

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

CONCORD COMMUNITY SCHOOLS

ELKHART COUNTY, INDIANA

July 1, 2020 to June 30, 2022



FILED
03/22/2023

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
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 <i>Government Auditing Standards</i>	3-4
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	5-8
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards	10-11
Notes to Schedule of Expenditures of Federal Awards.....	12
Schedule of Findings and Questioned Costs.....	13-28
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings.....	30-36
Corrective Action Plan	37-44
Other Reports.....	45

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Laurie J. Gregory James Evans	07-01-20 to 01-07-22 01-08-22 to 06-30-23
Superintendent of Schools	Daniel W. Funston	07-01-20 to 06-30-23
President of the School Board	Kami E. Wait	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 CONCORD COMMUNITY SCHOOLS, ELKHART 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 Concord 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 March 2, 2023, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Report on Internal Control over Financial Reporting

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

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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



Beth Kelley, CPA, CFE
Deputy State Examiner

March 2, 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 CONCORD COMMUNITY SCHOOLS, ELKHART COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Concord 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.

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2020 to June 30, 2022.

Basis for Opinion on Each Major Federal Program

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.

Responsibilities of Management for Compliance

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

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance, and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2022-002, 2022-003, 2022-004, 2022-005, 2022-006, and 2022-008. Our opinion on each major federal program is not modified with respect to these matters.

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

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

Report on Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2022-001, 2022-002, 2022-003, 2022-004, 2022-005, 2022-006, 2022-007, and 2022-008, 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 March 2, 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

March 2, 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.

CONCORD 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 School Breakfast FY 2021-2022	Indiana Department of Education	10.553	FY 2021-2022	\$ -	\$ -	\$ -	\$ 569,416
COVID-19 - School Breakfast Program School Breakfast FY 2021-2022	Indiana Department of Education	10.553	FY 2020-2021	-	59,272	-	-
Total - School Breakfast Program				-	59,272	-	569,416
National School Lunch Program							
School Lunch FY 2021-2022	Indiana Department of Education	10.555	FY 2021-2022	-	-	-	2,404,985
School Snack FY 2020-2021			FY 2020-2021	-	3,255	-	-
School Snack FY 2021-2022			FY 2021-2022	-	-	-	6,343
Commodities			FY 2020-2021	-	267,835	-	-
Commodities			FY 2021-2022	-	-	-	347,516
Subtotal - National School Lunch Program				-	271,090	-	2,758,844
COVID-19 - National School Lunch Program	Indiana Department of Education	10.555	FY 2020-2021	-	155,933	-	-
Total - National School Lunch Program				-	427,023	-	2,758,844
Summer Food Service Program for Children							
Summer Food Service	Indiana Department of Education	10.559	FY 2020-2021	-	1,805,307	-	-
Summer Food Service			FY 2021-2022	-	-	-	72,729
Total - Summer Food Service Program for Children				-	1,805,307	-	72,729
Total - Child Nutrition Cluster				-	2,291,602	-	3,400,989
COVID-19 - Pandemic EBT Administrative Costs							
COVID-19 - Pandemic EBT Administrative Costs	Indiana Department of Education	10.649	FY 2021-2022	-	-	-	3,063
Total - COVID-19 - Pandemic EBT Administrative Costs				-	-	-	3,063
Total - Department of Agriculture				-	2,291,602	-	3,404,052
Department of Education							
Special Education Cluster (IDEA)							
Special Education Grants to States							
Special Ed Part B FY19	Indiana Department of Education	84.027	19611-014-PN01	-	51,195	-	-
Special Ed Part B FY 20			20611-014-PN01	-	767,621	-	-
Special Ed Part B FY 21			21611-014-PN01	-	371,174	-	740,592
Total - Special Education Grants to States				-	1,189,990	-	740,592
Special Education Preschool Grants							
Spec Ed Preschool FY20	Indiana Department of Education	84.173	20619-014-PN01	-	1,646	-	-
Spec Ed Preschool FY21			21619-014-PN01	-	44,967	-	-
Total - Special Education Preschool Grants				-	46,613	-	-
Total - Special Education Cluster (IDEA)				-	1,236,603	-	740,592

