

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

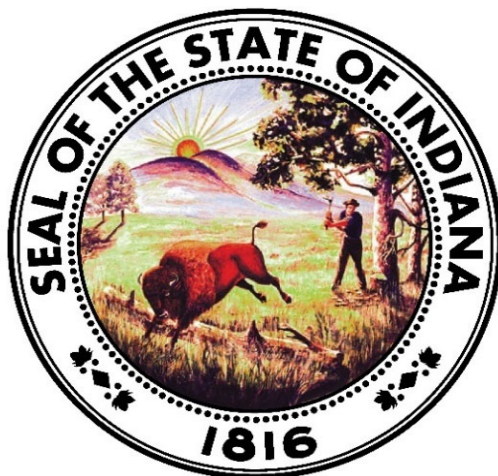
FEDERAL COMPLIANCE AUDIT REPORT

OF

GOSHEN COMMUNITY SCHOOLS

ELKHART COUNTY, INDIANA

July 1, 2020 to June 30, 2022



**FILED**

06/06/2023



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Kelley D. Kitchen Dr. Robert J. Evans Whitney M. Dixon	07-01-20 to 06-18-21 06-19-21 to 10-10-21 10-11-21 to 06-30-23
Superintendent of Schools	Dr. Steven Hope (interim) Dr. Steven Hope	07-01-20 to 12-31-20 01-01-21 to 06-30-23
President of the School Board	Bradd Weddell Roger Nafziger	07-01-20 to 12-31-22 01-01-23 to 06-30-23



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

TO: THE OFFICIALS OF THE GOSHEN COMMUNITY SCHOOLS, ELKHART COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the Goshen Community Schools (School Corporation), for the period of July 1, 2020 to June 30, 2022, and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement and have issued our report thereon dated April 24, 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.

***Goshen Community Schools' Response to Findings***

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

***Purpose of This Report***

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



Beth Kelley, CPA, CFE  
Deputy State Examiner

April 24, 2023, except for the Schedule of Expenditures  
of Federal Awards, for which the date is May 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 GOSHEN COMMUNITY SCHOOLS, ELKHART COUNTY, INDIANA

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

***Qualified and Unmodified Opinions***

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

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

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified and Unmodified Opinions* section of our report, the School Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Child Nutrition Cluster for the period of July 1, 2020 to June 30, 2022.

***Qualified Opinion on Special Education Cluster (IDEA)***

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified and Unmodified Opinions* section of our report, the School Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Special Education Cluster (IDEA) for the period of July 1, 2020 to June 30, 2022.

***Qualified Opinion on COVID-19 - Education Stabilization Fund***

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified and Unmodified Opinions* section of our report, the School Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the COVID-19 - Education Stabilization Fund for the period of July 1, 2020 to June 30, 2022.

***Unmodified Opinion on Each of the Other Major Federal Programs***

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

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

***Basis for Qualified and Unmodified Opinions***

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

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

***Matters Giving Rise to Qualified Opinion on Child Nutrition Cluster***

As described in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with the Child Nutrition Cluster, as described in item 2022-003 for Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and item 2022-004 for Procurement and Suspension and Debarment. Consequently, we were unable to determine whether the School Corporation complied with those requirements applicable to that program.

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

As described in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with the Special Education Cluster (IDEA), as described in item 2022-006 for Matching, Level of Effort, Earmarking, and item 2022-007 for Reporting. Consequently, we were unable to determine whether the School Corporation complied with those requirements applicable to that program.

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

As described in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with 84.425 COVID-19 - Education Stabilization Fund, as described in item 2022-010 for Special Tests and Provisions - Participation of Private School Children. Consequently, we were unable to determine whether the School Corporation complied with those requirements applicable to that program.

***Responsibilities of Management for Compliance***

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

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

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

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

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

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

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

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2022-008 and 2022-009. Our opinion on each major federal program is not modified with respect to these matters.

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

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

**Report on Internal Control over Compliance**

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2022-003, 2022-004, 2022-005, 2022-006, 2022-007, 2022-008, 2022-009, 2022-010, and 2022-011, 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 April 24, 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

May 16, 2023

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## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-21	Total Federal Awards Expended 06-30-21	Passed Through to Subrecipient 06-30-22	Total Federal Awards Expended 06-30-22
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
Child Nutrition Cluster School Breakfast Program			FY 20/21	\$ -	\$ 464,132	\$ -	\$ -
Child Nutrition Cluster School Breakfast Program			FY 21/22	-	-	-	779,613
Subtotal - School Breakfast Program				-	464,132	-	779,613
COVID-19 - School Breakfast Program	Indiana Department of Education	10.553					
COVID-19 - School Breakfast Program			FY 20/21	-	86,705	-	-
Total - School Breakfast Program				-	550,837	-	779,613
National School Lunch Program	Indiana Department of Education	10.555					
National School Lunch Program			FY 20/21	-	1,619,906	-	-
National School Lunch Program			FY 21/22	-	-	-	2,875,615
National School Lunch Program - Commodities			FY 20/21	-	364,017	-	-
National School Lunch Program - Commodities			FY 21/22	-	-	-	381,528
National School Lunch Program - Snacks			FY 20/21	-	21,359	-	-
National School Lunch Program - Snacks			FY 21/22	-	-	-	30,045
Subtotal - National School Lunch Program				-	2,005,282	-	3,287,188
COVID-19 - National School Lunch Program	Indiana Department of Education	10.555					
COVID-19 - National School Lunch Program			FY 20/21	-	289,195	-	-
COVID-19 - National School Lunch Program - Snacks			FY 20/21	-	3,140	-	-
SNP Emergency Funds			FY 21/22	-	-	-	84,920
Subtotal - COVID-19 - National School Lunch Program				-	292,335	-	84,920
Total - National School Lunch Program				-	2,297,617	-	3,372,108
Summer Food Service Program for Children	Indiana Department of Education	10.559					
Child Nutrition Cluster Summer Foods			FY 21/22	-	-	-	139,725
COVID-19 - Summer Food Service Program for Children	Indiana Department of Education	10.559					
Child Nutrition Cluster Summer Foods			FY 20/21	-	117,188	-	-
Total - Summer Food Service Program for Children				-	117,188	-	139,725
Total - Child Nutrition Cluster				-	2,965,642	-	4,291,446

