

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

BLACKFORD COUNTY SCHOOLS

BLACKFORD COUNTY, INDIANA

July 1, 2020 to June 30, 2022



FILED
03/31/2023

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Gregory Roach Julie Dodd	07-01-20 to 03-31-21 04-01-21 to 06-30-23
Superintendent of Schools	Chad Yencer	07-01-20 to 06-30-23
President of the School Board	Philip Jones	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 BLACKFORD COUNTY SCHOOLS, BLACKFORD 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 Blackford County 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 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, as described in the accompanying Schedule of Findings and Questioned Costs as items 2022-001 and 2022-002, that we consider to be material weaknesses.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2022-001 and 2022-002.

Blackford County Schools' Response to Findings

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

Purpose of This Report

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



Beth Kelley, CPA, CFE
Deputy State Examiner

March 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 BLACKFORD COUNTY SCHOOLS, BLACKFORD COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the Blackford County Schools' (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2020 to June 30, 2022. The School Corporation's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings and Questioned Costs.

Qualified Opinion on COVID-19 - Education Stabilization Fund

In our opinion, except for the noncompliance 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.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2020 to June 30, 2022.

Basis for Qualified and Unmodified Opinions

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

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

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

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

As described in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding 84.425 COVID-19 - Education Stabilization Fund, as described in items 2022-009 and 2022-010 for Equipment and Real Property Management and Reporting. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2022-003, 2022-005, 2022-007, 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.

Report on Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2022-003, 2022-004, 2022-005, 2022-006, 2022-007, 2022-008, 2022-009, and 2022-010, 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 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

March 16, 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.

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BLACKFORD COUNTY SCHOOLS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2021 and 2022

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-21	Total Federal Awards Expended 06-30-21	Passed Through to Subrecipient 06-30-22	Total Federal Awards Expended 06-30-22
Department of Agriculture							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
			FY21	\$ -	\$ 140,074	\$ -	\$ -
			FY22	-	-	-	243,305
COVID-19 - School Breakfast Program	Indiana Department of Education	10.553					
			FY21	-	33,633	-	-
Total - School Breakfast Program				-	173,707	-	243,305
National School Lunch Program	Indiana Department of Education	10.555					
			FY21	-	376,947	-	-
			FY22	-	-	-	804,053
Commodities			FY21	-	84,606	-	-
Commodities			FY22	-	-	-	108,237
Subtotal - National School Lunch Program				-	461,553	-	912,290
COVID-19 - National School Lunch Program	Indiana Department of Education	10.555					
School Lunch Program			FY21	-	92,793	-	-
SNP Emergency Funds			FY22	-	-	-	42,495
Total - National School Lunch Program				-	554,346	-	954,785
COVID-19 - Summer Food Service Program for Children	Indiana Department of Education	10.559					
Summer Food Service Program for Children	Indiana Department of Education	10.559					
			FY21	-	16,180	-	-
			FY22	-	-	-	2,150
Total - Summer Food Service Program for Children				-	16,180	-	2,150
Total - Child Nutrition Cluster				-	744,233	-	1,200,240
Total - Department of Agriculture				-	744,233	-	1,200,240
Department of Defense							
ROTC Language and Culture Training Grants	Direct	12.357					
			FY21	-	66,919	-	-
			FY22	-	-	-	68,004
Total - ROTC Language and Culture Training Grants				-	66,919	-	68,004
Total - Department of Defense				-	66,919	-	68,004

BLACKFORD COUNTY 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 Education							
Special Education Cluster (IDEA) Special Education Grants to States	Indiana Department of Education	84.027A	20611-008-PN01 21611-008-PN01 22611-008-PN01	- - -	68,031 486,922 -	- - -	- 3,043 450,422
Subtotal - Special Education Grants to States				-	554,953	-	453,465
Individuals with Disabilities Education Act/American Rescue Plan Act of 2021 (ARP)	Indiana Department of Education	84.027X	22611-008-ARP	-	-	-	3,900
Total - Special Education Grants to States				-	554,953	-	457,365
Special Education Preschool Grants	Indiana Department of Education	84.173A	21619-008-PN01 22619-008-PN01	- -	30,884 -	- -	- 30,805
Total - Special Education Preschool Grants				-	30,884	-	30,805
Total - Special Education Cluster (IDEA)				-	585,837	-	488,170
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010	FY18 FY19 FY20 FY21	- - - -	29,928 317,142 370,916 -	- - - -	- 26,503 80,760 419,322
Total - Title I Grants to Local Educational Agencies				-	717,986	-	526,585
Career and Technical Education - Basic Grants to States	Bluffton-Harrison Metropolitan Schools District	84.048	FY21 FY22	- -	9,908 -	- -	- 11,400
Total - Career and Technical Education - Basic Grants to States				-	9,908	-	11,400
Rural Education	Indiana Department of Education	84.358	FY18 FY19 FY20 FY21	- - - -	21,070 31,946 11,226 -	- - - -	- - 24,506 40,805
Total - Rural Education				-	64,242	-	65,311