CONCORD 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	84.010					
Title I Delinquent 2019-2020			S010A190014	-	9,440	-	-
Title I FY 2020			S010A190014	-	204,025	-	-
Title I FY 2021			S010A200014	-	-	-	578,452
Total - Title I Grants to Local Educational Agencies				-	213,465	-	578,452
English Language Acquisition State Grants	Indiana Department of Education	84.365					
Title III Limited English 2018-2020			S365A180014	-	5,744	-	-
Title III Immigrant Influx 2018-2020			S365A180014	-	1,037	-	-
Title III Immigrant Influx 2020-2021			S365A200014	-	-	-	16,439
Title III Limited English 2019-2021			S365A190014	-	41,684	-	-
Title III Immigrant Influx 2019-2021			S365A190014	-	3,341	-	-
Total - English Language Acquisition State Grants				-	51,806	-	16,439
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
Title II Part A 2019-2020 PBL Training Program Grant			Contract 44902	-	1,000	-	-
Title II Part A 2020-2021 Teacher Leaders Bootcamp			Contract 45265	-	3,546	-	-
Title II Part A 2018-2020			S367A180013	-	11,893	-	-
Title II Part A 2019-2021			S367A190013	-	104,734	-	-
Title II Part A 2019-2021			S367A190013	-	-	-	4,085
Total - Supporting Effective Instruction State Grants				-	121,173	-	4,085
COVID-19 - Education Stabilization Fund	Indiana Department of Education	84.425					
Education Stabilization Relief Fund (CARES Act FY 2020)		84.425D	7000-S425D200013	-	307,068	-	-
Governor Emergency Education Relief Fund (GEER)		84.425C	Contract 49104	-	13,550	-	-
Education Stabilization Relief Fund II (ESSER II)		84.425D	S425D210013	-	-	-	738,209
Total - COVID-19 - Education Stabilization Fund				-	320,618	-	738,209
Total - Department of Education				-	1,943,665	-	2,077,777
<u>Department of Health and Human Services</u>							
<u>Medicaid Cluster</u>							
Medical Assistance Program	Indiana Department of Education	93.778					
Medicaid Reimbursements for IEP Services FY 2021			FY 2020-2021	-	45,074	-	-
Medicaid Administrative Claiming FY 2021			FY 2020-2021	-	55,757	-	-
Medicaid Reimbursements for IEP Services FY 2022			FY 2021-2022	-	-	-	44,857
Medicaid Administrative Claiming FY 2022			FY 2021-2022	-	-	-	34,179
Total - Medical Assistance Program				-	100,831	-	79,036
Total - Medicaid Cluster				-	100,831	-	79,036
Total - Department of Health and Human Services				-	100,831	-	79,036
Total federal awards expended				\$ -	\$ 4,336,098	\$ -	\$ 5,560,865

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

CONCORD 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.

CONCORD 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?	no
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
84.010	Child Nutrition Cluster	Unmodified
	Title I Grants to Local Educational Agencies	Unmodified
	Special Education Cluster (IDEA)	Unmodified
84.425	COVID-19 - Education Stabilization Fund	Unmodified

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

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

No matters are reportable.

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2022-001

Subject: Child Nutrition Cluster - Reporting
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
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 Requirement: Reporting
Audit Finding: Material Weakness

Condition and Context

An effective internal control system was not designed or implemented at the School Corporation to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirement.

The Monthly Sponsored Claims for reimbursement were prepared without an oversight or review process in place to ensure that the information was accurate, complete, and prepared in accordance with the grant requirements.

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 established a system of internal controls that would have ensured compliance with the Reporting compliance requirement.