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-21	Total Federal Awards Expended 06-30-21	Passed Through to Subrecipient 06-30-22	Total Federal Awards Expended 06-30-22
Pandemic EBT Administrative Costs Pandemic EBT	Indiana Department of Education	10.649	FY 21/22	-	-	-	3,063
Total - Department of Agriculture				-	2,965,642	-	4,294,509
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
Special Ed Part B 2018-2019			19611-014-PN01	-	-	-	105,205
Special Ed Part B 2019-2020			20611-014-PN01	-	-	-	638,466
Total - Special Education Grants to States				-	-	-	743,671
Special Education Preschool Grants	Indiana Department of Education	84.173					
5450 IDEA Preschool 2019-2021			19619-014-PN01	-	71,486	-	-
5450 IDEA Preschool 2020-2022			20619-014-PN01	-	-	-	72,589
Total - Special Education Preschool Grants				-	71,486	-	72,589
Total - Special Education Cluster (IDEA)				-	71,486	-	816,260
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I Part A Basic 2019-2020			S010A190014	-	404,681	-	-
Title I Part A Basic 2020-2021			S010A200014	-	385,263	-	215,048
Total - Title I Grants to Local Educational Agencies				-	789,944	-	215,048
English Language Acquisition State Grants	Indiana Department of Education	84.365					
Title III 2018-2020			S365A180014	-	22,022	-	-
Title III 2019-2021			S365A190014	-	3,213	-	-
Total - English Language Acquisition State Grants				-	25,235	-	-
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
Title II 2018-2020			S367A180013	-	93,728	-	4,400
Title II 2019-2021			S367A190013	-	52,006	-	35,350
Title II 2020-2022			S367A200013	-	-	-	27,783
Title II 2021-2023			S367A210013	-	-	-	166
Total - Supporting Effective Instruction State Grants				-	145,734	-	67,699

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-21	Total Federal Awards Expended 06-30-21	Passed Through to Subrecipient 06-30-22	Total Federal Awards Expended 06-30-22
Teacher and School Leader Incentive Grants TSL Incentive Program	Direct Grant	84.374	U374A190013	-	1,410,194	-	1,900,188
Student Support and Academic Enrichment Program Title IV 2018-2020 Title IV 2019-2021 Title IV 2020-2022	Indiana Department of Education	84.424	S424A180015 S424A190015 S424A200015	- - -	78,400 46,359 30,773	- - -	- - -
Total - Student Support and Academic Enrichment Program				-	155,532	-	-
COVID-19 - Education Stabilization Fund Governor's Emergency Ed Relief ESSER I ESSER II ESSER III	Indiana Department of Education	84.425	84.425C S425C200018 84.425D S425D200013 84.425D S425D210013 84.425U S425U210013	- - - -	- 44,638 - -	- - - -	- 265,992 57,828 848,265
Total - Education Stabilization Fund				-	44,638	-	1,172,085
Total - Department of Education				-	2,642,763	-	4,171,280
<b>Department of Health and Human Services</b>							
Medicaid Cluster Medical Assistance Program	Indiana Family Social Services Administration	93.778					
Medical Assistance - Medicaid			FY 20-21	-	118,138	-	-
Medical Assistance - Medicaid			FY 21-22	-	-	-	94,270
Medical Assistance - MAC	Indiana Department of Education		FY 20-21	-	108,536	-	-
Medical Assistance - MAC			FY 21-22	-	-	-	67,954
Total - Medical Assistance Program				-	226,674	-	162,224
Total - Medicaid Cluster				-	226,674	-	162,224
Total - Department of Health and Human Services				-	226,674	-	162,224
Total federal awards expended				\$ -	\$ 5,835,079	\$ -	\$ 8,628,013

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

GOSHEN COMMUNITY SCHOOLS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Summary of Significant Accounting Policies**

*A. Basis of Presentation*

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

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

*B. Other Significant Accounting Policies*

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

**Note 2. Indirect Cost Rate**

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

**Note 3. Elkhart County Special Education Cooperative (ECSEC)**

The School Corporation is a member of the Elkhart County Special Education Cooperative (Cooperative) and serves as the Cooperative's fiscal agent. As a result, some of the activity for the Special Education Cluster (IDEA) that is presented as receipts and disbursements in the financial statement is not presented on the SEFA for the School Corporation. This activity is reported on the SEFAs of the member school corporations as appropriate.

GOSHEN COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I - Summary of Auditor's Results**

Financial Statement:

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

Federal Awards:

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

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

Assistance Listings Number	Name of Federal Program or Cluster	Opinion Issued
	Child Nutrition Cluster	Qualified
	Special Education Cluster (IDEA)	Qualified
84.010	Title I Grants to Local Educational Agencies	Unmodified
84.374	Teacher and School Leader Incentive Grants	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.

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

*Condition and Context*

There were several deficiencies in the internal control system of the School Corporation related to financial transactions and reporting.

*Cash and Investments*

The School Corporation did not establish internal controls over cash and investments, including the completion of depository reconciliations of the bank account balances to the fund balances. Reconciliations provided for audit were generated from the accounting system; however, the reconciled cash accounts in the system did not materially agree with the fund balances.

Depository reconciliations were updated for June 30, 2021, and June 30, 2022, to include a reconciliation of the bank account balances to the fund balances.

*Other Financing Sources and Uses*

The School Corporation did not implement effective internal controls related to other financing sources and uses. There was insufficient oversight and monitoring over proceeds of long-term debt electronically deposited into the School Corporation's bank accounts, as to ensure the timely and proper recording of funds received.

General Obligation Bonds, Series 2021 proceeds, totaling \$5,652,938, and immaterial, related project transactions were not recorded in the general ledger at any time during the audit period.

*Financial Close and Reporting*

The School Corporation did not implement effective internal controls over financial close and reporting. The School Corporation submitted financial information to the Indiana Gateway for Government Units financial reporting system for the Annual Financial Report (AFR). The AFR was used to compile the financial statement for the Indiana State Board of Accounts to audit. The compiled financial statement from the AFR did not materially agree with the records of the School Corporation. As a result, the financial statement was compiled from a trial balance generated from the School Corporation's accounting system.

Due to the lack of effective internal controls, the AFR had the following variances compared to the financial statement compiled from the trial balance:

1. Cash and investments beginning balance at July 1, 2020, was understated by \$3,087,199.
2. Total receipts were understated by \$63,787,806 and \$61,562,998 for fiscal years 2020-2021 and 2021-2022, respectively.
3. Total disbursements were understated by \$68,222,578 and \$63,451,590 for 2020-2021 and 2021-2022, respectively.
4. Total other financing sources (uses) were understated by \$6,246,255 and \$22,273 for 2020-2021 and 2021-2022, respectively.
5. Cash and investments ending balances at June 30, 2021, and June 30, 2022, were understated by \$4,898,682 and \$3,032,363, respectively.

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

*Criteria*

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-271 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. . . ."

"Evaluations are used to determine whether each of the five components of internal control is present and functioning. The evaluations may be conducted on an ongoing or periodic basis. The criteria used are developed by the oversight body, elected officials, management, governing board or recognized standard-setting bodies or regulators. . . .

A baseline of the current state of the internal control system is compared against the original design of the internal control system. The baseline consists of issues and deficiencies identified in the internal control system. The results of the monitoring process are evaluated and documented. . . .

Management remediates identified issues. . . ."

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

All financial transactions pertaining to the unit must be recorded in the records of the unit at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

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](#)."

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

*Cause*

Management had not established a proper system of internal controls that segregated key functions and would have ensured proper posting of financial transactions and allowed for proper financial reporting.

*Effect*

The failure to establish and properly implement internal controls enabled material misstatements or irregularities to remain undetected, and it resulted in the School Corporation's inability to provide a financial statement that was ready for audit until February 9, 2023. This affected the timely filing of the audit report. The financial statement contained the errors identified in the *Condition and Context*.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is a 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 internal controls over the federal award information entered into the Indiana Gateway for Government Units financial reporting system, which was the source of the School Corporation's Schedule of Expenditures of Federal Awards (SEFA). The School Corporation did not have a proper system of internal controls in place to prevent, or detect and correct, errors on the SEFA.

