

**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

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION

HUNTINGTON COUNTY, INDIANA

July 1, 2022 to June 30, 2024



FILED

03/31/2025

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Edette L. Eckert Stanley Hall (interim) Alexandria Eckert	07-01-22 to 01-08-24 01-09-24 to 02-19-24 02-20-24 to 06-30-25
Superintendent of Schools	Charles D. Daugherty John Trout	07-01-22 to 07-29-22 07-30-22 to 06-30-25
President of the School Board	Matt J. Roth Tim Allen	07-01-22 to 12-31-24 01-01-25 to 06-30-25



Paul D. Joyce, CPA
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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 HUNTINGTON COUNTY COMMUNITY
SCHOOL CORPORATION, HUNTINGTON 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 Huntington County Community School Corporation (School Corporation), for the period of July 1, 2022 to June 30, 2024, and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement and have issued our report thereon dated March 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 certain deficiencies in internal control, as described in the accompanying Schedule of Findings and Questioned Costs as items 2024-001 and 2024-002, that we consider to be material weaknesses.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2024-001 and 2024-002.

Huntington County Community School Corporation's Response to Findings

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

Purpose of This Report

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



Beth Kelley, CPA, CFE
Deputy State Examiner

March 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 HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION, HUNTINGTON COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

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

Qualified Opinion on Special Education Cluster (IDEA)

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

Qualified Opinion on COVID-19 - Education Stabilization Fund

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 COVID-19 - Education Stabilization Fund for the period of July 1, 2022 to June 30, 2024.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2022 to June 30, 2024.

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

Basis for Qualified and Unmodified Opinions

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

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

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

As described in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding the Special Education Cluster (IDEA), as described in item 2024-012 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.

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

As described in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding 84.425 COVID-19 - Education Stabilization Fund, as described in item 2024-014 for Special Tests and Provisions - Wage Rate Requirements. 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.

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

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

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2024-005, 2024-006, and 2024-010. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. 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 2024-003, 2024-004, 2024-005, 2024-006, 2024-007, 2024-008, 2024-009, 2024-010, 2024-011, 2024-012, 2024-013, and 2024-014, 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 March 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

March 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.



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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-23	Total Federal Awards Expended 06-30-23	Passed Through to Subrecipient 06-30-24	Total Federal Awards Expended 06-30-24
Department of Agriculture							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
School Breakfast			2022-23	\$ -	\$ 599,271	\$ -	\$ -
School Breakfast			2023-24	-	-	-	591,284
Total - School Breakfast Program				-	599,271	-	591,284
National School Lunch Program							
School Lunch	Indiana Department of Education	10.555					
School Lunch			2022-23	-	1,889,848	-	-
School Lunch Commodities			2023-24	-	-	-	1,569,231
School Lunch Commodities			FY23	-	245,660	-	-
SNP Emergency Funds			FY24	-	-	-	260,898
SNP Emergency Funds			FY23	-	232,508	-	-
SNP Emergency Funds			FY24	-	-	-	147,981
Total - National School Lunch Program				-	2,368,016	-	1,978,110
Summer Food Service Program for Children							
Summer Food Service Program	Indiana Department of Education	10.559					
Summer Food Service Program			FY23	-	86,532	-	-
Summer Food Service Program			FY24	-	-	-	52,792
Total - Summer Food Service Program for Children				-	86,532	-	52,792
Total - Child Nutrition Cluster							
				-	3,053,819	-	2,622,186
COVID-19 - Pandemic EBT Administrative Costs							
COVID-19 - Pandemic EBT Administrative Costs	Indiana Department of Education	10.649					
			FY23	-	3,135	-	-
Total - Department of Agriculture				-	3,056,954	-	2,622,186
Department of Defense							
ROTC Language and Culture Training Grants							
Fund 101 FY 2022-23	Army ROTC	12.357					
Fund 101 FY 2023-24			FY 2022-23	-	24,125	-	-
			FY 2023-24	-	-	-	51,767
Total - Department of Defense				-	24,125	-	51,767
Federal Communications Commission							
COVID-19 - Emergency Connectivity Fund Program							
7921 ECF Grant	Direct Grant	32.009					
			FY23	-	1,804,185	-	-
Total - Federal Communications Commission				-	1,804,185	-	-
Department of Education							
Special Education Cluster (IDEA)							
Special Education Grants to States							
Fund 5243 IDEA Part B FY21	Indiana Department of Education	84.027					
Fund 5244 IDEA Part B FY22			21611-027-PN01	-	8,610	-	-
Fund 5245 IDEA Part B FY23			22611-027-PN01	-	417,723	-	6,559
Fund 5246 IDEA Part B FY24			23611-027-PN01	-	747,721	-	548,868
Fund 5215 Paraprofessional Training Grant FY24			24611-027-PN01	-	-	-	724,823
			Para Training Grant FY24	-	-	-	13,508
Subtotal - Special Education Grants to States				-	1,174,054	-	1,293,758

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-23	Total Federal Awards Expended 06-30-23	Passed Through to Subrecipient 06-30-24	Total Federal Awards Expended 06-30-24
COVID-19 - Special Education Grants to States COVID-19 - Fund 7911/ARP 611 IDEA	Indiana Department of Education	84.027X	22611-027-ARP	-	111,574	-	166,911
Total - Special Education Grants to States				-	1,285,628	-	1,460,669
Special Education Preschool Grants Fund 5484 IDEA Part B Preschool FY22 Fund 5485 IDEA Part B Preschool FY23 Fund 5486 IDEA Part B Preschool FY24	Indiana Department of Education	84.173	22619-027-PN01 23619-027-PN01 24619-027-PN01	- - -	9,412 42,576 -	- - -	- 7,369 50,051
Subtotal - Special Education Preschool Grants				-	51,988	-	57,420
COVID-19 - Special Education Preschool Grants COVID-19 - Fund 7912/ARP 619 IDEA	Indiana Department of Education	84.173X	22619-027-ARP	-	20,788	-	-
Total - Special Education Preschool Grants				-	72,776	-	57,420
Total - Special Education Cluster (IDEA)				-	1,358,404	-	1,518,089
Title I Grants to Local Educational Agencies Fund 4154/Title I FY22 Fund 4155 Title I FY23 Fund 4156 Title I FY24	Indiana Department of Education	84.010	S010A210014 S010A220014 S010A230014	- - -	248,626 614,491 -	- - -	- 197,747 689,983
Total - Title I Grants to Local Educational Agencies				-	863,117	-	887,730
Career and Technical Education -- Basic Grants to States Fund 6250/ Carl Perkins FY23 Fund 6250/ Carl Perkins FY23 Fund 6255/CTE Assessment Grant Fund 6255/CTE Assessment Grant	Bluffton-Harrison MSD	84.048	FY2022-23 FY2022-23 FY23 FY23	- - - -	62,749 - 4,098 -	- - - -	- 80,278 - 4,886
Total - Career and Technical Education -- Basic Grants to States				-	66,847	-	85,164
Supporting Effective Instruction State Grants Fund 6842 Title II Part A Fund 6843/Title II FY21 Fund 6844/Title II FY22 Fund 6849/Title II FY24 LUL Co-1	Indiana Department of Education	84.367	20-3625 21-3625 22-3625 23-3625	- - - -	76,768 111,127 3,180 -	- - - -	- 33,198 - 4,116
Total - Supporting Effective Instruction State Grants				-	191,075	-	37,314
Student Support and Academic Enrichment Program Fund 5843 Title IV FFY19 Fund 5844 Title IV FY20 Fund 5845 Title IV FY21 Fund 5846 Title IV FY22	Indiana Department of Education	84.424	S424A190015 S424A280015 S424S210015 S424S220015	- - - -	2,879 18,938 47,978 -	- - - -	- - 10,858 45,879
Total - Student Support and Academic Enrichment Program				-	69,795	-	56,737

