

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY

STEUBEN COUNTY, INDIANA

July 1, 2020 to June 30, 2022



FILED

03/14/2023

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Karen S. Eagleson Sherry L. Neumann	07-01-20 to 10-15-21 10-16-21 to 06-30-23
Superintendent of Schools	Dr. Brent A. Wilson (Vacant) Dr. Steve Sprunger (interim) Dr. Matthew L. Widenhoefer	07-01-20 to 06-30-21 07-01-21 to 07-05-21 07-06-21 to 10-04-21 10-05-21 to 06-30-23
President of the School Board	Cory Archbold	07-01-20 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 STEUBEN COUNTY, STEUBEN 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 Steuben County (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 16, 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, described in the accompanying Schedule of Findings and Questioned Costs as item 2022-001, 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Metropolitan School District of Steuben County's Response to Findings

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

Purpose of This Report

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



Beth Kelley, CPA, CFE
Deputy State Examiner

February 16, 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 METROPOLITAN SCHOOL DISTRICT
OF STEUBEN COUNTY, STEUBEN COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the Metropolitan School District of Steuben County's (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 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 the COVID-19 - Education Stabilization Fund

In our opinion, except for the possible effects of the matter 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.

Qualified Opinion on the Special Education Cluster (IDEA)

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

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

Basis for Qualified and Unmodified Opinions

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

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

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

As described in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with the 84.425 COVID-19 - Education Stabilization Fund, as described in item 2022-006 for Reporting. Consequently, we were unable to determine whether the School Corporation complied with those requirements applicable to that program.

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

As described in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with the Special Education Cluster (IDEA), as described in item 2022-005 for Matching, Level of Effort, and Earmarking. Consequently, we were unable to determine whether the School Corporation complied with those requirements applicable to that program.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2022-003 and 2022-004. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance, described in the accompanying Schedule of Findings and Questioned Costs as items 2022-002, 2022-003, 2022-004, 2022-005, and 2022-006, 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 16, 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 16, 2023

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

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METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY
 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
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program Food Service Breakfast	Indiana Department of Education	10.553	FY 2021-2022	\$ -	\$ -	\$ -	\$ 236,705
COVID-19 - School Breakfast Food Service Breakfast	Indiana Department of Education	10.553	FY 2020-2021	-	2,542	-	-
Total - School Breakfast Program				-	2,542	-	236,705
National School Lunch Program Food Service Lunch Commodities	Indiana Department of Education	10.555	FY 2021-2022	-	-	-	1,178,015
				-	108,035	-	134,291
Sub-Total - National School Lunch Program				-	108,035	-	1,312,306
COVID-19 - National School Lunch Program National School Lunch Program	Indiana Department of Education	10.555	FY 2020-2021	-	22,750	-	-
Total - National School Lunch Program				-	130,785	-	1,312,306
Summer Food Service Program for Children Food Service Summer Feed Food Service Summer Feed	Indiana Department of Education	10.559	FY 2020-2021	-	957,667	-	-
			FY 2021-2022	-	-	-	79,482
Sub-Total - Summer Food Service Program for Children				-	957,667	-	79,482
COVID-19 - Summer Food Service Program for Children Summer Food Service Program for Children	Indiana Department of Education	10.559	FY 2020-2021	-	242,518	-	-
Total - Summer Food Service Program for Children				-	1,200,185	-	79,482
Total - Child Nutrition Cluster				-	1,333,512	-	1,628,493
Total - Department of Agriculture				-	1,333,512	-	1,628,493