Due to the lack of effective internal controls, the SEFA presented for audit included grants with individually immaterial errors which resulted in misstatements of expenditures of \$402,778, in total. Additional errors included incorrect program names, pass-through entities, and Assistance Listings 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:

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

"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. . . .

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduced here for reference purposes: . . .

- Accurate and timely recording of transactions. . . ."

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](#)."

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.1 states in part:

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

- (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. . . ."

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

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 award year separately. At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the Assistance Listings Number or other identifying number when the Assistance Listings information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502(b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe that significant accounting policies used in preparing the schedule and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414."

*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 contained the errors identified in the *Condition and Context*.

*Views of Responsible Officials*

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

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

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

**FINDING 2022-003**

Subject: Child Nutrition Cluster - Activities Allowed or Unallowed, Allowable Costs/Cost Principles  
Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, COVID-19 - School Breakfast Program, National School Lunch Program, COVID-19 - National School Lunch Program, Summer Food Service Program for Children, COVID-19 - Summer Food Service Program for Children  
Assistance Listings Numbers: 10.553, 10.555, 10.559  
Federal Award Numbers and Years (or Other Identifying Numbers): FY 20/21, FY 21/22  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles  
Audit Findings: Material Weakness, Modified Opinion

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2020-003.

*Condition and Context*

A sample of 40 vendor disbursements from the School Lunch fund was selected for testing to verify the transactions were for allowable activities and costs. There were 3 of the 40 transactions, totaling \$4,129, that were paid to vendors for which the School Corporation could not provide documentation to support the costs. As such, the 3 transactions could not be verified as an allowable activity or cost of the food service program and were considered questioned costs. Due to the number and magnitude of exceptions, per auditor judgment, we concluded it would not be appropriate to examine the remaining 29 disbursements.

Additionally, the School Corporation incurred costs in the amount of \$49,365 paid from the School Lunch fund for a vehicle used to distribute meals to students at the Indiana Department of Education approved meal sites during the COVID-19 pandemic shutdown. The School Corporation could not provide supporting documentation that prior written approval was received from the pass-through entity.

Finally, in fiscal year 2021-2022, the School Corporation paid a portion of the Assistant Superintendent of Schools salary from the School Lunch fund without supporting documentation to support the percentage paid. The Assistant Superintendent of Schools spent time on federal program and non-federal program activities, but did not maintain documentation of time spent on each activity. The total paid to the Assistant Superintendent of Schools from the School Lunch fund without proper documentation was \$29,753. The costs that were not properly documented were considered questioned costs.

The lack of internal controls, availability of supporting documentation, and noncompliance were systemic issues throughout the audit period.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

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(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). . . ."

2 CFR 200.333 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. . . ."

2 CFR 200.334 (Revised Uniform Guidance) 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. . . ."

7 CFR 220.7(e) states in part:

". . . the School Food Authority shall, with respect to participating schools under its jurisdiction:

(1)

(i) Maintain a nonprofit school food service;

(ii) . . . use all revenues received by such food service only for the operation or improvement of that food service . . ."

7 CFR 210.14(a) states in part: ". . . Revenues received by the nonprofit school food service are to be used only for the operation or improvement of such food service, except that, such revenues shall not be used to purchase land or buildings, unless otherwise approved by FNS, or to construct buildings. . . ."

7 CFR 225.15(a)(1) states: "Sponsors shall operate the food service in accordance with: the provisions of this part; any instructions and handbooks issued by FNS under this part; and any instructions and handbooks issued by the State agency which are not inconsistent with the provisions of this part."

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:

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(Continued)

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

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

(g) Be adequately documented. . . ."

2 CFR 200.439(b) states in part:

"The following rules of allowability must apply to equipment and other capital expenditures:

(1) Capital expenditures for general purpose equipment, buildings, and land are unallowable as direct charges, except with the prior written approval of the Federal awarding agency or pass-through entity. . . ."

2 CFR 200.430(i) states in part:

*"Standards for Documentation of Personnel Expenses* (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

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

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

(iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS); . . .

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

*Cause*

Management had not established an effective system of internal controls that would have ensured compliance or that supporting documentation would have been maintained and made available for audit with the grant agreement and the Activities Allowed or Unallowed and the Allowable Costs/Cost Principles compliance requirements.

*Effect*

The failure to establish an effective system of internal controls and retain and provide supporting documentation prevented the determination of the School Corporation's compliance with the compliance requirements listed above. The failure to design and implement an effective system of internal controls enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the Activities Allowed or Unallowed and the Allowable Costs/Cost Principles compliance requirements could result in the loss of future federal funds to the School Corporation.

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

*Questioned Costs*

Known questioned costs of \$83,247 were identified as detailed in the *Condition and Context*.

*Recommendation*

We recommended that the School Corporation's management establish a system of internal controls to ensure that documentation will be maintained and made available for audit and to comply with the grant agreement and the Activities Allowed or Unallowed and the Allowable Costs/Cost Principles compliance requirements.

*Views of Responsible Officials*

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

**FINDING 2022-004**

Subject: Child Nutrition Cluster - Procurement and Suspension and Debarment

Federal Agency: Department of Agriculture

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

Assistance Listings Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 20/21, FY 21/22

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Modified Opinion

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2020-006.

*Condition and Context*

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.

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

*Micro-Purchases*

A sample of 40 micro-purchase procurements from the School Lunch fund was selected for testing to verify proper procurement methods were followed. There were 11 micro-purchase procurements, totaling \$7,602, that were paid for which the School Corporation could not provide documentation to support the purchase. As such, the 11 transactions could not be verified as properly procured. Due to the number and magnitude of exceptions, per auditor judgment, we concluded it would not be appropriate to examine the remaining 24 micro-purchase procurements.

*Small Purchases*

The School Corporation could not provide supporting documentation that an adequate number of price or rate quotes was obtained to ensure full and open competition for two of six procurements under the small purchase threshold. Furthermore, vendor contracts were not entered into for two total purchases above \$50,000 as required by state statute. As a result, vendors subject to contracts were not verified for suspension and debarment to ensure vendors were not suspended or debarred from participation in federal award programs.

*Exceeds Simplified Acquisition*

The School Corporation did not follow procurement requirements for purchases of commodities which exceeded the simplified acquisition threshold of \$150,000. The School Corporation could not provide supporting documentation that a contract was procured for Gordon Food Service for fiscal year 2020-2021. As a result, vendors subject to contracts were not verified for suspension and debarment to ensure vendors were not suspended or debarred from participation in federal award programs.

The lack of internal controls, availability of supporting documentation, and noncompliance were systemic issues throughout the audit period.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

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

GOSHEN COMMUNITY SCHOOLS  
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(Continued)

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

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

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."

2 CFR 200.320 states in part:

"The non-Federal entity must have and use documented 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:

(1) *Micro-purchases* -

(i) *Distribution.* The acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (. . . § 200.1) To the maximum extent practicable, the non-Federal entity should distribute micro-purchases equitably among qualified suppliers.