BLACKFORD COUNTY 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
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
			FY19	-	27,925	-	-
			FY20	-	74,965	-	-
			FY21	-	-	-	65,445
Total - Supporting Effective Instruction State Grants				-	102,890	-	65,445
Student Support and Academic Enrichment Program	Indiana Department of Education	84.424					
			FY19	-	31,345	-	-
			FY20	-	23,194	-	-
			FY21	-	-	-	7,700
			FY22	-	-	-	31,623
Total - Student Support and Academic Enrichment Program				-	54,539	-	39,323
COVID-19 - Education Stabilization Fund		84.425					
2020 Governors Emergency Education Relief	Daleville Community Schools	84.425C	S425C200018	-	24,000	-	23,487
2020 Elementary and Secondary School Emergency Relief Fund	Indiana Department of Education	84.425D	S425D200013	-	335,828	-	30,496
2021 Elementary and Secondary School Emergency Relief Fund		84.425D	S425D210013	-	-	-	702,325
2021 American Rescue Plan Elementary and Secondary School Emergency Relief		84.425U	S425U210013	-	-	-	589,805
Total - COVID-19 - Education Stabilization Fund				-	359,828	-	1,346,113
Total - Department of Education				-	1,895,230	-	2,542,347
Department of Health and Human Services							
CCDF Cluster							
Child Care and Development Block Grant	Indiana Family and Social Services Administration	93.575	2101INCS6	-	-	-	38,147
Total - CCDF Cluster				-	-	-	38,147
Medicaid Cluster							
Medical Assistance Program	Indiana Department of Education	93.778					
			FY21	-	59,038	-	-
			FY22	-	-	-	84,344
Total - Medical Assistance Program				-	59,038	-	84,344
Total - Medicaid Cluster				-	59,038	-	84,344
Total - Department of Health and Human Services				-	59,038	-	122,491
Total federal awards expended				\$ -	\$ 2,765,420	\$ -	\$ 3,933,082

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

BLACKFORD COUNTY SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2021 and 2022. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

The Uniform Guidance requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$750,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

B. Other Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

Note 2. Indirect Cost Rate

The School Corporation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3. Delaware Blackford Special Education Cooperative

The School Corporation is a member of the Delaware Blackford Special Education Cooperative (Cooperative). As a result, some activity for the Special Education Cluster (IDEA) that is presented on the SEFA may not be presented as receipts and disbursements in the financial statement for the School Corporation. This activity is reported on the financial statement of the Cooperative.

BLACKFORD COUNTY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

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

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

Assistance Listings Number	Name of Federal Program or Cluster	Opinion Issued
	Child Nutrition Cluster	Unmodified
	Special Education Cluster (IDEA)	Unmodified
84.010	Title I Grants to Local Educational Agencies	Unmodified
84.425	COVID-19 - Education Stabilization Fund	Qualified

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

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

FINDING 2022-001

Subject: Financial Transactions and Reporting
Audit Findings: Material Weakness, Noncompliance

Repeat Finding

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

BLACKFORD COUNTY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition and Context

There were deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. Internal controls were either not in place or not effective for the following significant audit areas: receipts and financial close and reporting.

Receipts

The internal controls in place over the School Corporation's receipts could not be verified. In addition, there were no internal controls identified over the cafeteria collections. The Treasurer reviewed receipt copies before deposit; however, there was no evidence of review. Additionally, there was no evidence of a review or approval process over the collection and posting of school cafeteria revenues.

Financial Close and Reporting

The School Corporation had not implemented internal controls over the financial information entered into the Indiana Gateway for Government Units financial reporting system, which was the source of the Annual Financial Report and Financial Statement. The School Corporation did not have a proper system of internal controls in place to prevent, or detect and correct, errors on the Financial Statement.

Due to the lack of internal controls, the Financial Statement presented for audit included the following errors:

1. The Cons Accrual fund receipts and disbursements were understated by \$7,804,571 and \$8,390,007 for fiscal years 2020-2021 and 2021-2022, respectively.
2. The Empl. Insurance fund other financing sources and disbursements were understated by \$1,167 and \$1,425 for 2020-2021 and 2021-2022, respectively.
3. The Cafeteria fund and Café Prepaid fund were incorrectly combined into one fund.

Adjustments were proposed, accepted by the School Corporation, and made to the Financial Statement.

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

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.

BLACKFORD COUNTY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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. . . ."

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

Cause

Management had not established a proper system of internal controls over receipts and financial close and reporting.

Effect

Without a proper system of internal controls in place that operated effectively, material misstatements of receipts could have occurred and remained undetected. Without a proper system of internal controls in place that operated effectively material misstatements remained undetected. The Financial Statement included the errors identified in the *Condition and Context*.

Views of Responsible Officials

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

FINDING 2022-002

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

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2020-002.

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 Schedule of Expenditures of Federal Awards (SEFA).

