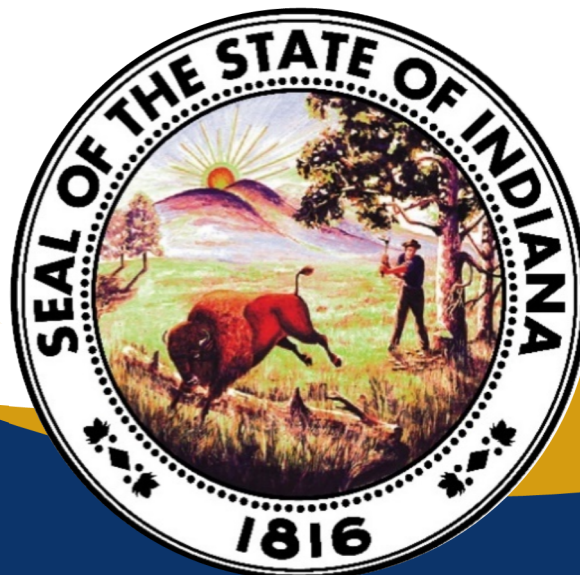


**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

**Paul D. Joyce, CPA
State Examiner**

FINANCIAL STATEMENT AND
FEDERAL COMPLIANCE AUDIT REPORT
OF

MONROE-GREGG SCHOOL DISTRICT
MORGAN COUNTY, INDIANA
July 1, 2022 to June 30, 2024



FILED

02/13/2025



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769
Telephone: (317) 232-2513
Fax: (317) 232-4711
www.in.gov/sboa

February 13, 2025

To: The Officials of the Monroe-Gregg School District
Monroe-Gregg School District
Morgan County, Indiana

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Monroe-Gregg School District. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period July 1, 2022 to June 30, 2024. Per the *Independent Auditor's Report*, the financial statements referred to above present fairly, in all material respects, the cash and investment balances of the School Corporation as of June 30, 2024, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2022 to June 30, 2024 in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

We call your attention to the findings included in the report on pages 34 through 42. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears at the end of the report.

In our opinion, Crowe LLP prepared the audit report in accordance with the guidelines established by the Indiana State Board of Accounts.

In addition to the report presented herein, a supplemental report of Monroe-Gregg School District was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

Tammy R. White, CPA
Deputy State Examiner

MONROE-GREGG SCHOOL DISTRICT
Morgan County, Indiana

FINANCIAL STATEMENT
As of June 30, 2024, and for the
period of July 1, 2022 through June 30, 2024

CONTENTS

SCHEDULE OF OFFICIALS (Unaudited).....	1
INDEPENDENT AUDITOR'S REPORT.....	2
FINANCIAL STATEMENT	
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS.....	5
NOTES TO FINANCIAL STATEMENT.....	7
OTHER INFORMATION	
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS (Unaudited).....	13
SCHEDULE OF PAYABLES AND RECEIVABLES (Unaudited)	21
SCHEDULE OF LEASES AND DEBT (Unaudited).....	22
SCHEDULE OF CAPITAL ASSETS (Unaudited).....	23
STATE REPORTING INFORMATION (Unaudited)	24
SUPPLEMENTARY INFORMATION	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	25
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	27
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	28
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE	30
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	33

MONROE-GREGG SCHOOL DISTRICT
SCHEDULE OF OFFICIALS (Unaudited)
For the period July 1, 2022 through June 30, 2024

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Kelly Dillon	07-01-22 to 03-31-24
	Vacant	04-01-24 to 04-30-24
	Moriah Crane	05-01-24 to 06-30-24
Superintendent of Schools	Dr. Kirk Freeman	07-01-22 to 06-03-24
	Vacant	06-04-24 to 06-30-24
President of the School Board	Brock Sears	01-01-22 to 12-31-22
	Tom Kennedy	01-01-23 to 12-31-23
	Jack Elliott	01-01-24 to 12-31-24

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
Monroe-Gregg School District
Morgan County, Indiana

Report on the Audit of the Financial Statement***Opinions***

We have audited the accompanying statement of receipts, disbursements, other financing sources (uses) and cash and investment balances of the Monroe-Gregg School District (the School District) as of June 30, 2024 and for the period of July 1, 2022 through June 30, 2024, and the related notes to the financial statement.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement presents fairly, in all material respects, the cash and investment balances of the School District as of June 30, 2024, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2022 through June 30, 2024 in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the School District as of June 30, 2024, or changes in net position for the period of July 1, 2022 through June 30, 2024.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with the 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 audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 to the financial statement, the School District prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

(Continued)

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6) as described in Note 1, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, 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 amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statement that collectively comprise the School District's financial statement. The accompanying Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statement.

(Continued)

The Schedule of Expenditures of Federal Awards 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 themselves, 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.

Other Information

Management is responsible for the other information included with the financial statement. The other information comprises the Schedule of Officials, Other Information Schedules, and State Reporting Information, marked as unaudited on the table of contents, but does not include the financial statement and our auditor's report thereon. Our opinion on the financial statement does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statement, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statement, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report December 9, 2024, our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.



Crowe LLP

Indianapolis, Indiana
December 9, 2024

MONROE-GREGG SCHOOL DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
As of June 30, 2024 and for the period of July 1, 2022 through June 30, 2024

Fund	Cash and Investments			Other Financing		Cash and Investments			Other Financing		Cash and Investments
	07-01-2022	Receipts	Disbursements	Sources (Uses)	06-30-2023	Receipts	Disbursements	Sources (Uses)	06-30-2024		
Education	\$ 3,004,660	\$ 11,401,508	\$ 9,658,580	\$ (2,153,537)	\$ 2,594,051	\$ 12,326,168	\$ 11,089,028	\$ (1,819,560)	\$ 2,011,631		
Debt Service	1,075,593	3,807,243	4,021,437	-	861,399	4,573,614	4,684,013	-	751,000		
Operations	806,593	2,668,771	4,631,819	1,653,537	497,082	2,852,470	4,498,006	1,819,877	671,423		
Local Rainy Day	2,174,074	93,417	449,589	500,000	2,317,902	220,726	560,580	-	1,978,048		
Retirement/Severance Bond	107,634	-	9,833	-	97,801	-	7,715	-	90,086		
Common School #12	-	-	153,100	153,100	-	-	-	-	-		
2020 Go Bond	1,301,401	-	537,109	-	764,292	79,402	840,821	-	2,873		
2022 Go Bond	-	-	1,514,894	2,460,000	945,106	-	579,201	-	365,905		
2023 Go Bond	-	-	-	-	-	-	174,318	3,002,356	2,828,038		
School Lunch	372,234	1,262,239	1,005,551	-	628,922	1,085,024	1,146,614	-	567,332		
Curricular Materials Rental	108,727	430,724	160,189	-	379,262	247,385	254,219	-	372,428		
Drivers Education	2,415	-	-	-	2,415	-	-	-	2,415		
Cell Phone Tower	47,486	24,844	22,656	-	49,674	27,048	52,580	-	24,142		
Auditorium Rental	1,792	-	-	-	1,792	-	-	-	1,792		
United Way Read-Up	3,153	-	-	-	3,153	-	-	-	3,153		
FFA	9,074	-	3,082	-	5,992	-	-	-	5,992		
COVID-19 Emergency Nutrition	2,000	-	-	-	2,000	-	-	-	2,000		
Donation/Grant	4,194	-	-	-	4,194	1,500	-	-	5,694		
Impact Grant-Ready Schools	-	2,000	-	-	2,000	-	1,220	-	780		
Ista Foundation For Improve Ed	-	7,665	7,665	-	-	-	-	-	-		
Teacher Appreciation	-	-	-	-	-	605	1,900	-	(1,295)		
Alternative Education	7,694	7,500	2,494	-	12,700	6,923	6,715	-	12,908		
MES School Library	2,196	-	-	-	2,196	-	-	-	2,196		
MHS School Library	3,561	-	-	-	3,561	-	-	-	3,561		
Community Foundation Grant	-	-	-	-	-	7,034	-	-	7,034		
High Ability 2021-2022	11,114	-	11,114	-	-	-	-	-	-		
High Ability 2022-2023	-	26,639	17,375	-	9,264	-	10,299	-	(1,035)		
High Ability 2023-2024	-	-	-	-	-	31,625	8,836	-	22,789		
Formative Assessment	7,189	19,043	13,868	-	12,364	22,488	16,608	-	18,244		
Medicaid Reimbursement State	-	-	-	-	-	1,962	-	(317)	1,645		
Secured Schools Safety Grant	-	11,426	28,137	-	(16,711)	85,212	88,072	-	(19,571)		

