

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

METROPOLITAN SCHOOL DISTRICT OF BOONE TOWNSHIP

PORTER COUNTY, INDIANA

July 1, 2020 to June 30, 2022



**FILED**

02/16/2023



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Beverly Hindes	07-01-20 to 06-30-23
Superintendent of Schools	Nathan Kleefisch Jeffery Brooks	07-01-20 to 07-31-20 08-01-20 to 06-30-23
President of the School Board	Gerald Michalak John (Jeff) Nilsen	07-01-20 to 12-31-22 01-01-23 to 06-30-23



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 METROPOLITAN SCHOOL DISTRICT  
OF BOONE TOWNSHIP, PORTER 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 Metropolitan School District of Boone Township (School Corporation), for the period of July 1, 2020 to June 30, 2022, and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement and have issued our report thereon dated January 9, 2023, 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. 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  
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 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.



Beth Kelley, CPA, CFE  
Deputy State Examiner

January 9, 2023



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE 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 METROPOLITAN SCHOOL DISTRICT  
OF BOONE TOWNSHIP, PORTER COUNTY, INDIANA

**Report on Compliance for the Major Federal Program**

***Qualified Opinion***

We have audited the Metropolitan School District of Boone Township'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 its major federal program for the period of July 1, 2020 to June 30, 2022. The School Corporation's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings and Questioned Costs.

***Qualified Opinion on the Child Nutrition Cluster***

In our opinion, except for the noncompliance described in the *Basis for Qualified 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, 2020 to June 30, 2022.

***Basis for Qualified Opinion***

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.

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

*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 2022-001 for Procurement and Suspension and Debarment. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with the requirements applicable to that program.

**Responsibilities of Management for Compliance**

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

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

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

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

**Other Matters**

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

**Report on Internal Control over Compliance**

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance, described in the accompanying Schedule of Findings and Questioned Costs as item 2022-001, to be material weaknesses.

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 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 THE 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, 2020 to June 30, 2022, and the related notes to the financial statement. We issued our report thereon dated January 9, 2023, 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

January 9, 2023

## 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.

METROPOLITAN SCHOOL DISTRICT OF BOONE TOWNSHIP  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2021 and 2022

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 06-30-21	Total Federal Awards Expended 06-30-21	Passed Through to Subrecipient 06-30-22	Total Federal Awards Expended 06-30-22
<b>Department of Agriculture</b>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553	SY2021-2022	\$ -	\$ -	\$ -	\$ 76,984
School Breakfast Program							
COVID-19 - School Breakfast Program	Indiana Department of Education	10.553	FY 20-21	-	37,640	-	-
School Breakfast Program							
Total - School Breakfast Program				-	37,640	-	76,984
National School Lunch Program	Indiana Department of Education	10.555					
National School Lunch Program			SY2020-2021	-	-	-	-
National School Lunch Program			SY2021-2022	-	-	-	489,248
Commodities			SY2020-2021/SY2021-2022	-	51,138	-	56,036
Subtotal - National School Lunch Program				-	51,138	-	545,284
COVID-19 - National School Lunch Program	Indiana Department of Education	10.555	FY 20-21	-	112,749	-	-
National School Lunch Program							
Subtotal - COVID-19 - National School Lunch Program				-	112,749	-	-
Total - National School Lunch Program				-	163,887	-	545,284
Summer Food Service Program for Children	Indiana Department of Education	10.559					
Summer Food Service Program COVID Waiver			FY 20-21	-	482,075	-	-
Summer Food Service Program COVID Waiver			FY 21-22	-	-	-	72,082
Total - Summer Food Service Program for Children				-	482,075	-	72,082
Total - Child Nutrition Cluster				-	683,602	-	694,350
Total - Department of Agriculture				-	683,602	-	694,350
<b>Department of Education</b>							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
Special Education IDEA Part B 611 FY2019			19611-048-PN01	-	1,593	-	-
Special Education IDEA Part B 611 FY2020			20611-046-PN01	-	48,702	-	2,228
Special Education IDEA Part B 611 FY2021			21611-046-PN01	-	154,699	-	68,894
Special Education IDEA Part B 611 FY2022			22611-046-PN01	-	-	-	153,492
Total - Special Education Grants to States				-	204,994	-	224,614
Special Education_Preschool Grants	Indiana Department of Education	84.173					
Special Education Preschool 619 FY2020			20619-046-PN01	-	228	-	-
Special Education Preschool 619 FY2021			21619-046-PN01	-	6,710	-	458
Special Education Preschool 619 FY2022			22619-046-PN01	-	-	-	6,755
Total - Special Education Preschool Grants				-	6,938	-	7,213
Total - Special Education Cluster (IDEA)				-	211,932	-	231,827