(ii) *Micro-purchase awards.* Micro-purchases may be awarded without soliciting competitive price or rate quotations if the non-Federal entity considers the price to be reasonable based on research, experience, purchase history or other information and documents it files accordingly. Purchase cards can be used for micro-purchases if procedures are documented and approved by the non-Federal entity. . . .

(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. . . .

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

(b) *Formal procurement methods.* When the value of the procurement for property or services under a Federal financial assistance award exceeds the SAT, or a lower threshold established by a non-Federal entity, formal procurement methods are required. Formal procurement methods require following documented procedures. Formal procurement methods also require public advertising unless a non-competitive procurement can be used in accordance with § 200.319 or paragraph (c) of this section. The following formal methods of procurement are used for procurement of property or services above the simplified acquisition threshold or a value below the simplified acquisition threshold the non-Federal entity determines to be appropriate:

(1) *Sealed bids.* A procurement method in which bids are publicly solicited and a firm fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bids method is the preferred method for procuring construction, if the conditions.

(i) In order for sealed bidding to be feasible, the following conditions should be present:

(A) A complete, adequate, and realistic specification or purchase description is available;

(B) Two or more responsible bidders are willing and able to compete effectively for the business; and

(C) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

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

(A) Bids must be solicited from an adequate number of qualified sources, providing them sufficient response time prior to the date set for opening the bids, for local, and tribal governments, the invitation for bids must be publicly advertised;

(B) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;

(C) All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;

(D) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and

(E) Any or all bids may be rejected if there is a sound documented reason.

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

- (2) *Proposals*. A procurement method in which either a fixed price or cost-reimbursement type contract is awarded. Proposals are generally used when conditions are not appropriate for the use of sealed bids. They are awarded in accordance with the following requirements:
- (i) Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Proposals must be solicited from an adequate number of qualified offerors. Any response to publicized requests for proposals must be considered to the maximum extent practical;
  - (ii) The non-Federal entity must have a written method for conducting technical evaluations of the proposals received and making selections;
  - (iii) Contracts must be awarded to the responsible offeror whose proposal is most advantageous to the non-Federal entity, with price and other factors considered; and
  - (iv) The non-Federal entity may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby offeror's qualifications are evaluated and the most qualified offeror is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services through A/E firms that are a potential source to perform the proposed effort. . . .

Indiana Code 5-22-8-3 states in part:

"(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). . . .

(d) If the purchasing agent receives a satisfactory quote, the purchasing agent shall award a contract to the lowest responsible and responsive offeror for each line or class of supplies required. . . ."

2 CFR 180.300 states:

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

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

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

*Cause*

Management had not established an effective system of internal controls that would have ensured compliance or that supporting documentation would have been maintained and made available for audit with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

*Effect*

The failure to establish an effective internal control system and retain and provide supporting documentation prevented the determination of the School Corporation's compliance with compliance requirement listed above. The failure to design and implement an effective system of internal controls enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement could result in the loss of future federal funds to the School Corporation.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish a system of internal controls to ensure that documentation will be maintained and made available for audit and to 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 2022-005**

Subject: Special Education Cluster (IDEA) - Internal Controls

Federal Agency: Department of Education

Federal Programs: Special Education Grants to States, Special Education Preschool Grants

Assistance Listings Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 19611-014-PN01, 19619-014 PN01,  
20611-014-PN01, 20619-014-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Cash Management

Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2020-009.

*Condition and Context*

The School Corporation had not properly designed or implemented an effective system of internal controls to prevent, or detect and correct, noncompliance. Although reimbursement requests were prepared by the Grant Manager and reviewed by the Treasurer the documentation, or lack thereof, that accompanied the reimbursement requests did not provide sufficient detail to know if expenses were paid prior to requesting reimbursement.

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

The lack of internal controls was a systemic issue throughout the audit period.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

*Cause*

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

*Effect*

The failure to design and implement an effective system of internal controls placed the School Corporation at risk of noncompliance with the grant agreement and the Cash Management compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish a system of internal controls related to the grant agreement and the Cash 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 2022-006**

Subject: Special Education Cluster (IDEA) - Earmarking

Federal Agency: Department of Education

Federal Programs: Special Education Grants to States, Special Education Preschool Grants

Assistance Listings Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 19611-014-PN01, 19619-014-PN01,  
20611-014-PN01, 20619-014-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Matching, Level of Effort, Earmarking

Audit Findings: Material Weakness, Modified Opinion

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

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2020-011.

*Condition and Context*

The School Corporation had not established an effective internal control system to ensure the earmarking requirements for the Coordinated Early Intervening Services (CEIS) and the Non-Public Proportionate Share were met.

*Coordinated Early Intervening Services (CEIS)*

When an LEA is identified with significant disproportionality, they are required to expend exactly 15 percent of their total combined 611 and 619 allocation on CEIS expenses. The School Corporation had a mandatory CEIS amount of \$254,650 for the 19611-014-PN01 grant. Per the submitted CEIS monitoring report, expenses related to CEIS were \$273,292; however, no supporting documentation was provided with the report to substantiate this amount. Furthermore, the ledgers had expenses of \$324,522 related to CEIS. As such we could not determine the amount spent for CEIS. Additionally, no documented review of the CEIS amounts expended was provided for audit to ensure the School Corporation would meet, but not exceed the required amount.

The lack of internal controls, availability of supporting documentation, and noncompliance were isolated to the 19611-014-PN01 grant award.

*Non-Public Proportionate Share*

Proportionate share is an amount of funds that must be expended on special education or related services for parentally-placed private school and homeschooled students. Supporting documentation was not provided to substantiate the amounts reported as expended for the nonpublic students. However, based on the expenses reported in the ledgers related to nonpublic schools, the required earmarking amounts for nonpublic proportionate share for the 19619-014-PN01, 20611-014-PN01, or 20619-014-PN01 grants was not spent. Additionally, no documented review of the amounts expended for proportionate share was provided for audit to ensure the School Corporation would spend the required amount.

The lack of internal controls, availability of supporting documentation, and noncompliance were isolated to the 19619-014-PN01, 20611-014-PN01, and 20619-014-PN01 grant awards.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

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

34 CFR 300.226(a) states:

"*General.* An LEA may not use more than 15 percent of the amount the LEA receives under Part B of the Act for any fiscal year, less any amount reduced by the LEA pursuant to § 300.205, if any, in combination with other amounts (which may include amounts other than education funds), to develop and implement coordinated, early intervening services, which may include interagency financing structures, for students in kindergarten through grade 12 (with a particular emphasis on students in kindergarten through grade three) who are not currently identified as needing special education or related services, but who need additional academic and behavioral support to succeed in a general education environment. (See appendix D for examples of how § 300.205(d), regarding local maintenance of effort, and § 300.226(a) affect one another.)"

2 CFR 200.207(a) states in part: "The Federal awarding agency or pass-through entity may impose additional specific award conditions as needed. . . ."

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

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

*Cause*

Management had not established an effective system of internal controls that would have ensured compliance, or that supporting documentation would have been maintained and made available for audit, with the grant agreement and the Matching, Level of Effort, Earmarking compliance requirement.

