

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

SHERIDAN COMMUNITY SCHOOLS

HAMILTON COUNTY, INDIANA

July 1, 2020 to June 30, 2022



FILED
03/08/2023

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Robin Popejoy	07-01-20 to 06-30-23
Superintendent of Schools	Mary Roberson Dr. David Mundy	07-01-20 to 06-30-22 07-01-22 to 06-30-23
President of the School Board	Todd Roberts John Hunt	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 SHERIDAN COMMUNITY SCHOOLS, HAMILTON 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 Sheridan Community Schools (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 February 21, 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 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 2022-001 and 2022-002, 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 item 2022-002.

Sheridan Community Schools' Response to Findings

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

Purpose of This Report

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



Beth Kelley, CPA, CFE
Deputy State Examiner

February 21, 2023



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 SHERIDAN COMMUNITY SCHOOLS, HAMILTON COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the Sheridan 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 period of July 1, 2020 to June 30, 2022. 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 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, 2020 to June 30, 2022.

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, 2020 to June 30, 2022.

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.

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)

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

As described in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding 84.425 COVID-19 - Education Stabilization Fund, as described in items 2022-005 and 2022-006 for Allowable Costs/Cost Principles and Equipment and Real Property Management. Compliance with such requirement is necessary, in our opinion, for the School Corporation to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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 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)

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 2022-003. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

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

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, as described in the accompanying Schedule of Findings and Questioned Costs as items 2022-003, 2022-004, 2022-005, 2022-006, and 2022-007, 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 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, 2020 to June 30, 2022, and the related notes to the financial statement. We issued our report thereon dated February 21, 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

February 21, 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.

SHERIDAN COMMUNITY SCHOOLS
 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
Department of Agriculture							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553	FY2021	\$ -	\$ 98,771	\$ -	\$ -
School Breakfast Program			FY2022	-	-	-	143,175
COVID-19 - School Breakfast Program	Indiana Department of Education	10.553	FY2021	-	14,389	-	-
School Breakfast Program							
Total - School Breakfast Program				-	113,160	-	143,175
National School Lunch Program							
National School Lunch Division	Indiana Department of Education	10.555	FY2021	-	293,162	-	-
National School Lunch Division			FY2022	-	-	-	470,330
Commodities				-	45,942	-	59,411
Subtotal - National School Lunch Program				-	339,104	-	529,741
COVID-19 - National School Lunch Program	Indiana Department of Education	10.555	FY2021	-	61,154	-	-
National School Lunch Division							
Total - National School Lunch Program				-	400,258	-	529,741
Total - Child Nutrition Cluster				-	513,418	-	672,916
Pandemic EBT Administrative Costs	Indiana Department of Education	10.649	FY 2022	-	-	12,013	12,013
Total - Department of Agriculture				-	513,418	12,013	684,929
Department of Justice							
Juvenile Justice and Delinquency Prevention	Indiana Department of Education	16.540	TII-2021-00047	-	-	-	78,531
Juvenile Justice and Delinquency Prevention							
Total - Juvenile Justice and Delinquency Prevention				-	-	-	78,531
Total - Department of Justice				-	-	-	78,531
Department of Education							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027	19611-023-PN01	-	24,854	-	-
Special Ed Grants to State			20611-023-PN01	-	64,764	-	-
Special Ed Grants to State			20611-023-PN01	-	-	-	1,508
Special Ed Grants to State			21611-023-PN01	-	193,761	-	-
Special Ed Grants to State			21611-023-PN01	-	-	-	54,245
Special Ed Grants to State			22611-023PN01	-	-	-	199,260
Total - Special Education Grants to States				-	283,379	-	255,013
Special Education Preschool Grants							
Special Ed Preschool	Indiana Department of Education	84.173	19619-023-PN01	-	263	-	-
Special Ed Preschool			20619-023-PN01	-	2,284	-	-
Special Ed Preschool			21619-023-PN01	-	11,997	-	-
Special Ed Preschool			21619-023-PN01	-	-	-	3,150
Special Ed Preschool			22619-023-PN01	-	-	-	9,451
Total - Special Education Preschool Grants				-	14,544	-	12,601
Total - Special Education Cluster (IDEA)				-	297,923	-	267,614