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY
 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
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
FY2020 Federal Part B 611			20611-042-PN01	-	48,917	-	-
FY2021 Federal Part B 611			21611-042-PN01	-	578,385	-	11,751
FY2022 Federal Part B 611			22611-042-PN01	-	-	-	560,303
Total - Special Education Grants to States				-	627,302	-	572,054
Special Education Preschool Grants	Indiana Department of Education	84.173					
FY2021 Federal Preschool 619			21619-042-PN01	-	19,663	-	-
FY2022 Federal Preschool 619			22619-042-PN01	-	-	-	19,905
Total - Special Education Preschool Grants				-	19,663	-	19,905
Total - Special Education Cluster (IDEA)				-	646,965	-	591,959
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I 2019-20 Fund 4119			S010A190014	-	114,380	-	-
Title I 2020-21 Fund 4120			S010A200014	-	324,826	-	144,097
Title I 2021-22 Fund 4121			S010A210014	-	-	-	195,154
Total - Title I Grants to Local Educational Agencies				-	439,206	-	339,251
English Language Acquisition State Grants	Indiana Department of Education	84.365					
Title III 2019-20 Fund 6889			S365A190014	-	4,539	-	-
Title III 2020-21 Fund 6880			S365A190014	-	8,412	-	-
Total - English Language Acquisition State Grants				-	12,951	-	-
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
Title II/Pt A 2019-20 Fund 6849			S367S180013	-	7,165	-	-
Title II Part A 2019-2021 Fund 6840			S367A170013	-	59,618	-	19,550
Title II Part A 2020-2022 Fund 6841			S367A200013	-	2,676	-	81,457
Title II Part A 2021-2023 Fund 6842			S367A210013	-	-	-	47,692
Total - Supporting Effective Instruction State Grants				-	69,459	-	148,699

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY
 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
Student Support and Academic Enrichment Program	Indiana Department of Education	84.424					
Title IV Part A Fund 5819			S424A190015	-	9,359	-	-
Title IV Part A Fund 5820			S424A200015	-	17,293	-	4,242
Title IV Part A Fund 5821			S424A210015	-	-	-	-
Total - Student Support and Academic Enrichment Program				-	26,652	-	4,242
COVID-19 - Education Stabilization Fund	Indiana Department of Education	84.425					
Elementary and Secondary School Emergency Relief (ESSER I - Cares)		84.425D	S425D200013	-	155,288	-	160,042
Elementary and Secondary School Emergency Relief (ESSER II - CRRSA)		84.425D	S425D200013	-	83,429	-	943,256
Elementary and Secondary School Emergency Relief (ESSER III - ARP)		84.425U	S425U200013	-	-	-	727,894
Total - COVID-19 - Education Stabilization Fund				-	238,717	-	1,831,192
Total - Department of Education				-	1,433,950	-	2,915,343
<u>Department of Health and Human Services</u>							
CCDF Cluster							
COVID-19 - Child Care and Development Block Grant	Indiana Family and Social Services Administration	93.575					
Build Learn Grow Stabilization Grand Fund 7944			FY22	-	-	-	74,843
Build Learn Grow Stabilization Grant #2 Fund 7945			FY22	-	-	-	36,506
Total - COVID-19 - Child Care and Development Block Grant				-	-	-	111,349
Total - CCDF Cluster				-	-	-	111,349
Total - Department of Health and Human Services				-	-	-	111,349
Total federal awards expended				\$ -	\$ 2,767,462	\$ -	\$ 4,655,185

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

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY
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. Northeast Indiana Special Education Cooperative

The School Corporation is a member of the Northeast Indiana Special Education Cooperative (Cooperative), which operates the special education program for the School Corporation. 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 STEUBEN COUNTY
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?	no

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 Special Education Cluster (IDEA) COVID-19 - Education Stabilization Fund	Unmodified Qualified 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: Preparation of the Schedule of Expenditures of Federal Awards
Audit Finding: Material Weakness

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).

The School Corporation failed to properly review the federal grant information prepared and submitted in Gateway.

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY
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 of the School Corporation had not established a proper system of internal control for reporting of the SEFA.

Effect

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA could have occurred and remained undetected.

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2022-002

Subject: Child Nutrition Cluster - Activities Allowed or Unallowed, 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, Summer Food Service Program for Children,
COVID-19 - Summer Food Service Program for Children

Assistance Listings Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2020-2021, FY 2021-2022

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles

Audit Finding: Material Weakness

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition and Context

An effective internal control system, which would include segregation of duties, was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Activities Allowed or Unallowed and the Allowable Costs/Cost Principles compliance requirements.

The School Corporation had not separated incompatible activities related to payroll withholding and benefit disbursements. Employer benefit disbursements were paid without evidence of review and approval by a person not involved in the original disbursement process.

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

The School Corporation's management had not developed a system of internal control that would have ensured compliance with the grant agreement and the Activities Allowed or Unallowed and the Allowable Costs/Cost Principles compliance requirements.

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the Activities Allowed or Unallowed and the Allowable Costs/Cost Principles compliance requirements.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish a system of internal controls, including segregation of duties, related to the grant agreement and the Activities Allowed or Unallowed and the Allowable Costs/Cost Principles compliance requirements.

