

**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

EAST NOBLE SCHOOL CORPORATION

NOBLE COUNTY, INDIANA

July 1, 2022 to June 30, 2024



FILED

03/27/2025

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Brian A. Leitch	07-01-22 to 06-30-25
Superintendent of Schools	Dr. Teresa L. Gremaux	07-01-22 to 06-30-25
President of the School Board	Brent Durbin David Pine Dr. Douglas Jansen	07-01-22 to 12-31-23 01-01-24 to 12-31-24 01-01-25 to 06-30-25



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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 EAST NOBLE SCHOOL CORPORATION, NOBLE 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 East Noble 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 20, 2025, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, 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.

East Noble 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 20, 2025



Paul D. Joyce, CPA
State Examiner

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

TO: THE OFFICIALS OF THE EAST NOBLE SCHOOL CORPORATION, NOBLE COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

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

Qualified Opinion on Child Nutrition Cluster

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

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.

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.

Unmodified Opinion on Each of the Other Major Federal Programs

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

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

Basis for Qualified and Unmodified Opinions

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

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

Matter Giving Rise to Qualified Opinion on Child Nutrition Cluster

As described in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding the Child Nutrition Cluster, as described in item 2024-003 for Procurement and Suspension and Debarment. Compliance with such requirement is necessary, in our opinion, for the School Corporation to comply with the requirements applicable to that program.

Matter 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 the COVID-19 - Education Stabilization Fund, as described in item 2024-006 for Special Tests and Provisions - Wage Rate Requirement. Compliance with such requirement is necessary, in our opinion, for the School Corporation to comply with the requirements applicable to that program.

Matter Giving Rise to Qualified Opinion on 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 2024-007 for Procurement and Suspension and Debarment. Compliance with such requirement is necessary, in our opinion, for the School Corporation to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

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

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2024-005. 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.

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 Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2024-003, 2024-004, 2024-005, 2024-006, 2024-007, and 2024-008, 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 20, 2025, which contained a dual opinion on the financial statement. An adverse opinion was issued regarding the presentation in accordance with accounting principles generally accepted in the United States of America, and an unmodified opinion was issued regarding the presentation in accordance with the regulatory basis of accounting. Our audit was performed for the purpose of forming an opinion on the financial statement as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement as a whole.



Beth Kelley, CPA, CFE
Deputy State Examiner

March 20, 2025



SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the School Corporation. The schedule and notes are presented as intended by the School Corporation.



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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-23	Total Federal Awards Expended 06-30-23	Passed Through to Subrecipient 06-30-24	Total Federal Awards Expended 06-30-24
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
School Breakfast Program			FY 22/23	\$ -	\$ 252,338	\$ -	\$ -
School Breakfast Program			FY 23/24	-	-	-	243,182
Total - School Breakfast Program				-	252,338	-	243,182
National School Lunch Program							
National School Lunch Program	Indiana Department of Education	10.555					
National School Lunch Program			FY 22/23	-	1,310,371	-	-
National School Lunch Program			FY 23/24	-	-	-	1,165,034
Supply Chain Assistance			FY 22/23	-	165,923	-	-
Supply Chain Assistance			FY 23/24	-	-	-	105,063
Commodities			FY 22/23	-	148,416	-	-
Commodities			FY 23/24	-	-	-	180,423
Total - National School Lunch Program				-	1,624,710	-	1,450,520
Summer Food Service Program for Children							
Summer Food Service Program	Indiana Department of Education	10.559					
Summer Food Service Program			FY 22/23	-	54,553	-	-
Summer Food Service Program			FY 23/24	-	-	-	121,788
Total - Summer Food Service Program for Children				-	54,553	-	121,788
Total - Child Nutrition Cluster				-	1,931,601	-	1,815,490
Pandemic EBT Administrative Costs							
2022 Pandemic EBT	Indiana Department of Education	10.649					
			FY 22/23	-	3,135	-	-
Total - Department of Agriculture				-	1,934,736	-	1,815,490
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
22/23 Part B			23611-042-PN01	-	830,460	-	-
22/23 Part B			23611-042-PN01	-	-	-	162,397
23/24 Part B			24611-042-PN01	-	-	-	828,811
Subtotal - Special Education Grants to States				-	830,460	-	991,208
COVID-19 - Special Education Grants to States							
22/23 Part B / 23/24 Part B	Indiana Department of Education	84.027					
			22611-042-ARP	-	122,345	-	84,344
Total - Special Education Grants to States				-	952,805	-	1,075,552

