

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

FORT WAYNE COMMUNITY SCHOOLS

ALLEN COUNTY, INDIANA

July 1, 2019 to June 30, 2020



FILED
04/13/2021

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Sherry Nidlinger	07-01-19 to 06-30-21
Superintendent of Schools	Dr. Wendy Robinson Dr. Mark Daniel	07-01-19 to 06-30-20 07-01-20 to 06-30-21
President of the School Board	Julie Hollingsworth Anne Duff	07-01-19 to 12-31-20 01-01-21 to 06-30-21



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

TO: THE OFFICIALS OF THE FORT WAYNE COMMUNITY SCHOOLS, ALLEN 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 statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fort Wayne Community Schools (School Corporation), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated April 1, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, 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 statements 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statements are 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.


Paul D. Joyce, CPA
State Examiner

April 1, 2021



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 FORT WAYNE COMMUNITY SCHOOLS, ALLEN COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Fort Wayne Community Schools' (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

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)

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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


Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School Corporation's basic financial statements. We issued our report thereon dated April 1, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. 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 basic financial statements. 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 statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, 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 basic financial statements as a whole.


Paul D. Joyce, CPA
State Examiner

April 1, 2021

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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.

FORT WAYNE COMMUNITY SCHOOLS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2020

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient	Total Federal Awards Expended
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553	FY 19-20	\$ -	\$ 3,841,553
School Breakfast Program					
COVID-19 - School Breakfast Program	Indiana Department of Education	10.553	FY 19-20	-	337,173
FY 19-20 School Breakfast Program					
Total - School Breakfast Program				-	4,178,726
National School Lunch Program	Indiana Department of Education	10.555	FY 19-20	-	9,932,954
National School Lunch Program			FY 19-20	-	1,340,291
Commodities					
Sub-total - National School Lunch Program				-	11,273,245
COVID-19 National School Lunch Program	Indiana Department of Education	10.555	FY 19-20	-	771,205
FY 19-20 National School Lunch Program					
Total - National School Lunch Program				-	12,044,450
Summer Food Service Program for Children	Indiana Department of Education	10.559	FY 19-20	-	239,129
Summer Food Service Program					
COVID-19 Summer Food Service Program for Children	Indiana Department of Education	10.559	FY 19-20	-	741,945
FY 19-20 Summer Food Service Program for Children					
Total - Summer Food Service Program for Children				-	981,074
Total - Child Nutrition Cluster				-	17,204,250
Child and Adult Care Food Program	Indiana Department of Education	10.558	FY 19-20	-	66,936
Child and Adult Care Food Program					
Fresh Fruit and Vegetable Program	Indiana Department of Education	10.582	FY 19-20	-	454,939
Fresh Fruit and Vegetable Program					
Total - Department of Agriculture				-	17,726,125
<u>Department of Justice</u>					
Public Safety Partnership and Community Policing Grants	City of Fort Wayne	16.710	2018SVWX0014	-	244,590
2018 School Violence Prevention Program					
Total - Department of Justice				-	244,590

FORT WAYNE COMMUNITY SCHOOLS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2020

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient	Total Federal Awards Expended
<u>National Endowment for the Humanities</u>					
Promotion of the Arts Partnership Agreements Region 3 - FY2019 Regional Initiative Grant - Arts Project Support	Indiana Arts Commission	45.025	1809842-61-18	-	4,610
Total - National Endowment for the Humanities				-	4,610
<u>Department of Education</u>					
Special Education Cluster (IDEA)					
Special Education Grants to States Part B Section 611 Part B Section 611	Indiana Department of Education	84.027	18611-016-PN01 19611-016-PN01	- -	521,107 4,182,774
Total - Special Education Grants to States				-	4,703,881
Special Education Preschool Grants Part B Section 619 Part B Section 619	Indiana Department of Education	84.173	19619-016-PN01 20619-016-PN01	- -	156,784 98,899
Total - Special Education Preschool Grants				-	255,683
Total - Special Education Cluster (IDEA)				-	4,959,564
Teacher Incentive Fund					
PEER - Performance + Equity = Excellent Results PEER - Performance + Equity = Excellent Results	Direct Grant	84.374	U374A170055-18 U374A170055-19	- -	6,079,386 7,139,680
Total - Teacher Incentive Fund				-	13,219,066
Adult Education - Basic Grants to States					
Adult Basic Education Grant Adult Basic Education Grant	Northeast Indiana Works Inc.	84.002	AE-FWCS-2019-01 AE-FWCS-2018-01	- -	636,516 207,416
EL Civics EL Civics	Indiana Department of Workforce Development	84.002	IELCE856 IELCE956	- -	26,085 74,795
Total - Adult Education - Basic Grants to States				-	944,812
Title I Grants to Local Educational Agencies					
Title 1 Basic Grant Title 1 Delinquent Institution Grant	Indiana Department of Education	84.010	S010A180014 S010A180014	- -	4,755,019 62,172

FORT WAYNE COMMUNITY SCHOOLS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2020