The School Corporation failed to properly review the federal grant information prepared and submitted in Gateway. Although one employee prepared and entered the federal award information into Gateway, and another employee reviewed and approved the information entered, the internal control was not effective and did not detect and allow correction of errors prior to submission.

BLACKFORD COUNTY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Due to the lack of effective internal controls, the SEFA presented for audited included the following errors:

1. The Child Nutrition Cluster commodities were omitted, which understated expenditures by \$84,606 and \$108,237 for fiscal years 2020-2021 and 2021-2022, respectively.
2. The National School Lunch Program was overstated by \$8,738 for 2021-2022.
3. The Special Education - Grants to States was overstated by \$179,618 and \$4,017 for 2020-2021 and 2021-2022, respectively.
4. The COVID-19 - Education Stabilization Fund was overstated by \$193,807 for 2020-2021.
5. Several additional grants had errors that resulted in a total misstatement of expenditures of \$90,842.
6. Other errors included incorrect program names and identifying numbers.

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA presented in this report.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control . . ."

BLACKFORD COUNTY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200.1 states in part:

". . . Internal controls for non-Federal entities means:

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

2 CFR 200.508 states in part:

"The auditee must: . . .

- (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 . . ."

2 CFR 200.510(b) states:

"Schedule of expenditures of Federal awards. The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the Assistance Listings Number or other identifying number when the Assistance Listings information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502(b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.

BLACKFORD COUNTY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414."

Cause

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

Effect

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

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2022-003

Subject: Child Nutrition Cluster - Allowable Costs/Cost Principles
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, COVID-19 - School Breakfast Program, National School Lunch Program, Summer Food Service Program for Children, COVID-19 - National School Lunch Program, 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): FY21, FY22
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 in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

The School Corporation was approved for an indirect cost rate for fiscal years 2018-2019 and 2019-2020 in order to allocate indirect costs to the School Corporation's Cafeteria fund. However, the School Corporation did not charge these indirect costs within the appropriate time frame. Indirect costs for 2018-2019 and 2019-2020 in the amount of \$15,717 and \$17,456, respectively, were not charged to the Cafeteria fund until March 2021. Per USDA guidance, it is unallowable to bill the National School Food Service Account (NSFSA) for indirect costs that were paid from the general fund in prior years unless an agreement exists to show that the district had been "loaning" the NSFSA funds to cover the indirect costs in one or more prior years. The School Corporation did not have an inter-fund loan agreement in place. As such the amounts were considered questioned costs.

The lack of internal controls and noncompliance were isolated to the indirect costs noted above.

BLACKFORD COUNTY 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). . . ."

USDA Indirect Costs, Guidance for State Agencies & School Food Authorities states in part:

" . . . It is unallowable to bill the NSFSA for indirect costs that were paid from the general fund in prior years unless an agreement exists to show that the district had been 'loaning' the NSFSA funds to cover the indirect costs in one or more prior years. . . . There is no Federal requirement that prohibits an SFA from charging its internal fiscal policy regarding the recovery of indirect costs by those organizational units within the SFA that actually incur costs. Absent a documented 'inter-fund loan' as outlined above, however, an SFA may only change its policy to charge the NSFSA for indirect costs prospectively (that is going forward for the next school year.)

It is unallowable to bill the NSFSA for indirect costs that were previously paid from the general fund unless an agreement exists to show that the district had been 'loaning' the NSFSA funds to cover the indirect costs in one or more prior years. . . ."

2 CFR 200.403 states in part:

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

- (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
- (b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items. . . .
- (g) Be adequately documented. . . ."

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.

BLACKFORD COUNTY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

The failure to establish an effective system of internal controls enabled 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

Known questioned costs of \$33,173 were identified as noted in the *Condition and Context*.

Recommendation

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

Views of Responsible Officials

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

FINDING 2022-004

Subject: Child Nutrition Cluster - 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, 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): FY21, FY22
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.

Monthly Sponsor Claims for Reimbursement (Claims) were submitted to the Indiana Department of Education (IDOE) based upon meals served for the month. The Claims were prepared by the Food Service Manager 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:

BLACKFORD COUNTY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

(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 designed or implemented an effective 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 system of internal controls 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 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 2022-005

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, 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): FY21, FY22

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 for suspension and debarment from the immediately prior report. The prior audit finding number was 2020-004.

BLACKFORD COUNTY SCHOOLS
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.

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 six vendors tested that were less than the simplified acquisition threshold of \$150,000 but exceeded the \$10,000 micro-purchase threshold. The micro-purchase threshold may be increased, but the School Corporation did not provide documentation that the threshold had been increased.

The School Corporation engaged with an Education Service Center that was not an approved School Food Authority (SFA) cooperative. Since the Education Service Center failed to meet the requirements to be an approved SFA cooperative, the obligation reverted to the School Corporation. The School Corporation did not obtain price or rate quotes for purchases of milk, exceeding \$10,000 from an adequate number of sources, which fell under the small purchase procedures. In addition, the School Corporation did not verify the milk vendor with a contract over \$25,000 was not excluded or disqualified from participation in federal award programs.