Effect

The failure to establish an effective internal control system could have enabled material noncompliance with the grant agreement and the Reporting compliance requirement.

Questioned Costs

There were no questioned costs identified.

CONCORD 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 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.

FINDING 2022-002

Subject: Child Nutrition Cluster - Procurement and Suspension and Debarment
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
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 Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2020-004.

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.

Federal regulations allow for informal procurement methods when the value of the procurement for property or services does not exceed the simplified acquisition threshold, which is set at \$250,000. However, Indiana Code 5-22-8 has a more restrictive threshold of \$150,000 or less for when small purchase procedures may be used. This informal process allows for methods other than the formal bid process. The informal process is divided between two methods based on thresholds. Micro-purchases, typically for those purchases \$10,000 or under, and small purchase procedures for those purchases above the micro-purchase threshold, but below the simplified acquisition threshold. Micro-purchases may be awarded without soliciting competitive price rate quotations. If small purchase procedures are used, then price or rate quotations must be obtained from an adequate number of qualified sources.

The School Corporation did not obtain price or rate quotes for four of four purchases of goods or services tested that were less than the simplified acquisition threshold of \$150,000, but exceeded the \$10,000 micro-purchase threshold. Documentation detailing the history of procurement, which must include the reason for the procurement method used, was not available for audit.

In addition, vendor contracts were not entered into for purchases above \$50,000 as required by state statute. As a result, one vendor subject to a contract was not verified so ensure that the vendor was not excluded or disqualified from participation in federal assistance programs or activities.

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

The School Corporation did not verify that vendors with contracts over \$25,000 were not excluded or disqualified from participation in federal assistance programs or activities. Five of five contracts tested did not comply.

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 200.318(a) (Uniform Guidance) states: "The non-Federal entity must use its own documented procurement procedures which reflect applicable state, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part."

2 CFR 200.318(a) (Revised Uniform Guidance) states:

"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."

2 CFR 200.320(b) (Uniform Guidance) states:

"Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources."

2 CFR 200.320 (Revised Uniform Guidance) 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.

CONCORD COMMUNITY SCHOOLS
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 controls that would have ensured compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement could result in the loss of future federal 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 controls related to 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.

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

FINDING 2022-003

Subject: Title I Grants to Local Educational Agencies - Allowable Costs/Cost Principles
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
Assistance Listings Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): S010A190014, S010A200014
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 designed, or implemented, at the School Corporation to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

Of 25 employees tested, 2 did not have supporting documentation or personnel reports, such as time and effort logs, to support the time charged to the grant.

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 200.403 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 200.430(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;

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

- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS); . . .
- (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 established a system of internal controls that would have ensured compliance with the grant agreement and 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 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 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 2022-004

Subject: Title I Grants to Local Educational Agencies - Eligibility
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
Assistance Listings Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): S010A190014, S010A200014
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Eligibility
Audit Findings: Material Weakness, Other Matters

Condition and Context

An effective internal control system was not designed, or implemented, at the School Corporation to ensure compliance with requirements related to the grant agreement and the Eligibility compliance requirement.

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

Direct Certification

As part of the grant application, the School Corporation reports the poverty (socio-economic) status of enrolled students to determine the poverty percentage of a school building. Direct certifications is one method the school corporation uses to determine socio-economic status. A list of students that qualified for free and reduced-price meals through direct certification was downloaded from the Indiana Department of Education website and imported into the school lunch program. However, there was no documented internal controls in place to ensure the information was imported on a timely basis.

Non-Public School Eligible Students

Total enrollment for students attending non-public schools within the School Corporation were not listed on the 2020-2021 or 2021-2022 Grant Applications. In addition, documentation provided did not support the number of non-public school students qualifying for Title I services (poverty status) on the 2020-2021 application.

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). . . ."