EAST NOBLE 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
Special Education Preschool Grants	Indiana Department of Education	84.173					
22/23 Special Ed Preschool			23619-042-PN01	-	25,870	-	-
23/24 Special Ed Preschool			24619-042-PN01	-	-	-	26,416
Subtotal - Special Education Preschool Grants				-	25,870	-	26,416
COVID-19 - Special Education Preschool Grants	Indiana Department of Education	84.173					
22/23 Special Ed Preschool / 23/24 Special Ed Preschool			22619-042-ARP	-	10,432	-	4,998
Total - Special Education Preschool Grants				-	36,302	-	31,414
Total - Special Education Cluster (IDEA)				-	989,107	-	1,106,966
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
21/22 Title I			S010A210014	-	131,150	-	-
23/24 Title I			S010A230014	-	-	-	365,691
2022-2023 Title I			S010A220014	-	316,681	-	-
2022-2023 Title I			S010A220014	-	-	-	217,200
Total - Title I Grants to Local Educational Agencies				-	447,831	-	582,891
English Language Acquisition State Grants	Indiana Department of Education	84.365					
20/22 Title III			S365A200014	-	3,985	-	-
23/25 Title III			S365A230014	-	-	-	12,778
21/23 Title III			S365A210014	-	6,023	-	-
21/23 Title III			S365A210014	-	-	-	6,222
22/24 Title III			S365A220014	-	6,628	-	-
22/24 Title III			S365A220014	-	-	-	7,025
Total - English Language Acquisition State Grants				-	16,636	-	26,025
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
20/22 Title II A FFY2020			S367A200013	-	70,446	-	-
22/24 Title II-A			S367A220013	-	-	-	113,509
21/23 Title II A			S367A210013	-	54,144	-	-
21/23 Title II A			S367A210013	-	-	-	27,774
23/25 Title II-A			S367A230013	-	-	-	5,581
22/23 Teacher Leader Bootcamp			S367A210013	-	3,806	-	-
Total - Supporting Effective Instruction State Grants				-	128,396	-	146,864
Student Support and Academic Enrichment Program	Indiana Department of Education	84.424					
FY20 Title IV-A			S424A200015	-	3,754	-	21
FY 21 Title IVA			S424A210015	-	5,287	-	-

EAST NOBLE 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
FY 21 Title IV-A			S424A210015	-	-	-	14,025
FY 22 Title IV A			S424A220015	-	6,757	-	-
FY 22 Title IV A			S424A220015	-	-	-	9,813
Total - Student Support and Academic Enrichment Program				-	15,798	-	23,859
COVID-19 - Education Stabilization Fund	Indiana Department of Education						
Education Stabilization Fund CARES II		84.425D	S425D210013	-	511,022	-	358,620
Education Stabilization Fund - CARES III		84.425U	S425U210013	-	551,910	-	1,322,971
ESSER Counseling		84.425U	S425U210013	-	-	-	108,097
American Rescue Plan - Homeless Children and Youth		84.425W	S425W210015	-	4,982	-	13,566
Homeless Children & Youth II		84.425W	S425W210015	-	-	-	1,562
ARP-HCY Reallocation		84.425W	S425W210015	-	-	-	3,180
Total - COVID-19 - Education Stabilization Fund				-	1,067,914	-	1,807,996
Total - Department of Education				-	2,665,682	-	3,694,601
<u>Department of Health and Human Services</u>							
Medicaid Cluster							
Medical Assistance Program	Indiana Family and Social Services Administration	93.778					
Medicaid-Federal			FY 22/23	-	15,757	-	-
Medicaid-Federal			FY 23/24	-	-	-	26,583
Total - Medical Assistance Program				-	15,757	-	26,583
Total - Medicaid Cluster				-	15,757	-	26,583
Total - Department of Health and Human Services				-	15,757	-	26,583
Total federal awards expended				\$ -	\$ 4,616,175	\$ -	\$ 5,536,674

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

EAST NOBLE 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.

Note 3. Northeast Indiana Special Education Cooperative

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

EAST NOBLE 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
	Child Nutrition Cluster	Qualified
	Special Education Cluster (IDEA)	Qualified
84.010	Title I Grants to Local Educational Agencies	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: Financial Transactions and Reporting
Audit Findings: Material Weakness, Noncompliance

Condition and Context

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

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 and financial statement, were not effective.