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(i) states:

"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."

BLACKFORD COUNTY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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.

(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. . . ."

Indiana Code 5-22-8-3 states:

"(a) This section applies only if the purchasing agent expects the purchase to be:

(1) at least fifty thousand dollars (\$50,000); and

(2) not more than one hundred fifty thousand dollars (\$150,000). . . ."

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 system of internal controls enabled 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.

BLACKFORD COUNTY 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 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 2022-006

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): FY18, FY19, FY20, FY21
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Eligibility
Audit Finding: Material Weakness

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 Eligibility compliance requirement.

Eligibility for Title I funding for the School Corporation was determined through the Textbook Rental Application process. During the audit period, one employee entered the determinations in the School District's software system by uploading Direct Certification reports from the state or manually entering Textbook Rental Assistance Applications into the software system. There was not a documented 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). . . ."

BLACKFORD COUNTY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

Management had not designed or implemented 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 system of internal controls placed the School Corporation at risk of noncompliance with the grant agreement and the Eligibility 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 to ensure compliance 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 2022-007

Subject: Title I Grants to Local Education 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): FY19, FY 20
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 in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Matching, Level of Effort, Earmarking compliance requirement.

Officials of the School Corporation did not properly monitor the Homeless set-aside to ensure amounts were tracked for those students designated as homeless. For the Title I grant years FY19 and FY20, the entire Homeless set-aside of \$1,632 and \$550, respectively, was not spent. In addition, the set-asides were not carried forward for subsequent year expenses.

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

BLACKFORD COUNTY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Criteria

2 CFR 200.303 states in part:

"The Non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CFR 200.400 states in part:

"(a) The non-Federal entity is responsible for the efficient and effective administration of the Federal award through the application of sound management practices.

(b) The non-Federal entity assumes responsibility for administering Federal funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the Federal award. . . ."

20 USC 6313(c)(3) states in part:

"(A) In General. A local educational agency shall reserve such funds as are necessary under this part, determined in accordance with subparagraphs (B) and (C), to provide services comparable to those provided to children in schools funded under this part to serve—

- (i) homeless children and youths, including providing educationally related support services to children in shelters and other locations where children may live;
- (ii) children in local institutions for neglected children; and
- (iii) if appropriate, children in local institutions for delinquent children, and neglected or delinquent children in community day programs. . . .

(C) Homeless children and youths. Funds reserved under subparagraph (A)(i) may be— . . .

- (ii) used to provide homeless children and youths with services not ordinarily provided to other students under this part, including providing—
 - (I) funding for the liaison designated pursuant to section 11432(g)(1)(J)(ii) of title 42; and
 - (II) transportation pursuant to section 11432(g)(1)(J)(iii) of such title."

Cause

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

BLACKFORD COUNTY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

The failure to establish an effective system of internal controls enabled 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.

Recommendation

We recommended that the School Corporation's management establish internal controls related to 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 2022-008

Subject: COVID-19 - Education Stabilization Fund - Special
Tests and Provisions - Wage Rate Requirements

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, S425D210013,
S425U210013

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Wage Rate Requirements

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 Special Tests and Provisions - Wage Rate Requirements compliance requirement.

Construction contracts in excess of \$2,000 financed by federal assistance funds must pay wages not less than those established for the locality of the project (prevailing wage rates) by the Department of Labor (DOL) to their laborers and mechanics. Nonfederal entities are to include in their construction contracts, subject to the Wage Rate Requirements, a provision that the contractor or subcontractor comply with these requirements and the DOL regulations. This would include a requirement to submit a copy of the payroll and statement of compliance to the entity for each week in which contract work was performed.

The School Corporation was not aware of the Wage Rate Requirements when it entered into agreements with two contractors providing services on HVAC projects. The necessary provision was included in both of the contracts; however, a copy of the certified payrolls was not provided to the School Corporation on a weekly basis as work was performed. The School Corporation received certified payrolls when the contractors sent them an invoice for payment.

BLACKFORD COUNTY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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). . . ."

29 FR 5.5 states in part:

"(a) The Agency head shall cause or require the contracting officer to insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a public building or public work, or building or work financed in whole or in part from Federal funds or in accordance with guarantees of a Federal agency or financed from funds obtained by pledge of any contract of a Federal agency to make a loan, grant or annual contribution (except where a different meaning is expressly indicated), and which is subject to the labor standards provisions of any of the acts listed in § 5.1, the following clauses . . .

(1) Minimum wages -

(i) All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics . . .

(3)

(ii)

(A) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the (write in name of appropriate federal agency) if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant, sponsor, or owner, as the case may be, for transmission to the (write in name of agency). . . ."

BLACKFORD COUNTY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200 Appendix II states in part:

"In addition to other provisions required by the Federal agency or non-Federal entity; all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable. . . .

(D) Davis-Bacon Act, as amended (40 U.S.C 3141-3148). When required by Federal program legislations, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148 as supplemented by Department of Labor regulations (29 CFR Part 5, 'Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction'). In accordance with the statute, contracts must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. . . ."