SHERIDAN COMMUNITY SCHOOLS
 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						
Title I Grants to Local Educational Agencies		84.010	18611-001-PN01	-	63,067	-	-
Title I Grants to Local Educational Agencies			18611-001-PN01	-	-	-	100,167
Total - Title I Grants to Local Educational Agencies				-	63,067	-	100,167
Supporting Effective Instruction State Grants	Indiana Department of Education						
Improving Teacher Quality		84.367	FY2021-45033	-	2,000	-	-
Support Effective Instruction			S367A190013	-	21,410	-	-
Support Effective Instruction			S367A190013	-	-	-	1,469
Total - Supporting Effective Instruction State Grants				-	23,410	-	1,469
Student Support and Academic Enrichment Program	Indiana Department of Education						
Student Support and Academic Enrichment Grants		84.424	2018-424-082	-	922	-	-
Student Support and Academic Enrichment Grants			2019-424-082	-	10,000	-	-
Student Support and Academic Enrichment Grants			S367A200013	-	-	-	10,000
Student Support and Academic Enrichment Grants			S424A190015	-	13,759	-	-
Student Support and Academic Enrichment Grants			S424A210015	-	-	-	35,741
Total - Student Support and Academic Enrichment Program				-	24,681	-	45,741
COVID-19 - Education Stabilization Fund	Indiana Department of Education						
Education Department General Administrative Regulations		84.425					
Education Department General Administrative Regulations		84.425C	S425C200018	-	92,406	-	-
Education Department General Administrative Regulations		84.425C	S425C200018	-	-	-	17,094
Education Department General Administrative Regulations		84.425D	S425D200013	-	14,302	-	-
Education Department General Administrative Regulations		84.425U	S425U210013	-	-	-	328,935
Education Department General Administrative Regulations		84.425U	S425U210013	-	-	-	724,713
Total - COVID-19 - Education Stabilization Fund				-	106,708	-	1,070,742
Total - Department of Education				-	515,789	-	1,485,733
<u>Department of Health and Human Services</u>							
Medicaid Cluster							
Medical Assistance Program	Indiana Department of Education						
Medicaid Assistance Program		93.778	FY2021	-	16,167	-	-
Medicaid Assistance Program			FY2021	-	31,833	-	-
Medicaid Assistance Program			FY2022	-	-	-	11,853
Medicaid Assistance Program			FY2022	-	-	-	34,247
Total - Medical Assistance Program				-	48,000	-	46,100
Total - Medicaid Cluster				-	48,000	-	46,100
Substance Abuse and Mental Health Services Projects of Regional and National Significance	Indiana Department of Education						
Substance Abuse and Mental Health Services		93.243	FY2021	-	23,644	-	-
Substance Abuse and Mental Health Services			FY2021	-	-	-	34,995
Substance Abuse and Mental Health Services			FY2022	-	-	-	26,479
Total - Substance Abuse and Mental Health Services Projects of Regional and National Significance				-	23,644	-	61,474
Total - Department of Health and Human Services				-	71,644	-	107,574
Total federal awards expended				\$ -	\$ 1,100,851	\$ 12,013	\$ 2,356,767

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

SHERIDAN 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 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. Hamilton-Boone-Madison Special Services Cooperative

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

SHERIDAN COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

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

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

Assistance Listings Number	Name of Federal Program or Cluster	Opinion Issued
84.425	Child Nutrition Cluster COVID-19 - Education Stabilization Fund	Unmodified Qualified

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

Auditee qualified as low-risk auditee?	no
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Section II - Financial Statement Findings

FINDING 2022-001

Subject: Financial Transactions
Audit Finding: Material Weakness

Condition and Context

There were deficiencies in the internal control system of the School Corporation related to disbursements. The School Corporation had not properly designed nor implemented internal controls to ensure that disbursements were properly recorded. One employee recorded the disbursements without a documented review or approval process in place to prevent, or detect and correct, errors.

SHERIDAN COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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. . . ."

Cause

Management had not established a proper system of internal controls related to financial transactions that would have ensured appropriate recording of disbursements.

Effect

The failure to establish a system of internal controls could have enabled material misstatements or irregularities to remain undetected.

Views of Responsible Officials

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

FINDING 2022-002

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

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2020-001.

Condition and Context

The School Corporation had not established effective 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).

SHERIDAN COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The School Corporation failed to properly review the federal grant information prepared and submitted in Gateway. Although one employee prepared and entered the federal award information into Gateway, and another employee reviewed and approved the information 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 SEFA presented for audit included the following errors:

1. The Child Nutrition Cluster commodities were omitted, which understated expenditures by \$59,411 for the year ended June 30, 2022.
2. The Title I Grants to Local Educational Agencies expenditures were understated by \$63,067 and \$59,767 for the years ended June 30, 2021 and 2022, respectively.
3. Several additional grants had individually immaterial errors that resulted in a combined misstatement of \$57,820, in total.
4. Other errors included incorrect program names, pass-through entities, federal Assistance Listings Numbers, and identifying numbers.