(Continued)

MONROE-GREGG SCHOOL DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
As of June 30, 2024 and for the period of July 1, 2022 through June 30, 2024

Fund	Cash and Investments		Other Financing		Cash and Investments		Other Financing		Cash and Investments
	07-01-2022	Receipts	Disbursements	Sources (Uses)	06-30-2023	Receipts	Disbursements	Sources (Uses)	06-30-2024
Early Literacy Achievement Grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,416	\$ 34,416	\$ -	\$ -
2020-2021 Early Intervention	2,601	-	2,601	-	-	-	-	-	-
2021-2022 Early Intervention Grant	4,859	-	72	-	4,787	-	1,899	-	2,888
Connectivity (ENA)	11,273	7,526	8,859	-	9,940	4,360	2,937	-	11,363
Non English Speaking 22-23	-	5,761	5,761	-	-	-	-	-	-
Performance Based Awards	-	-	-	-	-	233	233	-	-
Teacher Appreciation 2022	-	57,198	57,198	-	-	-	-	-	-
Teacher Appreciation Grant 2023	-	-	-	-	-	57,886	57,886	-	-
Title I FY 2022-2023	-	110,708	110,708	-	-	4,958	4,958	-	-
Title I FY 2023-2024	-	-	-	-	-	116,725	126,216	-	(9,491)
McKinney-Vento 23-24	-	-	-	-	-	24,954	36,441	-	(11,487)
Part B 2021-2022	(35,472)	35,472	-	-	-	-	-	-	-
Part B 2022-2023	-	343,128	351,022	-	(7,894)	11,808	3,914	-	-
Part B FY 2023-2024	-	-	-	-	-	277,036	306,493	-	(29,457)
Preschool Part B 2022-2023	-	10,126	10,126	-	-	-	-	-	-
Preschool Part B FY 2023-2024	-	-	-	-	-	8,537	8,537	-	-
SPED Para-Training Grant	-	-	-	-	-	-	10,175	-	(10,175)
Title IV Part A 2020	(2,232)	3,883	2,248	-	(597)	6,117	6,690	-	(1,170)
Title IV Part A FY 21	-	-	-	-	-	4,555	8,537	-	(3,982)
Medicaid Reimbursement - Fed	19,932	12,567	31,266	-	1,233	19,292	19,386	-	1,139
Mckinney-Vento 21-23	-	-	-	-	-	9,594	6,369	-	3,225
Special Education (ARP 2021)	-	1,386	50,236	-	(48,850)	76,448	27,598	-	-
Special Ed Preschool (ARP-21)	(2,084)	3,951	1,867	-	-	1,859	1,859	-	-
ESSER III	(34,981)	214,103	187,648	-	(8,526)	216,005	223,358	-	(15,879)
ESSER II	2	-	-	-	2	3,041	3,043	-	-
GEER	(11,629)	11,629	-	-	-	-	-	-	-
Prepaid School Lunch Accounts	23,714	470,347	477,796	-	16,265	425,543	411,236	-	30,572
Payroll Withholdings	18,509	2,907,171	2,902,009	-	23,671	3,210,089	3,196,144	-	37,616
Totals	\$ 9,047,276	\$ 23,957,975	\$ 26,447,909	\$ 2,613,100	\$ 9,170,442	\$ 26,082,642	\$ 28,519,070	\$ 3,002,356	\$ 9,736,370

See notes to financial statement.

MONROE-GREGG SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT
As of June 30, 2024, and for the period of
July 1, 2022 through June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: School District, as used herein, shall include, but is not limited to, the following: school townships, school towns, school cities, consolidated school Districts, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school Districts, and charter schools.

The School District was established under the laws of the State of Indiana. The School District operates under a Board of School Trustees form of government and provides educational services.

The accompanying financial statement presents the financial information for the School District.

Basis of Accounting: The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred. The basis of accounting also requires presentation of certain information as Other Information.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP), in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred. The regulatory basis also allows for all investments to be stated at cost, while GAAP requires fair value for qualifying investments.

Cash and Investments: Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

Receipts: Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Local sources. Amounts received from taxes, revenue from local governmental units other than school Districts, transfer tuition, transportation fees, investment income, food services, School District activities, revenue from community service activities, and other revenue from local sources.

Intermediate sources. Amounts received as distributions from the County for fees collected for or on behalf of the School District including, but not limited to, the following: educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

State sources. Amounts received as distributions from the State of Indiana that are to be used by the School District for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School District.

Federal sources. Amounts received as distributions from the federal government that are to be used by the School District for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School District.

Temporary loans. Amounts received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

(Continued)

MONROE-GREGG SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT
As of June 30, 2024, and for the period of
July 1, 2022 through June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund loans. Amounts temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

Other receipts. Amounts received from various sources, including, but not limited to, the following: return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

Disbursements: Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Instruction. Amounts disbursed for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services. Amounts disbursed for support services related to students, instruction, general administration, school administration, outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services. Amounts disbursed for food service operations and community service operations.

Facilities acquisition and construction. Amounts disbursed for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the School District, including: all expenditures for the reduction of the principal and interest of the School District's general obligation indebtedness.

Nonprogrammed charges. Amounts disbursed for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

Interfund loans. Amounts temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

Other Financing Sources and Uses: Other financing sources and uses are presented in the aggregate on the face of the financial statement. The aggregate other financing sources and uses include the following:

Proceeds of long-term debt. Amounts received in relation to the issuance of bonds or other long-term debt issues.

Sale of capital assets. Amounts received when land, buildings, or equipment owned by the School District are sold.

Transfers in. Amounts received by one fund as a result of transferring money from another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

Transfers out. Amounts paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

(Continued)

MONROE-GREGG SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT
As of June 30, 2024, and for the period of
July 1, 2022 through June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting: Separate funds are established, maintained, and reported by the School District. Each fund is used to account for amounts received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the School District. The amounts accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the School District in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and, therefore, the funds cannot be used for any expenditures of the School District itself.

NOTE 2 - BUDGETS

The operating budget is initially prepared and approved at the local level. The fiscal officer of the School District submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

NOTE 3 - PROPERTY TAXES

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School District in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by December 31 of the year preceding the budget year or January 15 of the budget year if the School District is issuing debt after December 1 or intends on filing a shortfall appeal. These rates were based upon the assessed valuations adjusted for various tax credits from the preceding year's lien date of January 1. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

NOTE 4 - DEPOSITS AND INVESTMENTS

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana, at year end, should be entirely insured by the Federal Depository Insurance District or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the School District to invest in securities including, but not limited to, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

The School District held cash deposits with financial institutions that maintained FDIC and PDIF coverages, as applicable. At June 30, 2024, the School District held one certificate of deposit with a financial institution for \$3,000,000 with maturity date of December 12, 2024.

(Continued)

MONROE-GREGG SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT
As of June 30, 2024, and for the period of
July 1, 2022 through June 30, 2024

NOTE 5 - RISK MANAGEMENT

The School District may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters. These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the School District to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

The School District has purchased insurance to address the risks described above.

NOTE 6 - CASH BALANCE DEFICITS

The financial statement contains some funds with deficits in cash. This is a result of certain funds being set up for reimbursable grants, but for which reimbursement was not yet received by June 30, 2023, and 2024.

NOTE 7 - HOLDING CORPORATION

The School District has entered into a series of capital leases with the Monroe-Gregg Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School District. The lessor has been determined to be a related party of the School District. Lease payments for the period July 1, 2022 through June 30, 2023 totaled \$1,310,500. Lease payments for the period July 1, 2023 through June 30, 2024 totaled \$1,311,500.

NOTE 8 - PENSION PLANS

Public Employees Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund Defined Benefit Plan (PERF DB) is a cost sharing multiple-employer defined benefit plan and provides retirement, disability, and survivor benefits to plan members. PERF DB is administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the School District authority to contribute to the plan.

The Public Employees' Hybrid Plan (PERF Hybrid) consists of two components: PERF DB, the employer-funded monthly defined benefit component, and the Public Employees' Hybrid Members Defined Contribution Account, the defined contribution component.