20 USC 6320(a)(4) states in part:

". . . (A)(i) Expenditures for educational services and other benefits to eligible private school children shall be equal to the proportion of funds allocated to participating school attendance areas based on the number of children from low-income families who attend private schools. . . ."

(D) The local educational agency may determine the equitable share under subparagraph (A) each year or every 2 years."

Cause

Management had not developed an effective system of internal controls that would have ensured compliance with the grant agreement and the Eligibility 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 Eligibility compliance requirement could result in the loss of future federal funds to the School Corporation.

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

Questioned Costs

There were no questioned costs identified.

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 Eligibility compliance requirement.

Views of Responsible Officials

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

FINDING 2022-005

Subject: Title I Grants to Local Educational Agencies - Reporting
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
Assistance Listings Number: 84.010
Federal Award Number and Year (or Other Identifying Number): S010A200014
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Findings: Material Weakness, Other Matters

Condition and Context

An effective internal control system was not designed, or implemented at the School Corporation to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirement.

Total expenditures reported on the 2020-2021 Final Expenditure Report (Report) were not supported by the School Corporation's ledgers. Total expenditures on the Report were \$578,452 whereas expenditures per the ledgers were \$677,514.

The lack of internal controls was a systemic issue throughout the audit period but the noncompliance was limited 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). . . ."

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

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."

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 controls that would have ensured compliance with the Reporting 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 Reporting 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 a system of internal controls 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.

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

FINDING 2022-006

Subject: Title I Grants to Local Educational Agencies - Earmarking
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
Assistance Listings Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): S010A190014, S010A200014
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Matching, Level of Effort, Earmarking
Audit Findings: Material Weakness, Other Matters

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 Matching, Level of Effort, Earmarking compliance requirement.

The School Corporation did not spend the required Parental Involvement set asides for the S010A190014 and S010A200014 grants. The set aside for the S010A190014 grant was \$7,140; however, the amount spent was \$2,282. The set aside for the S01A200014 grant was \$6,818; however, the amount spent was \$96.

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). . . ."

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

20 USC 6318(a)(3) states in part:

"(A) In general

Each local educational agency shall reserve at least 1 percent of its allocation under subpart 2 to assist schools to carry out the activities described in this section, except that this subparagraph shall not apply if 1 percent of such agency's allocation under subpart 2 for the fiscal year for which the determination is made is \$5,000 or less. Nothing in this subparagraph shall be construed to limit local educational agencies from reserving more than 1 percent of its allocation under subpart 2 to assist schools to carry out activities described in this section. . . .

(D) Use of Funds

Funds reserved under subparagraph (A) by a local educational agency shall be used to carry out activities and strategies consistent with the local educational agency's parent and family engagement policy, including not less than 1 of the following:

- (i) Supporting schools and nonprofit organizations in providing professional development for local educational agency and school personnel regarding parent and family engagement strategies, which may be provided jointly to teachers, principals, other school leaders, specialized instructional support personnel, paraprofessionals, early childhood educators, and parents and family members.
- (ii) Supporting programs that reach parents and family members at home, in the community, and at school.
- (iii) Disseminating information on best practices focused on parent and family engagement, especially best practices for increasing the engagement of economically disadvantaged parents and family members.
- (iv) Collaborating or providing subgrants to schools to enable such schools to collaborate, with community-based or other organizations or employers with a record of success in improving and increasing parent and family engagement.
- (v) Engaging in any other activities and strategies that the local educational agency determines are appropriate and consistent with such agency's parent and family engagement policy."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Matching, Level of Effort, Earmarking 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 Matching, Level of Effort, Earmarking compliance requirement could result in the loss of future federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

CONCORD 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 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.

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

Federal Award Numbers and Years (or Other Identifying Numbers): Contract 49104, 7000-S425D200013, S425D210013

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, or 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, or implemented, a system of internal control to ensure that the four Elementary and Secondary School Emergency Relief (ESSER) annual data reports (Reports) and the one Governor's Emergency Education Relief Fund (GEER) annual data report (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). . . ."