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-23	Total Federal Awards Expended 06-30-23	Passed Through to Subrecipient 06-30-24	Total Federal Awards Expended 06-30-24
COVID-19 - Education Stabilization Fund	Indiana Department of Education						
Fund 7940 GEER		84.425C	S425C200018	-	20,568	-	-
Fund 7941 CARES Act		84.425D	S425D200013	-	249	-	-
Fund 7931 ESSER II		84.425D	S425D210013	-	172,812	-	1,462,183
Fund 7923 ESSER III		84.425U	S425U210013	-	848,828	-	2,682,456
Total - COVID-19 - Education Stabilization Fund				-	1,042,457	-	4,144,639
Total - Department of Education				-	3,591,695	-	6,729,673
<u>Department of Health and Human Services</u>							
Medicaid Cluster							
Medical Assistance Program							
Individualized Education Program (IEP) - Fund 6460/Medicaid	Indiana Family and Social Services Administration	93.778	FY23	-	258,812	-	-
Individualized Education Program (IEP) - Fund 6460/Medicaid			FY24	-	-	-	313,702
Total - Medical Assistance Program				-	258,812	-	313,702
Medical Assistance Program							
Medicaid Administrative Claiming (MAC)	Indiana Department of Education	93.778	FY23	-	42,268	-	-
Medicaid Administrative Claiming (MAC)			FY24	-	-	-	60,999
Total - Medical Assistance Program				-	42,268	-	60,999
Total - Medicaid Cluster				-	301,080	-	374,701
Public Health Emergency Response: Cooperative Agreement for Emergency Response:							
Public Health Crisis Response	Huntington County Health Department	93.354					
Fund 7935/School Liaison Grant			6NU50CK000395-04-05	-	182,885	-	-
Fund 7935/School Liaison Grant			6NU50CK000395-04-05	-	-	-	209,970
Total - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response				-	182,885	-	209,970
Maternal and Child Health Services Block Grant to the States							
Fund 3950	Indiana Department of Health	93.994	2022	-	7,793	-	-
Total - Maternal and Child Health Services Block Grant to the States				-	7,793	-	-
Total - Department of Health and Human Services				-	491,758	-	584,671
Total federal awards expended				\$ -	\$ 8,968,717	\$ -	\$ 9,988,297

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

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Summary of Significant Accounting Policies

A. Basis of Presentation

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

The Uniform Guidance requires an annual audit of 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.

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

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

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

Assistance Listings Number	Name of Federal Program or Cluster	Opinion Issued
84.010	Special Education Cluster (IDEA)	Qualified
32.009	Title I Grants to Local Educational Agencies	Unmodified
84.425	COVID-19 - Emergency Connectivity Fund Program	Unmodified
84.425	COVID-19 - Education Stabilization Fund	Qualified

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

FINDING 2024-001

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

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2022-001.

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

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.

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 effectively 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 as part of the 2022-2023 Annual Financial Report, the internal control was not effective and did not detect and allow correction of errors prior to submission. There was no documentable evidence of the internal controls over the federal award information for fiscal year 2023-2024.

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

- The Child Nutrition Cluster School Breakfast expenditures were understated by \$73,404 and \$538,492 for 2022-2023 and 2023-2024, respectively.
- The Child Nutrition Cluster School Lunch expenditures were understated by \$252,953 and were overstated by \$170,391 for 2022-2023 and 2023-2024, respectively.
- The Child Nutrition Cluster School Lunch Commodities expenditures were overstated by \$8,123 and were understated by \$203,478 for 2022-2023 and 2023-2024, respectively.
- The Child Nutrition Cluster School SNP Emergency Funds expenditures were understated by \$143,095 for 2023-2024.
- The COVID-19 - Pandemic EBT Administration Costs expenditures were overstated by \$167,361 for 2023-2024.
- The Special Education Cluster (IDEA) expenditures were understated by \$550,081 for 2023-2024.
- Title I Grants to Local Educational Agencies expenditures were understated by \$887,730 for 2023-2024.
- The Student Support and Academic Enrichment Program expenditures were overstated by \$2,625,719 for 2023-2024.
- The COVID-19 - Education Stabilization Fund expenditures were understated by \$2,619,161 for 2023-2024.
- Medicaid Cluster expenditures were overstated by \$97,927 and \$377,030 for 2022-2023 and 2023-2024, respectively.
- Other errors included incorrect program names and identifying numbers and immaterially overstated or understated amounts identified.

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

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

Criteria

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

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

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

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

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 . . ."

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: . . .

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

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

2 CFR 200.510(b) states:

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

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

Cause

Management of the School Corporation had not established effective internal controls over federal grant award reporting.

Effect

The ineffective internal controls established by management lead to material misstatements of the SEFA, as documented in the *Condition and Context*, that remained undetected.

Views of Responsible Officials

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

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

FINDING 2024-002

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

Condition and Context

There were deficiencies in the internal control system of the School Corporation related to financial transactions and reporting.

Financial Transactions and Reporting

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.

The School Corporation filed its reports as prescribed; however, the internal controls over the financial information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the School Corporation's Annual Financial Report (AFR) and financial statement, were not effective.

The School Corporation did not properly review the financial information prepared and submitted in Gateway. Although one employee prepared and entered the financial information into Gateway and another employee reviewed and approved the information entered for the 2022-2023 AFR, the internal control was not effective and did not detect and allow correction of errors prior to submission. There was no documentable evidence of internal controls over the financial information for fiscal year 2023-2024.

