.k12.in.us](mailto:leavittm@swdubois.k12.in.us)

**Views of Responsible Officials:**

*We concur with the finding.*

**Explanation and Reasons for Disagreement:** NA

**Description of Corrective Action Plan:**

The School Corporation will document the internal controls that are in place. This will be completed by ensuring signatures or initials are acquired for internal controls that are in place.

**Anticipated Completion Date:**

August 2025



**Chip Mehaffey, Superintendent**

Melissa Boeglin, Director of Curriculum

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## CORRECTIVE ACTION PLAN

### **FINDING 2024-003**

**Finding Subject:** Child Nutrition Cluster – Procurement and Suspension and Debarment

**Summary of Finding:**

Documented evidence of the implementation of the control process was not maintained. Due to the lack of controls, it could not be determined that the school corporation ensured compliance with the grant agreement. Proper safeguards were not in place to ensure that documentation was properly maintained, causing the CFO and Food Service Director to be unable to locate the documentation for each procurement method.

**Contact Person Responsible for Corrective Action:** Allison Pund and Margaret Leavitt

**Contact Phone Number and Email Address:** 812-683-3971 x5002; [punda1@swdubois.k12.in.us](mailto:punda1@swdubois.k12.in.us);  
[leavittm@swdubois.k12.in.us](mailto:leavittm@swdubois.k12.in.us)

**Views of Responsible Officials:**

*We concur with the finding.*

**Explanation and Reasons for Disagreement:** NA

**Description of Corrective Action Plan:**

The School Corporation will establish a proper system of internal control and develop policies and procedures to ensure all requirements are followed. Creation of these policies and procedures will be created by the CFO and Food Service Director. Internal controls will be put in place to ensure these policies and procedures are followed. In addition, the Food Service Director will maintain all bids, contracts, and other documentation to support the procurement methods used and will verify suspension and debarment prior to entering into covered transactions of \$25,000 or more.

**Anticipated Completion Date:**

August 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/>.