*Effect*

The failure to design and implement an effective system of internal controls and to retain supporting documentation prevented the determination of the School Corporation's compliance with the compliance requirement listed above.

*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 that documentation will be maintained and made available for audit and to comply with the grant agreement and the Matching, Level of Effort, Earmarking, compliance requirement.

*Views of Responsible Officials*

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

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

***FINDING 2022-007***

Subject: Special Education Cluster (IDEA) - Reporting  
Federal Agency: Department of Education  
Federal Programs: Special Education Grants to States, Special Education Preschool Grants  
Assistance Listings Numbers: 84.027, 84.173  
Federal Award Numbers and Years (or Other Identifying Numbers): 19611-014-PN01, 19619-014-PN01,  
20611-014-PN01, 20619-014-PN01  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Reporting  
Audit Findings: Material Weakness, Modified Opinion

*Condition and Context*

Reimbursement requests are submitted through the Indiana Department of Education information portal after review by the Executive Director of the Elkhart County Special Education Cooperative and the School Corporation's Treasurer. Supporting documentation was not provided to substantiate the amounts reported on the reimbursement requests. Ledgers provided during the audit were used to determine amounts requested by abstracting the expenses for each Special Education Fund. However, upon testing of the reimbursement requests it was determined that the documentation, or lack thereof, accompanying the reimbursement requests was not sufficient to prevent or detect noncompliance. Therefore, an internal control had not been properly designed and implemented.

- 19611-014-PN01 - Reimbursement request totaled \$105,205, and ledger detail provided for audit totaled \$110,703, with a variance of \$5,498 recorded in the ledger but not requested for reimbursement.
- 20611-014-PN01 - Reimbursement request totaled \$638,466, and ledger detail provided for audit totaled \$597,441, with a variance of \$41,025 over requested on the reimbursement.
- 19619-014-PN01 - Reimbursement request totaled \$71,486, and ledger detail provided for audit totaled \$69,527, with a variance of \$1,959 over requested on the reimbursement.
- 20619-014-PN01 - Reimbursement request totaled \$72,589, and ledger detail provided for audit totaled \$72,031, with a variance of \$558 over requested on the reimbursement.

The lack of internal controls, availability of supporting documentation, 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). . . ."

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

2 CFR 200.207(a) states in part: "The Federal awarding agency or pass-through entity may impose additional specific award conditions as needed, . . ."

2 CFR 200.327 states:

"Unless otherwise approved by OMB, the Federal awarding agency may solicit only the standard, OMB-approved governmentwide data elements for collection of financial information (at time of publication the Federal Financial Report or such future collections as may be approved by OMB and listed on the OMB Web site). This information must be collected with the frequency required by the terms and conditions of the Federal award, but no less frequently than annually nor more frequently than quarterly except in unusual circumstances, for example where more frequent reporting is necessary for the effective monitoring of the Federal award or could significantly affect program outcomes, and preferably in coordination with performance reporting."

*Cause*

Management had not established an effective system of internal controls that would have ensured compliance, or that supporting documentation would have been maintained and made available for audit, with the grant agreement and the Reporting compliance requirement.

*Effect*

The failure to design and implement an effective internal control system and to retain supporting documentation prevented the determination of the School Corporation's compliance with the compliance requirement listed above.

*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 that documentation will be maintained and made available for audit and to 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.

**FINDING 2022-008**

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

GOSHEN COMMUNITY 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 Activities Allowed or Unallowed and the Allowable Costs/Cost Principles compliance requirements. The School Corporation could not provide appropriate supporting documentation for 2 of 25 (8 percent) vendor disbursements selected for testing. Due to the lack of supporting documentation these disbursements were unable to be verified as allowable activities or costs.

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 200.333 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. . . ."

2 CFR 200.334 (Revised Uniform Guidance) 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. . . ."

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.

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

(c) Be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the non-Federal entity. . . .

(g) Be adequately documented. . . ."

*Cause*

Management had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Activities Allowed or Unallowed and the Allowable Costs/Cost Principles compliance requirements.

*Effect*

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the Activities Allowed or Unallowed and the Allowable Costs/Cost Principles compliance requirements could result in the loss 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 and ensure documentation be maintained and made available for audit and to comply with the grant agreement and the Activities Allowed or Unallowed and the Allowable Costs/Cost Principles compliance requirements.

*Views of Responsible Officials*

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

**FINDING 2022-009**

Subject: COVID-19 - Education Stabilization Fund - Reporting

Federal Agency: Department of Education

Federal Program: COVID-19 - Education Stabilization Fund

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

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

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting

Audit 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 Reporting compliance requirement.

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

The School Corporation completed and submitted four annual Data Collection reports (Reports) for the Elementary and Secondary School Emergency Relief (ESSER) grants and two Reports for the Governors Emergency Education Relief (GEER) grant. The reported data on three of the Reports as noted below could not be traced back to records that accumulate or summarize the data; therefore, the accuracy and completeness of the Reports could not be verified.

*ESSER I, Year 1 Report and GEER I, Year 1 Report*

The full-time equivalent (FTE) positions could not be verified. A spreadsheet that showed FTE positions was provided for audit; however, the spreadsheet had more FTE positions than what was reported due to the School Corporations software incorrectly assigning FTE positions to all items paid.

*ESSER III, Year 1 Report*

The School Corporation's ledgers indicated expenses totaling \$43,084 were spent for salaries and stipends during the reporting period. However, these expenditures were not included in the report.

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

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.302(b) states in part:

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

. . .

- (2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.328 and 200.329. . . .
- (3) Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation. . . ."

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."

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

2 CFR 200.334 states in part:

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

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

*Cause*

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

*Effect*

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

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish 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.

**FINDING 2022-010**

Subject: COVID -19 - Education Stabilization Fund - Special Tests  
and Provisions - Participation of Private School Children

Federal Agency: Department of Education

Federal Program: COVID-19 - Education Stabilization Fund

Assistance Listings Number: 84.425C

Federal Award Number and Year (or Other Identifying Number): S425C200018

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Participation of Private School Children

Audit Findings: Material Weakness, Modified Opinion

*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 - Participation of Private School Children compliance requirement.

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

The current School Corporation Treasurer (Treasurer) was not employed at the time of the calculation; however, from what the current Treasurer could determine, the Indiana Department of Education (IDOE) grant specialist calculated the Governors Emergency Education Relief grant equitable share for each non-public school on behalf of the School Corporation. The calculated amount was then entered into the School Corporation's grant application. The calculation performed by the IDOE grant specialist was not verified by the School Corporation nor could they provide supporting documentation for the calculation. As such we could not determine the accuracy of the equitable share calculation for each non-public school.

The lack of internal controls, availability of supporting documentation, 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). . . ."

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

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

20 USC 6320(a)(1) states:

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

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

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

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

*Cause*

Management had not designed nor implemented a system of internal controls that would have ensured compliance with the grant agreement and the Special Tests and Provisions - Participation of Private School Children compliance requirement.

*Effect*

The failure to establish an effective system of internal controls and to retain and provide appropriate supporting documentation prevented the determination of the School Corporation's compliance with the compliance requirement listed above.