The Retirement Savings Plan for Public Employees (My Choice) is a multiple-employer defined contribution plan. It is administered through the INPRS Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the School District authority to contribute to the plan.

(Continued)

MONROE-GREGG SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT
As of June 30, 2024, and for the period of
July 1, 2022 through June 30, 2024

NOTE 8 - PENSION PLANS (Continued)

New employees hired have a one-time election to join either the PERF Hybrid or the My Choice.

Financial Report

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (844) 464-6777

Contributions

Members' contributions are set by state statute at 3 percent of compensation for both the defined contribution component of PERF Hybrid and My Choice. The employer may elect to make the contribution on behalf of the member of the defined contribution component of PERF Hybrid and My Choice members may receive additional employer contribution in lieu of the PERF DB. Contributions to the PERF DB are determined by INPRS Board based on actuarial valuation.

Teachers' Retirement Fund

Plan Descriptions

The Indiana Teachers' Hybrid Plan (TRF Hybrid) consists of two components: Indiana Teachers' Pre-1996 Defined Benefit Account (Teachers' Pre-1996 DB) or Indiana Teachers' 1996 Defined Benefit Account (Teachers' 1996 DB) the monthly employer-funded defined benefit components, along with the Indiana Teachers' Defined Contribution Account (TRF DC), the defined contribution component. Generally, members hired before 1996 participate in the Teachers' Pre-1996 DB and members hired after 1995 participate in the Teachers' 1996 DB.

The Teachers' 1996 DB is a cost-sharing multiple-employer defined benefit pension plan and provides retirement, disability, and survivor benefits to plan members. All legally qualified and regularly employed licensed teachers serving in State of Indiana public schools are eligible to participate in the Teachers' 1996 DB.

The Teachers' Pre-1996 DB is a pay-as-you-go, cost-sharing multiple-employer defined benefit pension plan and provides retirement, disability, and survivor benefits to plan members. Membership in the Teachers' Pre-1996 DB is closed to new entrants.

The TRF DC is a multiple-employer defined contribution plan providing supplemental retirement benefits to Teachers' 1996 DB and Teachers' Pre-1996 DB members.

The Retirement Savings Plan for Public Teachers (My Choice) is a multiple-employer defined contribution plan. New employees hired after June 30, 2019, have a one-time election to join either the TRF Hybrid plan that is not closed to new entrants or the My Choice plan.

(Continued)

MONROE-GREGG SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT
As of June 30, 2024, and for the period of
July 1, 2022 through June 30, 2024

NOTE 8 - PENSION PLANS (Continued)

All these plans are administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2, IC 5-10.3, and IC 5-10.4) and administrative code (35 IAC 14), which govern most requirements of the system and give the School District authority to contribute to the plan when applicable.

Financial Report

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRF plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (844) 464-6777

Contributions

The School District contributes the employer's share to Teachers' 1996 DB for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School District currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. These contributions are determined by the INPRS Board based on actuarial valuation. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995 (Teachers' Pre-1996 DB) is an obligation of, and is paid by, the State of Indiana.

Contributions for the defined contribution component of TRF Hybrid are determined by statute and the INPRS Board at 3 percent of covered payroll. The employer may choose to make these contributions on behalf of the member. Under certain limitations, voluntary contributions up to 10 percent can be made solely by the member.

My Choice plan is funded with employer contributions and member contributions. The employer contributions must equal the contribution rate for monthly employer-funded defined benefit components of TRF Hybrid. The amount deposited into the employer contribution subaccount for the member is the normal cost of participation. The variable rate contribution can be no less than 3 percent. Member contributions are determined by statute and the Board at 3 percent of covered payroll. The employer must make these contributions on behalf of the member. Under certain limitations, voluntary contributions up to 10 percent can be made solely by the member.

OTHER INFORMATION (Unaudited)

MONROE-GREGG SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2023

	Education	Debt Service	Operations	Local Rainy Day	Retirement/ Severance Bond	Common School #12	2020 Go Bond	2022 Go Bond	School Lunch	Curricular Materials Rental	Drivers Education
Cash and investments - beginning	\$ 3,004,660	\$ 1,075,593	\$ 806,593	\$ 2,174,074	\$ 107,634	\$ -	\$ 1,301,401	\$ -	\$ 372,234	\$ 108,727	\$ 2,415
Receipts:											
Local sources	61,469	3,807,243	2,667,843	93,417	-	-	-	-	730,097	379,622	-
Intermediate sources	-	-	904	-	-	-	-	-	-	-	-
State sources	11,340,039	-	-	-	-	-	-	-	7,125	51,102	-
Federal sources	-	-	-	-	-	-	-	-	525,017	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	24	-	-	-	-	-	-	-	-
Total receipts	11,401,508	3,807,243	2,668,771	93,417	-	-	-	-	1,262,239	430,724	-
Disbursements:											
Instruction	7,493,007	-	-	183,236	9,833	-	-	-	-	160,189	-
Support services	1,965,351	-	4,279,424	78,528	-	-	400,749	-	407	-	-
Noninstructional services	200,222	-	-	-	-	-	-	-	933,053	-	-
Facilities acquisition and construction	-	-	352,395	187,825	-	153,100	136,360	1,514,894	72,091	-	-
Debt services	-	4,021,437	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	9,658,580	4,021,437	4,631,819	449,589	9,833	153,100	537,109	1,514,894	1,005,551	160,189	-
Excess (deficiency) of receipts over disbursements	1,742,928	(214,194)	(1,963,048)	(356,172)	(9,833)	(153,100)	(537,109)	(1,514,894)	256,688	270,535	-
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	153,100	-	2,460,000	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	1,653,537	500,000	-	-	-	-	-	-	-
Transfers out	(2,153,537)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(2,153,537)	-	1,653,537	500,000	-	153,100	-	2,460,000	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(410,609)	(214,194)	(309,511)	143,828	(9,833)	-	(537,109)	945,106	256,688	270,535	-
Cash and investments - ending	\$ 2,594,051	\$ 861,399	\$ 497,082	\$ 2,317,902	\$ 97,801	\$ -	\$ 764,292	\$ 945,106	\$ 628,922	\$ 379,262	\$ 2,415

(Continued)

MONROE-GREGG SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2023

	Cell Phone Tower	Auditorium Rental	United Way Read-Up	FFA	COVID-19 Emergency Nutrition	Donation/Grant	Impact Grant- Ready Schools	Ista Foundation For Imrove Ed	Alternative Education	MES School Library	MHS School Library
Cash and investments - beginning	\$ 47,486	\$ 1,792	\$ 3,153	\$ 9,074	\$ 2,000	\$ 4,194	\$ -	\$ -	\$ 7,694	\$ 2,196	\$ 3,561
Receipts:											
Local sources	24,844	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	2,000	7,665	-	-	-
State sources	-	-	-	-	-	-	-	-	7,500	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	24,844	-	-	-	-	-	2,000	7,665	7,500	-	-
Disbursements:											
Instruction	-	-	-	3,082	-	-	-	7,665	2,494	-	-
Support services	22,656	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	22,656	-	-	3,082	-	-	-	7,665	2,494	-	-
Excess (deficiency) of receipts over disbursements	2,188	-	-	(3,082)	-	-	2,000	-	5,006	-	-
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,188	-	-	(3,082)	-	-	2,000	-	5,006	-	-
Cash and investments - ending	\$ 49,674	\$ 1,792	\$ 3,153	\$ 5,992	\$ 2,000	\$ 4,194	\$ 2,000	\$ -	\$ 12,700	\$ 2,196	\$ 3,561

(Continued)