Cause

Management had not designed or implemented a system of internal controls that would have ensured compliance with the grant agreement and the Special Tests and Provisions - Wage Rate Requirements compliance requirement.

Effect

The failure to design and implement an effective system of internal controls enabled noncompliance to go undetected. Noncompliance with the grant agreement and the Special Tests and Provisions - Wage Rate Requirement 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, as well as appropriately and timely document adherence to required requirements to ensure compliance with the grant agreement and the Special Tests and Provisions - Wage Rate Requirement compliance requirement.

Views of Responsible Officials

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

BLACKFORD COUNTY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2022-009

Subject: COVID-19 - Education Stabilization Fund - Equipment and Real Property Management
Federal Agency: Department of Education
Federal Program: COVID-19 - Education Stabilization Fund
Assistance Listings Number: 84.425D
Federal Award Number and Year (or Other Identifying Number): S425D210013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Equipment and Real Property Management
Audit Findings: Material Weakness, Modified Opinion

Condition and Context

An effective internal control system was not designed properly at the School Corporation to ensure compliance with requirements related to the grant agreement and the Equipment and Real Property Management compliance requirement.

A property record or capital asset listing, which would include a description of the property, a serial number or other identification number, the source of funding for the property (including the federal award identification number (FAIN)), who holds title, the acquisition date, cost of the property, percentage of federal participation in the project costs for the federal award under which the property was acquired, the location, and use and condition of the property, is to be maintained for assets purchased that exceed the School Corporation's capitalization threshold.

The School Corporation does not have a current capital asset listing that includes new equipment or real property that was purchased during the audit period. The capital asset listing is only updated every two years when the physical inventory takes place. An asset purchased during the audit period in the amount of \$72,221, from the ESSER II award, was not included in the School Corporation's capital asset listing or a property record.

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 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). . . ."

BLACKFORD COUNTY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200.313(d)(1) states:

"Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sales price of the property."

Cause

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

Effect

The failure to design and implement an effective internal control system enabled noncompliance to go undetected. Noncompliance with the grant agreement and the Equipment and Real Property Management 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 Equipment and Real Property Management compliance requirement.

Views of Responsible Officials

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

FINDING 2022-010

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, S425D210013,
S425U210013

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting

Audit Findings: Material Weakness, Modified Opinion

BLACKFORD COUNTY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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 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, seven of seven 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 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."

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. . . ."

BLACKFORD COUNTY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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 design and implement an effective internal control system enabled noncompliance to go undetected 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 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.

Blackford County Schools

Educating Students, Changing the World



Chad Yencer
Superintendent

David Parker
Asst. Superintendent

Dr. James Trinkle II
Special Services Coordinator

Finding 2020-001: Financial Transactions and Reporting
Audit Findings: Material Weakness, Noncompliance
First Occurrence: Fiscal Year 2018
Status: Not Corrected

Finding 2020-002 Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness, Noncompliance
First Occurrence: Fiscal year 2018
Status: Not Corrected,

Finding 2020-003 Child Nutrition Cluster - Internal Controls
Audit Findings: Material Weakness
First Occurrence: Fiscal year 2018
Status: Internal controls were implemented over the Cash Management compliance requirement, however we did not implement controls over the Eligibility since all students qualified for free and reduced meals during the current audit period. Internal controls over Special Tests and Provisions - Verification of Free and Reduced-Price Applications (NSLP) and School Food Account have not been corrected.

Finding 2020-004 Child Nutrition Cluster - Suspension and Debarment
Audit Findings: Material Weakness, Other Matters
First Occurrence: Fiscal year 2020
Status: Not Corrected

Finding 2020-005 Child Nutrition Cluster - Program Income
Audit Findings: Material Weakness, Other Matters
First Occurrence: Fiscal year 2020
Status: Corrected

Finding 2020-006 Child Nutrition Cluster - Special Tests and Provisions - Verification
Audit Findings: Material Weakness, Other Matters
First Occurrence: Fiscal year 2020
Status: Not Corrected

Blackford County Schools

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Superintendent

David Parker
Asst. Superintendent

Dr. James Trinkle II
Special Services Coordinator

Finding 2020-007 Special Education Cluster (IDEA) Allowable Costs/Cost Principles
Audit Findings: Material Weakness, Other Matters
First Occurrence: Fiscal year 2020
Status: Completed, Corrected

Finding 2020-008 Special Education Grants to State - Period of Performance
Audit Findings: Material Weakness, Modified Opinion
First Occurrence: Fiscal year 2020
Status: Completed, Corrected

Blackford County Schools

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David Parker
Assistant Superintendent



CORRECTIVE ACTION PLAN

FINDING 2022-001

Subject: Financial Transactions and Reporting

Audit Findings: Material Weakness, Noncompliance

Contact Person Responsible for Corrective Action: Chad Yencer, Superintendent and Julie Dodd, Treasurer

Contact Phone Number: 765-348-7550

Views of Responsible Official: We concur with this finding by the auditor

Description of Corrective Action Plan:

Receipts: BCS has revised its internal controls procedures for bank deposits and communicated the following to all staff members on 2/3/23.