Due to the lack of effective internal controls, the financial statement presented for audit understated receipts and disbursements of the Prepaid Food fund by \$862,994 for 2022-2023.

Audit 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 of 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:

"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. . . .

HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION
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(Continued)

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

Management of the School Corporation had not established effective internal controls to prevent and detect errors of the financial statement.

Effect

The ineffective internal controls established by management lead to errors on the financial statement as documented in the *Condition and Context* that remained undetected.

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2024-003

Subject: COVID-19 - Emergency Connectivity Fund Program - Special Tests and Provisions - Restricted Purpose
Federal Agency: Federal Communications Commission
Federal Program: COVID-19 - Emergency Connectivity Fund Program
Assistance Listings Number: 32.009
Federal Award Number and Year (or Other Identifying Number): FY23
Compliance Requirement: Special Tests and Provisions - Restricted Purpose
Audit Finding: Material Weakness

Condition and Context

The School Corporation had not properly designed or implemented a system of internal controls, which would include appropriate segregation of duties, that would be effective in preventing, or detecting and correcting, noncompliance related to asset inventory and per-user limitations of the devices purchased with Emergency Connectivity Fund (ECF) Program support.

The School Corporation maintained an asset inventory for the purchased equipment; however, the data was input into the asset listing, from the equipment invoice by the Information Technology department without a documented review or oversight process to prevent, or detect and correct, errors. In addition, there was not a documented review or oversight process to ensure each student only received one device.

The lack of internal controls was systemic throughout the audit period.

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

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

Cause

A proper system of internal controls was not designed by management of the School Corporation to ensure that students only received one device. Evidence of another individual reviewing the student inventory listing was not provided, so there was nothing to show there was an internal control over this compliance requirement.

Effect

Without the proper implementation of an effectively designed system of internal controls, the internal control system cannot be capable of effectively preventing, or detecting and correcting, material noncompliance. Noncompliance with the grant agreement and the compliance requirement could result in the loss of future federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish a system of internal controls related to the grant agreement and the Special Tests and Provisions - Restricted Purpose compliance requirement.

Views of Responsible Officials

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

FINDING 2024-004

Subject: Title I Grants to Local Educational Agencies - Eligibility

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

Assistance Listings Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): S010A210014, S010A220014,
S010A230014

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Eligibility

Audit Finding: Material Weakness

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

Condition and Context

The School Corporation had not designed or implemented an effective internal control system over the Eligibility compliance requirement.

Eligibility for Title I is determined on the Eligible School Summary of the Title I application. Enrollment and Poverty numbers are automatically pulled from the Indiana Department of Education's (IDOE) Official Pupil Enrollment (PE) count for each school into the Eligible School Summary page of the Title I application. The counts that are prepopulated should be based on the School Corporation's records as of October of the prior fiscal year.

During the audit period, the School Corporation submitted two Title I Applications. The School Corporation was required to use the October 2021 Real Time Report data for the 2022-2023 Title I application and the October 2022 Real Time Report data for the 2023-2024 Title I Application submitted to the IDOE. Data to be submitted included student socioeconomic status information.

The October 2021 and 2022 reports were available for review and the Title I Director cross checks the information in the Title I application with the October enrollment and poverty rates at each school from the Certification Summary reports; however, no other school personnel verifies the Title I numbers on the application. Additionally, the nonpublic school sends its annual enrollment and poverty counts to the Title I Director, but the Title I Director does not verify these student numbers are accurate. The Title I Director does verify the student addresses are within the district, but she does not verify the enrollment and poverty are correct.

The lack of internal controls was systemic throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

Cause

A proper system of internal controls was not designed by management of the School Corporation to ensure enrollment and poverty rates were properly reported on the Title I application.

Effect

Without an effective internal control system, including segregation of duties, the School Corporation is at risk for noncompliance with the grant agreement and the Eligibility compliance requirement.

Questioned Costs

There were no questioned costs identified.

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

Recommendation

We recommended that management of the School Corporation establish a proper system of internal controls over Real Time reports.

Views of Responsible Officials

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

FINDING 2024-005

Subject: Title I Grants to Local Educational Agencies - Level of Effort, Earmarking

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

Assistance Listings Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): S010A210014, S010A220014,
S010A230014

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Matching, Level of Effort, Earmarking

Audit Findings: Material Weakness, Other Matters

Condition and Context

The School Corporation had not designed or implemented an effective internal control system over the Matching, Level of Effort, Earmarking compliance requirement.

Earmarking

A portion of the School Corporation's Title I allocation was required to be set aside for homeless reservation. The required amount to be set aside was indicated in the Title I grant application. The School Corporation is responsible for monitoring each required set aside throughout the life of the grant to ensure the obligation is met.

The School Corporation did have a review process in place to ensure monitoring of each required set aside; however, it was not effective in preventing or detecting noncompliance. The School Corporation did not meet the obligation to service all the homeless students in the School Corporation for fiscal year 2022-2023 and did not transfer the unused funds to the next grant award.

Level of Effort - Individual Transactions (Vendor)

The Form 9 (financial) data was submitted by the School Corporation to the Indiana Department of Education (IDOE) semiannually. The data reported included the School Corporation's expenditures recorded during that period. The IDOE calculated Maintenance of Effort based on the expenditure information submitted on the Form 9 for that fiscal year. To verify amounts used by the IDOE in their computation were derived from the books and records of the School Corporation, costs were reviewed to ensure they were recorded properly as to account and object code and reported correctly on the Form 9.

The School Corporation did not have an oversight process in place to ensure that expenditures were properly recorded on the Form 9.

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

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

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

20 USC 6313(c)(3)(A) states:

"A local educational agency shall reserve such funds as are necessary under this part, determined in accordance with subparagraphs (B) and (C), to provide services comparable to those provided to children in schools funded under this part to serve -

- (i) homeless children and youths, including providing educationally related support services to children in shelters and other locations where children may live;
- (ii) children in local institutions for neglected children; and
- (iii) if appropriate, children in local institutions for delinquent children, and neglected or delinquent children in community day programs."

Cause

A proper system of internal controls was not designed by management of the School Corporation to ensure earmarking was followed for the homeless reservation and expenditures were properly recorded on the Form 9.

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. As a result, the obligations for homeless reservation was not met and potential noncompliance could have occurred with Form 9 reporting.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that management of the School Corporation design and implement a proper system of internal controls, including policies and procedures that would provide segregation of duties to ensure appropriate reviews, approvals, and oversight are taking place to ensure compliance.