MONROE-GREGG SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2023

	High Ability 2021- 2022	High Ability 2022- 2023	Formative Assessment	Medicaid Reimbursement State	Secured Schools Safety Grant	2020-2021 Early Intervention	2021-2022 Early Intervention Grant	Connectivity (ENA)	Non English Speaking 22-23	Teacher Appreciation 2022	Title I FY 2022- 2023
Cash and investments - beginning	\$ 11,114	\$ -	\$ 7,189	\$ -	\$ -	\$ 2,601	\$ 4,859	\$ 11,273	\$ -	\$ -	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	26,639	19,043	-	11,426	-	-	7,526	5,761	57,198	-
Federal sources	-	-	-	-	-	-	-	-	-	-	110,708
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	26,639	19,043	-	11,426	-	-	7,526	5,761	57,198	110,708
Disbursements:											
Instruction	11,114	17,375	13,868	-	1,698	2,601	72	-	-	57,198	110,708
Support services	-	-	-	-	21,805	-	-	8,859	5,761	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	4,634	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	11,114	17,375	13,868	-	28,137	2,601	72	8,859	5,761	57,198	110,708
Excess (deficiency) of receipts over disbursements	(11,114)	9,264	5,175	-	(16,711)	(2,601)	(72)	(1,333)	-	-	-
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(11,114)	9,264	5,175	-	(16,711)	(2,601)	(72)	(1,333)	-	-	-
Cash and investments - ending	\$ -	\$ 9,264	\$ 12,364	\$ -	\$ (16,711)	\$ -	\$ 4,787	\$ 9,940	\$ -	\$ -	\$ -

(Continued)

MONROE-GREGG SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2023

	Part B 2021- 2022	Part B 2022- 2023	Preschool Part B 2022-2023	Title IV Part A 2020	Medicaid Reimbursement - Fed	Special Education (ARP 2021)	Special Ed Preschool (ARP-21)	ESSER III	ESSER II	GEER	Prepaid School Lunch Accounts	Payroll Withhodings	Totals
Cash and investments - beginning	\$ (35,472)	\$ -	\$ -	\$ (2,232)	\$ 19,932	\$ -	\$ (2,084)	\$ (34,981)	\$ 2	\$ (11,629)	\$ 23,714	\$ 18,509	\$ 9,047,276
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	470,347	-	8,234,882
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	10,569
State sources	-	-	-	-	-	-	-	-	-	-	-	-	11,533,359
Federal sources	35,472	343,128	10,126	3,883	12,567	1,386	3,951	214,103	-	11,629	-	-	1,271,970
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	2,907,171	2,907,195
Total receipts	35,472	343,128	10,126	3,883	12,567	1,386	3,951	214,103	-	11,629	470,347	2,907,171	23,957,975
Disbursements:													
Instruction	-	254,625	10,126	2,248	5,659	46,378	1,867	116,244	-	-	-	-	8,511,287
Support services	-	96,397	-	-	25,607	2,000	-	71,404	-	-	-	-	6,978,948
Noninstructional services	-	-	-	-	-	-	-	-	-	-	477,796	-	1,611,071
Facilities acquisition and construction	-	-	-	-	-	1,858	-	-	-	-	-	-	2,423,157
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	4,021,437
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	2,902,009	2,902,009
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	351,022	10,126	2,248	31,266	50,236	1,867	187,648	-	-	477,796	2,902,009	26,447,909
Excess (deficiency) of receipts over disbursements	35,472	(7,894)	-	1,635	(18,699)	(48,850)	2,084	26,455	-	11,629	(7,449)	5,162	(2,489,934)
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	2,613,100
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	2,153,537
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	(2,153,537)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	2,613,100
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	35,472	(7,894)	-	1,635	(18,699)	(48,850)	2,084	26,455	-	11,629	(7,449)	5,162	123,166
Cash and investments - ending	\$ -	\$ (7,894)	\$ -	\$ (597)	\$ 1,233	\$ (48,850)	\$ -	\$ (8,526)	\$ 2	\$ -	\$ 16,265	\$ 23,671	\$ 9,170,442

MONROE-GREGG SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2024

	Education	Debt Service	Operations	Local Rainy Day	Retirement/ Severance Bond	2020 Go Bond	2022 Go Bond	2023 Go Bond	School Lunch	Curricular Materials Rental	Drivers Education	Cell Phone Tower	Auditorium Rental
Cash and investments - beginning	\$ 2,594,051	\$ 861,399	\$ 497,082	\$ 2,317,902	\$ 97,801	\$ 764,292	\$ 945,106	\$ -	\$ 628,922	\$ 379,262	\$ 2,415	\$ 49,674	\$ 1,792
Receipts:													
Local sources	40,638	4,573,614	2,837,733	220,726	-	79,402	-	-	551,249	2,627	-	27,048	-
Intermediate sources	-	-	7,237	-	-	-	-	-	-	-	-	-	-
State sources	12,285,530	-	-	-	-	-	-	-	16,012	244,758	-	-	-
Federal sources	-	-	-	-	-	-	-	-	517,763	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	7,500	-	-	-	-	-	-	-	-	-	-
Total receipts	12,326,168	4,573,614	2,852,470	220,726	-	79,402	-	-	1,085,024	247,385	-	27,048	-
Disbursements:													
Instruction	8,671,628	-	-	198,095	7,715	-	-	-	-	254,219	-	-	-
Support services	2,228,082	-	4,186,572	325,161	-	621,385	-	128,661	4,061	-	-	24,580	-
Noninstructional services	189,318	-	981	-	-	-	-	-	1,031,807	-	-	-	-
Facilities acquisition and construction	-	-	310,453	37,324	-	219,436	579,201	45,657	110,746	-	-	-	-
Debt services	-	4,684,013	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	28,000	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	11,089,028	4,684,013	4,498,006	560,580	7,715	840,821	579,201	174,318	1,146,614	254,219	-	52,580	-
Excess (deficiency) of receipts over disbursements	1,237,140	(110,399)	(1,645,536)	(339,854)	(7,715)	(761,419)	(579,201)	(174,318)	(61,590)	(6,834)	-	(25,532)	-
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	3,002,356	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	317	-	1,819,877	-	-	-	-	-	-	-	-	-	-
Transfers out	(1,819,877)	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,819,560)	-	1,819,877	-	-	-	-	3,002,356	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(582,420)	(110,399)	174,341	(339,854)	(7,715)	(761,419)	(579,201)	2,828,038	(61,590)	(6,834)	-	(25,532)	-
Cash and investments - ending	\$ 2,011,631	\$ 751,000	\$ 671,423	\$ 1,978,048	\$ 90,086	\$ 2,873	\$ 365,905	\$ 2,828,038	\$ 567,332	\$ 372,428	\$ 2,415	\$ 24,142	\$ 1,792

(Continued)

MONROE-GREGG SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2024

	United Way Read-Up	FFA	COVID-19 Emergency Nutrition	Donation/Grant	Impact Grant- Ready Schools	Teacher Appreciation	Alternative Education	MES School Library	MHS School Library	Community Foundation Grant	High Ability 2022-2023	High Ability 2023-2024	Formative Assessment
Cash and investments - beginning	\$ 3,153	\$ 5,992	\$ 2,000	\$ 4,194	\$ 2,000	\$ -	\$ 12,700	\$ 2,196	\$ 3,561	\$ -	\$ 9,264	\$ -	\$ 12,364
Receipts:													
Local sources	-	-	-	1,500	-	605	-	-	-	7,034	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	6,923	-	-	-	-	31,625	22,488
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	1,500	-	605	6,923	-	-	7,034	-	31,625	22,488
Disbursements:													
Instruction	-	-	-	-	1,220	-	1,144	-	-	-	10,299	8,836	16,608
Support services	-	-	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	1,900	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	5,571	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	1,220	1,900	6,715	-	-	-	10,299	8,836	16,608
Excess (deficiency) of receipts over disbursements	-	-	-	1,500	(1,220)	(1,295)	208	-	-	7,034	(10,299)	22,789	5,880
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	1,500	(1,220)	(1,295)	208	-	-	7,034	(10,299)	22,789	5,880
Cash and investments - ending	\$ 3,153	\$ 5,992	\$ 2,000	\$ 5,694	\$ 780	\$ (1,295)	\$ 12,908	\$ 2,196	\$ 3,561	\$ 7,034	\$ (1,035)	\$ 22,789	\$ 18,244

(Continued)