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. . . ."

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:

SHERIDAN COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (1) Processes designed and implemented by non-Federal entities to provide reasonable assurance regarding the achievement of objectives in the following categories:
 - (i) Effectiveness and efficiency of operations;
 - (ii) Reliability of reporting for internal and external use; . . ."

2 CFR 200.508 states in part:

"The auditee must: . . .

- (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."

SHERIDAN COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

Management had not established a system of internal controls that would have ensured proper reporting of the SEFA.

Effect

Without a proper system of internal controls in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Condition and Context*.

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 2022-003

Subject: Child Nutrition Cluster - Allowable Costs/Cost Principles
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, COVID-19 - School Breakfast Program, National School Lunch Program, COVID-19 - National School Lunch Program
Assistance Listings Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY2021, FY2022
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Allowable Costs/Cost Principles
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 Allowable Costs/Cost Principles compliance requirement.

The School Corporation had not developed nor implemented internal controls over transactions paid from the Child Nutrition Cluster funds to ensure that the payment was an allowable cost for the benefit of the food service program.

Additionally, the School Corporation paid food service employees that worked more than 5.25 hours a day on a biweekly basis with payments that continued into the summer. In order to do this, an employee's pay was annualized based on the expected number of days worked and then divided by 26. Each employee was required to complete a timesheet every two weeks, which was approved by their supervisor, to support the time worked during the school year. Four of the fourteen paychecks selected for testing had errors. Two of the paychecks did not have the required timesheets, and two of the paychecks did not have timesheets that reflected time worked to adequately support the amount paid to the employee.

The lack of internal controls was a systemic issue for all disbursements throughout the audit period. The noncompliance was isolated to payroll disbursements for the school year ended June 30, 2021.

SHERIDAN COMMUNITY SCHOOLS
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 200.403 states in part:

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

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

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

(g) Be adequately documented. . . ."

2 CFR 200.430(i) states in part:

"Standards for Documentation of Personnel Expenses

(1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

(i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;

(ii) Be incorporated into the official records of the non-Federal entity;

(iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities . . .

(vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity. . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Allowable Costs/Cost Principles compliance requirement.

SHERIDAN COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement could result in the loss of future federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

FINDING 2022-004

Subject: Child Nutrition Cluster - Activities Allowed or Unallowed, Reporting, Special Tests and Provisions - Non-Profit School Food Service Accounts
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, COVID-19 - School Breakfast Program, National School Lunch Program, COVID-19 - National School Lunch Program
Assistance Listings Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY2021, FY2022
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Activities Allowed or Unallowed, Reporting, Special Tests and Provisions - Non-Profit School Food Service Accounts
Audit Finding: Material Weakness

Condition and Context

An effective internal control system was not designed nor implemented at the School Corporation to ensure compliance with requirements related to the grant agreement and the Activities Allowed or Unallowed, the Reporting, and the Special Tests and Provisions - Non-Profit School Food Service Accounts compliance requirements.

Activities Allowed or Unallowed

The School Corporation had not designed nor implemented a system of internal control over School Lunch fund disbursements to ensure all activities were for the benefit of the Child Nutrition Cluster. One employee was responsible for processing disbursements without an oversight or review process in place to prevent, or detect and correct, errors.

SHERIDAN COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Reporting

The School Corporation had not designed nor implemented a system of internal control to ensure that reimbursement requests were accurately submitted. The reimbursement requests were prepared by one employee based on meals served without an oversight or review process in place to prevent, or detect and correct, errors.

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

The School Corporation had not designed nor implemented a system of internal controls to ensure all revenue generated by the school food service was used to operate and improve its food service. One employee was responsible for the receipting and disbursing of School Lunch funds without an oversight or review process in place to prevent or detect and correct errors.

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 had not developed nor implemented a system of internal controls that would have ensured compliance with the grant agreement and the Activities Allowed or Unallowed, the Reporting, and the Special Tests and Provisions - Non-Profit School Food Service Accounts compliance requirements.

Effect

The failure to establish an effective internal control system could have enabled material noncompliance to go undetected.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish internal controls to ensure compliance with the grant agreement and the Activities Allowed or Unallowed, the Reporting, and the Special Tests and Provisions - Non-Profit School Food Service Accounts compliance requirements.