*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 documentation be maintained and made available for audit related to the grant agreement and the Special Tests and Provisions - Participation of Private School Children compliance requirement.

*Views of Responsible Officials*

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

**FINDING 2022-011**

Subject: Title I Grants to Local Educational Agencies - Internal Controls  
Federal Agency: Department of Education  
Federal Program: Title I Grants to Local Educational Agencies  
Assistance Listings Number: 84.010  
Federal Award Numbers and Years (or Other Identifying Numbers): S010A190014, S010A200014  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirements: Eligibility, Special Tests and Provisions -  
Participation of Private School Children  
Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat finding from the immediately prior audit report regarding Special Tests and Provisions - Participation of Private School Children. The prior audit finding number was 2020-018.

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

*Condition and Context*

*Eligibility - Real Time Reports*

The School Corporation submits the October Real Time report each year to the Indiana Department of Education (IDOE). This data is used to report the School Corporation's enrollment and poverty (socioeconomic) status of the students enrolled in each school. The School Corporation had not properly designed or implemented a system of internal controls over the October Real Time reports. In addition, enrollment and poverty numbers for the non-public school were manually entered into the Title I Application by the Title I Director without an oversight or review process to prevent or detect errors.

*Eligibility - Direct Certifications/Income Applications*

A list of students that qualified for free and reduced-price meals through direct certification was periodically downloaded from the IDOE website and imported into the school lunch program. However, there were no documented internal controls to ensure the information was uploaded on a timely basis. Additionally, there was no documentation of an oversight or review process over the Direct Certification upload into the Food Service software which was used to determine free and reduced lunch eligibility.

*Special Tests and Provisions - Participation of Private School Children*

Nonpublic school students are entitled to receive Title I services if they live in an eligible school attendance area and are failing or at risk of failing based on educational need.

Planned services were provided to the nonpublic school students during the audit period; however, there was no internal control system in place to ensure the services were provided.

The lack of internal controls was a systemic issue throughout the audit period.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

*Cause*

Management had not developed an effective system of internal controls that would have ensured compliance with the grant agreements and the Eligibility and the Special Tests and Provisions - Participation of Private School Children compliance requirements.

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

*Effect*

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the Eligibility and the Special Tests and Provisions - Participation of Private School Children compliance requirements.

*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 Eligibility and the Special Tests and Provisions - Participation of Private School Children compliance requirements.

*Views of Responsible Officials*

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

#### AUDITEE-PREPARED DOCUMENTS

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



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2020-001***

Fiscal year in which the finding initially occurred: 2016-18

Status of Audit Finding:

Prior administration did not take corrective action as planned. As of December 2022, current administration has taken the following corrective action.

#### *Cash and Investments*

In the first quarter of 2021, Goshen Community Schools (GCS) partnered with Baker Tilly, a CPA firm, to assist GCS with monthly reconciliations. As of February 2023, Baker Tilly has reconciled through June 30, 2022. Ongoing work between GCS and Baker Tilly will continue to bring reconciliations current.

#### *Receipts*

This was corrected.

#### *Other Financing Sources*

The Deputy Treasurer and Accounting Specialist will inspect daily bank account activity to identify electronic receipts, including proceeds of long-term debt. The Accounting Specialist will post the proceeds in the accounting system and then produce/print an official receipt document that will include the amount, date, and fund posted to in the accounting system. The official receipt and supporting information will then be given to the Deputy Treasurer, who will review/approve the receipt by initialing it. The reviewed receipt will then be filed away in the business office.

#### *Financial Close and Reporting*

The Treasurer produces the financial report(s) based on information obtained from the accounting system and will then submit them. After submission, a copy of the financial report(s) is printed, and this along with supporting information is provided to the Chief Financial Officer (CFO), Superintendent, and school board for their approval and review. If corrections are determined to be necessary, based on the review, those will be made by the Treasurer and the process will be repeated. After the reviewed financial report(s) are completed and filed, the Treasurer will close out the year in the accounting system which will stop any recorded activity from being adjusted going forward.



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2020-002***

Fiscal year in which the finding initially occurred: 2016-18

Status of Audit Finding:

Prior administration did not take corrective action as planned. As of December 2022, current administration has taken the following corrective action.

The Schedule of Expenditures of Federal Awards (SEFA) will be developed by the grant specialist. The SEFA will be reviewed by the Treasurer and placed on the Gateway System by the Treasurer. After the schedule is on the Gateway System, a hard copy will be printed and returned and approved by the Chief Financial Officer for review before the final submission.



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2020-003***

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

Status of Audit Finding:

The finding was partially corrected.

The School Corporation has implemented internal controls and will maintain supporting documentation for all disbursements made out of the School Lunch fund, which will be kept onsite in the administration office. Disbursements out of the School Lunch fund will be reviewed by the Director of Nutrition and processed by the Accounts Payable Specialist. All disbursements from the School Lunch fund are reviewed and approved by the Chief Financial Officer and the School Board of Trustees during regular board meetings.



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2020-004***

Fiscal year in which the finding initially occurred: 2018-2020

Status of Audit Finding:

The finding was corrected.

#### *Cash Management*

Currently, the School Corporation carries a negative ending balance in the School Lunch fund.



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2020-005***

Fiscal year in which the finding initially occurred: 2018-2020

Status of Audit Finding:

The finding was corrected.

#### *Eligibility*

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



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2020-006***

Fiscal year in which the finding initially occurred: 2018-2020

Status of Audit Finding:

The finding was partially corrected.

#### *Micro Purchases*

The School Corporation will document the review/oversight of disbursements from program funds prior to payment. Claims will be reviewed by the Director of Nutrition, or designee, and submitted to the Accounts Payable Specialist for payment. Accounts Payable Specialist will enter claims into the financial software and pays claims after approval by the Chief Financial Officer and School Board. Documentation for claims will be kept in the business office.

#### *Small Purchases*

For Small Purchases, the School Corporation will obtain 3 quotes. Documentation will be maintained for the quote received.

#### *Simplified Acquisitions*

Signed and approved contracts will be maintained and filed electronically by the Purchasing Specialist.

#### *Suspension and Debarment*

Corrective action was taken.



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2020-007***

Fiscal year in which the finding initially occurred: 2018-2020

Status of Audit Finding:

#### *Program Income*

Currently, the School Corporation is working with Baker Tilly to help determine the proper amounts to record in the School Lunch fund.



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2020-008***

Fiscal year in which the finding initially occurred: 2018-2020

Status of Audit Finding:

Corrective action was taken.



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2020-009***

Fiscal year in which the finding initially occurred: 2018-20

Status of Audit Finding:

Prior administration did not take corrective action as planned. As of December 2022, current administration has taken the following corrective action.

#### *Activities Allowed or Unallowed and Period of Performance*

Claims will be reviewed and approved by the Chief Financial Officer and entered by the Accounts Payable Specialist in the financial software system. Once entered into the software system the Board of School Trustees will approve a claim docket prior to payment issued to the vender. Payroll reports (Distribution Report, Benefits Report, Deduction Report, Payroll Trial Journal, and Direct Deposit Preview Report) will be reviewed by the Payroll Specialist and approved by the Treasurer or designee to ensure employees are paid from the proper funds and benefit amounts are correct.