MONROE-GREGG SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2024

	Medicaid Reimbursement State	Secured Schools Safety Grant	Early Literacy Achievement Grant	2021-2022 Early Intervention Grant	Connectivity (ENA)	Performance Based Awards	Teacher Appreciation Grant 2023	Title I FY 2022-2023	Title I FY 2023-2024	McKinney Vento FY23- 24	Part B 2022- 2023	Part B FY 2023- 2024
Cash and investments - beginning	\$ -	\$ (16,711)	\$ -	\$ 4,787	\$ 9,940	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7,894)	\$ -
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	24,954	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	1,962	85,212	34,416	-	4,360	233	57,886	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	4,958	116,725	-	11,808	277,036
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	1,962	85,212	34,416	-	4,360	233	57,886	4,958	116,725	24,954	11,808	277,036
Disbursements:												
Instruction	-	-	34,416	1,899	-	233	57,886	4,958	126,216	36,441	2,929	229,822
Support services	-	45,604	-	-	2,937	-	-	-	-	-	985	76,671
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	42,468	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	88,072	34,416	1,899	2,937	233	57,886	4,958	126,216	36,441	3,914	306,493
Excess (deficiency) of receipts over disbursements	1,962	(2,860)	-	(1,899)	1,423	-	-	-	(9,491)	(11,487)	7,894	(29,457)
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	(317)	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(317)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,645	(2,860)	-	(1,899)	1,423	-	-	-	(9,491)	(11,487)	7,894	(29,457)
Cash and investments - ending	\$ 1,645	\$ (19,571)	\$ -	\$ 2,888	\$ 11,363	\$ -	\$ -	\$ -	\$ (9,491)	\$ (11,487)	\$ -	\$ (29,457)

(Continued)

MONROE-GREGG SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2024

	Preschool Part B FY 2023-2024	SPED Para Training Grant	Title IV Part A 2020	Title IV Part A FY 21	Medicaid Reimbursement - Fed	Mckinney- Vento 21-23	Special Education (ARP 2021)	Special Ed Preschool (ARP-21)	ESSER III	ESSER II	Prepaid School Lunch Accounts	Payroll Withhodings	Totals
Cash and investments - beginning	\$ -	\$ -	\$ (597)	\$ -	\$ 1,233	\$ -	\$ (48,850)	\$ -	\$ (8,526)	\$ 2	\$ 16,265	\$ 23,671	\$ 9,170,442
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	425,543	495	8,793,168
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	7,237
State sources	-	-	-	-	-	-	-	-	-	-	-	-	12,791,405
Federal sources	8,537	-	6,117	4,555	19,292	9,594	76,448	1,859	216,005	3,041	-	-	1,273,738
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	3,209,594	3,217,094
Total receipts	8,537	-	6,117	4,555	19,292	9,594	76,448	1,859	216,005	3,041	425,543	3,210,089	26,082,642
Disbursements:													
Instruction	8,537	10,175	6,690	8,537	19,273	6,369	25,438	1,859	144,525	3,043	-	-	9,899,010
Support services	-	-	-	-	113	-	2,160	-	78,833	-	-	-	7,725,805
Noninstructional services	-	-	-	-	-	-	-	-	-	-	411,236	-	1,635,242
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	1,350,856
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	4,684,013
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	3,196,144	3,224,144
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	8,537	10,175	6,690	8,537	19,386	6,369	27,598	1,859	223,358	3,043	411,236	3,196,144	28,519,070
Excess (deficiency) of receipts over disbursements	-	(10,175)	(573)	(3,982)	(94)	3,225	48,850	-	(7,353)	(2)	14,307	13,945	(2,436,428)
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	3,002,356
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	1,820,194
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	(1,820,194)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	3,002,356
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(10,175)	(573)	(3,982)	(94)	3,225	48,850	-	(7,353)	(2)	14,307	13,945	565,928
Cash and investments - ending	\$ -	\$ (10,175)	\$ (1,170)	\$ (3,982)	\$ 1,139	\$ 3,225	\$ -	\$ -	\$ (15,879)	\$ -	\$ 30,572	\$ 37,616	\$ 9,736,370

MONROE-GREGG SCHOOL DISTRICT
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2024

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 2,780,899</u>	<u>\$ 103,542</u>

MONROE-GREGG SCHOOL DISTRICT
SCHEDULE OF LEASES AND DEBT
June 30, 2024

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
Monroe-Gregg Building Corporation	Monroe-Gregg Grade School 2016A	\$ 967,000	12/31/2016	12/31/2026
Monroe-Gregg Building Corporation	Monroe-Gregg Grade School 2016B	345,000	6/30/2017	12/31/2034
Monroe-Gregg Building Corporation	Monroe-Gregg Grade School 2017 **	<u>-</u>	6/30/2017	12/31/2035
Total governmental activities		<u>1,312,000</u>		
Total of annual lease payments		<u>\$ 1,312,000</u>		

***Payments do not begin until 06/30/2026*

<u>Description of Debt</u>		<u>Ending Principal Balance</u>	<u>Principal Due Within One Year</u>
<u>Type</u>	<u>Purpose</u>		
Governmental activities:			
General Obligation Bonds	Energy Savings 2018	\$ 239,683	\$ 158,953
General Obligation Bonds	Equipment and Land Purchase 2022	265,000	265,000
General Obligation Bonds	Equipment buses building/ outdoor projects	540,000	360,000
General Obligation Bonds	Renovations Buses Equipment & Tech	2,297,356	1,510,000
Notes and Loans Payable	Common School Grade School	3,289,163	452,586
Notes and Loans Payable	Common School Technology #10	72,550	29,020
Notes and Loans Payable	Common School Technology #11	105,840	30,240
Notes and Loans Payable	Common School Technology #12	137,790	30,620
Notes and Loans Payable	Common School Technology #8	14,633	14,633
Notes and Loans Payable	Common School Technology #9	<u>45,053</u>	<u>30,029</u>
Total governmental activities		<u>7,007,068</u>	<u>2,881,081</u>
Totals		<u>\$ 7,007,068</u>	<u>\$ 2,881,081</u>

MONROE-GREGG SCHOOL DISTRICT
SCHEDULE OF CAPITAL ASSETS
June 30, 2024

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 1,623,164
Buildings	54,258,345
Machinery, equipment, and vehicles	5,803,294
Books and other	<u>608,733</u>
Total governmental activities	<u>62,293,536</u>
Total capital assets	<u>\$ 62,293,536</u>

MONROE-GREGG SCHOOL DISTRICT
STATE REPORTING INFORMATION
July 1, 2022 - June 30, 2024

Financial Statement and Accompanying Notes:

The financial statement and accompanying notes were approved by management of the School District. The financial statement and notes are presented as intended by the School District.

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

Indiana Department of Education Reporting:

The School District's Financial Reports can be found on the Indiana Department of Education website: <http://www.doe.in.gov/finance/school-financial-reports>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School District Treasurer's office. Additionally, some financial information of the School District can be found on the Indiana Gateway for Government Units website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the School District's Financial Reports referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The other information on the IDOE website and on the Indiana Gateway for Government Units presented was approved by management of the School District. It is presented as intended by the School District.

MONROE-GREGG SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period of July 1, 2022 through June 30, 2024

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 06-30-24	Total Federal Awards Expended 07-01-22 to 06-30-24
<u>Department of Agriculture</u>						
Child Nutrition Cluster	Indiana Department of Education					
School Breakfast Program		10.553	FY22-23, FY23-24	\$ 177,632	\$ 133,710	\$ 311,342
National School Lunch Program		10.555	FY22-23, FY23-24	595,929	493,469	1,089,398
Commodities		10.555	FY22-23, FY23-24	<u>52,031</u>	<u>60,089</u>	<u>112,120</u>
Total - Child Nutrition Cluster				<u>825,592</u>	<u>687,268</u>	<u>1,512,860</u>
State Pandemic Electronic Benefit Transfer Administrative Costs Grant (P-EBT) Administrative Costs Grant	Indiana Department of Education					
		10.649	FY22-23	<u>628</u>	<u>-</u>	<u>628</u>
Total - Department of Agriculture				<u>826,220</u>	<u>687,268</u>	<u>1,513,488</u>
<u>Department of Education</u>						
Special Education Cluster (IDEA)						
Special Education Grants to States	Indiana Department of Education					
IDEA, Part B		84.027	H027A210084	35,472	-	35,472
COVID-19 - Supplemental Funding - IDEA, Part B		84.027X	H027X210084	1,386	76,448	77,834
IDEA, Part B		84.027	H027A220084	343,128	11,808	354,936
IDEA, Part B		84.027	H027A230084	<u>-</u>	<u>277,036</u>	<u>277,036</u>
Total - Special Education Grants to States				<u>379,986</u>	<u>365,292</u>	<u>745,278</u>
Special Education Preschool Grants	Indiana Department of Education					
COVID-19 - Supplemental Funding - IDEA, Preschool		84.173X	H173X210104	3,951	1,859	5,810
IDEA, Preschool		84.173	H173A220104	10,126	-	10,126
IDEA, Preschool		84.173	H173A230104	<u>-</u>	<u>8,537</u>	<u>8,537</u>
Total - Special Education Preschool Grants				<u>14,077</u>	<u>10,396</u>	<u>24,473</u>
Total - Special Education Cluster (IDEA)				<u>394,063</u>	<u>375,688</u>	<u>769,751</u>
Title I Grants to Local Educational Agencies	Indiana Department of Education					
Title I, Part A		84.010A	S010A220014	110,708	4,958	115,666
Title I, Part A		84.010A	S010A230014	<u>-</u>	<u>116,725</u>	<u>116,725</u>
Total - Title I Grants to Local Educational Agencies				<u>110,708</u>	<u>121,683</u>	<u>232,391</u>