HUNTINGTON COUNTY COMMUNITY 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 2024-006

Subject: Title I Grants to Local Educational Agencies - Special Tests and Provisions - Annual Report Card
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
Assistance Listings Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): S010A210014, S010A220014,
S010A230014

Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Annual Report
Card, High School Graduation Rate
Audit Findings: Material Weakness, Other Matters

Condition and Context

The School Corporation had not properly designed or implemented a system of internal controls, which would include appropriate segregation of duties, that would be effective in preventing, or detecting and correcting, noncompliance related to the Special Tests and Provisions - Annual Report Card compliance requirement.

The School Corporation did not have effective internal controls in place to ensure that documentation regarding the reason for a student being removed from the high school graduation cohort for mobility reasons was prepared, reviewed, and retained.

The Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement necessitated that for students removed from the high school graduation cohort for mobility reasons there be proper written documentation to support the identified mobility code. There were 15 students selected for testing. Of the 15 students tested, 1 student did not have the required supporting documentation to substantiate removal from the cohort for mobility reasons.

The lack of internal controls, noncompliance, and failure to maintain adequate supporting documentation were systemic issues throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

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

20 USC 7801(23)(B) states:

"To remove a student from a cohort, a school or local educational agency shall require documentation, or obtain documentation from the State educational agency, to confirm that the student has transferred out, emigrated to another country, or transferred to a prison or juvenile facility, or is deceased."

2 CFR 200.334 states in part:

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

Cause

Due to an ineffective internal control system, documentation was not maintained to provide evidence of proper removal of a student from a cohort.

Effect

Without the proper design or implementation of internal controls, material noncompliance cannot be capable of being prevented or detected and corrected. As a result, proper documentation to support students' mobility was not collected, retained, or provided for audit.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that management of the School Corporation establish a proper system of internal controls and develop policies and procedures to ensure mobility documentation is collected and retained for audit.

Views of Responsible Officials

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

FINDING 2024-007

Subject: Title I Grants to Local Educational Agencies - Special
Tests and Provisions - Supplement Not Supplant

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

Assistance Listings Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): S010A210014, S010A220014,
S010A230014

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Supplement Not Supplant

Audit Finding: Material Weakness

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

Condition and Context

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Supplement Not Supplant compliance requirement.

The School Corporation was unable to provide evidence of an internal control being in place to ensure that all Title I schools received an equitable share of the state and local funds that it would have received had they not been receiving Title I funds.

The Title I applications included the methodology used to distribute state and local funds to all schools within the School Corporation and documentation was presented for audit that reflected the actual calculation.

The lack of internal controls was a systemic issue throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

Cause

A proper system of internal controls was not designed by management of the School Corporation to ensure all Title I schools received an equitable share of the state and local funds that it would have received had they not been receiving Title I funds.

Effect

Without an effective internal control system, including segregation of duties, the School Corporation is at risk for noncompliance with the grant agreement and the Supplement Not Supplant compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish a system of internal controls related to the grant agreement and the Special Tests and Provisions - Supplement Not Supplant compliance requirement.

HUNTINGTON COUNTY COMMUNITY 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 2024-008

Subject: Title I Grants to Local Educational Agencies - Special Tests
and Provisions - Assessment System Security

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

Assistance Listings Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): S010A210014, S010A220014,
S010A230014

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Assessment System Security

Audit Finding: Material Weakness

Condition and Context

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Assessment System Security compliance requirement.

The School Corporation was unable to provide evidence of an internal control being in place to ensure that all Title I Assessment System Security was in place.

Some testing security training lists occasionally contained names which were printed and signed by the school employee taking the training. These lists were not subsequently reviewed to verify everyone who should have taken the training were included. The lists were requested to be sent to the School Corporation offices to be on file. However, they were not reviewed.

The lack of internal controls was a systemic issue throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

Cause

A proper system of internal controls was not designed by management of the School Corporation to ensure required school employees took the training.

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

Effect

Without the proper implementation of an effectively designed system of internal controls, the internal control system cannot be capable of effectively preventing, or detecting and correcting, material noncompliance over the Special Test and Provisions - Assessment System Security compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish a system of internal controls related to the grant agreement and the Special Tests and Provisions - Assessment System Security compliance requirement.

Views of Responsible Officials

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

FINDING 2024-009

Subject: Title I Grants to Local Educational Agencies - Special Tests
and Provisions - Participation of Private School Children

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

Assistance Listings Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): S010A210014, S010A220014,
S010A230014

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Participation of Private School Children

Audit Finding: Material Weakness

Condition and Context

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Participation of Private School Children compliance requirement.

The School Corporation was unable to provide evidence of an internal control being in place to ensure that a review of all Title I Participation of Private School Children expenses was in place.

The lack of internal controls was a systemic issue throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

(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

A proper system of internal controls was not designed by management of the School Corporation to ensure that an evident review of all Participation of Private School Children expenses was performed.

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 over the Special Test and Provisions - Participation of Private School Children compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish a system of internal controls related to the grant agreement and the Special Tests and Provisions - Participation of Private School Children compliance requirement.

Views of Responsible Officials

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

FINDING 2024-010

Subject: Special Education Cluster (IDEA) - Allowable Costs/Cost Principles

Federal Agency: Department of Education

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

Assistance Listings Numbers: 84.027, 84.027X, 84.173, 84.173X

Federal Award Numbers and Years (or Other Identifying Numbers): 22611-027-PN01, 22611-027-ARP, 22619-027-ARP, 23611-027-PN01, 23619-027-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Other Matters

Condition and Context

The School Corporation had not established an effective internal control system related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

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

During our testing, there were two employees being paid a higher rate per hour for training from the Special Education grant funds. The rate was higher than the normal hourly rate. The rate for the training hours was a stipend rate set by the school for paraprofessional training. There was no authorization by the School Corporation Officials for the rate change between the regular rate and a professional development training rate. The Indiana Department of Education did not approve the separate rate.

Other noncompliance involved three employees tested. The School Corporation used accounting software to process payroll. The software calculated payroll tax based on the employee year-to-date salary rather than calculating tax on gross pay per period.

The lack of internal controls and noncompliance were isolated to the transactions as described above.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.403 states in part:

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

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

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

(g) Be adequately documented. . . ."

34 CFR 76.700 states: "A State and a subgrantee shall comply with § 76.500, the State plan, applicable statutes, regulations, and approved applications, and shall use Federal funds in accordance with those statutes, regulations, plan, and applications."

Cause

The internal control system over the Allowable Costs/Cost Principles compliance requirement was not effective in preventing or detecting the overpayment of employees.