Views of Responsible Officials

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

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2022-003

Subject: Child Nutrition Cluster - Suspension and Debarment
Federal Agency: Department of Agriculture
Federal Programs: COVID-19 - School Breakfast Program, COVID-19 - National School Lunch Program, Summer Food Service Program for Children, COVID-19 - Summer Food Service Program for Children
Assistance Listings Numbers: 10.553, 10.555, 10.559
Federal Award Number and Year (or Other Identifying Number): FY 2020-2021
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

Condition and Context

An effective system of internal control 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 was a member of the Region 8 Educational Service Center (Service Center). The Service Center completed the Procurement and Suspension and Debarment compliance requirement on behalf of the School Corporation. Because the grant agreements were between the Indiana Department of Education and the School Corporation, the School Corporation was ultimately responsible for compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

The bids for bread and milk were originally awarded for fiscal year 2018-2019 and were renewed for 2020-2021. The Service Center could not provide documentation that procedures were performed to verify the vendors were not suspended or debarred from participation in federal programs prior to entering into covered transactions with these vendors.

The lack of internal controls and noncompliance were isolated to 2020-2021.

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). . . ."

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 180.300 states:

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

- (a) Checking 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 of the School Corporation had not developed a system of internal control that would have ensured compliance with the compliance requirement identified above.

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement could have resulted in the loss of 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 Procurement and Suspension and Debarment 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 - 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): FY 2021-2022
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY
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.

Procurement

The School Corporation did not obtain price or rate quotes for purchases of milk, bread, or food exceeding \$10,000 from an adequate number of sources, which fell under the small purchase procedures. Two of the three vendors for small purchase procurements tested did not comply.

Suspension and Debarment

The School Corporation did not verify that vendors with contracts over \$25,000 were not excluded or disqualified from participation in federal award programs. All four of the contracts tested did not comply.

The lack of internal controls and noncompliance were isolated to fiscal year 2021-2022.

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 200.318 states in part:

"(a) The non-Federal entity must have and use documented procurement procedures, consistent with State, local, and tribal laws and regulations and the standards of this section, for the acquisition of property or services required under a Federal award or subaward. The non-Federal entity's documented procurement procedures must conform to the procurement standards identified in §§ 200.317 through 200.327. . . ."

(i) The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to, the following: Rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price."

2 CFR 200.320 states in part:

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

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

(2) *Small purchases -*

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

2 CFR 180.300 states:

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

- (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 established a system of internal control that would have ensured compliance with the Procurement and Suspension and Debarment compliance requirement.

Effect

The failure to design and implement an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish a system of internal control to ensure compliance and comply with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

Views of Responsible Officials

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

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2022-005

Subject: Special Education Cluster (IDEA) - Earmarking
Federal Agency: Department of Education
Federal Programs: Special Education Grants to States, Special Education Preschool Grants
Assistance Listings Numbers: 84.027, 84.173
Federal Award Numbers and Years (or Other Identifying Numbers): 20611-042-PN01, 21611-042-PN01,
21619-042-PN01
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Matching, Level of Effort, Earmarking
Audit Findings: Material Weakness; Modified Opinion

Condition and Context

The School Corporation is a member of the Northeast Indiana Special Education Cooperative (Cooperative). During fiscal year 2021-2022, the Cooperative operated the special education programs and spent the federal money on behalf of all its members. As the grant agreements were between the Indiana Department of Education (IDOE) and each member school, the School Corporation was responsible for ensuring and providing oversight of the Cooperative. However, there was inadequate oversight performed by the School Corporation in order to ensure compliance with the Matching, Level of Effort, Earmarking compliance requirement.

The School Corporation did not have internal controls in place to ensure that the Cooperative complied with the earmarking requirements. The Cooperative did not have adequate procedures in place to ensure that the required level of expenditures for non-public students with disabilities was met for each member school. The Cooperative did not have effective internal controls to ensure non-public school expenditures were appropriately identified and reported.

The Non-Public Proportionate Share expenditures for 20611-042-PN01, 21611-042-PN01, and 21619-042-PN01 grant awards could not be verified for the individual schools to verify the minimum amount per the grant awards was expended and properly reported to the IDOE as required.

The lack of internal controls and noncompliance were isolated to the 20611-042-PN01, 21611-042-PN01, and 21619-042-PN01 grant awards.