(Continued)

MONROE-GREGG SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period of July 1, 2022 through June 30, 2024

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 06-30-24	Total Federal Awards Expended 07-01-22 to 06-30-24
Education for Homeless Children and Youth McKinney Vento Homeless Children and Youth Supplemental Funding	Mooresville Consolidated School Corporation	84.196	S196A220015	\$ -	\$ 24,954	\$ 24,954
Total - Education for Homeless Children and Youth				-	24,954	24,954
Student Support and Academic Enrichment Program Title IV, Part A	Indiana Department of Education	84.424	S424A200015	3,883	6,117	10,000
Title IV, Part A		84.424	S424A210015	-	4,555	4,555
Total - Student Support and Academic Enrichment Program				3,883	10,672	14,555
COVID-19 - Education Stabilization Fund Governor's Emergency Education Relief (GEER) Funds	Central Indiana Educational Services Center	84.425C	S425C200018	11,629	-	11,629
Elementary and Secondary School Emergency Relief (ESSER II) Fund	Indiana Department of Education	84.425D	S425D200013	-	3,041	3,041
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	Indiana Department of Education	84.425U	S425U210013	214,103	216,005	430,108
American Rescue Plan - Homeless Children and Youth	Indiana Department of Education	84.425W	S425W210015	-	9,594	9,594
Total - COVID-19 Education Stabilization Fund				225,732	228,640	454,372
Total - Department of Education				734,386	761,637	1,496,023
Department of Health and Human Services						
Medicaid Cluster Medical Assistance Program	Indiana Department of Education	93.778	FY22-23, FY23-24	12,567	19,292	31,859
Total - Medicaid Cluster				12,567	19,292	31,859
Total - Department of Health and Human Services				12,567	19,292	31,859
Total federal awards expended				\$ 1,573,173	\$ 1,468,197	\$ 3,041,370

See accompanying notes to the schedule of expenditure of federal awards.

MONROE-GREGG SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period of July 1, 2022 through June 30, 2024

NOTE 1 - BASIS OF PRESENTATION

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School District under programs of the federal government for the period of July 1, 2022 through June 30, 2024. 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 District, it is not intended to and does not present the financial position of the School District.

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 Districts 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 the cost principles contained in 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 District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 - OTHER INFORMATION

The School District did not have any subrecipient activity for the period of July 1, 2022 through June 30, 2024.

NOTE 4 - NON-CASH PROGRAMS (COMMODITIES)

Commodities donated to the School District by the U.S. Department of Agriculture (USDA) of \$112,120 are valued based on the USDA's donated commodity price list. These are shown as part of the National School Lunch Program (10.555).



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

Those Charged with Governance
Monroe-Gregg School District
Morgan County, Indiana

We have audited, in accordance with the 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 Monroe-Gregg School District ("School District"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School District as of June 30, 2024 and for the period July 1, 2022 through June 30, 2024 and the related notes to the financial statement, which collectively comprise the School District's financial statement, and have issued our report thereon dated December 9, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District'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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a 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 a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a material weakness.

(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statement is free from 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 financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

School District's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the School District's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the other auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on the response.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crowe LLP

Crowe LLP

Indianapolis, Indiana
December 9, 2024

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM; REPORT ON
INTERNAL CONTROL OVER COMPLIANCE

Those Charged with Governance
Monroe-Gregg School District
Morgan County, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Monroe-Gregg School District's (School District) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the School District's major federal programs for the period of July 1, 2022 through June 30, 2024. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2022 through June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the School District 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 District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

(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 District'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 District'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 District'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 District'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 District'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.

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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-002, 2024-003, 2024-004, and 2024-005 to be material weaknesses.

(Continued)

A significant deficiency in internal control over compliance is a deficiency, or a 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 requires the auditor to perform limited procedures on the School District's responses to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The School District's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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.


Crowe LLP

Indianapolis, Indiana
December 9, 2024

MONROE-GREGG SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 July 1, 2022 through June 30, 2024

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 weakness(es) identified?	<u> X </u>	Yes	_____	No
Significant deficiencies identified not considered to be material weaknesses?	_____	Yes	<u> X </u>	None Reported

Noncompliance material to financial statement noted?	_____	Yes	<u> X </u>	No
--	-------	-----	--------------	----

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<u> X </u>	Yes	_____	No
Significant deficiencies identified not considered to be material weaknesses?	_____	Yes	<u> X </u>	None Reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	<u> X </u>	Yes	_____	No
---	--------------	-----	-------	----

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
84.027, 84.027X, 84.173, 84.173X	Special Education Cluster
84.425C, 84.425D, 84.425U, 84.425W	COVID-19 - Education Stabilization Fund

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

Auditee qualified as low-risk auditee?	_____	Yes	<u> X </u>	No
--	-------	-----	--------------	----

(Continued)

MONROE-GREGG SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

Section II – Financial Statement Findings

FINDING 2024-001

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

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

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

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

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 reproduce here for reference purposes:
. . .

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

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 Financial statements. . . ."

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 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately.

(1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within a 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.

(Continued)

MONROE-GREGG SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

Section II – Financial Statement Findings (Continued)

FINDING 2024-001 (Continued)

(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 CFDA number or other identifying number when the CFDA 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 Basis for determining Federal awards expended, paragraph (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 Indirect (F&A) costs."

Condition: The School District did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).

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

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. There was no formal documented review of the SEFA prior to submission for fiscal year 2023. During testing of the SEFA, it was determined the total federal awards expended reported on the SEFA were understated by \$480,715 for the period July 1, 2022 through June 30, 2024:

- The Child Nutrition Cluster expenditures were understated by \$440,984.
- The State Pandemic Electronic Benefit Transfer Administrative Costs Grant (ALN 10.649) was understated by \$628.
- The Student Support and Academic Enrichment Program (ALN 84.424) expenditures were understated by \$4,555.
- The Education for Homeless Children and Youth Grant (ALN 84.196) expenditures were understated by \$24,954.
- The COVID-19 Education Stabilization Fund (ALN 84.425) expenditures were understated by \$9,594.

It was also noted that the Title I – Grants to Local Educational Agencies was reported incorrectly and no pass-through grant identifying numbers were reported on the SEFA. Audit adjustments were proposed, accepted by the School District, and made to the SEFA to correct the issues noted above.

Effect: Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Context* section.

Identification as a repeat finding, if applicable: No.

(Continued)

MONROE-GREGG SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

Section II – Financial Statement Findings (Continued)

FINDING 2024-001 (Continued)

Recommendation: We recommend that the School District's management establish a formal review over the SEFA to ensure financial and non-financial information reported are accurate and complete. The School District should establish a documented, secondary review to ensure the amounts reported on the SEFA agree to the supporting federal receipt fund ledger detail.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and has prepared a corrective action plan.

Section III – Federal Award Findings and Questioned Costs

FINDING 2024-002

Information on the federal program:

Subject: COVID-19 – Education Stabilization Fund – Activities Allowed or Unallowed
Federal Agency: Department of Education
Federal Program: COVID-19 – Education Stabilization Fund
Assistance Listing Number: 84.425U
Federal Award Numbers and Years (or Other Identifying Numbers): S425U210013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Activities Allowed or Unallowed, Allowable Costs/Cost Principles
Audit Finding: Material Weakness

Criteria: 2 CFR 200.403 establishes principles and standards for determining costs for federal awards carried out through grants, cost reimbursement contracts, and other agreements with state and local governments. To be allowable, under federal awards, cost must meet certain criteria:

- 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.
- c) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity.
- d) Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- e) Be determined in accordance with generally accepted accounting principles (GAAP), except, for state and local governments and Indian tribes only, as otherwise provided for in this part.
- f) Not be included as a cost or used to meet cost sharing or matching requirements of any other federally financed program in either the current or a prior period.
- g) Be adequately documented.
- h) Cost must be incurred during the approved budget period.