METROPOLITAN SCHOOL DISTRICT OF BOONE TOWNSHIP  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2021 and 2022

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 06-30-21	Total Federal Awards Expended 06-30-21	Passed Through to Subrecipient 06-30-22	Total Federal Awards Expended 06-30-22
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I 19/20 #4130			SY2019-2020	-	44,646	-	-
Title I 20/21 #4140			SY2020-2021	-	76,612	-	22,563
Title I 21/22 #4150			SY2021-2022	-	-	-	78,101
Total - Title I Grants to Local Educational Agencies				-	121,258	-	100,664
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
Title II - Part A 19/20 #119			FFY 2019	-	15,302	-	-
Title II - Part A 19/20 FFY2019			FFY218	-	-	-	10,202
Total - Supporting Effective Instruction State Grants				-	15,302	-	10,202
Student Support and Academic Enrichment Program	Indiana Department of Education	84.424					
Title IV			S424A200015	-	16,876	-	-
Title IV			S424A200015	-	-	-	8,424
Total - Student Support and Academic Enrichment Program				-	16,876	-	8,424
COVID-19 - Education Stabilization Fund	Indiana Department of Education						
Governor's Emergency Education Relief Funds		84.425C	S425C200018	-	4,175	-	825
Elementary and Secondary School Emergency Relief Fund		84.425D	S425D200013	-	98,876	-	3,410
Elementary and Secondary School Emergency Relief Fund		84.425D	S425D210013	-	-	-	155,814
Elementary and Secondary School Emergency Relief Fund		84.425U	S425U210013	-	-	-	239,988
Total - COVID-19 - Educational Stabilization Fund				-	103,051	-	400,037
Total - Department of Education				-	468,419	-	751,154
Department of Health and Human Services							
Medicaid Cluster							
Medical Assistance Program	Indiana Department of Education	93.778					
Medical Assistance Program			SY2021	-	7,018	-	-
Medical Assistance Program			SY2022	-	-	-	3,582
Total - Medicaid Cluster				-	7,018	-	3,582
Total - Department of Health and Human Services				-	7,018	-	3,582
Total federal awards expended				\$ -	\$ 1,159,039	\$ -	\$ 1,449,086

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

METROPOLITAN SCHOOL DISTRICT OF BOONE TOWNSHIP  
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 years ended June 30, 2021 and 2022. 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, 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.

**Note 3. Special Education Cooperative**

The School Corporation is a member of a 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.

METROPOLITAN SCHOOL DISTRICT OF BOONE TOWNSHIP  
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?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major program:	
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 Program and type of auditor's report issued on compliance for it:

<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
Child Nutrition Cluster	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**

No matters are reportable.