Bank Deposit Verification

Steps for the Individual Receiving the money:

1. Completely fill out a bank deposit slip and get the total of all checks and cash.
2. Write the total at bottom of deposit slip
3. Fill out the Bank Deposit Verification form and sign the "Deposit By" line. Leave Verify By line blank
4. Take all checks, cash and deposit slip to another person to verify.

Steps for the Individual Verifying the Deposit:

5. Total all cash and checks and write total onto the Bank Deposit Verification form and sign the "Verify By" line on the form.
6. Attach Bank Deposit Verification form to bank deposit package that is sent out to Martha at CO.

Financial Reporting and Closing:

Internal Controls for the Annual Financial Report: BCS Treasurer will compile all necessary information for the Annual Financial report. Compiled data regarding the Financial Statement will be reviewed in conjunction with our accounting partners at Baker Tilly, and then by the Superintendent prior to submission to Gateway. Signatures from the superintendent will be on all compiled reports prior to submission. BCS treasurers will maintain back ups of all work products utilized to compile the AFR.

Internal Controls for the Annual Financial Report specific to the compilation of schedule of Leases and Debt and Schedule of Capital Assets - BCS Treasurer will compile all necessary information for the Annual Financial report specific to leases, debt and schedule of capital assets. Inventory reports and schedule of Capital Assets will

be reviewed with a partner firm who completes physical inventory and compiles the data. Compiled data regarding the schedules of leases and debt and the capital assets will be reviewed in conjunction with our accounting partners at Baker Tilly, and then by the Superintendent prior to submission to Gateway.

Anticipated Completion Date: August 2023

Blackford County Schools

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CORRECTIVE ACTION PLAN

FINDING 2022-002

Subject: Preparation of the Schedule of Expenditures of Federal Awards

Audit Finding: Material Weakness; Noncompliance

Contact Person Responsible for Corrective Action: Chad Yencer, Superintendent, Julie Dodd, Treasurer

Contact Phone Number: 765-348-7550

Views of Responsible Official: We concur with the finding by the auditor

Description of Corrective Action Plan:

Internal Controls for the Annual Financial Report specific to the compilation of the SEFA - BCS Treasurer will compile all necessary information for the Annual Financial report specific to the SEFA. The Grants Specialist, who is responsible for compiling reimbursement claims for expenditures in federal awards, will review and sign off on compiled information. Compiled data regarding the Financial Statement will be reviewed in conjunction with our accounting partners at Baker Tilly, and then by the Superintendent prior to submission to Gateway.

Anticipated Completion Date: September 2023

Blackford County Schools

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Assistant Superintendent



CORRECTIVE ACTION PLAN

Finding 2022-003

Subject: Child Nutrition Cluster – Allowable Costs/ Cost Principles

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, COVID-19 School Breakfast Program, National School Lunch Program, COVID-19 National School Lunch Program, Summer Food Service Program for Children, COVID-19 Summer Food Service Program for Children

Assistance Listings Numbers: 10.553, 10.555, 10.559

Compliance Requirement: Allowable Costs/ Cost Principles

Audit Findings: Material Weakness, Other Matters

Contact Person Responsible for Corrective Action: Julie Dodd, Treasurer

Contact Phone Number: 765-348-7550

Views of Responsible Official: We concur with the finding of the auditor

Description of Corrective Action Plan:

This was a one time occurrence attempting to correct a previous year oversight. Moving forward, no indirect costs will be charged or paid outside of the correct time period for the fiscal year.

Anticipated Completion Date: Completed

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David Parker
Assistant Superintendent



CORRECTIVE ACTION PLAN

FINDING 2022-004

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, 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): FY21, FY22

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting

Audit Findings: Material Weakness

Contact Person Responsible for Corrective Action: Shelley Kemp, Food Service Director

Contact Phone Number: 765-348-7564

Views of Responsible Official: We agree with this audit finding

Description of Corrective Action Plan:

BCS had moved away from a daily point of sale system after qualifying for the Community Eligibility Provision Free meal program, and had utilized clickers to record the number of students eating daily. We also utilized meals claiming number sheets daily.

BCS will revert to the point of sale system for the beginning of the 2023-2024 school year to better verify the student count and to provide more detailed records. We will revise procedures for this process when point of sale reports are reinstated.

Procedures:

1. Daily, Cafeteria Managers at each BCS location will complete an Edit Check report to certify the number of meals served at that school for that day.
2. Monthly, Cafeteria Managers compile the Edit Checks to determine monthly total meals served. This monthly report will be sent to the Food Service Director for review.
3. The Food Service Director will verify the reports from each cafeteria manager, and then compile the information for the CNP website that lists the district totals for reimbursement.
4. The BJSMS Cafeteria Manager will review and verify the totals compiled by the Food Service Director prior to submission to the IDOE. The BJSMS will sign off prior to submission, verifying the totals.