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

Cause

Management had not established a system of internal controls that would have ensured compliance with the grant agreement and the Reporting compliance requirement.

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the Reporting compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish a system of internal controls related to 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.

FINDING 2022-008

Subject: COVID-19 - Education Stabilization Fund - Special Tests
and Provisions - Participation of Private School Children
Federal Agency: Department of Education
Federal Program: COVID-19 - Education Stabilization Fund
Assistance Listings Number: 84.425C
Federal Award Number and Year (or Other Identifying Number): Contract 49104
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Participation of Private School Children
Audit Findings: Material Weakness, Other Matters

Condition and Context

An effective internal control system was not designed, or implemented, at the School Corporation to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Participation of Private School Children compliance requirement.

The School Corporation participated in the Governor's Emergency Education Relief (GEER) funds and was required to reach out to each eligible non-public school within their boundaries prior to submitting an application for funds. The School Corporation did not reach out to one of the two eligible non-public schools within its boundaries. As a result, the non-public school did not have the opportunity to participate in services provided through GEER funds.

The lack of internal controls and noncompliance were isolated to the GEER program Contract 49104.

CONCORD 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). . . ."

Public Law 116-136, Section 18005 states in part:

"(a) IN GENERAL.—A local educational agency receiving funds under sections 18002 or 18003 of this title shall provide equitable services in the same manner as provided under section 1117 of the ESEA of 1965 to students and teachers in non-public schools, as determined in consultation with representatives of non-public schools. . . ."

20 USC 6320(a)(1) states:

"To the extent consistent with the number of eligible children identified under section 6315(c) of this title in the school district served by a local educational agency who are enrolled in private elementary schools and secondary schools, a local educational agency shall-

(A) after timely and meaningful consultation with appropriate private school officials, provide such children, on an equitable basis and individually or in combination, as requested by the officials to best meet the needs of such children, special educational services, instructional services (including evaluations to determine the progress being made in meeting such students' academic needs), counseling, mentoring, one-on-one tutoring, or other benefits under this part (such as dual or concurrent enrollment, educational radio and television, computer equipment and materials, other technology, and mobile educational services and equipment) that address their needs; and

(B) ensure that teachers and families of the children participate, on an equitable basis, in services and activities developed pursuant to section 6318 of this title."

Cause

Management had not established a system of internal controls that would have ensured compliance with the grant agreement and the Special Tests and Provisions - Participation of Private School Children 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 Special Tests and Provisions - Participation of Private School Children compliance requirement could result in the loss of future federal funds to the School Corporation.

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

Questioned Costs

There were no questioned costs identified.

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 Special Tests and Provisions - Participation of Private School Children compliance requirement.

Views of Responsible Officials

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

AUDITEE-PREPARED DOCUMENTS

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



CONCORD COMMUNITY SCHOOLS

59040 Minuteman Way, Elkhart, IN 46517

Phone: 574-875-5161 | Fax: 574-875-8762

Website: www.concordschools.com

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2020-001

Fiscal year in which the finding initially occurred: 2020

Status of Audit Finding: The preparation of the SEFA and the review are done by separate individuals. A Grants & Assessments Coordinator was hired on May 2, 2022, to provide direction and oversight of grants to prevent errors including statements of expenditures, program names, and identifying numbers.

Additionally, Concord Community Schools contracted with Administrator Assistance in May 2022 to provide training to all staff members who work with federal grants and to assist in the establishment of processes and procedures to increase the level of internal controls with all grants.



CONCORD COMMUNITY SCHOOLS

59040 Minuteman Way, Elkhart, IN 46517

Phone: 574-875-5161 | Fax: 574-875-8762

Website: www.concord.k12.in.us

Mr. Dan Funston, Superintendent

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2020-002

Status of Audit Finding:

Controls are in place to ensure that the income guidelines used to determine eligibility by the software application are accurate after each annual update.