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient	Total Federal Awards Expended
Title 1 Delinquent Institution Grant			S010A190014	-	64,519
Title 1 Basic Grant			S010A190014	-	6,605,132
Total - Title I Grants to Local Educational Agencies				-	11,486,842
Career and Technical Education - Basic Grants to States	Indiana Department of Education				
Area Career and Technical Education District Comprehensive Local Plan		84.048	19-4700-0235	-	131,733
Area Career and Technical Education District Comprehensive Local Plan			19A-4700-0235	-	9,002
Area Career and Technical Education District Comprehensive Local Plan			20-0512-0235	154,102	559,438
Area Career and Technical Education District Comprehensive Local Plan			20-0512-A0235	-	1,830
Total - Career and Technical Education - Basic Grants to States				154,102	702,003
Magnet Schools Assistance	Direct Grant				
SEEK - Successful Equity for Excellent Kids		84.165	U165A180062	-	625,932
SEEK-Successful Equity for Excellent Kids			U165A180062 - 19	-	864,781
Total - Magnet Schools Assistance				-	1,490,713
Education for Homeless Children and Youth	Indiana Department of Education				
McKinney-Vento Education for Homeless Children and Youth		84.196	22389	-	30,704
McKinney-Vento Education for Homeless Children and Youth			38616	-	39,357
Total - Education for Homeless Children and Youth				-	70,061
Gaining Early Awareness and Readiness for Undergraduate Programs	Direct Grant				
GEAR UP Fort Wayne		84.334	P334A180143	-	221,860
GEAR UP Fort Wayne			P334A180143-19	-	798,331
Total - Gaining Early Awareness and Readiness for Undergraduate Programs				-	1,020,191
English Language Acquisition State Grants	Indiana Department of Education				
Title III Grant		84.365	S365A190014	-	289,586
Title III Grant			S365A180014	-	186,611
Title III Distinguished Indiana School District Award			01118-102-PN01	-	10,000
Total - English Language Acquisition State Grants				-	486,197
Supporting Effective Instruction State Grants	Indiana Department of Education				
Title II Part A		84.367	S367A170013	-	521,949

FORT WAYNE COMMUNITY SCHOOLS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2020

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient	Total Federal Awards Expended
Title II Part A			S367A180013	-	704,521
Total - Supporting Effective Instruction State Grants				-	1,226,470
Student Support and Academic Enrichment Program Title IV Part A	Indiana Department of Education	84.424	S424A180015	-	344,029
Total - Department of Education				154,102	35,949,948
<u>Department of Health and Human Services</u>					
CCDF Cluster					
Child Care and Development Block Grant Paths to Quality Paths to Quality	Indiana Association for the Education of Young Children Inc.	93.575	2016-2017 2017-2018	-	9,045 1,307
Total - Child Care and Development Block Grant				-	10,352
Total - CCDF Cluster				-	10,352
Medicaid Cluster					
Medical Assistance Program Medicaid-IEP Medicaid IMAC	Family and Social Services Administration Indiana Department of Education	93.778	2019-2020 2019-2020	-	1,247,595 118,424
Total - Medical Assistance Program				-	1,366,019
Total - Medicaid Cluster				-	1,366,019
Refugee and Entrant Assistance State Administered Programs Refugee Children School Impact	Indiana Department of Education	93.566	700REFSOCVCF19	-	17,244
Total - Department of Health and Human Services				-	1,393,615
Total federal awards expended				\$ 154,102	\$ 55,318,888

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

FORT WAYNE COMMUNITY SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the year ended June 30, 2020. 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.

B. Other Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed 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.

FORT WAYNE COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued:

Name of Opinion Unit	Opinion Issued
Governmental Activities	Unmodified
Each Major Fund	Unmodified
Aggregate Remaining Funds	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statements noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	no

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

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
84.374	Child Nutrition Cluster	Unmodified
84.010	Teacher Incentive Fund	Unmodified
	Title I Grants to Local Educational Agencies	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$1,659,567

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

No matters are reportable.

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

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AUDITEE-PREPARED DOCUMENT

The subsequent document was provided by management of the School Corporation. The document is presented as intended by the School Corporation.



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2019-001 (Auditor Assigned Reference Number)

Fiscal year in which the finding initially occurred: 2017-2018

Status of Audit Finding:

Corrective action has been taken.

PLE Tool is now prepared by the Nutrition Services financial secretary and submitted to the Director of Nutrition for a system of oversight, review, and approval before submitting the calculation to the Indiana Department of Education. The parochial schools will be the only ones listed on the PLE due to FWCS being a CEP district.

The Nutrition Services financial secretary has been preparing the PLE tool and submitting to the Director of Nutrition for the past two (2) years (2019-2020, and 2020-2021 school years) prior to being submitted to the Department of Education.

Nutrition Services

3211 W. Ludwig Rd. • Fort Wayne, IN 46818

• Phone: 260.467.2055 • Fax: 260.467.2690

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/>.