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

**FINDING 2022-001**

Subject: Child Nutrition Cluster - Procurement and Suspension and Debarment  
 Federal Agency: Department of Agriculture  
 Federal Programs: School Breakfast Program, National School Lunch Program, Summer Food Service Program for Children  
 Assistance Listings Numbers: 10.553, 10.555, 10.559  
 Federal Award Number and Year (or Other Identifying Number): SY2021-2022, FY21-22  
 Pass-Through Entity: Indiana Department of Education  
 Compliance Requirement: Procurement and Suspension and Debarment  
 Audit Findings: Material Weakness, Modified Opinion

METROPOLITAN SCHOOL DISTRICT OF BOONE TOWNSHIP  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition and Context*

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

The School Corporation did not follow procurement procedures for one of two vendors that exceeded the simplified acquisition threshold. Sealed bids or competitive proposals, as required, were not obtained from an adequate number of sources, nor was a circumstance met that would have allowed for a noncompetitive procurement for the purchase of kitchen equipment from C&T Design and Equipment Co. Additionally, the School Corporation did not verify that C&T Design and Equipment Co. was neither suspended nor debarred, or otherwise excluded or disqualified from participating in federal assistance programs.

The lack of internal controls and noncompliance was isolated to C&T Design and Equipment Co. during the 2021-2022 school year.

*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(b) states in part:

*"Formal procurement methods.* When the value of the procurement for property or services under the 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 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.* . . .

(ii) If sealed bids are used the following requirements apply:

(A) Bids must be solicited from an adequate number of qualified sources . . .

(2) *Proposals.* . . .

(i) Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Proposals must be solicited from an adequate number qualified offerors. . . ."

METROPOLITAN SCHOOL DISTRICT OF BOONE TOWNSHIP  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

2 CFR 200.320(c) states:

*"Noncompetitive procurement.* There are specific circumstances in which noncompetitive procurement can be used. Noncompetitive procurement can only be awarded if one or more of the following circumstances apply:

- (1) The acquisition of property or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (see paragraph (a)(1) of this section);
- (2) The items is available only from a single source;
- (3) The public exigency or emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation;
- (4) The Federal awarding agency or pass-through entity expressly authorizes a noncompetitive procurement in response to a written request from the non-Federal entity; or
- (5) After solicitation of a number of sources, competition is determined inadequate."

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

*Cause*

Management had not developed a system of internal control that would have ensured compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

*Effect*

The failure to establish an effective system of internal control enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement 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 the School Corporation's management establish a system of internal control to ensure compliance and comply with the Procurement and Suspension and Debarment compliance requirement.

METROPOLITAN SCHOOL DISTRICT OF BOONE TOWNSHIP  
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.

#### AUDITEE-PREPARED DOCUMENTS

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

**Administration**

**Jeffrey J. Brooks**  
Superintendent

**Aaron M. Owney**  
Principal  
Hebron High School

**Matthew A. Beahm**  
Principal  
Hebron Middle School

**METROPOLITAN SCHOOL DISTRICT  
of  
BOONE TOWNSHIP**

307 South Main Street • Hebron, IN 46341  
Phone: 219-996-4771 • Fax: 219-996-5777  
Website: [www.hebronschools.k12.in.us](http://www.hebronschools.k12.in.us)

***Mission Statement:***

*The mission of the MSD of Boone Township is to educate  
and prepare today's students for tomorrow's challenges.*