Anticipated Completion Date: September 2023

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David Parker
Assistant Superintendent



CORRECTIVE ACTION PLAN

FINDING 2022-005

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, COVID-19 – Summer Food Service Program

ALN Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY21, FY22

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Other Matters

Contact Person Responsible for Corrective Action: Chad Yencer - Superintendent

Contact Phone Number: 765-348-7550

Views of Responsible Official: We concur with this finding

Description of Corrective Action Plan:

BCS has established the following internal controls to ensure compliance:

1. Internal Control: When a purchase is made at \$10,000 or more using Federal Funds, the superintendent will require that any vendors selected are in compliance with the Procurement and Suspension and Debarment compliance requirement by completing one of the following quality checks with each vendor prior to purchase:
 - a. Checking the federal System for Award Management (SAM) database at <https://sam.gov/content/exclusions> and maintain a screenshot of the search results.
 - b. Collect a certification from the vendor directly
 - c. Add a clause or condition to the covered transaction with the vendor

Anticipated Completion Date:

This corrective action will be implemented and completed immediately with any purchase made that meets the above threshold.

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David Parker
Assistant Superintendent



CORRECTIVE ACTION PLAN

FINDING 2022-006

Subject: Title I Grants to Local Educational Agencies - Eligibility

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

Assistance Listing Number: 84.010

Federal Award Numbers and Years: FY18, FY19, FY20, FY21

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Eligibility

Audit Findings: Material Weakness

Contact Person Responsible for Corrective Action: Michelle Gross, Data Specialist, Shelly Kemp Food Service Director and Lindsay Cagle, ECA Treasurer

Contact Phone Number: 765-348-7550

Views of Responsible Official: We agree with the finding of the Auditors

Description of Corrective Action Plan:

The ECA Treasurer provides Textbook Assistance Applications to each building for dispersal. The applications are returned to the ECA Treasurer. These applications are given to the Food Services Director who manually enters the data into Skyward. When complete, the applications are given back to the ECA Treasurer for filing and verification the student has been updated in Skyward to the correct status. (Free/Reduced, Medicaid or Paid)

The Food Service Director pulls direct certified students from the state and uploads those students into the SIS (Skyward) program. Currently the ECA Treasurer will compare old and new invoices in Skyward to check for any changes.

Going forward the Food Service Director will provide a report (email when only 1 or 2 students) to the ECA Treasurer of all direct cert. students as well as students that have completed a Textbook Assistance Application for her review. These reports will be run every 2-4 weeks as needed. The treasurer will compare the data in Skyward for accuracy. Both the Food Service Director and the ECA Treasurer will sign off on the report as confirmation.

Anticipated Completion Date: May 2023

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David Parker
Assistant Superintendent



CORRECTIVE ACTION PLAN

FINDING 2022-007

Subject: Title I Grants to Local Education Agencies – Earmarking

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

Assistance Listing Number: 84.010

Federal Award Numbers and Years: FY18, FY19, FY 20, FY 21

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Matching, Level of Effort, Earmarking

Audit Finding: Material Weakness, Other Matters

Contact Person Responsible for Corrective Action: David Parker, Assistant Superintendent

Contact Phone Number: 765-348-7550

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

Title I Procedures and Internal Controls for Homeless Student Set-Asides

Yearly district Title I Homeless Student Set-Asides (“off-the-top” mandatory allocations as described in the yearly Title I grant basic application), shall be monitored and controlled on a semi-annual basis using the following protocols:

1. The BCS Assistant Superintendent, in collaboration with the designated district McKinney-Vento liaison, school principals, and school guidance personnel, will review and update the corporation homeless student list at the start of each new semester (fall/spring). This list will be maintained by the district McKinney-Vento liaison.
2. The BCS Assistant Superintendent or district McKinney-Vento liaison will communicate the amount of Title I set-aside funds available to assist homeless students to school principals, and school guidance personnel. The LEA understands that services for homeless students attending non-Title I schools should first provide services similar to those given to students in Title I schools.
3. School principals and/or school guidance personnel will work to identify specific needs of homeless students.
4. Title I homeless student set-aside funds will be used to assist identified needs of specific students, as allowed outlined by Title I - services may include, but are not limited to:
 - a. Tutoring
 - b. Social Worker

- c. School supplies
 - d. Office visits (Doctor, Dentist, etc.)
 - e. Appropriate clothing
 - f. Eyeglasses, hearing aids, etc.
 - g. Field Trip expenses
 - h. Graduation supplies
5. If no specific needs are identified, set-aside funds will be:
 - a. carried over to the following semester, or
 - b. used to purchase stand-by goods intended to assist homeless students and their families over the course of the following semester.
 6. If mandatory set-aside allocations are not exhausted within the given timeframe of a specific Title I grant cycle, left-over funds will be carried over to the following Title I grant cycle.