EAST NOBLE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

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

- The Payroll Clearing fund was omitted, resulting in the understatement of receipts and disbursements for fiscal year 2022-2023 by \$26,772 and \$26,172, respectively. For 2023-2024, the beginning cash and investments balance, receipts, and disbursements were understated by \$600, \$39,074, and \$40,412, respectively. The ending cash and investments balance as of June 30, 2024, was overstated by \$738.
- The receipts and disbursements of the Payroll & Deductions fund were understated for 2022-2023 and 2023-2024 by \$15,746,923 and \$16,973,514, respectively.

Audit adjustments were proposed, accepted by the School Corporation, and made to the financial statement and Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis presented 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. . . .

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](#)."

EAST NOBLE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

The review and approval process of financial data entered into Gateway did not take into consideration the completeness of the payroll fund activity in the School Corporation's records.

Effect

The ineffective review and approval process lead to material misstatements 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.

FINDING 2024-002

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

Condition and Context

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

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 the Gateway. Although one employee prepared and entered the federal award information into Gateway, and another employee reviewed and approved the information entered, the internal control was not effective and did not detect or correct errors prior to submission.

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

- 10.555 National School Lunch Program: overstated the fiscal year 2022-2023 grant by \$61,707.
- 10.555 National School Lunch Program Commodities: understated by \$148,416 and \$180,423 for 2022-2023 and 2023-2024, respectively.
- 84.027 Special Education Grants to States: omitted the ARP funding for 2022-2023 and 2023-2024 by \$122,345 and \$84,344, respectively. For 2023-2024, one reimbursement was omitted on the Special Education Cooperative Allocation Sheet, causing an understatement of the Part B grant by \$92,978.
- 84.173 Special Education Preschool Grants: omitted the ARP funding for 2022-2023 and 2023-2024 by \$10,432 and \$4,998, respectively. For 2023-2024, the preschool grant was understated by \$2,000.

EAST NOBLE 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; . . ."

EAST NOBLE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200.508 states in part:

"The auditee must: . . .

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

2 CFR 200.510(b) states:

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

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

Cause

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

Effect

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

EAST NOBLE 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.

Section III - Federal Award Findings and Questioned Costs

FINDING 2024-003

Subject: Child Nutrition Cluster - Suspension and Debarment
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children
Assistance Listings Numbers: 10.553, 10.555, 10.559
Federal Award Numbers and Years (or Other Identifying Numbers): FY22/23, FY23/24
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Modified Opinion

Repeat Finding

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

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 the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

Suspension and Debarment

The School Corporation did not follow procedures to ensure that applicable vendors who received federal funds were not suspended or debarred from participation in federal awards programs. For three of five vendors tested with covered transactions that exceeded \$25,000, the School Corporation did not perform procedures to ensure compliance with requirements regarding verification that the vendor was not suspended or debarred from participation in federal programs.

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). . . ."

EAST NOBLE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 180.300 states:

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

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

Cause

A proper system of internal controls was not designed by management of the School Corporation. Although the School Corporation was aware of the Procurement and Suspension and Debarment compliance requirement, management did verify the suspension or debarment status for certain vendors during the audit period.

Effect

Without the proper implementation of an effectively designed system of internal controls, the School Corporation cannot ensure that the vendors paid with federal funds were eligible to participate in federal programs.

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 vendors are not suspended, debarred, or otherwise excluded prior to entering into any covered transactions.

Views of Responsible Officials

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

FINDING 2024-004

Subject: Child Nutrition Cluster - Eligibility
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children
Assistance Listings Numbers: 10.553, 10.555, 10.559
Federal Award Numbers and Years (or Other Identifying Numbers): FY 22/23, FY 23/24
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Eligibility
Audit Finding: Material Weakness

EAST NOBLE 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 following compliance requirement: Eligibility.

Eligibility

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

Paper applications and online applications are processed in the School Corporation's software system to determine if students are eligible for free or reduced meals. Paper applications are input by the Director of Food Service, and online applications are directly submitted by parents. The software's determination of eligibility is based on income guidelines input into the software by the Director of Food Service without an oversight or review process in place to ensure accuracy. Additionally, the Director of Food Service downloaded the Direct Certifications file from the CNC Web Portal and uploaded the file into the School Corporation's software on a monthly basis without a documented oversight or review process in place to ensure directly certified students were properly processed.

The lack of internal controls 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). . . ."