#### *Cash Management*

Requests for reimbursement will not be submitted until the Treasurer has attached the supporting documentation from the financial software system (member schools will provide documentation). The documentation will be reviewed and approved by the Executive Director of ECSEC prior to submission to the Treasurer. The reimbursement request will require an approval signature from the Chief Financial Officer/Treasurer prior to submittal. Reimbursement requests will be submitted quarterly, beginning May 2023.



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2020-010***

Fiscal year in which the finding initially occurred: 2018-20

Status of Audit Finding:

Corrective action was taken.



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2020-011***

Fiscal year in which the finding initially occurred: 2018-20

Status of Audit Finding:

Prior administration did not take corrective action as planned. As of December 2022, current administration has taken the following corrective action.

#### *Maintenance of Effort Documentation:*

During the 2020-22 audit period, MOE does not apply. GCS will keep MOE documentation such as personnel rosters and expenditure reports to support the MOE application.

Proper documentation of transactions from the financial software is attached to the MOE application which receives approval from the Director of ECSEC prior to submission.

#### *Earmarking:*

All budgeted earmarked line items for items such as non-public schools will be entered into the financial software as individual line items in order to properly expense and reimburse earmarked funds. Reimbursement requests will be submitted quarterly, beginning May 2023.

Grant meetings are held and will be documented by minutes to ensure that communicated data has been verified and vetted.



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2020-012***

Fiscal year in which the finding initially occurred: 2018-20

#### Status of Audit Finding:

As of January 12, 2023, it has been determined that ECSEC is no longer considered to be a cooperative/recipient of special education cluster federal funding and will no longer have the role of supervising or establishing internal controls or ensure that charges to federal awards are based on records that accurately reflect the work performed.



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2020-013***

Fiscal year in which the finding initially occurred: 2018-20

Status of Audit Finding:

As of January 12, 2023 it has been determined that ECSEC is no longer considered to be a cooperative/recipient of special education cluster federal funding and will no longer have the role of supervising or establishing internal controls or ensure that charges to federal awards are based on records that accurately reflect the work performed.



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2020-014***

Fiscal year in which the finding initially occurred: 2018-20

Status of Audit Finding:

All claims are reviewed and approved by the Chief Financial Officer and entered by the Accounts Payable Specialist in the financial software system. Once entered into the software system the Board of School Trustees approve a claim docket prior to payment issued to the vendor.



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2020-015***

Fiscal year in which the finding initially occurred: 2018-20

Status of Audit Finding:

Prior administration did not take corrective action as planned. Beginning October 1, 2023, current administration will take the following corrective action.

School Corporation management will improve internal controls to ensure compliance with the grant agreement and the compliance requirement area of Eligibility. School Management will retain supporting documentation of ADM and poverty figures, which will be reviewed by building Principals and approved by the Chief Financial Officer, Dr. Robert Evans, and Superintendent, Dr. Steven Hope, for the State Per Pupil Expenditure. Non-public schools will provide the School Corporation enrollment data and poverty figures. This data will be manually entered by the School Corporation. This data will be reviewed by Associate Superintendent, Dr. Alan Metcalfe. This process was implemented during the 2022-23 Title I application cycle. The business office will retain the supporting documentation for non-public schools' student enrollments and poverty counts.



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2020-016***

Fiscal year in which the finding initially occurred: 2018-20

Status of Audit Finding:

Corrective action was taken.



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2020-017***

Fiscal year in which the finding initially occurred: 2018-20

Status of Audit Finding:

Corrective action was taken.



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2020-018***

Fiscal year in which the finding initially occurred: 2018-20

Status of Audit Finding:

Prior administration did not take corrective action as planned.

The Treasurer and Grant Specialist will ensure timely and meaningful consultation with each non-public school and receive a signed Affirmation of Consultation Form. For non-public schools that elect services, Grant Specialist and Treasurer will coordinate with the appropriate non-public school official to determine the appropriate services based on the academic needs of the private school students. Beginning July 1, 2023, Assistant Superintendent, Tracey Noe, reviews participating students and services to ensure non-public school students receive services.



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2020-019***

Fiscal year in which the finding initially occurred: 2018-20

Status of Audit Finding:

Corrective action was taken.



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2020-020***

Fiscal year in which the finding initially occurred: 2018-20

Status of Audit Finding:

Corrective action has been completed.



## CORRECTIVE ACTION PLAN

### **FINDING 2022-001**

Contact Person Responsible for Corrective Action: Whitney Dixon, Treasurer  
Contact Phone Number: (574) 533-8631

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

#### *Cash and Investments*

The Treasurer will, monthly, perform a combined reconciliation of the adjusted bank account balances to the fund's ledger balances. The completed monthly reconciliations will then be given to the Chief Financial Officer (CFO), who will then review/approve and initial them. The reviewed/approved reconciliations will then be filed away in the business office. As well, the Treasurer and CFO will keep alert to identify stale dated checks during the reconciliation process, so that they can be properly handled as required.

#### *Other Financing Sources and Uses*

The Deputy Treasurer and Accounting Specialist will inspect daily bank account activity to identify electronic receipts, including proceeds of long-term debt, and all other related activity. The Accounting Specialist will post the proceeds in the accounting system and then produce/print an official receipt document that will include the amount, date, and fund posted to in the accounting system. The official receipt and supporting information will then be given to the Deputy Treasurer, who will review/approve the receipt by initialing it. The reviewed receipt will then be filed away in the business office.

#### *Financial Close and Reporting*

The Treasurer will produce the financial report(s) based on information obtained from the accounting system and will then submit them. After submission, a copy of the financial report(s) will be printed, and this along with supporting information will be provided to the Chief Financial Officer (CFO), Superintendent, and school board for their approval and review. If corrections are determined to be necessary, based on the review, those will be made by the Treasurer and the process will repeat.

After the reviewed financial report(s) are completed and filed, the Treasurer will close out the year in the accounting system which will stop any recorded activity from being adjusted going forward.

Anticipated Completion Date: June 2023



## CORRECTIVE ACTION PLAN

### **FINDING 2022-002**

Contact Person Responsible for Corrective Action: Whitney Dixon  
Contact Phone Number: 574-533-8631

Views of Responsible Official:

We concur with the finding.

Description of Corrective Action Plan:

Beginning with the 2022-23 year, the Schedule of Expenditures of Federal Awards (SEFA) will be developed by the grant specialist. The SEFA will be reviewed by the Treasurer and placed on the Gateway System by the Treasurer. After the schedule is on the Gateway System, a hard copy will be printed and returned and approved by the Chief Financial Officer for review before the final submission.

Anticipated Completion Date: August 2023



## CORRECTIVE ACTION PLAN

### **FINDING 2022-003**

Contact Person Responsible for Corrective Action: Christopher Dixon, Director of Nutrition  
Contact Phone Number: 574-533-8631

Views of Responsible Official: We concur with the finding.