Views of Responsible Officials

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

SHERIDAN COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2022-005

Subject: COVID-19 - Education Stabilization Fund - Allowable Costs/Cost Principles
Federal Agency: Department of Education
Federal Program: COVID-19 - Education Stabilization Fund
Assistance Listings Numbers: 84.425D, 84.425U
Federal Award Numbers and Years (or Other Identifying Numbers): S425D200013, S425U210013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Allowable Costs/Cost Principles
Audit Findings: Material Weakness, Modified Opinion

Condition and Context

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

The School Corporation did not have adequate internal controls in place to ensure that the reimbursement requests included salaries for all contracted employees and adequate supporting documentation or personnel activity reports, such as time and effort logs or Semi-Annual Certifications. The School Corporation paid salaries for all contracted employees without adequate supporting documentation or personnel activity reports, such as time and effort logs or Semi-Annual Certifications. The total amount paid to contracted employees was \$51,644. This amount was considered questioned costs.

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

Criteria

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 200.430(i) states in part:

"Standards for Documentation of Personnel Expenses

- (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:
 - (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
 - (ii) Be incorporated into the official records of the non-Federal entity;
 - (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities . . .

SHERIDAN COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

(vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity. . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Allowable Costs/Cost Principles compliance requirement.

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

Questioned costs of \$51,644 were identified, as described in the *Condition and Context*.

Recommendation

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

Views of Responsible Officials

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

FINDING 2022-006

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 Number: 84.425D
Federal Award Number and Year (or Other Identifying Number): S425D200013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Equipment and Real Property Management
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 Equipment and Real Property Management compliance requirement.

SHERIDAN COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The School Corporation purchased \$72,425 of various equipment with Elementary and Secondary School Emergency Relief (ESSER) funds. The equipment was not added to the property record 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 the use and condition of the property. Additionally, the School Corporation did not adequately safeguard the equipment purchased and had not completed a physical inventory of equipment within the last two years.

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). . . ."

2 CFR 200.313(d) states in part:

- "(1) 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 sales price of the property
- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
- (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated. . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Equipment and Real Property compliance requirement.

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the Equipment and Real Property Management compliance requirement could have resulted in the loss of future federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

SHERIDAN COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Recommendation

We recommended that the School Corporation's management establish a system of internal controls to ensure compliance and comply with the grant agreement and the Equipment and Real Property Management 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 2022-007

Subject: COVID-19 - Education Stabilization Fund - Reporting

Federal Agency: Department of Education

Federal Program: COVID-19 - Education Stabilization Fund

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

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

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting

Audit Finding: Material Weakness

Condition and Context

An effective internal control system, was not designed nor implemented at the School Corporation to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirement.

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

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). . . ."

SHERIDAN COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

Management had not developed nor implemented an effective internal control system that would have ensured compliance with the grant agreement and the Reporting compliance requirement.

Effect

The failure to establish an effective internal control system could have enabled material noncompliance to go undetected.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish internal controls to ensure compliance with the grant agreement and the Reporting compliance requirement.

Views of Responsible Officials

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

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AUDITEE-PREPARED DOCUMENTS

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



Sheridan Community Schools

Home of the Sheridan Blackhawks

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Dr. Dave Mundy, Superintendent

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2020-001

Fiscal year in which the finding initially occurred: Occurred in 2016, repeat finding in FY 2017, FY 2018

Status of Audit Finding: This finding included internal control procedure were not in place from the prior Audit. Those procedures and errors were discussed and adjustments have been made to the SEFA by the Director of Business.

While the SEFA was prepared by the Director of Business, errors was still noted on the SEFA. The Director of Business understands the errors that were made and knows how to prevent them in the future.

This was partially completed on February 14, 2019, and with additional errors present on this finding it is still being corrected and updated as of February 8, 2023.

FINDING 2020-002

Fiscal year in which the finding initially occurred: Occurred FY 2018

Status of Audit Finding: The finding concluded Sheridan Community Schools used a vendor that fell under the Small Purchase Procurement Method, when it was discovered Sheridan Community Schools switched to a Co-op that handles vendor contracts and stays within the parameters required, this started in with the 2019 school year.

This was completed by July 1, 2019 and has been made permanent.

FINDING 2020-003

Fiscal year in which the finding initially occurred: Occurred FY 2018

Status of Audit Finding: The corrective action was taken. Sheridan Community Schools inquired with HBM cooperative services to ensure compliance with procurement was followed.