EAST NOBLE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

Management of the School Corporation did not develop a system of internal controls to ensure the School Corporation complied with the Eligibility compliance requirement.

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.

Recommendation

We recommended that the School Corporation's management establish a system of internal controls, including segregation of duties, related to the grant agreement and the Eligibility 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 2024-005

Subject: COVID-19 - Education Stabilization Fund - Equipment and Real Property Management
Federal Agency: Department of Education
Federal Program: COVID-19 - Education Stabilization Fund
Assistance Listings Numbers: 84.425D, 84.425U, 84.425W
Federal Award Numbers and Years (or Other Identifying Numbers): S425D210013, S425U210013,
S425W210015
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Equipment and Real Property Management
Audit Findings: Material Weakness, Other Matters

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 Equipment and Real Property Management compliance requirement.

A property record or capital asset listing which would include a description of the property, a serial number or other identification number, the source of funding for the property (including the federal award identification number (FAIN)), who holds title, the acquisition date, cost of the property, percentage of federal participation in the project costs for the federal award under which the property was acquired, the location, and use and condition of the property is to be maintained for assets purchased that exceed the School Corporation's capitalization threshold.

EAST NOBLE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The School Corporation purchased one capital asset with federal award funding during the audit period. It was determined that the tested capital asset was listed on the School Corporation's capital asset listing; however, the listing did not include the percentage of federal participation or the use and condition of the property.

The lack of internal controls and noncompliance were systematic 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). . . ."

2 CFR 200.313(d)(1) states:

"Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property."

Cause

The School Corporation was unaware of the requirements to track the percentage of federal participation in the project costs for the federal award under which the property was acquired and the use and condition of the property.

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, assets purchased with federal dollars were not properly added to the School Corporation's asset listing. 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.

EAST NOBLE 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 and develop policies and procedures to ensure asset records include all the necessary information.

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: COVID-19 - Education Stabilization Fund - Special Test and Provisions - Wage Rate Requirement
Federal Agency: Department of Education
Federal Program: COVID-19 - Education Stabilization Fund
Assistance Listings Numbers: 84.425D, 84.425U, 84.425W
Federal Award Numbers and Years (or Other Identifying Numbers): S425D210013, S425U210013,
S425W210015
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Test and Provisions - Wage Rate Requirement
Audit Findings: Material Weakness, Modified Opinion

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 Test and Provisions - Wage Rate compliance requirement.

Construction contracts in excess of \$2,000 financed by federal assistance funds must pay wages not less than those established for the locality of the project (prevailing wage rates) by the Department of Labor (DOL) to their laborers and mechanics. Nonfederal entities are to include in their construction contracts subject to the Wage Rate Requirements, a provision that the contractor or subcontractor comply with these requirements and the DOL regulations. This would include a requirement to submit a copy of the payroll and statement of compliance to the entity for each week in which contract work was performed.

The School Corporation paid three construction invoices during the audit period. A copy of the certified payroll and statement of compliance was not provided for two of the three construction invoices.

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). . . ."

EAST NOBLE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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. . . .

(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. . . ."

EAST NOBLE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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.

FINDING 2024-007

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

Federal Agency: Department of Education

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

Assistance Listings Numbers: 84.027, 84.173

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

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Modified Opinion

Condition and Context

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

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

EAST NOBLE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Procurement

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

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

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

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

Suspension and Debarment

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

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

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

EAST NOBLE 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). . . ."

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. . . .

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

(1) *Sealed bids.* A procurement method in which bids are publicly solicited and a firm fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bids method is the preferred method for procuring construction, if the conditions. . . .

EAST NOBLE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

(2) *Proposals*. A procurement method in which either a fixed price or cost-reimbursement type contract is awarded. Proposals are generally used when conditions are not appropriate for the use of sealed bids. . . ."

2 CFR 180.300 states:

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

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

Cause

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

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

EAST NOBLE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2024-008

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): S010A220014, S010A230014
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Eligibility
Audit Finding: Material Weakness

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. These counts that are prepopulated should be based on the School Corporation's records as of October of the prior fiscal year. There was no review by the School Corporation of the enrollment and poverty counts that were prepopulated into the School Corporation's Title I grant application.

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

Management did not develop a system of internal controls that segregated key functions over reporting student enrollment and poverty status to the IDOE via the Title I, Part A grant 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.