Anticipated Completion Date: August, 2023

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David Parker
Assistant Superintendent



CORRECTIVE ACTION PLAN

FINDING 2022-008

Subject: Education Stabilization Fund - Wage Rate Requirements

Federal Agency: Department of Education

Federal Program: Education Stabilization fund

Assistance Listing Numbers: 84.425D, 84.425U

Federal Award Numbers and Years (or Other Identifying Numbers): S425D200013, S425D210013, S425U210013

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Wage Rate Requirements

Audit Findings: Material Weakness, Other Matters

Contact Person Responsible for Corrective Action: Chad Yencer, Superintendent

Contact Phone Number: 765-348-7550

Views of Responsible Official: I concur with the finding

Description of Corrective Action Plan:

Internal Control: The superintendent, as contracting authority, will ensure that all contracts in excess of \$2,000 paid for by federal funds will include compliance provisions for the Davis- Bacon Act. The Deputy Treasurer will ensure that all vendors will submit payrolls for each week of the contract wage as required by the Davis- Bacon Act. The superintendent will verify with the Deputy Treasurer that these are collected during any time work is being done with federal funds.

Anticipated Completion Date: The actions described in this CAP will be implemented immediately.

Blackford County Schools

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Chad Yencer
Trinkle II
Superintendent
Services Coordinator

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Dr. James

Special

David Parker
Assistant Superintendent



CORRECTIVE ACTION PLAN

FINDING 2022-009

Subject: COVID -19 - Education Stabilization Funding - Equipment and Real Property Management

Federal Agency: Department of Education

Federal Program: Education Stabilization Fund

Assistance Listings Numbers: 84.425D

Federal Award Number and Year (or Other Identifying Number): S425D210013

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Equipment and Real Property Management

Audit Findings: Material Weakness, Modified Opinion

Contact Person Responsible for Corrective Action: Chad Yencer, Superintendent

Contact Phone Number: 765-348-7550

Views of Responsible Official: We concur with this finding

Description of Corrective Action Plan:

Each building principal shall maintain an up-to-date inventory on prescribed forms or electronic format supplied by the business office. Each teacher shall maintain an up-to-date inventory of equipment and supplies in his/her shop, laboratory, or classroom. The teacher shall submit a complete inventory on the prescribed form (paper or electronic) to the building principal prior to the teacher's leaving at the end of the school year. The building principal shall certify to the business office that the inventory has been checked and approved. There shall be two copies of the inventory: one filed with the building principal and one filed with the business office, or an electronic copy and a paper copy.

An equipment inventory will be maintained on all computers and capital outlay items exceeding \$1000.00 in value. The inventory will serve the functions of both control and conservation.

The technology coordinator shall be responsible for assuring the maintenance of a comprehensive inventory of administrative and instructional computer hardware and software.

The coordinator should work with the corporation technology department to develop procedures to be followed in maintaining such an inventory.

The librarian for each building shall be responsible for keeping a complete inventory of all audio-visual items in his/her building and providing the inventory information to the building principal, or by using electronic entry.

The running inventory shall be maintained on 1) building and grounds equipment; 2) furniture; 3) administrative equipment; 4) educational equipment; 5) vehicles; and 6) textbooks and supplementary books.

The maintenance supervisor and business manager shall be responsible for inventories relative to buildings and grounds equipment and vehicles. The building principal and business manager shall be responsible for the inventories relative to furniture, administrative equipment, educational equipment, and textbooks and supplementary books.

The superintendent will ensure that the capital asset inventory records will be updated upon receipt of equipment, and that the proper identification and records will be maintained. BCS will engage Ad-Tech as well to annually perform an audit of assets and update the inventory records and necessary property records.

Anticipated Completion Date: July 2023

Blackford County Schools

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Superintendent

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Dr. James Trinkle II
Special Services Coordinator

David Parker
Assistant Superintendent



CORRECTIVE ACTION PLAN

FINDING 2022-010

Subject: COVID -19 - Education Stabilization Funding - Reporting

Federal Agency: Department of Education

Federal Program: Education Stabilization Fund

Assistance Listings Numbers: 84.425D, 84.425U

Federal Award Numbers and Years (or Other Identifying Numbers): S425D200013, S425D210013, S425U200013

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting

Audit Findings: Material Weakness, Modified Opinion

Contact Person Responsible for Corrective Action: Chad Yencer, Superintendent

Contact Phone Number: 76+5-348-7550

Views of Responsible Official: We concur with this finding

Description of Corrective Action Plan:

Internal Control:

1. The grants specialist/data specialist will compile the information for state reporting in the ESSER grants. The grants specialist will maintain documentation to support the data being presented.
2. The corporation treasure will review all compiled financial data for the reporting period and verify it for accuracy prior to submitting to the superintendent.
3. The Superintendent will review the information, supporting documentation and verify accuracy prior to submitting to the IDOE reporting.

Anticipated Completion Date: July 2023

OTHER REPORTS

In addition to this report, other reports may have been issued for the School Corporation. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.