**School Board**

**Gerald S. Michalak**  
President

**John J. Nilsen**  
Vice President

**Keith P. Buchanan**  
Secretary

**Keith I. Cunningham**

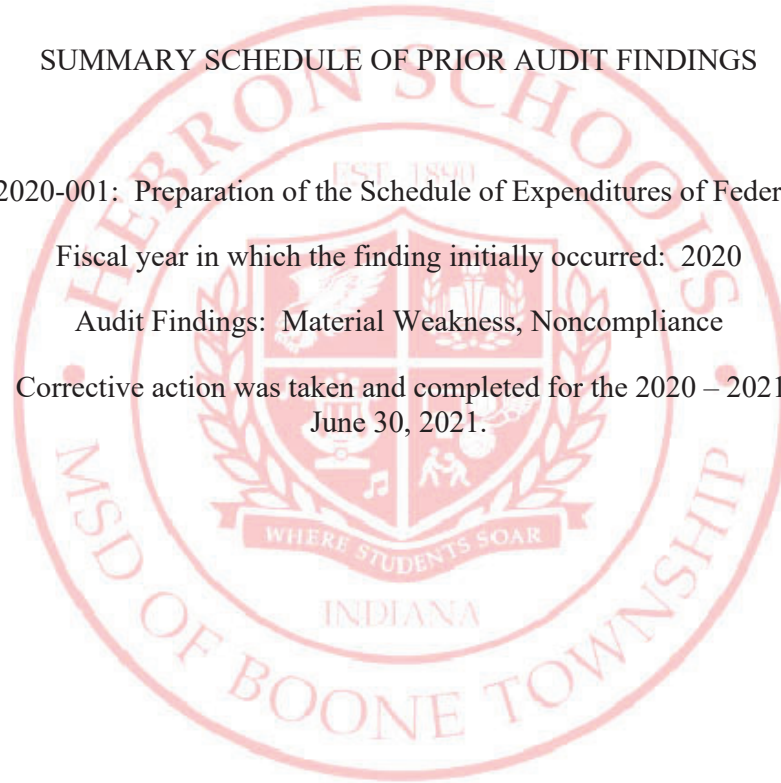
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Finding 2020-001: Preparation of the Schedule of Expenditures of Federal Awards

Fiscal year in which the finding initially occurred: 2020

Audit Findings: Material Weakness, Noncompliance

Status of Audit Finding: Corrective action was taken and completed for the 2020 – 2021 School Year on or about  
June 30, 2021.



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Superintendent  
**Aaron M. Owey**  
Principal  
Hebron High School  
**Matthew A. Beahm**  
Principal  
Hebron Middle School  
**Timothy R. Prikkel**  
Principal  
Hebron Elementary School

**METROPOLITAN SCHOOL DISTRICT**  
**of**  
**BOONE TOWNSHIP**

**307 South Main Street • Hebron, IN 46341**  
**Phone: 219-996-4771 • Fax: 219-996-5777**  
**Website: www.hebronschools.k12.in.us**

***Mission Statement:***

*The mission of the MSD of Boone Township is to educate  
and prepare today's students for tomorrow's challenges.*

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Vice President  
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Secretary  
**Keith J. Cunningham**  
Member  
**Shawn D. Ensign**  
Member

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**Finding 2020-002**

Fiscal year in which the finding initially occurred: SY2018-2019, SY2019-2020

Cash Management

Contact person responsible for Corrective Action: Beverly Hindes & Thomas Gordon

Contact phone number: 219-996-4771 ext. 128, ext. 107

**Status of Audit Finding:**

This has not yet been corrected and is in progress.

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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**Finding 2020-003**

Fiscal year in which the finding initially occurred: SY2018-2019, SY2019-2020

Procurement

Contact person responsible for Corrective Action: Beverly Hindes & Thomas Gordon

Contact phone number: 219-996-4771 ext. 128, ext. 107

**Status of Audit Finding:**

Corrective action implemented 5-31-21 and is an ongoing plan moving forward.

All invoices every month are scanned, saved to a thumb drive, and forwarded to Beverly Hindes for verification.

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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**Finding 2020-004**

Fiscal year in which the finding initially occurred: SY2018-2019, SY2019-2020

Child Nutrition Cluster- Program Income

Contact person responsible for Corrective Action: Beverly Hindes & Thomas Gordon

Contact phone number: 219-996-4771 ext. 128, ext. 107

**Status of Audit Finding:**

Assessment of Program Income: Corrective action implemented 8-01-21 and is an ongoing plan moving forward. All food and A La Carte pricing were based on a suggestion by Chartwells and then are approved by the School Board. The IDOE had granted a waiver for schools to keep pricing of reimbursable meals the same as the last School Board approval amount, and the Adult meals at the same amount as SY2021-22. Once approved, they are entered into the school meal Point of Sale (POS) system (Harmony 3 Café). Once the pricing was entered into the POS system by the Managers at both Cafeterias, they were verified by Lisa Gregorczyk, who is an employee of our IT Department and who is delegated this task because she has training with Harmony software. Lisa signed off and sent me a confirmation email.