Additionally, 2 CFR 200.303 indicates that non-Federal Entities receiving Federal awards must 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 terms and conditions of the Federal award.

(Continued)

MONROE-GREGG SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

Section III – Federal Award Findings and Questioned Costs (Continued)

FINDING 2024-002 (Continued)

Condition: An effective internal control system was not in place at the School District to ensure compliance with requirements related to the Education Stabilization Fund and Activities Allowed or Unallowed.

Cause: The School District's management had not developed a system of internal controls that would have ensured compliance with the Activities Allowed or Unallowed compliance requirement.

Effect: The failure to establish an effective internal control system placed the School District at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

Questioned Costs: \$730.43

Context: During the testing of payroll disbursements charged to the Education Stabilization Fund grant awards during the audit period, the following exceptions were noted:

- For 16 payroll disbursements, in a sample of 40, management was unable to provide an approved employee contract or hourly rate ordinance to support the selected employees' bi-weekly pay rate.
- For one transaction selection, an employee received a \$730.43 one-time payment for a Teacher Appreciation Grant (TAG) funded by the 84.425U award. The Teacher Appreciation Grant has its own fund and is a state/local grant received to reward high-performing, eligible certified staff. The selected employee is a non-certified employee and did not qualify for a TAG award. There was no documentation provided to support work performed under this award to support allowability of the cost incurred.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommended that the School District maintain supporting documentation for vendor and payroll disbursements to support costs charged to the federal grant awards. For payroll disbursements charged to Federal awards, management should maintain time records to support payroll costs allocated to Education Stabilization Grant funds to verify they are allowable and supported by documentation for work performed under the award.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and has prepared a corrective action plan.

(Continued)

MONROE-GREGG SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

Section III – Federal Award Findings and Questioned Costs (Continued)

FINDING 2024-003

Information on the federal program:

Subject: COVID-19 – Education Stabilization Fund – Reporting
Federal Agency: Department of Education
Federal Program: COVID-19 – Education Stabilization Fund
Assistance Listing Number: 84.425U
Federal Award Numbers and Years (or Other Identifying Numbers): S425U210013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Finding: Material Weakness

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal awards 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 Financial reporting"

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."

Condition: An effective internal control system was not in place at the School District in order to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirements.

Cause: The School District's management had not developed a system of internal controls to ensure compliance with the compliance requirements listed above.

Effect: The failure to establish an effective internal control system placed the School District at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

Questioned Costs: There were no questioned costs identified.

(Continued)

MONROE-GREGG SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

Section III – Federal Award Findings and Questioned Costs (Continued)

FINDING 2024-003 (Continued)

Context: The School Corporation had not designed nor implemented a system of internal control to ensure that the annual Elementary and Secondary School Emergency Relief (ESSER) annual Data Collection reports (Reports) were complete and accurately submitted. The reports were prepared and submitted in JotForm, the online application used by the Indiana Department of Education to collect information, without an oversight or secondary review process in place to prevent, or detect and correct, errors. During the Year 3 report, a variance between the underlying records and reported expenditures of \$187,649 was noted due to the lack of effective controls surrounding annual data reporting. 84.425U expenditures submitted within the Year 3 report were overstated by \$187,649.

Identification as a repeat finding: Yes, see Finding 2022-001.

Recommendation: We recommend someone other than the preparer of the report perform a documented, secondary review of the report information prior to submission to validate the accuracy and completeness of the data submitted.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and has prepared a corrective action plan.

FINDING 2024-004

Information on the federal program:

Subject: Special Education Cluster (IDEA) – Activities Allowed or Unallowed

Federal Agency: Department of Education

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

Assistance Listing Number: 84.027

Federal Award Numbers and Years (or Other Identifying Numbers): H027A220084, H027A230084

Pass-Through Entity: Indiana Department of Education

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

Audit Finding: Material Weakness

Criteria: 2 CFR 200.403 establishes principles and standards for determining costs for federal awards carried out through grants, cost reimbursement contracts, and other agreements with state and local governments. To be allowable, under federal awards, cost must meet certain criteria:

- 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.
 - c) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity.
 - d) Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
 - e) Be determined in accordance with generally accepted accounting principles (GAAP), except, for state and local governments and Indian tribes only, as otherwise provided for in this part.
 - f) Not be included as a cost or used to meet cost sharing or matching requirements of any other federally financed program in either the current or a prior period.
 - g) Be adequately documented.
 - h) Cost must be incurred during the approved budget period.
-

(Continued)

MONROE-GREGG SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

Section III – Federal Award Findings and Questioned Costs (Continued)

FINDING 2024-004 (Continued)

Additionally, 2 CFR 200.303 indicates that non-Federal Entities receiving Federal awards must 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 terms and conditions of the Federal award.

Condition: An effective internal control system was not in place at the School District to ensure compliance with requirements related to the Special Education Cluster and Activities Allowed or Unallowed.

Cause: The School District's management had not developed a system of internal controls that would have ensured compliance with the Activities Allowed or Unallowed compliance requirement.

Effect: The failure to establish an effective internal control system placed the School District at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

Questioned Costs: There were no questioned costs identified.

Context: During the testing of a sample of 40 payroll disbursements charged to the Special Education Cluster during the audit period, the following exceptions were noted:

- For eight transactions selected, management was unable to provide an approved contract to support the selected employees' bi-weekly pay rate.
- For two transactions selected, management was unable to provide approved timecards for the selected hourly employee and time period.
- For seven transactions selected, management was unable to provide time and effort logs to support the allocation of one employee's salary between the federal grant and the Education fund.

The lack of controls was systematic throughout the audit period.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommended that the School District's management establish a system of internal controls related to payroll disbursement charged to federal awards to ensure that the costs allocated are properly supported by contracts, timecards, and that the methodology for salary employees allocated to grant are supported by time and effort documentation.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and has prepared a corrective action plan.

(Continued)

MONROE-GREGG SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

Section III – Federal Award Findings and Questioned Costs (Continued)

FINDING 2024-005

Information on the federal program:

Subject: Special Education Cluster (IDEA) – Procurement and Suspension and Debarment

Federal Agency: Department of Education

Federal Program: Special Education Grants to States

Assistance Listing Number: 84.027

Federal Award Numbers and Years (or Other Identifying Numbers): H027A210084, H027A220084, H027A230084

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Finding: Material Weakness

Criteria: 2 CFR 200.318 states:

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

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

Condition: An effective internal control system was not in place at the School District to ensure compliance with requirements related to the Special Education Cluster and Procurement and Suspension and Debarment compliance requirements.

Cause: The School District's management had not developed a system of internal controls that would have ensured compliance with the Procurement and Suspension and Debarment compliance requirement.

Effect: The failure to establish an effective internal control system placed the School District at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

Questioned Costs: There were no questioned costs identified.

(Continued)

MONROE-GREGG SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

Section III – Federal Award Findings and Questioned Costs (Continued)

FINDING 2024-005 (Continued)

Context: During the audit period, the School District purchased Special Education contracted services from one specialist with aggregate payments for each fiscal year which were within the small purchases threshold (\$10,000 - \$150,000) under Federal and State procurement regulations. The School District did not solicit multiple quotes for services, document the method and rationale for procurement, and did not perform a check to confirm the service provider was not suspended or debarred before entering into the contract and disbursing federal funds.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommend that the School District enter into a written contract with service providers funded by federal grants. The contract should include a Suspension and Debarment clause or certification on an annual basis. We also recommend the School District follow their procurement policy for small purchase thresholds, including documenting procurement rationale and suspension and debarment checks prior to entering into the covered transaction funded by federal grants.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and has prepared a corrective action plan.