Procedures are in place to require a documented second review when it is necessary for the list of students who are eligible for free and reduced-price lunches through direct certification is downloaded from the Department of Education website and imported into the student lunch software program to ensure that the information is uploaded on a timely basis.

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.



CONCORD COMMUNITY SCHOOLS

59040 Minuteman Way, Elkhart, IN 46517

Phone: 574-875-5161 | Fax: 574-875-8762

Website: www.concord.k12.in.us

Mr. Dan Funston, Superintendent

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2020-003

Status of Audit Finding:

Corrected

As of January 1, 2022, School Corporation discontinued disbursements out of the School Lunch fund for trash services and worker's compensation.



CONCORD COMMUNITY SCHOOLS

59040 Minuteman Way, Elkhart, IN 46517

Phone: 574-875-5161 | Fax: 574-875-8762

Website: www.concord.k12.in.us

Mr. Dan Funston, Superintendent

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2020-004

Status of Audit Finding:

The finding was not corrected.

An internal monitoring system for controls has been established for the segregation of duties and to ensure proper purchasing requirements are met, relating to the grant agreement.

Internal Controls

The Food Service Director will obtain prior approval from the Indiana Department of Education for equipment and remodel projects in order to be an allowable use of the grant funds.

A designated employee will obtain quotes and/or bids from vendors over the Federal guideline threshold as required.



CONCORD COMMUNITY SCHOOLS

59040 Minuteman Way, Elkhart, IN 46517

Phone: 574-875-5161 | Fax: 574-875-8762

Website: www.concordschools.com

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2020-005 (Auditor Assigned Reference Number)

Fiscal year in which the finding initially occurred: 2020

Status of Audit Finding: The following procedures have been implemented as part of the corrective action plan.

1. Concord High School (CHS) office receives record request, homeschool form, exit interview or email from a CHS administrator asking to withdraw to ZNONE (withdrawal codes 14,15).
2. CHS office prints records/send to new school.
3. CHS withdraws student.
4. CHS office enters student name to spreadsheet.
5. CHS office emails students withdrawn that day to withdrawal email group.
6. File student file in "Withdrawn" files.



CONCORD COMMUNITY SCHOOLS

59040 Minuteman Way, Elkhart, IN 46517

Phone: 574-875-5161 | Fax: 574-875-8762

Website: www.concordschools.com

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2020-006

Fiscal year in which the finding initially occurred: 2020

Status of Audit Finding: The following procedures have been put into place for corrective action.

Corrective Action

1. ECSEC personnel reviews transfers and ledger for previous quarter (07/01 thru 09/30)

Internal Controls

Acct. The number for Reimbursements: This number is provided by ECSEC when sending reimbursement checks to Concord

Acct. Name for paying Invoices: This number is used by the school corporation when making payments to ECSCS to specify the fund that is used for each portion of the payment. For example, payments that are made from the Part B Grant 611, will be noted as payments made from Fund 5421. Likewise, payments made from Part B Grant 619 will be noted as payments made from Fund 5221.

This information will be noted on the invoice from ECSEC when payments are made.



CONCORD COMMUNITY SCHOOLS

59040 Minuteman Way, Elkhart, IN 46517

Phone: 574-875-5161 | Fax: 574-875-8762

Website: www.concordschools.com

FINDING 2020-007

Fiscal year in which the finding initially occurred: 2020

Status of Audit Finding: The following steps were put into place for corrective action.