Recording of Program Income: This has not yet been corrected and is in progress.

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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**Finding 2020-005**

Fiscal year in which the finding initially occurred: SY2018-2019, SY2019-2020

Child Nutrition Cluster- Activities allowed or unallowed, allowable costs/cost principles, eligibility, special tests and provisions- Verification of Free & Reduced Price Applications (NSLP), and special tests and provisions-Paid Lunch Equity.

Contact person responsible for Corrective Action: Thomas Gordon

Contact phone number: 219-996-4771, ext. 107

**Status of Audit Finding:**

Activities Allowed or Unallowed and Allowable Costs/Cost Principles:

Corrective action was implemented.

Eligibility:

Due to the Seamless Summer Option (SSO) exemption eligibility determinations were not necessary.

Special Tests and Provisions – Verification of Free and Reduced-Price Applications:

Due to the Seamless Summer Option (SSO) exemption Free and Reduced-Price Applications were not collected.

Special Tests and Provisions – Paid Lunch Equity

Due to the Seamless Summer Option (SSO) exemption we did not have to complete the PLE tool.

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**CORRECTIVE ACTION PLAN**

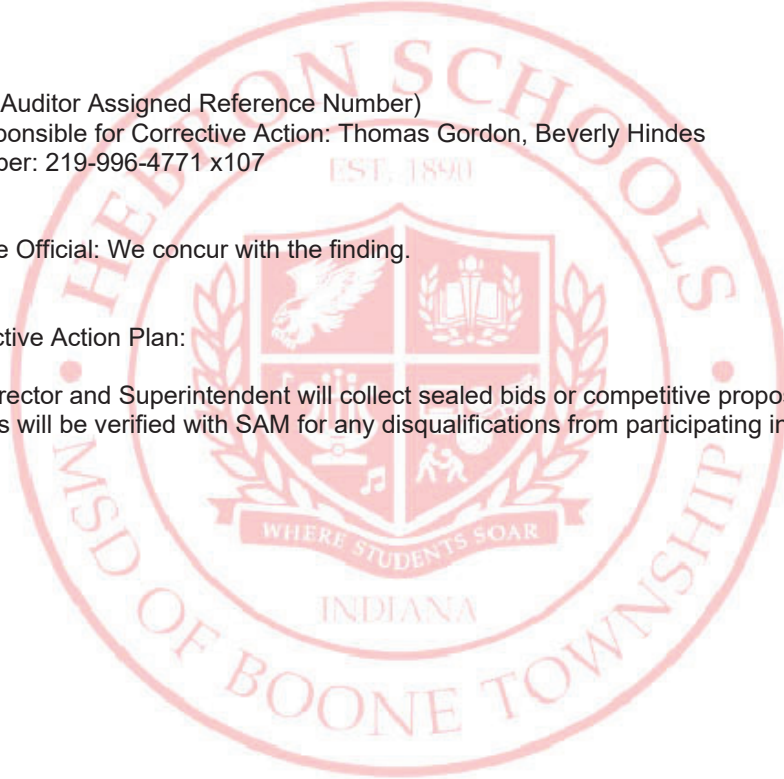
**FINDING 2022-001** (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Thomas Gordon, Beverly Hindes  
Contact Phone Number: 219-996-4771 x107

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

The Food Service Director and Superintendent will collect sealed bids or competitive proposals, as required. Furthermore, vendors will be verified with SAM for any disqualifications from participating in federal assistance programs.



Anticipated Completion Date: January 2023

## 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/>.