#### Description of Corrective Action Plan:

The School Corporation will document the review/oversight of disbursements from program funds prior to payment. Claims will be prepared and reviewed by Christopher Dixon, Director of Nutrition, or designee, and submitted to the Accounts Payable Specialist for payment. Claims will be initialed or signed demonstrating approval of disbursements. Accounts Payable Specialist enters claims into the financial software and pays claims after approval by the Chief Financial Officer and School Board. Documentation for claims will be kept in the business office.

GCS will obtain prior written approval from IDOE and approval documents will be maintained by the Director of Nutrition.

Assistant Superintendent, Dr. Barry Younhans, retired from GCS in July 2022. This corrected the finding. To ensure compliance, the payroll distribution report is reviewed and signed by the Treasurer and applicable program administrators prior to the completion of payroll by the payroll specialist. The report is reviewed to verify that employees are paid out of the correct accounting line. This process was implemented in December 2022.

Anticipated Completion Date: April 2023



## CORRECTIVE ACTION PLAN

### **FINDING 2022-004**

Contact Person Responsible for Corrective Action: Christopher Dixon, Director of Nutrition and Sheryl Graves, Purchasing Specialist  
Contact Phone Number: 574-533-8631

Views of Responsible Official: We concur with the finding.

#### Micro-Purchases

The School Corporation will document the review/oversight of disbursements from program funds prior to payment. Claims will be prepared and reviewed by Christopher Dixon, Director of Nutrition, or designee, and submitted to the Accounts Payable Specialist for payment. Claims will be initialed or signed demonstrating approval of disbursements. Accounts Payable Specialist will enter claims into the financial software and pays claims after approval by the Chief Financial Officer and School Board. Documentation for claims will be kept in the business office.

#### Small Purchases

For Small Purchases, the School Corporation will obtain 3 quotes. Documentation of the 3 quotes are kept within the financial software system or electronically. For purchases about \$50,000, GCS will enter into a contract with the vendor, after verifying that the vendor is not suspended or disbarred on SAM.gov. The contract will be electronically maintained by the Purchasing Specialist and uploaded to Gateway.

#### Exceeds Simplified Acquisitions

Signed and approved contracts will be maintained and filed electronically by the Purchasing Specialist.

#### Suspension and Debarment

All contracts will include documentation from SAM.gov that the vendor has not been suspended or disbarred.

Anticipated Completion Date: April 2023



## CORRECTIVE ACTION PLAN

### **FINDING 2022-005**

Contact Person Responsible for Corrective Action: Whitney Dixon, Treasurer  
Contact Phone Number: 574-533-8631

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

#### Cash Management

Requests for reimbursement will not be submitted until the Treasurer has attached the supporting documentation from the financial software system (member schools will provide documentation). The documentation will be reviewed and approved by the Executive Director of ECSEC prior to submission to the Treasurer. The reimbursement request will require an approval signature from the Chief Financial Officer/Treasurer prior to submittal.

Completed as of: May 2023



## CORRECTIVE ACTION PLAN

### **FINDING 2022-006**

Contact Person Responsible for Corrective Action: Whitney Dixon, Treasurer  
Contact Phone Number: 574-533-8631

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Coordinated Early Intervening Services (CEIS): This finding is no longer applicable. If GCS is identified with significant disproportionality and CEIS does apply, in the future, GCS will ensure that exactly 15% of our total 611 and 619 allocation on CEIS expenses. Documentation to support expenses and submitted monitoring reports will be retained by the business office.

Non-Public Proportionate Share: Supporting documentation will be provided at the time of submission of any reports. Documentation will be retained by the business office. All expenditures will be reviewed and monitored by the business office to ensure that GCS will spend the required amount. All budgeted earmarked line items for items such as non-public schools will be entered into the financial software as individual line items in order to properly expense and reimburse earmarked funds.

Anticipated Completion Date: May 2023



## CORRECTIVE ACTION PLAN

### **FINDING 2022-007**

Contact Person Responsible for Corrective Action: Whitney Dixon, Treasurer  
Contact Phone Number: 574-533-8631

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Requests for Reimbursements including supporting documentation, including financial and programmatic records, will be retained for a period no less than three years from the date of submission of the final expenditure report.

Reimbursement Requests will be accompanied by supporting documentation to ensure expenditures are from the correct fund.

Anticipated Completion Date: May 2023



## CORRECTIVE ACTION PLAN

### **FINDING 2022-008**

Contact Person Responsible for Corrective Action: Whitney Dixon, Treasurer  
Contact Phone Number: 574-533-8631

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Vendor claims with supporting documentation will be retained by the business office. Requests for reimbursements including supporting documentation, including financial and programmatic records, will be retained to verify allowable activities or costs.

Anticipated Completion Date: May 2023



## CORRECTIVE ACTION PLAN

### **FINDING 2022-009**

Contact Person Responsible for Corrective Action: Whitney Dixon, Treasurer  
Contact Phone Number: 574-533-8631

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Documentation to support reporting data will be prepared by the business office. Full-time equivalent positions will be reviewed by the Human Resources department to ensure that the FTE positions reported are accurate. This will be signed by the preparer, Human Resources, and the program administrator.

All ledger expenditures will be included in any report requirement. The prepared report and supporting documentation will be reviewed and approved by Assistant Superintendent, Tracey Noe.

Anticipated Completion Date: May 2023



## CORRECTIVE ACTION PLAN

### **FINDING 2022-010**

Contact Person Responsible for Corrective Action: Whitney Dixon, Treasurer  
Contact Phone Number: 574-533-8631

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

The Governors Emergency Education Relief (GEER) period of performance has expired. As a result, no corrective action can be made regarding the GEER grant. For future grants, the business office will calculate the equitable share for each non-public school. If IDOE provides any assistance with the calculation, GCS will verify the calculation and retain documentation to support the equitable share calculation.

Anticipated Completion Date: May 2023



## CORRECTIVE ACTION PLAN

### **FINDING 2022-011**

Contact Person Responsible for Corrective Action: Whitney Dixon, Treasurer, Samantha Todd, Grants Manager, and Christopher Dixon, Director of Nutrition  
Contact Phone Number: 574-533-8631

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

#### *Eligibility – Real Time Reports*

During the October Pupil Enrollment process, the student roster will be pulled from Data Exchange (DEX). The student data will be pulled from the food service software. This data will be compared and digitally signed by building principals. Student socioeconomic status will be reviewed and verified by the food service manager or designee. The reviewed and verified PE report will be digitally reviewed and signed by the CFO and Superintendent.

#### *Eligibility – Direct Certifications/Income Applications*

Monthly the grants manager completes the DC download and imports the data into the school nutrition software. Once completed, the Director of School Nutrition verifies the information and signs the download document that is saved on the districts network. This control was implemented in March 2023.

#### *Participation of Private School Children*

Participation is determined by a process that includes standardized test scores and teacher input to determine what services are required. Test scores are provided at the beginning of the year, middle of the year, and end of the year to monitor and adjust accordingly the services that are required. Assistant Superintendent, Tracey Noe will review and sign the participation list and approve services at the non-public schools. This process will be implemented during the 2023-24 grant cycle.

Anticipated Completion Date: October 2023, March 2023 and July 2023, respectively.

## 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/>.