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

Effect

Without the proper implementation of an effectively designed system of internal controls, the internal control system cannot be capable of effectively preventing, or detecting and correcting, material noncompliance. As such, the overpayment of employees was not caught by another employee at the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that management of the School Corporation establish a proper system of internal controls and develop policies and procedures to ensure payroll applicable to the grant agreement complies with the Allowable Costs/Cost Principles compliance requirement.

Views of Responsible Officials

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

FINDING 2024-011

Subject: Special Education Cluster (IDEA) - Level of Effort

Federal Agency: Department of Education

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

Assistance Listings Numbers: 84.027, 84.027X

Federal Award Numbers and Years (or Other Identifying Numbers): 21611-027-PN01, 22611-027-PN01,
22611-027-ARP

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Matching, Level of Effort, Earmarking

Audit Finding: Material Weakness

Condition and Context

Level of Effort - Individual Transactions (Vendor)

The Form 9 (financial) data was submitted by the School Corporation to the Indiana Department of Education (IDOE) semiannually. The data reported included the School Corporation's expenditures recorded during that period. The IDOE calculated Maintenance of Effort based on the expenditure information submitted on the Form 9 for that fiscal year. To verify amounts used by the IDOE in their computation were derived from the books and records of the School Corporation, costs were reviewed to ensure they were recorded properly as to account and object code and reported correctly on the Form 9.

The School Corporation did not have an oversight process in place to ensure that vendor expenditures were posted to the correct fund, account, and object codes.

The lack of internal controls was a systemic issue throughout the audit period.

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

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

Cause

There was no proper internal control in place to ensure all the nonpublic proportionate share amounts were being expended properly for Earmarking or reporting of expenditures on the Form 9 for Level of Effort.

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. As such, potential noncompliance could have occurred with Form 9 reporting.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that management of the School Corporation design and implement a proper system of internal controls, including policies and procedures that would provide segregation of duties to ensure appropriate reviews, approvals, and oversight are taking place to ensure compliance.

Views of Responsible Officials

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

FINDING 2024-012

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

Federal Agency: Department of Education

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

Assistance Listings Numbers: 84.027, 84.027X, 84.173, 84.173X

Federal Award Numbers and Years (or Other Identifying Numbers): 22611-027-PN01, 22611-027-ARP, 22619-027-ARP, 23611-027-PN01, 23619-027-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Modified Opinion

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

Condition and Context

Procurement - Small Purchases

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, the informal procurement method is 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.

A total of eight vendors were determined to require small purchase procedures. Of the vendors, totaling \$174,456, three were selected for testing. For the three vendors tested, the School Corporation did not obtain an adequate number of price or rate quotations nor was its documentation detailing the history of procurement, which must include the reason for the procurement method used.

Suspension and Debarment

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

Upon inquiry of the School Corporation, it was determined that the School Corporation ensures all service contracts include a provision regarding suspension and debarment. The contracts are reviewed and signed by a knowledgeable member of the School Corporation.

A population of one covered transaction for goods or services that equaled or exceeded \$25,000 paid from the grant funds during the audit period was identified. For this transaction tested, the School Corporation did not verify the vendors' suspension and debarment status prior to payment.

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

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

(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. . . ."

2 CFR 200.320 states in part:

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

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

(2) *Small purchases* —

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

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:

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

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

Cause

The School Corporation did not obtain more than one quote for the small purchases that were tested. The School Corporation was not aware of the suspension and debarment requirement, so it did not check the vendor to ensure they were not suspended and debarred.

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. As a result, procurement procedures for goods and services were not adhered to, and vendors to whom payments were equal to or in excess of \$25,000 were not verified to be not suspended, debarred, or otherwise excluded.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended 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.

Views of Responsible Officials

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

FINDING 2024-013

Subject: COVID-19 - Education Stabilization Fund - Reporting

Federal Agency: Department of Education

Federal Program: COVID-19 - Education Stabilization Fund

Assistance Listings Numbers: 84.425C, 84.425D, 84.425U

Federal Award Numbers and Years (or Other Identifying Numbers): S425C200018, S425D200013,
S425D210013, S425U210013

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting

Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2022-002.

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

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 Reporting compliance requirement.

The School Corporation had not designed nor implemented a system of internal controls to ensure that the annual Elementary and Secondary School Emergency Relief (ESSER) and the Governor's Emergency Education Relief (GEER) annual Data Collection reports (Reports) were complete and accurately submitted. The Reports were prepared and submitted in JotForm, the online application used by Indiana Department of Education to collect information, by one employee without an oversight or review process in place to prevent, or detect and correct, errors.

The lack of internal controls was systemic throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

Cause

Management did not develop a system of internal controls that segregated key functions over the Reports.

Effect

Without the proper implementation of an effectively designed system of internal controls, the School Corporation is at risk of noncompliance with the grant agreement and the Reporting compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish a system of internal controls related to the grant agreement and the Reporting compliance requirement.

Views of Responsible Officials

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

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

FINDING 2024-014

Subject: COVID-19 - Education Stabilization Fund - Special Tests
and Provisions - Wage Rate Requirements
Federal Agency: Department of Education
Federal Program: COVID-19 - Education Stabilization Fund
Assistance Listings Numbers: 84.425D, 84.425U
Federal Award Numbers and Years (or Other Identifying Numbers): S425D210013, S425U210013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Wage Rate Requirements
Audit Findings: Material Weakness, Modified Opinion

Condition and Context

An effective internal control system, 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 Special Tests and Provisions - Wage Rate Requirements compliance requirement.

All laborers and mechanics employed by contractors or subcontractors to work on construction contracts in excess of \$2,000 financed by federal assistance funds must be paid wages not less than those established for the locality of the project (prevailing wage rates) by the Indiana Department of Labor (DOL).

Nonfederal entities shall include in their construction contracts subject to the Wage Rate Requirements a provision that the contractor or subcontractor comply with those requirements and the DOL regulations. This includes a requirement for the contractor or subcontractor to submit to the nonfederal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls).

The School Corporation had not implemented procedures to ensure the applicable wage rate requirements were included in the contract and had also not designed or implemented policies or procedures to ensure that contractors or subcontractors submitted certified payrolls weekly.

During the audit period, the School Corporation received five contractor pay applications for a construction contract subject to the Wage Rate Requirements which included labor charges that were paid with COVID-19 - Education Stabilization Fund grant awards. Of the five pay applications with labor charges, the School Corporation had obtained some (not all) certified payrolls for three pay applications and had obtained no certified payrolls for two of the pay applications. Through inquiry with the School Corporation, it was determined the certified payrolls that were obtained were obtained as the result of an Indiana Department of Education Construction Monitoring Review request.