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). . . ."

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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:

(g) Be adequately documented. . . ."

2 CFR 200.208(b) states in part: "The Federal awarding agency or pass-through entity may adjust specific Federal award conditions as needed . . ."

511 IAC 7-34-7(b) states:

"The public agency, in providing special education and related services to students in nonpublic schools must expend at least an amount that is the same proportion of the public agency total subgrant under 20 U.S.C. 1411(f) as the number of nonpublic school students with disabilities, who are enrolled by their parents in nonpublic schools within its boundaries, is to the total number of students with disabilities of the same age range."

Cause

Management had not developed an effective system of internal control that would have ensured compliance with the grant agreement and the earmarking requirements of the Matching, Level of Effort, Earmarking compliance requirement.

Effect

The failure to establish an effective internal control system, as well as adequately document costs of federal awards, prevented the determination of the School Corporation's compliance with the earmarking requirements of the Matching, Level of Effort, Earmarking compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish a system of internal control, as well as appropriately document and identify federal award expenditures to ensure compliance with the Matching, Level of Effort, Earmarking compliance requirement.

Views of Responsible Officials

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

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2022-006

Subject: COVID-19 - Education Stabilization Fund - Reporting
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, S425U200013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Findings: Material Weakness, Modified Opinion

Condition and Context

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

The School Corporation completed and submitted four annual Data Collection reports (Reports) for the Elementary and Secondary School Emergency Relief (ESSER) grants. For three of the four Reports tested, the Reports were not supported by the unit's records. The financial information provided did not agree to the data submitted in the Reports; therefore, we could not determine the accuracy of the Reports. Additionally, four of six key line items selected for testing could not be traced to supporting documentation.

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 200.302(b) states in part:

"The financial management system of each non-Federal entity must provide for the following:

...

(2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.328 and 200.329. . . ."

34 CFR 76.722 states: "A State may require a subgrantee to submit reports in a manner and format that assists the State in complying with the requirements under 34 CFR 76.720 and in carrying out other responsibilities under the program."

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200.334 states in part:

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

34 CFR 76.731 states: "A State and a subgrantee shall keep records to show its compliance with program requirements."

Cause

Management had not developed a system of internal control that would have ensured compliance with the Reporting compliance requirement.

Effect

The failure to establish an effective internal control system, as well as retain documentation to support reports, prevented the determination of the School Corporation's compliance with the Reporting compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish effective internal controls, as well as retain documentation, to ensure compliance and comply 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.

METROPOLITAN SCHOOL DISTRICT OF STEUBEN COUNTY

400 SOUTH MARTHA STREET ♦ ANGOLA, INDIANA 46703 ♦ 260.665.2854 ♦ FAX: 260.665.9155 ♦ www.msdssteuben.k12.in.us

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Superintendent

Dr. Schauna Relue
Assistant Superintendent

Mrs. Ann Rice
Student Services

Mrs. Chantell Manahan
Technology Director

Mrs. Stephanie Haynes-Clifford
Food Service Director

Mr. Gary Puckett
Transportation Director,
Facilities & Grounds Director

Ms. Kathy Bahr
Special Education Coordinator

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SCHOOL ATTORNEY

Mr. Kim E. Shoup

December 14, 2022

State Board of Accounts
Indianapolis, IN

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2020-001

Status of Audit Finding:

Audit Finding was corrected as of April 2021.

All Directly Certified Student Matches for meal assistance are dated and initialed by MSD Food Service Assistant and MSD Food Service Director.

These files are maintained as evidence that DC Matches are completed in a timely manner.

The School Corporation was exempt from completing the Direct Certification process during the 2021-2022 School Year due to participation in the USDA Waiver Summer Food Service Program for SY 2021 and Summer Seamless Option for SY 2022.

Stephanie Haynes-Clifford
Food Service Director

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December 14, 2022

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Technology Director

State Board of Accounts
Indianapolis IN

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Food Service Director

Mr. Gary Puckett
Transportation Director,
Facilities & Grounds Director

SUMMARY OF SCHEDULE OF PRIOR AUDIT FINDINGS

Ms. Kathy Bahr
Special Education Coordinator

FINDING 2020-002

BOARD OF SCHOOL TRUSTEES

The Audit Findings were corrected.

Mr. Cory Archbold
President

The MSD of Steuben County is no longer assessing Food Service these fees.