EAST NOBLE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Recommendation

We recommended that the School Corporation's management establish a system of internal controls, including segregation of duties, related to the grant agreement and the Eligibility compliance requirement.

Views of Responsible Officials

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

AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by 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: 2022

Current Audit Period: 2022-2024

Finding Subject: Child Nutrition Cluster –Suspension and Debarment

Status of Audit Finding: Partially Corrected

Response Comments:

Any contracts or vendors with an excess of \$25,000, documentation will be requested stating that the company is in good standing. The site Sam.gov will also be utilized to verify the company is compliant. This information is included in New World with the quote. A binder with companies that have been verified from the Sam.gov site is available. Any new vendors are added to the list and the list is printed every 6 months.

Brian A. Leitch
Chief Finance & Operations Officer
March 3, 2025

Summary Schedule of Prior Audit Findings

FINDING 2022-002

Fiscal year in which the finding initially occurred: 2022
Current Audit Period: 2022-2024

Finding Subject: Child Nutrition - Reporting

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

Brian A. Leitch
Chief Finance & Operations Officer
March 3, 2025

Summary Schedule of Prior Audit Findings

FINDING 2022-003

Fiscal year in which the finding initially occurred: 2022
Current Audit Period: 2022-2024

Finding Subject: Special Education Cluster (IDEA) – Suspension and Debarment

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

Brian A. Leitch
Chief Finance & Operations Officer
March 3, 2025

Summary Schedule of Prior Audit Findings

FINDING 2022-004

Fiscal year in which the finding initially occurred: 2022
Current Audit Period: 2022-2024

Finding Subject: Title I Grants to Local Educational Agencies – Eligibility; Matching, Level of Effort, Earmarking

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

Brian A. Leitch
Chief Finance & Operations Officer
March 3, 2025

Summary Schedule of Prior Audit Findings

FINDING 2022-005

Fiscal year in which the finding initially occurred: 2022

Current Audit Period: 2022-2024

Finding Subject: COVID 19 – Education Stabilization Fund - Reporting

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

Brian A. Leitch
Chief Finance & Operations Officer
March 3, 2025

CORRECTIVE ACTION PLAN

FINDING 2024-001 Section II Financial Statement Findings

Finding Subject: Financial Transactions and Reporting

Contact Person Responsible for Corrective Action: Brian Leitch and Holly Singleton

Contact Phone Number and Email Address: 260-347-2502 bleitch@eastnoble.net, hsingleton@eastnoble.net

Views of Responsible Officials:

We concur with finding 2024-001

Description of Corrective Action Plan:

The Deputy Treasurer will run reports from New World verifying that all new funds are included. Due to the payroll and deductions fund using liabilities a separate report will be run to ensure these funds amounts are correct. When the Deputy Treasurer submits these reports into the AFR of Gateway, they will be reviewed and approved by the Chief Officer of Operations.

Anticipated Completion Date:

July 30th, 2025.

Per Uniform Guidance:

2 CFR § 200.511(a) – “The auditee is responsible for follow-up and corrective action on all audit findings. . . The auditee must also prepare a corrective action plan for current year audit findings. . . The corrective action plan and summary schedule of prior audit findings must include findings relating to the financial statements which are required to be reported in accordance with GAGAS.”

2 CFR § 200.511(c) – “At the completion of the audit, the auditee must prepare, in a document separate from the auditor’s findings described in § 200.516, a corrective action plan to address each audit finding included in the current year auditor’s reports. The corrective action plan must provide the name(s) of the contact person(s) responsible for corrective action, the corrective action planned, and the anticipated completion date. If the auditee does not agree with the audit findings or believes corrective action is not required, then the corrective action plan must include an explanation and specific reasons.”

CORRECTIVE ACTION PLAN

FINDING 2024-002 (Section II Financial Statement Findings)

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

Contact Person Responsible for Corrective Action: Brian Leitch, Holly Singleton

Contact Phone Number and Email Address: 260-347-2502 bleitch@eastnoble.net hsingleton@eastnoble.net

Views of Responsible Officials:

We concur with the finding.

Description of Corrective Action Plan:

The Deputy Treasurer will use information provided by the COOP pertaining to the Special Education Grants as well as reports from New World when completing the SEFA. The Deputy Treasurer will also access the CNP website to determine the amount of commodities that should be reported on the SEFA. This amount and the 0800 fund totals will be reviewed and confirmed with the Food Service Department. The Deputy Treasurer will prepare the SEFA report, and it will be reviewed and signed by the Chief Financial Operations Officer.