The lack of internal controls was systemic throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

(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). . . ."

29 CFR 5.5 states in part:

"(a) *Required contract clauses.* The Agency head will cause or require the contracting officer to require the contracting officer to insert in full, or (for contracts covered by the Federal Acquisition Regulation (48 CFR chapter 1)) by reference, in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a public building or public work, or building or work financed in whole or in part from Federal funds or in accordance with guarantees of a Federal agency or financed from funds obtained by pledge of any contract of a Federal agency to make a loan, grant or annual contribution (except where a different meaning is expressly indicated), and which is subject to the labor standards provisions of any of the laws referenced by § 5.1, the following clauses . . .

(1) *Minimum wages* —

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

(3) *Records and certified payrolls* — . . .

(ii) *Certified payroll requirements* —

(A) *Frequency and method of submission.* The contractor or subcontractor must submit weekly, for each week in which any DBA- or Related Acts-covered work is performed, certified payrolls to the [write in name of appropriate Federal agency] if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the certified payrolls to the applicant, sponsor, owner, or other entity, as the case may be, that maintains such records, for transmission to the [write in name of agency]. . . ."

2 CFR 200 Appendix II states in part:

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

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

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

Cause

Management of the School Corporation did not have an effective internal control system in place to detect noncompliance when the contractor did not provide the School Corporation with a copy of the certified payroll and statement of compliance for all construction invoices.

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. As a result, not all certified payrolls were provided to the School Corporation by the contractor. 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 recommended that management of the School Corporation establish a proper system of internal controls and develop policies and procedures to ensure that all certified payrolls are provided to the School Corporation from the contractor.

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.



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-001

Fiscal year in which the finding initially occurred: 2020-21
Current Audit Period: July 1, 2022 to June 30, 2024

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

Summary of Finding:

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

1. The Child Nutrition Cluster commodities were overstated by \$4,130 and \$23,554, for fiscal years 2020-2021 and 2021-2022, respectively.
2. The COVID-19 - Pandemic EBT Administrative Costs grant of \$3,063, was originally shown within the National School Lunch Program for 2021-2022, which overstated the National School Lunch Program expenditures.
3. The State Energy Program Grant was omitted for 2020-2021, which understated expenditures by \$25,000.
4. The Supporting Effective Instruction State Grants expenditures were understated by \$49,230 for 2020-2021.
5. The Medical Assistance Program grant was omitted, which understated expenditures by \$235,138 and \$319,336 for 2020-2021 and 2021-2022, respectively.
6. The Maternal and Child Health Services Block Grant to the States grant was omitted, which understated expenditures by \$9,992 and \$11,604 for 2020-2021 and 2021-2022, respectively.
7. Other errors included incorrect program names and identifying numbers.

The SEFA reporting in Gateway will be reviewed by a Director, Superintendent or someone in the business department other than the preparer prior to submitting the report and a hard copy of the report will be printed and approved by the Superintendent or someone other than the submitter.

Status of Audit Finding: Not Corrected- **Still major SEFA problems in 2023-24 though. We have had several staff turnovers in 2023 and 2024 which have affected our internal controls and procedures.**

Response Comments: Huntington County Community School Corporation will establish the Internal Control Standards by July 1, 2025, and train administration and staff in August 2025.



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Huntington, IN 46750

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-002

Fiscal year in which the finding initially occurred: 2020-21

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

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

Summary of Finding:

Section III-Federal Award Findings and Questioned Costs

Finding 2022-002

Federal Agency: Department of Education

Federal Program: COVID-19 - Education Stabilization Fund

Assistance Listings Numbers: 84.425C, 84.425D, 84.425U

Federal Award Numbers and Years (or Other Identifying Numbers): S425C200018, S425D200013, S425D210013, S425U210013

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting

Audit Finding: Material Weakness

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 Reporting compliance requirement.

The School Corporation had not designed, nor implemented a system of internal control to ensure that the annual Elementary and Secondary School Emergency Relief (ESSER) and the Governor’s Emergency Education Relief (GEER) annual Data Collection reports (Reports) were complete and accurately submitted. The Reports were prepared and submitted in JotForm, the online application used by Indiana Department of Education to collect information, by one employee without an oversight or review process in place to prevent, or detect and correct, errors.

The lack of internal controls was systemic throughout the audit period.

Status of Audit Finding: Not Corrected. **We have had several staff turnovers in 2023 and 2024 which have affected our internal controls and procedures.**

Response Comments: Huntington County Community School Corporation will establish the Internal Control Standards by July 1, 2025, and train administration and staff in August 2025. To ensure accuracy and efficiency, future reporting will be prepared by the grant administrator, reviewed by the Grants Specialist then approved by the Corporation Treasurer or Chief Operating Officer before submission.



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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: Alexandria Eckert/Tyler Haskough

Contact Phone Number: 260-356-8312

Email Address: aeckert@hccsc.k12.in.us/thaskough@hccsc.k12.in.us

Views of Responsible Officials:

We concur with the findings.

Description of Corrective Action Plan:

Huntington County Community School Corporation will establish an Internal Control Standards manual by July 1, 2025, along with the Segregation of Duties chart by August 1, 2025. These standards will include items that detail the procedures and processes along with the checks and balances needed to ensure proper oversight, prevention, detection, correction, or errors. Our process will also ensure reporting compliance is followed. All reports for the Schedule of Expenditure of Federal Awards will be prepared by the Grants Specialist and reviewed by the Corporation Treasurer or Chief Operating Officer prior to submission into Gateway for accuracy.

Anticipated Completion Date:

Huntington County Community School Corporation will establish the Internal Control Standards by July 1, 2025, and train administration and staff in August 2025.



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CORRECTIVE ACTION PLAN

FINDING 2024-002

Finding Subject: Financial Transactions and Reporting

Audit Findings: Material Weakness, Noncompliance

Contact Person Responsible for Corrective Action: Alexandria Eckert/Tyler Haskough

Contact Phone Number 260-356-8312

Email Address: aeckert@hccsc.k12.in.us/thaskough@hccsc.k12.in.us

Views of Responsible Officials:

We concur with the finding

Description of Corrective Action Plan:

Huntington County Community School Corporation will establish procedures for the completion and filing of the Annual Financial Report. All supporting documentation will be gathered, verified, and utilized to complete the revenues and expenditures as well as other areas. The Corporation Treasurer will verify the information before uploading to Gateway.

Anticipated Completion Date:

Huntington County Community Schools will establish the procedures by July 1, 2025 so we can follow these details for the next Annual Financial Report.