Mr. Kevin Beard
Vice President

Mrs. LeAnn Boots
Secretary

Mr. Brad Gardner
Member

Mrs. Becky Maggart
Member

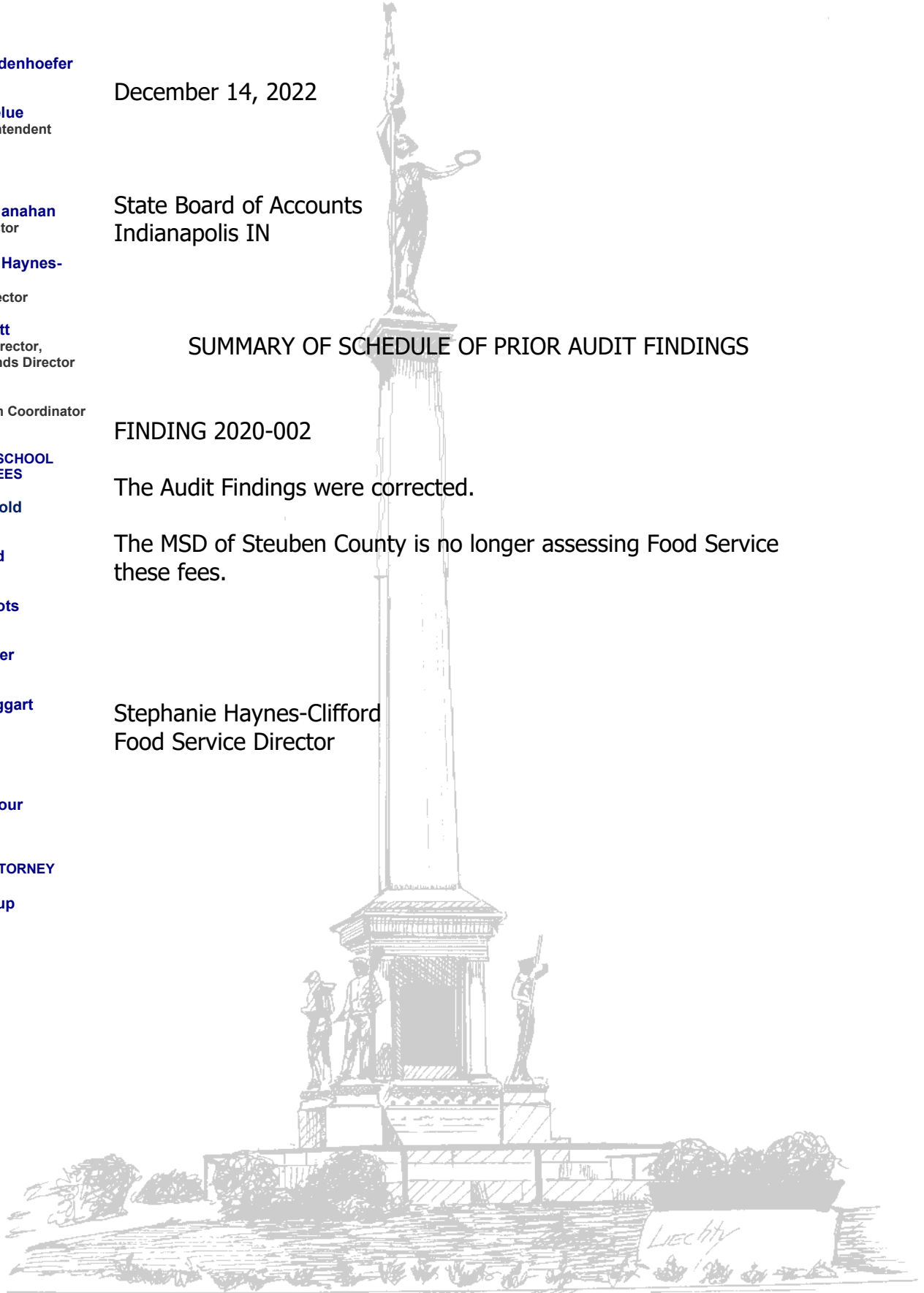
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Mr. Mark Ridenour
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SCHOOL ATTORNEY

Mr. Kim E. Shoup

FINDING 2022-001

Contact Person Responsible for Corrective Action: Sherry Neumann, Treasurer
 Contact Phone Number: 260-665-2854, extension 1204

Views of Responsible Official:

We agree that there was no evidence that someone reviewed the numbers used to report on the SEFA submission into Gateway.