1. Review small purchase vendors and supporting procurement requirements. (3 bids, cooperative purchasing, etc.) Review last quarter (07/01 thru 09/30).
2. Provide a copy to member schools to send to DOE Fiscal Monitoring
3. Review documentation vendors are looked up through:
 - a. SAM.gov – SAM Exclusions or alternative
4. Provide a copy to member schools to send to DOE Fiscal Monitoring



CONCORD COMMUNITY SCHOOLS

59040 Minuteman Way, Elkhart, IN 46517

Phone: 574-875-5161 | Fax: 574-875-8762

Website: www.concordschools.com

CORRECTIVE ACTION PLAN

FINDING 2022-001

Contact Person Responsible for Corrective Action: Jim Evans

Contact Phone Number: (574) 875-5161

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan: This finding was corrected beginning July 1, 2022. Concord Community Schools hired an additional staff member and that staff member reviews the information used to prepare the Monthly Sponsored Claims for reimbursement to verify that the claims are accurate, complete and prepared in accordance with the grant requirements. Once the review is complete, the Monthly Sponsored Claims are printed and signed by both the Food Service official who prepared the claims and the food service official who reviewed the claims for accuracy, completeness and compliance with grant requirements.

Anticipated Completion Date: This finding has been corrected.



CONCORD COMMUNITY SCHOOLS

59040 Minuteman Way, Elkhart, IN 46517

Phone: 574-875-5161 | Fax: 574-875-8762

Website: www.concordschools.com

CORRECTIVE ACTION PLAN

FINDING 2022-002

Contact Person Responsible for Corrective Action: Jim Evans

Contact Phone Number: (574) 875-5161

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan: This finding has been corrected by discontinuing purchases from the vendor in question for the remainder of the 2022-2023 school year. In future years, future purchases from this vendor will be limited to \$9,000.00 per fiscal year. The purchases will be monitored by the Food Service Director and the Food Service Managers in each building.

Anticipated Completion Date: This finding has been corrected.



CORRECTIVE ACTION PLAN

FINDING 2022-003

Finding: During testing, it was found that 2 out of 25 employees selected in the payroll sample for allowable costs did not have a completed semi-annual certification form or time and effort log for their work within the Title I program. Controls were not effective in ensuring all hours worked or salaries charged to the grant had the proper supporting documentation.

Contact Person Responsible for Corrective Action: Carrie McGuire

Contact Phone Number: (574) 875-5161

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

In order to address the issue related to semi-annual certifications not be completed and filed in a timely manner, Concord Community Schools created a Grants and Assessment Coordinator position in May 2022. A person was hired to fill this position starting on July 1, 2022. One of the essential functions of this position is maintaining current and accurate records related to federal and state grants. Starting in January 2023, in addition to the Grants and Assessment Coordinator, a member of the business department will be a second reviewer and sign the semi-annual certifications.

Anticipated Completion Date: July 15, 2023



CORRECTIVE ACTION PLAN

FINDING 2022-004

Finding: Non-Public School: No documentation could be found to support non-public school students qualifying for Title I on the 2020-2021 and 2021-2022 Applications. These numbers determine equitable share distributions to these non-public schools.

Contact Person Responsible for Corrective Action: Carrie McGuire

Contact Phone Number: (574) 875-5161

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan: Non public schools will be consulted prior to the initial Title I(a) application being submitted at the start of each grant cycle. Non-public school consultation forms and spreadsheet(s) for any equitable share calculations will be uploaded into the Title I application center as attachments. These will be verified by the corporation treasurer before the Title I application is submitted annually. Prior to the submission of the Title I application annually, the federal grants coordinator will consult with all non-public schools within our district boundaries as listed by the IDOE in the grant application portal. The signed consultation forms will be uploaded to the IDOE's Title I Programs Application Center as attachments. The corporation treasurer will verify that all consultation forms are signed and uploaded in the Application Center before the initial grant application budget can be submitted for review.

A form will be created so that when files are downloaded from the Child Nutrition Program (CNP) website and subsequently uploaded into Mealtimes, there will be places for a signature of the person who downloaded the file, a signature for the person who uploaded the file, and a reviewer.