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CORRECTIVE ACTION PLAN

FINDING 2024- 003

Finding Subject: Covid 19-Emergency Connectivity Fund Program-Special Tests and Provisions-Restricted Purpose

Contact Person Responsible for Corrective Action: Alexandria Eckert/Tyler Haskough

Contact Phone Number: 260-356-8312

Email Address: aeckert@hccsc.k12.in.us/thaskough@hccsc.k12.in.us

Views of Responsible Officials:

We concur with the findings.

Description of Corrective Action Plan:

Huntington County Community School Corporation will establish an Internal Control Standards manual by July 1, 2025, along with the Segregation of Duties chart by August 1, 2025. These standards will include items that detail the procedures and processes along with the checks and balances needed to ensure proper oversight, prevention, detection, correction, or errors. Our process will also ensure reporting compliance is followed. The Internal Control Standards manual will include special tests and provisions for restricted purposes. This provision will detail asset inventory for purchased equipment by equipment invoices by the Information Technology department. Details will be outlined on how student devices are assigned to students and tracked.

Anticipated Completion Date:

Huntington County Community School Corporation will establish the Internal Control Standards by July 1, 2025, and train administration and staff in August 2025.



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CORRECTIVE ACTION PLAN

FINDING 2024-004

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

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

Assistance Listings Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): S010A210014, S010A220014, S010A230014

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Eligibility

Audit Findings: Material Weakness

Contact Person Responsible for Corrective Action: Beth Husband/Alexandria Eckert

Contact Phone Number 260-356-8312

Email Address: bhusband@hccsc.k12.in.us/aeckert@hccsc.k12.in.us

Views of Responsible Officials:

We concur with the finding

Description of Corrective Action Plan:

Title 1 Director and a member of the business office will check to ensure the enrollment counts provided in the Title 1 application are accurate and that the nonpublic school enrollment, addresses, and socioeconomic status of students are accurate before submitting the information on the Title 1 application.

Anticipated Completion Date:

December 31, 2025



Huntington County Community Schools
1415 Flaxmill Road
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CORRECTIVE ACTION PLAN

FINDING 2024-005

Subject: Title I Grants to Local Educational Agencies - Level of Effort, Earmarking

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

Assistance Listings Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers):S010A210014, S010A220014, S010A230015

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Matching, Level of Effort, Earmarking

Audit Findings: Material Weakness, Other Matters

Contact Person Responsible for Corrective Action: Beth Husband/Alexandria Eckert

Contact Phone Number 260-356-8312

Email Address: bhusband@hccsc.k12.in.us/aeckert@hccsc.k12.in.us

Views of Responsible Officials:

We concur with the finding

Description of Corrective Action Plan:

Unused homeless reservation set aside funds will be carried over and added to the set aside amount for the new grant application.

The Form 9 will be reviewed and signed off on by the Title 1 Director and a member of the business office.

Anticipated Completion Date:

December 31, 2025



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CORRECTIVE ACTION PLAN

FINDING 2024-006

Subject: Title I Grants to Local Educational Agencies - Special Tests and Provisions - Annual Report Card
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
Assistance Listings Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): S010A210014, S010A220014, S010A230014
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Annual Report Card
Audit Findings: Material Weakness, Other Matters

Contact Person Responsible for Corrective Action: Beth Husband/Alexandria Eckert
Contact Phone Number 260-356-8312
Email Address: bhusband@hccsc.k12.in.us/aeckert@hccsc.k12.in.us

Views of Responsible Officials:
We concur with the finding

Description of Corrective Action Plan:

All withdrawals will have the proper documentation (transcript request or withdrawal form) attached to the student record and the form will be dated within two weeks of the student enrollment end date. The forms must be signed by the parent and the principal. Title 1 Director will review for accuracy and completion of forms.

Anticipated Completion Date:
December 31, 2025



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CORRECTIVE ACTION PLAN

FINDING 2024-007

Subject: Title I Grants to Local Educational Agencies - Special Tests and Provisions - Supplement Not Supplant
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
Assistance Listings Numbers: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): S010A210014, S010A220014, S010A230014
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Supplement Not Supplant
Audit Finding: Material Weakness

Contact Person Responsible for Corrective Action: Beth Husband/Alexandria Eckert
Contact Phone Number 260-356-8312
Email Address: bhusband@hccsc.k12.in.us/aeckert@hccsc.k12.in.us

Views of Responsible Officials:

We concur with the finding

Description of Corrective Action Plan:

Monthly meetings will be held between Title 1 Director, administrative assistant, and member of the business office to ensure all Title 1 schools receive and expend monies and documentation will be signed off on by two people and kept with reimbursement forms.

Anticipated Completion Date:

December 31, 2025



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CORRECTIVE ACTION PLAN

FINDING 2024-008

Subject: Title I Grants to Local Educational Agencies - Special Tests and Provisions – Assessment System Security
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
Assistance Listings Numbers: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): S010A210014, S010A220014, S010A230014
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions – Assessment System Security
Audit Finding: Material Weakness

Contact Person Responsible for Corrective Action: Beth Husband/Alexandria Eckert
Contact Phone Number 260-356-8312
Email Address: bhusband@hccsc.k12.in.us/aeckert@hccsc.k12.in.us

Views of Responsible Officials:

We concur with the finding

Description of Corrective Action Plan:

Each building will create a list of staff that are required to complete the testing security training for Assessments. Staff will sign off on completion of training. The Director of Curriculum and/or the Director of Title 1 will review and sign off after ensuring that all required staff have completed the training.

Anticipated Completion Date:

December 31, 2025



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CORRECTIVE ACTION PLAN

FINDING 2024-009

Subject: Title I Grants to Local Educational Agencies - Special Tests and Provisions – Participation of Private School Children

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

Assistance Listings Numbers: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): S010A210014, S010A220014, S010A230014

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions – Participation of Private School Children

Audit Finding: Material Weakness

Contact Person Responsible for Corrective Action: Beth Husband/Alexandria Eckert

Contact Phone Number 260-356-8312

Email Address: bhusband@hccsc.k12.in.us/aeckert@hccsc.k12.in.us

Views of Responsible Officials:

We concur with the finding

Description of Corrective Action Plan:

Monthly meetings will be held between the Title 1 Director, administrative assistant, and member of the business office to ensure all non-public schools receive and expend monies and documentation will be signed off on by two people and kept with reimbursement forms.