Description of Corrective Action Plan:

Before the SEFA is submitted, the Treasurer will have the Assistant Treasurer and/or the Curriculum Assistant review the numbers before final submission into Gateway and initial the document(s).

Anticipated Completion Date: With the next submission of the SEFA on Gateway.

Sherry Neumann

Treasurer

February 15, 2023



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SCHOOL ATTORNEY

Mr. Kim E. Shoup

CORRECTIVE ACTION PLAN

FINDING 2022-002

Contact Person Responsible for Corrective Action: Stephanie Haynes-Clifford, Food Service Director
Contact Phone Number: 260 665 2854 Extension 1202

Views of Responsible Official:

The School Corporation had not separated activities related to payroll withholding and benefit disbursements. These were paid without evidence of review and approval by a person not involved in the original disbursement process.

Description of Corrective Action Plan:

Effective immediately, Payroll initials and dates all activities related to payroll withholding and benefit disbursements. Additionally, The Business Managers reviews and approves by initialing and dating.

Anticipated Completion Date: January 2023

Stephanie Haynes-Clifford
Food Service Director
February 10, 2023

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MSD of Steuben



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SCHOOL ATTORNEY

Mr. Kim E. Shoup

CORRECTIVE ACTION PLAN

FINDING 2022-003

Contact Person Responsible for Corrective Action: Stephanie Haynes-Clifford, Food Service Director
Contact Phone Number: 260 665 2854 Extension 1202

Views of Responsible Official:

The bids for bread and milk were renewed by Region 8 for the 2020-2021 school year. The Service Center could not provide documentation that procedures were performed to verify the vendors were not suspended or debarred from participation in federal programs prior to entering into covered transactions with these vendors.

Description of Corrective Action Plan:

Food Service will review bid packets to ensure documentation was provided as proof that the vendors were not suspended or debarred. If such evidence is not provided, the Food Service Director will verify and request appropriate documentation

Anticipated Completion Date: February 10, 2023

Stephanie Haynes-Clifford
Food Service Director
February 10, 2023

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Mr. Kim E. Shoup

CORRECTIVE ACTION PLAN

FINDING 2022-004

Contact Person Responsible for Corrective Action: Stephanie Haynes-Clifford, Food Service Director
Contact Phone Number: 260 665 2854 Extension 1202

Views of Responsible Official:

1. Procurement: The School Corporation did not obtain price or rate quotes for milk, bread, or food exceeding \$10,000.00 from an adequate number of sources, as required under the small purchase procedures.
2. Suspension and Debarment: The School Corporation did not verify that vendors with contracts over \$25,000.00 were not excluded or disqualified from participation in federal award programs.

Description of Corrective Action Plan:

1. Food Service will maintain additional prices for like items and/or services. Documentation will be maintained regarding why each vendor is being utilized. Said documentation will be reviewed, initialed and dated by the Food Service Director and an additional staff member.
2. Food Service will maintain annual vendor certificates to ensure that they were not suspended or debarred from participation in federal programs.

Anticipated Completion Date: February 10, 2023

Stephanie Haynes-Clifford
Food Service Director
February 10, 2023

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Member
- Mr. Scott Poor**
Member
- Mr. Mark Ridenour**
Member

SCHOOL ATTORNEY

- Mr. Kim E. Shoup**

CORRECTIVE ACTION PLAN

FINDING 2022-005

Contact Person Responsible for Corrective Action: Kathy Bahr

Contact Phone Number: 260-316-5797

Views of Responsible Official: MSD of Steuben will work in collaboration with Northeast Indiana Special Education Cooperative and the DeKalb Eastern Treasurer (LEA)