Anticipated Completion Date: September 15, 2023



CORRECTIVE ACTION PLAN

FINDING 2022-005

Finding: Internal controls were not in place/effective in relation to the Title I Annual Expenditure Reports filed during the audit period. Subsequently, the 20-21 Title I Annual Expenditure Report did not agree with School Corporation's ledgers. \$578,452 of expenditures were reported the Annual Expenditure Report and \$677,514 from Fund 4121 on the ledgers.

Contact Person Responsible for Corrective Action: Carrie McGuire

Contact Phone Number: (574) 875-5161

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan: When required annual federal grant reports are completed for submission, they will be reviewed by the treasurer for accuracy. Both the treasurer and the grants coordinator will sign off on the reports. In order to address the issue related to earmarking and set-asides within Title I not be completed, Concord Community Schools created a Grants and Assessment Coordinator position in May 2022. A person was hired to fill this position starting on July 1, 2022. One of the essential functions of this position is maintaining current and accurate records related to federal and state grants. Starting in January 2023, in addition to the Grants and Assessment Coordinator, a member of the business department will be a second reviewer and sign the semi-annual certifications.

Anticipated Completion Date: December 31, 2023



CONCORD COMMUNITY SCHOOLS

59040 Minuteman Way, Elkhart, IN 46517
Phone: 574-875-5161 | Fax: 574-875-8762
Website: www.concordschools.com

Mr. Dan Funston, Superintendent

CORRECTIVE ACTION PLAN

FINDING 2022-006

Finding: An effective internal control system, which would include segregation of duties, was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the following compliance requirements: Earmarking. Of the \$7,139.98 set-aside for the SY 20 Grant it was determined that only \$2,284.50 was spent on Parent Involvement. Of the \$6,817.51 set-aside for the SY 21 Grant, only \$95.78 was spent during the audit period.

In addition, Homeless Reservation set-asides were not met SY 20 or 21. Of the \$1,900 designated for SY20, only \$32.89 was spent. No amount was determined to have spent for the SY 21.

Contact Person Responsible for Corrective Action: Carrie McGuire

Contact Phone Number: (574) 875-5161

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

In order to address the issue related to earmarking and set-asides within Title I not be completed, Concord Community Schools created a Grants and Assessment Coordinator position in May 2022. A person was hired to fill this position starting on July 1, 2022. One of the essential functions of this position is maintaining current and accurate records related to federal and state grants. Starting in January 2023, in addition to the Grants and Assessment Coordinator, a member of the business department will be a second reviewer and sign the semi-annual certifications.

Anticipated Completion Date: September 30, 2023



CONCORD COMMUNITY SCHOOLS

59040 Minuteman Way, Elkhart, IN 46517
Phone: 574-875-5161 | Fax: 574-875-8762
Website: www.concordschools.com

CORRECTIVE ACTION PLAN

FINDING 2022-007

Contact Person Responsible for Corrective Action:
Contact Phone Number: (574) 875-5161

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan: When required annual federal grant reports are completed for submission, they will be reviewed by the treasurer for accuracy. Both the treasurer and the grants coordinator will sign off on the reports.

Anticipated Completion Date: June 30, 2022



CONCORD COMMUNITY SCHOOLS

59040 Minuteman Way, Elkhart, IN 46517
Phone: 574-875-5161 | Fax: 574-875-8762
Website: www.concordschools.com

CORRECTIVE ACTION PLAN

FINDING 2022-008

Contact Person Responsible for Corrective Action: Carrie McGuire
Contact Phone Number: (574) 875 -5161

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan: Prior to the submission of the Title I application annually, the federal grants coordinator will consult with all non-public schools within our district boundaries as listed by the IDOE in the grant application portal. The signed consultation forms will be uploaded to the IDOE's Title I Programs Application Center as attachments. The corporation treasurer will verify that all consultation forms are signed and uploaded in the Application Center before the initial grant application budget can be submitted for review.

Anticipated Completion Date: December 31, 2022

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/>.