FINDING 2020-004

Fiscal year in which the finding initially occurred: Occurred FY 2020

Status of Audit Finding: The corrective action was taken. Sheridan Community Schools inquired with HBM cooperative services to ensure compliance with Equipment and Real Property Management is still being followed.



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CORRECTIVE ACTION PLAN

Sheridan Community Schools (Hamilton/Boone County)

FINDING 2022-001

Contact Person Responsible for Corrective Action: Robin Popejoy
Contact Phone Number: 317.758.4172

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Those procedures and errors were discussed and adjustments have been made. Moving forward the Director of Business/Deputy Treasurer will sign off on all dockets.

Anticipated Completion Date: February 2023



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CORRECTIVE ACTION PLAN

Sheridan Community Schools (Hamilton/Boone County)

FINDING 2022-002

Contact Person Responsible for Corrective Action: Robin Popejoy

Contact Phone Number: 317.758.4172

Views of Responsible Official: We concur with the repeat (2020-001) finding.

Description of Corrective Action Plan: Those procedures and errors were discussed and adjustments have been made. To prevent errors on the on the Schedule of Expenditures of Federal Awards (SEFA), the following process will be implemented. 1.) Reconciliation of the Grant Fund in Financial software to Grant reimbursements. This will be done by the Grant Coordinator. 2.) Approval of reimbursement request prior to submittal by both the Director of Business and Grant Coordinator. 3.) Segregation of duties in the completion of the SEFA with approval sign-off by both the Director of Business and Grant Coordinator.

Anticipated Completion Date: February 2023



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CORRECTIVE ACTION PLAN

Sheridan Community Schools (Hamilton/Boone County)

FINDING 2022-003

Contact Person Responsible for Corrective Action: Kim DeVaney/Robin Popejoy

Contact Phone Number: 317.758.4172

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Those procedures and errors were discussed and adjustments have been made. To prevent errors the Payroll Specialist will make sure the employee timesheets that was signed off by the Director matches with the hours they were approved to work when hired.

Anticipated Completion Date: February 2023



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CORRECTIVE ACTION PLAN

Sheridan Community Schools (Hamilton/Boone County)

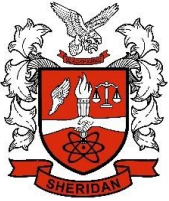
FINDING 2022-004

Contact Person Responsible for Corrective Action: Robin Popejoy
Contact Phone Number: 317.758.4172

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Those procedures and errors were discussed and adjustments have been made. To cover oversight of the School Food Service Accounts, at the close of the month the Director of Business will send Director of Food Service reports to approve all activity of School Food Service Accounts.

Anticipated Completion Date: February 2023



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CORRECTIVE ACTION PLAN

Sheridan Community Schools (Hamilton/Boone County)

FINDING 2022-005

Contact Person Responsible for Corrective Action: Robin Popejoy/Kim DeVaney

Contact Phone Number: 317.758.4172

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Those procedures and errors were discussed and adjustment have been made. As this finding is in review of ESSER funding, it should be noted that most all guidance and direction for these grants came after they were issued. All financial transactions related to grants will have board oversight and approval.

Anticipated Completion Date: February 2023



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CORRECTIVE ACTION PLAN

Sheridan Community Schools (Hamilton/Boone County)

FINDING 2022-006

Contact Person Responsible for Corrective Action: Robin Popejoy
Contact Phone Number: 317.758.4172

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Those procedures and errors were discussed and adjustment will be made. The Director of Business will conduct an internal audit of capital assets records. New staff will also be trained on tracking capital assets transactions and completing the necessary documentation for future capital assets transactions. There is a construction project that will result in capital assets being added.

Anticipated Completion Date: June 2023



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Dr. Dave Mundy, Superintendent

CORRECTIVE ACTION PLAN

Sheridan Community Schools (Hamilton/Boone County)

FINDING 2022-007

Contact Person Responsible for Corrective Action: Robin Popejoy/Kim DeVaney
Contact Phone Number: 317.758.4172

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Those procedures and errors were discussed and adjustment have been made. As this finding is in review of ESSER funding, it should be noted that most all guidance and direction for these grants came after they were issued. As ESSER reports and reimbursements are completed the supporting documents will be kept with reports. Prior to submission, reports completed and documentation compiled by the Grant Specialist will be reviewed by the Director of Business.

Anticipated Completion Date: February 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/>.