As of June 30, 2025, East Noble School Corporation will no longer be a member of the Northeast Indiana Special Education Cooperative.

Anticipated Completion Date:

July 30th, 2025.

Per Uniform Guidance:

2 CFR § 200.511(a) – “The auditee is responsible for follow-up and corrective action on all audit findings. . . The auditee must also prepare a corrective action plan for current year audit findings. . . The corrective action plan and summary schedule of prior audit findings must include findings relating to the financial statements which are required to be reported in accordance with GAGAS.”

2 CFR § 200.511(c) – “At the completion of the audit, the auditee must prepare, in a document separate from the auditor’s findings described in § 200.516, a corrective action plan to address each audit finding included in the current year auditor’s reports. The corrective action plan must provide the name(s) of the contact person(s) responsible for corrective action, the corrective action planned, and the anticipated completion date. If the auditee does not agree with the audit findings or believes corrective action is not required, then the corrective action plan must include an explanation and specific reasons.”

CORRECTIVE ACTION PLAN

FINDING 2024-003 (Section III-Federal Award Findings and Questioned Costs)

Finding Subject: Child Nutrition Cluster - Suspension and Debarment

Contact Person Responsible for Corrective Action: Brian Leitch, Holly Singleton and Roger Urick

Contact Phone Number and Email Address: 260-347-2502 bleitch@eastnoble.net, hsingleton@eastnoble.net, rurick@eastnoble.net

Views of Responsible Officials:

We concur with the finding.

Description of Corrective Action Plan:

Any contracts or vendors with an excess of \$25,000, documentation will be requested stating that the company is in good standing (the company is not suspended or debarred from receiving Federal Funds). The site Sam.gov may also be utilized to verify the company is complaint. This information is included in New World with the quote. A binder with companies that have been verified from the Sam.gov site is available for the Deputy Treasurer, Grants Coordinator and Food Service to reference. Any new vendors are added to the list and the list is printed every 6 months.

Anticipated Completion Date:

Immediately

Per Uniform Guidance:

2 CFR § 200.511(a) – “The auditee is responsible for follow-up and corrective action on all audit findings. . . The auditee must also prepare a corrective action plan for current year audit findings. . . The corrective action plan and summary schedule of prior audit findings must include findings relating to the financial statements which are required to be reported in accordance with GAGAS.”

2 CFR § 200.511(c) – “At the completion of the audit, the auditee must prepare, in a document separate from the auditor’s findings described in § 200.516, a corrective action plan to address each audit finding included in the current year auditor’s reports. The corrective action plan must provide the name(s) of the contact person(s) responsible for corrective action, the corrective action planned, and the anticipated completion date. If the auditee does not agree with the audit findings or believes corrective action is not required, then the corrective action plan must include an explanation and specific reasons.”

CORRECTIVE ACTION PLAN

FINDING 2024-004 (Section III-Federal Award Findings and Questioned Costs)

Finding Subject: Child Nutrition Cluster- Internal Controls

Contact Person Responsible for Corrective Action: Brian Leitch, Holly Singleton and Roger Urick

Contact Phone Number and Email Address: 260-347-2502 bleitch@eastnoble.net, hsingleton@eastnoble.net
rurick@eastnoble.net

Views of Responsible Officials:

We concur with the finding.

Description of Corrective Action Plan:

The monthly meal reimbursement claims are calculated by the Food Service Director (Roger Urick) with documentation from Meal Magic. The document is printed and reviewed by the Deputy Treasurer (Holly Singleton). Both parties sign the report, and it is recorded. Reimbursement is submitted by the Food Service Director (Roger Urick). Once reimbursement is received, the Deputy Treasurer (Holly Singleton) gives updates to the Food Service department to verify that the amounts received match the amounts requested.

The Director of Food Service uses the Federal Income Guidelines to input into the Meal Magic software. The Deputy Treasurer oversees him inputting the information and they both sign the documentation verifying the numbers in the system. When the Director of Food Service downloads the direct certification monthly and enters them into Meal Magic, a report will be ran by the Food Service secretary to verify that the certified students were properly processed. Documentation of the state's report and the meal magic report will be signed and retained as evidence.

Anticipated Completion Date:

The corrective action plan regarding reporting has been established since the 2023-2024 fiscal year. The corrective action plan regarding eligibility will be established immediately.