Anticipated Completion Date:

December 31, 2025



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FINDING 2024-010

Subject: Special Education Cluster (IDEA) - Allowable Costs/Cost Principles

Federal Agency: Department of Education

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

Assistance Listing Numbers: 84.027, 84.027X, 84.173, 84.173X

Federal Award Numbers and Years (or Other Identifying Numbers): 22611-027-PN01, 22611-027-ARP, 22619-027-ARP, 23611-027-PN01, 23619-027-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Other Matters

Contact Person Responsible for Corrective Action: Beth Husband/Alexandria Eckert

Contact Phone Number 260-356-8312

Email Address: bhusband@hccsc.k12.in.us/aeckert@hccsc.k12.in.us

Views of Responsible Officials:

We concur with the finding

Description of Corrective Action Plan:

Huntington County Community School Corporation will establish an Internal Control Standards manual by July 1, 2025, along with the Segregation of Duties chart by August 1, 2025. These standards will include items that detail the procedures and processes along with the checks and balances needed to ensure proper oversight, prevention, detection, correction, or errors. Our process will also ensure reporting compliance is followed. The Internal Control Standards manual will include special tests and provisions. To ensure accuracy and efficiency, future reporting will be prepared by the grant administrator, reviewed by the Grants Specialist then approved by the Corporation Treasurer or Chief Operating Officer before submission. The wages for stipends will be established by the grant administrator and conveyed to the business office prior to the first payroll of any stipend payments.

Anticipated Completion Date:

Huntington County Community School Corporation will establish the Internal Control Standards by July 1, 2025, and train administration and staff in August 2025



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CORRECTIVE ACTION PLAN

FINDING 2024-011

Finding Subject: Subject: Special Education Cluster (IDEA) - Level of Effort, Earmarking
Federal Agency: Department of Education
Federal Programs: Special Education Grants to States, COVID-19 - Special Education Grants to States
Assistance Listing Numbers: 84.027, 84.027X
Federal Award Numbers and Years (or Other Identifying Numbers): 21611-027-PN01, 22611-027-PN01, 22611-027-ARP
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Matching, Level of Effort, Earmarking
Audit Findings: Material Weakness

Contact Person Responsible for Corrective Action: Alexandria Eckert/Tyler Haskough
Contact Phone Number: 260-356-8312
Email Address: [aekert@hccsc.k12.in.us](mailto:aeckert@hccsc.k12.in.us)/thaskough@hccsc.k12.in.us

Views of Responsible Officials:

We concur with the finding

Description of Corrective Action Plan:

The Corporation Treasurer and Grant Specialist will prepare the grant financial data bi-annually for the Form 9. The information will be reviewed by the Director of Special Education prior to final submission.

Anticipated Completion Date:

July 30, 2025



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CORRECTIVE ACTION PLAN

FINDING 2024-012

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

Federal Agency: Department of Education

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

Assistance Listing Numbers: 84.027, 84.027X, 84.173, 84.173X

Federal Award Numbers and Years (or Other Identifying Numbers): 22611-027-PN01, 22611-027-ARP, 22619-027-
ARP, 23611-027-PN01, 23619-027-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Modified Opinion

Contact Person Responsible for Corrective Action: Beth Husband/Alexandria Eckert

Contact Phone Number 260-356-8312

Email Address: bhusband@hccsc.k12.in.us/aekert@hccsc.k12.in.us

Views of Responsible Officials:

We concur with the finding

Description of Corrective Action Plan:

All future expenditures triggering procurement and suspension and debarment requirements will include implementing the following procurement policies:

Reference Procurement Standards 2 CFR 200.318 Districts may not enter into contracts with entities that have been suspended or debarred from participating in contracts with federal funds. For contracts over \$25,000, districts must verify a contractor is not excluded or disqualified. Contractors must be verified in one of three ways:

1. Checking the System for Award Management (SAM) (www.SAM.gov)
2. Collecting a certificate from that contractor.
3. Adding a clause or condition to the covered transaction with that contractor. (Recommended)

**Proper verification and documentation must be sent to the LEA for audit purposes. Methods of Procurement Where specific EDGAR/UG thresholds apply, Districts must meet baseline requirements for procurement. If State or local rules have more restrictive thresholds, the most restrictive rule must be followed.

Anticipated Completion Date:

All expenditures initiated after March 26, 2025



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CORRECTIVE ACTION PLAN

FINDING 2024-013

Finding Subject: COVID 19-Education Stabilization Fund-Reporting

Contact Person Responsible for Corrective Action: Alexandria Eckert/Tyler Haskough

Contact Phone Number: 260-356-8312

Email Address: aeckert@hccsc.k12.in.us/thaskough@hccsc.k12.in.us

Views of Responsible Officials:

We concur with the findings.

Description of Corrective Action Plan:

Huntington County Community School Corporation will establish an Internal Control Standards manual by July 1, 2025, along with the Segregation of Duties chart by August 1, 2025. These standards will include items that detail the procedures and processes along with the checks and balances needed to ensure proper oversight, prevention, detection, correction, or errors. Our process will also ensure reporting compliance is followed. The Internal Control Standards manual will include special tests and provisions. To ensure accuracy and efficiency, future reporting will be prepared by the grant administrator, reviewed by the Grants Specialist then approved by the Corporation Treasurer or Chief Operating Officer before submission.

Anticipated Completion Date:

Huntington County Community School Corporation will establish the Internal Control Standards by July 1, 2025, and train administration and staff in August 2025.



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CORRECTIVE ACTION PLAN

FINDING 2024-014

Finding Subject: COVID 19-Education Stabilization Fund-Special Tests and Provisions-Wage Rate Requirements

Contact Person Responsible for Corrective Action: Alexandria Eckert/Tyler Haskough

Contact Phone Number: 260-356-8312

Email Address: aeckert@hccsc.k12.in.us/thaskough@hccsc.k12.in.us

Views of Responsible Officials:

We concur with the findings.

Description of Corrective Action Plan:

Huntington County Community School Corporation will establish an Internal Control Standards manual by July 1, 2025, along with the Segregation of Duties chart by August 1, 2025. These standards will include items that detail the procedures and processes along with the checks and balances needed to ensure proper oversight, prevention, detection, correction, or errors. Our process will also ensure reporting compliance is followed. The Internal Control Standards manual will include special tests and provisions and construction wage rate requirements. To ensure accuracy and efficiency, future reporting will be prepared by the grant administrator, reviewed by the Grants Specialist then approved by the Corporation Treasurer or Chief Operating Officer before submission. The Grant Specialist will ensure future projects with construction contracts will have a prevailing wage clause while also monitoring payroll to verify compliance. To ensure that the construction wage rate is complied with, the contractor will submit the certified payrolls to the Grant Specialist who will then provide to the Corporation Treasurer for review, initial and file with the construction pay application.

Anticipated Completion Date:

Huntington County Community School Corporation will establish the Internal Control Standards by July 1, 2025, and train administration and staff in 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/>.