Monroe-Gregg Schools

135 S. Chestnut Street
Monrovia, IN 46157
Phone (317) 996-3720
Fax (317) 996-2977



CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

June 30, 2024

FINDING 2024-001

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

Condition: The School District did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. There was no formal documented review of the SEFA prior to submission for fiscal year 2023. During testing of the SEFA, it was determined the total federal awards expended reported on the SEFA were understated by \$480,715 for the period July 1, 2022 through June 30, 2024:

- The Child Nutrition Cluster expenditures were understated by \$440,984.
- The State Pandemic Electronic Benefit Transfer Administrative Costs Grant (ALN 10.649) was understated by \$628.
- The Student Support and Academic Enrichment Program (ALN 84.424) expenditures were understated by \$4,555.
- The Education for Homeless Children and Youth Grant (ALN 84.196) expenditures were understated by \$24,954.
- The COVID-19 Education Stabilization Fund (ALN 84.425) expenditures were understated by \$9,594.

It was also noted that the Title I – Grants to Local Educational Agencies was reported incorrectly and no pass-through grant identifying numbers were reported on the SEFA. Audit adjustments were proposed, accepted by the School District, and made to the SEFA to correct the issues noted above.

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Management will revise and implement a more thorough control process over the preparation and submission of the Schedule of Expenditures of Federal Awards (SEFA). The SEFA will be prepared by the Treasurer and reviewed by the Grant Specialist for errors. The Superintendent will also review and sign off on the SEFA prior to submission.

Responsible Party and Timeline for Completion: Moriah Crane, Director of Finance/Treasurer. To be completed by July 30, 2025

FINDING 2024-002

Subject: COVID-19 – Education Stabilization Fund – Activities Allowed or Unallowed
Federal Agency: Department of Education
Federal Program: COVID-19 – Education Stabilization Fund
Assistance Listing Number: 84.425U
Federal Award Numbers and Years (or Other Identifying Numbers): S425U210013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Activities Allowed or Unallowed, Allowable Costs/Cost Principles
Audit Finding: Material Weakness

Condition: An effective internal control system was not in place at the School District to ensure compliance with requirements related to the Education Stabilization Fund and Activities Allowed or Unallowed.

FINDING 2024-002 (Continued)

Context: During the testing of payroll disbursements charged to the Education Stabilization Fund grant awards during the audit period, the following exceptions were noted:

- For 16 payroll disbursements, in a sample of 40, management was unable to provide an approved employee contract or hourly rate ordinance to support the selected employees' bi-weekly pay rate.
- For one transaction selection, an employee received a \$730.43 one-time payment for a Teacher Appreciation Grant (TAG) funded by the 84.425U award. The Teacher Appreciation Grant has its own fund and is a state/local grant received to reward high-performing, eligible certified staff. The selected employee is a non-certified employee and did not qualify for a TAG award. There was no documentation provided to support work performed under this award to support allowability of the cost incurred.

Views of Responsible Officials: We concur with the finding.

Description of Corrective Action Plan: Management will ensure records of approved contracts are maintained for all employees and that payroll charged to federal awards is reviewed each pay period for allowability. The HR Coordinator is currently storing each contract both by hard copy in the employee file and digitally in our software. The Deputy Treasurer/Payroll Coordinator reviewing the distribution report prior to payroll submission. The Treasurer is also reviewing and will sign off on the distribution report for each payroll.

Responsible Party and Timeline for Completion: Kelli Kizzee – HR Coordinator, Jessica Elliot – Payroll Coordinator, Moriah Crane – Treasurer. The process is already in place.

FINDING 2024-003

Subject: COVID-19 – Education Stabilization Fund – Reporting
Federal Agency: Department of Education
Federal Program: COVID-19 – Education Stabilization Fund
Assistance Listing Number: 84.425U
Federal Award Numbers and Years (or Other Identifying Numbers): S425U210013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Finding: Material Weakness

Condition: An effective internal control system was not in place at the School District in order to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirements.

Context: The School Corporation had not designed nor implemented a system of internal control to ensure that the annual Elementary and Secondary School Emergency Relief (ESSER) annual Data Collection reports (Reports) were complete and accurately submitted. The reports were prepared and submitted in JotForm, the online application used by the Indiana Department of Education to collect information, without an oversight or secondary review process in

place to prevent, or detect and correct, errors. During tie out of the Year 3 report, a variance between the underlying records and reported expenditures of \$187,649 was noted due to the lack of effective controls surrounding annual data reporting. 84.425U expenditures submitted within the Year 3 report were overstated by \$187,649.

Views of Responsible Officials: We concur with the finding.

Description of Corrective Action Plan: Management will implement a formal review process over data reporting to ensure compliance with reporting requirements for federal awards. A Grant Coordinator has been hired and is already in place. Both the Grant Coordinator and Treasurer will review and sign off of required reporting and ensure it is completed in a timely manner.

Responsible Party and Timeline for Completion: Andrew Grismore – Grant Coordinator and Moriah Crane – Treasurer will be responsible. These corrective measures are already in place.

FINDING 2024-004

Subject: Special Education Cluster (IDEA) – Activities Allowed or Unallowed
Federal Agency: Department of Education
Federal Program: Special Education Grants to States, Special Education Preschool Grants
Assistance Listing Number: 84.027
Federal Award Numbers and Years (or Other Identifying Numbers): H027A220084, H027A230084
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Activities Allowed or Unallowed, Allowable Costs/Cost Principles
Audit Finding: Material Weakness

Condition: An effective internal control system was not in place at the School District to ensure compliance with requirements related to the Special Education Cluster and Activities Allowed or Unallowed.

Context: During the testing of a sample of 40 payroll disbursements charged to the Special Education Cluster during the audit period, the following exceptions were noted:

- For eight transactions selected, management was unable to provide an approved contract to support the selected employees' bi-weekly pay rate.
- For two transactions selected, management was unable to provide approved timecards for the selected hourly employee and time period.
- For seven transactions selected, management was unable to provide time and effort logs to support the allocation of one employee's salary between the federal grant and the Education fund.

The lack of controls was systematic throughout the audit period.

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Management will ensure records of approved contracts and approved timecards are maintained for all employees. Management will ensure payroll charged to federal awards is reviewed each pay period for allowability. The HR Coordinator is currently storing each contract both hard copy in the employee file and digitally in our software. The Deputy Treasurer/Payroll Coordinator will review the distribution report prior to payroll submission. As time cards are being approved in our software system, a print out of the approvals will be maintained for each payroll. The Treasurer will review and sign off on the distribution and approval report for each payroll.

Responsible Party and Timeline for Completion: Kelli Kizzee – HR Coordinator, Jessica Elliot – Payroll Coordinator, Moriah Crane – Treasurer. The process is already except for the printed time card approval report which will be in place starting with the January 2025 payrolls.

FINDING 2024-005

Subject: Special Education Cluster (IDEA) – Procurement and Suspension and Debarment

Federal Agency: Department of Education

Federal Program: Special Education Grants to States

Assistance Listing Number: 84.027

Federal Award Numbers and Years (or Other Identifying Numbers): H027A210084, H027A220084, H027A230084

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Finding: Material Weakness

Condition: An effective internal control system was not in place at the School District to ensure compliance with requirements related to the Special Education Cluster and Procurement and Suspension and Debarment compliance requirements.

Context: During the audit period, the School District purchased Special Education contracted services from one specialist with aggregate payments for each fiscal year which were within the small purchases threshold (\$10,000 - \$150,000) under Federal and State procurement regulations. The School District did not solicit multiple quotes for services, document the method and rationale for procurement, and did not perform a check to confirm the service provider was not suspended or debarred before entering into the contract and disbursing federal funds.

FINDING 2024-005 (Continued)

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Management will implement a procurement checklist that is reviewed management to ensure compliance with the School's purchasing policy for federal awards. Sam.gov will be checked for each vendor being paid from Federal Funds.

Responsible Party and Timeline for Completion: Moriah Crane – Treasurer and Andrew Grismore – Grant Coordinator starting immediately.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-001

Subject: Covid-19 – Education Stabilization Fund - Reporting
Audit Findings: Material Weakness

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

The School Corporation had not designed nor implemented a system of internal control to ensure that the annual Elementary and Secondary School Emergency Relief (ESSER) annual Data Collection reports (Reports) were complete and accurately submitted. The Reports were prepared and submitted in JotForm, the online application used by the Indiana Department of Education to collect information, without an oversight or review process in place to prevent, or detect and correct, errors.

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

Status: Not resolved. See finding 2024-003.