Per Uniform Guidance:

2 CFR § 200.511(a) – “The auditee is responsible for follow-up and corrective action on all audit findings. . . The auditee must also prepare a corrective action plan for current year audit findings. . . The corrective action plan and summary schedule of prior audit findings must include findings relating to the financial statements which are required to be reported in accordance with GAGAS.”

2 CFR § 200.511(c) – “At the completion of the audit, the auditee must prepare, in a document separate from the auditor's findings described in § 200.516, a corrective action plan to address each audit finding included in the current year auditor's reports. The corrective action plan must provide the name(s) of the contact person(s) responsible for corrective action, the corrective action planned, and the anticipated completion date. If the auditee does not agree with the audit findings or believes corrective action is not required, then the corrective action plan must include an explanation and specific reasons.”

CORRECTIVE ACTION PLAN

FINDING 2024-005 (Section III-Federal Award Findings and Questioned Costs)

Finding Subject: COVID-19 Education Stabilization Fund- Equipment and Real Property Management

Audit Finding: Material Weakness, Other Matters

Contact Person Responsible for Corrective Action: Brian Leitch and Holly Singleton

Contact Phone Number and Email Address: 260-347-2502 bleitch@eastnoble.net, hsingleton@eastnoble.net

Views of Responsible Officials:

We concur with the finding.

Description of Corrective Action Plan:

If Federal funds are used to purchase Capital Assets, the Deputy Treasurer will ensure that the percentage of federal participation and the use and condition of the property will be included in the capital asset listing. The listing will then be reviewed and approved by the CFOO.

Anticipated Completion Date:

Immediately

Per Uniform Guidance:

2 CFR § 200.511(a) – “The auditee is responsible for follow-up and corrective action on all audit findings. . . The auditee must also prepare a corrective action plan for current year audit findings. . . The corrective action plan and summary schedule of prior audit findings must include findings relating to the financial statements which are required to be reported in accordance with GAGAS.”

2 CFR § 200.511(c) – “At the completion of the audit, the auditee must prepare, in a document separate from the auditor’s findings described in § 200.516, a corrective action plan to address each audit finding included in the current year auditor’s reports. The corrective action plan must provide the name(s) of the contact person(s) responsible for corrective action, the corrective action planned, and the anticipated completion date. If the auditee does not agree with the audit findings or believes corrective action is not required, then the corrective action plan must include an explanation and specific reasons.”

CORRECTIVE ACTION PLAN

FINDING 2024-006 (Section III-Federal Award Findings and Questioned Costs)

Finding Subject: COVID-19 - Education Stabilization Fund - Special Test and Provisions - Wage Rate Requirement

Audit Finding: Material Weakness, Modified Opinion

Contact Person Responsible for Corrective Action: Brian Leitch and Holly Singleton

Contact Phone Number and Email Address: 260-347-2502 bleitch@eastnoble.net, hsingleton@eastnoble.net

Views of Responsible Officials:

We concur with the finding.

Description of Corrective Action Plan:

If East Noble plans to enter into a contract that will be paid using Federal funds, the Wage Rate Requirements will be added to the specifications during the formal bid process. Certified time sheets will be required from the contractor in order to process pay ap payments.

Anticipated Completion Date:

Immediately

Per Uniform Guidance:

2 CFR § 200.511(a) – “The auditee is responsible for follow-up and corrective action on all audit findings. . . The auditee must also prepare a corrective action plan for current year audit findings. . . The corrective action plan and summary schedule of prior audit findings must include findings relating to the financial statements which are required to be reported in accordance with GAGAS.”

2 CFR § 200.511(c) – “At the completion of the audit, the auditee must prepare, in a document separate from the auditor’s findings described in § 200.516, a corrective action plan to address each audit finding included in the current year auditor’s reports. The corrective action plan must provide the name(s) of the contact person(s) responsible for corrective action, the corrective action planned, and the anticipated completion date. If the auditee does not agree with the audit findings or believes corrective action is not required, then the corrective action plan must include an explanation and specific reasons.”

CORRECTIVE ACTION PLAN

FINDING 2024-007 (Section III-Federal Award Findings and Questioned Costs)

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

Contact Person Responsible for Corrective Action: Dawn Mason, Business Manager, DeKalb Co. Eastern CSD

Contact Phone Number and Email Address: 260-868-2125; dmason@dkeschools.com

Views of Responsible Officials: We concur with the findings.