Description of Corrective Action Plan: MSD of Steuben will work with the Northeast Indiana Special Education Cooperative (NEISEC) to implement the procedures detailed below. NEISEC Treasurer will reach out to MSD of Steuben during the writing process of the IDEA 611 and 619 grants in order for MSD of Steuben to submit their plans for their allocation of proportionate share money. NEISEC will provide the allocation amounts to MSD of Steuben. These submissions will include a proportionate share budget and include proportionate share staff names and any necessary information for the budget categories. The NEISEC Treasurer will then compile the proportionate share information on the grant submission. The LEA Treasurer will be given a copy of the grant application and budget upon approval of the grant. Any NEISEC employee being paid out of proportionate share grant funds for salary and benefits will be paid from the LEA's financial software. The LEA Treasurer will keep a spreadsheet of employee proportionate share expenses and this spreadsheet will be updated monthly based on time and effort logs that are submitted by MSD of Steuben to the LEA and NEISEC. Any employee utilizing proportionate share funds that is not an employee of NEISEC, but rather a direct employee of MSD of Steuben, will be paid directly by MSD of Steuben. Time and effort logs will still be submitted to the LEA and NEISEC Treasurers for these employees in order to generate a direct reimbursement from the grant fund to the member school. For any expenses for a category outside of salary and benefits, MSD of Steuben will submit an invoice and proof of purchase for equipment, supplies, etc. to NEISEC and the LEA in order to be directly reimbursed for those proportionate share expenses. If the request was not in the initial grant budget, MSD of Steuben will submit all relevant information to NEISEC in order for a grant modification to be completed. Per IDOE, the grant modification must be approved first prior to purchasing the items. Time and effort logs as well as invoice and proof of payment will be sent to the LEA Treasurer in order to complete the grant reimbursement requests. At the end of the grant period, any remaining proportionate share money will require that a waiver be completed. As of this date (2/10/2023) the LEA (DeKalb County Eastern CSD) and NEISEC are still in communication with SBOA and IDOE to review the proportionate share plan and ensure all necessary requirements will be satisfied. This will be communicated with MSD of Steuben.

Anticipated Completion Date: Changes discussed above will be implemented for the remainder of the FY23 grant period starting 07/01/2023.



MSD of Steuben

Dr. Matthew Widenhoefer
Superintendent

February 2, 2023

Dr. Schauna Relue
Assistant Superintendent

CORRECTIVE ACTION PLAN

Mrs. Ann Rice
Director of Student Services

FINDING 2022-006

Mrs. Chantell Manahan
Director of Technology

Contact Person Responsible for Corrective Action: Schauna Relue
 Contact Phone Number: 260-665-2854

Mrs. Wendy Wilson
Director of Human Resources

Views of Responsible Official: We concur with the finding.

Ms. Sherry Neumann
Business Manager

Mrs. Stephanie Haynes-Clifford
Food Service Director

Mr. Gary Puckett
Director of Facilities & Transportation

Ms. Kathy Bahr
Special Education Coordinator

BOARD OF SCHOOL TRUSTEES

Description of Corrective Action Plan:

The ESSER reports requested by IDOE will follow the same procedures of all FER reports. The “data collection” for the ESSER grants was not identified as a financial report, and thus did not follow these processes. Now that we know this is a financial report, the steps below will be followed. The grant was initially not set up correctly and expenses were expended to and then transferred to the correct accounts once the grants were set up correctly. These changes were in flux when the report was requested, so what was reported at the time of the report is no longer what is reflected in grants’ ledgers.

Mr. Cory Archbold
President

The corrective action will require that the program director gathers the initial data, the data will be reviewed by the administrative assistant to the grants’ director, and then reviewed by the Treasurer. All three employees will sign/initial a printed copy of the report before it is submitted.

Mr. Kevin Beard
Vice President

Data regarding students served by programs and staff reports will be reviewed by the program director and the data specialist and signed off on by both parties to ensure accuracy.

Mrs. LeAnn Boots
Secretary

Mr. Tom Caswell
Member

Mrs. Becky Maggart
Member

Mr. Scott Poor
Member

Mr. Mark Ridenour
Member

Anticipated Completion Date: Effective Immediately; Completion will occur when the next report is requested.

SCHOOL ATTORNEY

Sincerely,
 Schauna Relue, Ph.D.
 Assistant Superintendent

Mr. Kim E. Shoup

The School Board of Trustees declares it the policy of the Metropolitan School District of Steuben County to provide equal educational and employment opportunities regardless of race, creed, color, religion, national origin, age, gender, and where applicable marital status, familial status, parental status, domicile, disability, genetic information, veteran status, sexual orientation, political beliefs, reprisal, or any legally protected characteristic.

For inquiries of: Title IX, Section 504, American with Disabilities Act
 Contact: Director of Student Services
 400 S. Martha Street, Angola, IN 46703
 (260) 665-2854

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/>.