Description of Corrective Action Plan:

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

Reference Procurement Standards 2 CFR 200.318

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

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

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

Methods of Procurement

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

Informal Procurement Procedures

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

Per Uniform Guidance:

2 CFR § 200.511(a) – “The auditee is responsible for follow-up and corrective action on all audit findings. . . The auditee must also prepare a corrective action plan for current year audit findings. . . The corrective action plan and summary schedule of prior audit findings must include findings relating to the financial statements which are required to be reported in accordance with GAGAS.”

2 CFR § 200.511(c) – “At the completion of the audit, the auditee must prepare, in a document separate from the auditor’s findings described in § 200.516, a corrective action plan to address each audit finding included in the current year auditor’s reports. The corrective action plan must provide the name(s) of the contact person(s) responsible for corrective action, the corrective action planned, and the anticipated completion date. If the auditee does not agree with the audit findings or believes corrective action is not required, then the corrective action plan must include an explanation and specific reasons.”

Formal Procurement Procedures

1. Sealed Bids (above \$150,000)

Bids must be solicited from an adequate number of suppliers, providing them with sufficient response time prior to the opening of the bids. Proper advertisement and procedures must be followed per IC 5-22 and corresponding documentation must be presented to the LEA prior to any final approval or purchases being made.

2. Competitive Proposals (above \$150,000)

The Request for Proposal method is used for procurements in which factors other than cost play a significant role. Per IC 5-22-9, when a purchasing agent makes a written determination that the use of competitive sealed bidding is either not practicable or not advantageous to the governmental body, the purchasing agent may award a contract using this procedure instead of competitive sealed bidding. This provides a formal process for the procurement of goods and/or services for which price is not the sole factor in the selection of a vendor or vendors. Proper advertisement and procedures must be followed per IC 5-22 and corresponding documentation must be presented to the LEA prior to any final approval or purchases being made.

Noncompetitive (Sole Source)

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

Anticipated Completion Date:

All expenditures initiated after March 12, 2025

Per Uniform Guidance:

2 CFR § 200.511(a) – “The auditee is responsible for follow-up and corrective action on all audit findings. . . The auditee must also prepare a corrective action plan for current year audit findings. . . The corrective action plan and summary schedule of prior audit findings must include findings relating to the financial statements which are required to be reported in accordance with GAGAS.”

2 CFR § 200.511(c) – “At the completion of the audit, the auditee must prepare, in a document separate from the auditor’s findings described in § 200.516, a corrective action plan to address each audit finding included in the current year auditor’s reports. The corrective action plan must provide the name(s) of the contact person(s) responsible for corrective action, the corrective action planned, and the anticipated completion date. If the auditee does not agree with the audit findings or believes corrective action is not required, then the corrective action plan must include an explanation and specific reasons.”

CORRECTIVE ACTION PLAN

FINDING 2024-008 (Section III-Federal Award Findings and Questioned Costs)

Finding Subject: Title I Grants to Local Education Agencies – Eligibility

Contact Person Responsible for Corrective Action: Holly Singleton, Heidi Moreno

Contact Phone Number and Email Address: 260-347-2502 hsingleton@eastnoble.net , hmoreno@eastnoble.net

Views of Responsible Officials:

We concur with the finding.

Description of Corrective Action Plan:

When the Grants Coordinator and Deputy Treasurer work on completing the Title I Application, they will cross reference the pre-populated numbers provided by the DOE with the DEX report from the October 1st count date. If the numbers are both accurate, they will both sign documentation verifying that the numbers matched. If there is a discrepancy with the numbers, East Noble will reach out to the DOE representative.

Anticipated Completion Date:

July 1st, 2025 or when the next Title 1 Application is initiated

Per Uniform Guidance:

2 CFR § 200.511(a) – “The auditee is responsible for follow-up and corrective action on all audit findings. . . The auditee must also prepare a corrective action plan for current year audit findings. . . The corrective action plan and summary schedule of prior audit findings must include findings relating to the financial statements which are required to be reported in accordance with GAGAS.”

2 CFR § 200.511(c) – “At the completion of the audit, the auditee must prepare, in a document separate from the auditor’s findings described in § 200.516, a corrective action plan to address each audit finding included in the current year auditor’s reports. The corrective action plan must provide the name(s) of the contact person(s) responsible for corrective action, the corrective action planned, and the anticipated completion date. If the auditee does not agree with the audit findings or believes corrective action is not required, then the corrective action plan must include an explanation and specific reasons.”

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/>.