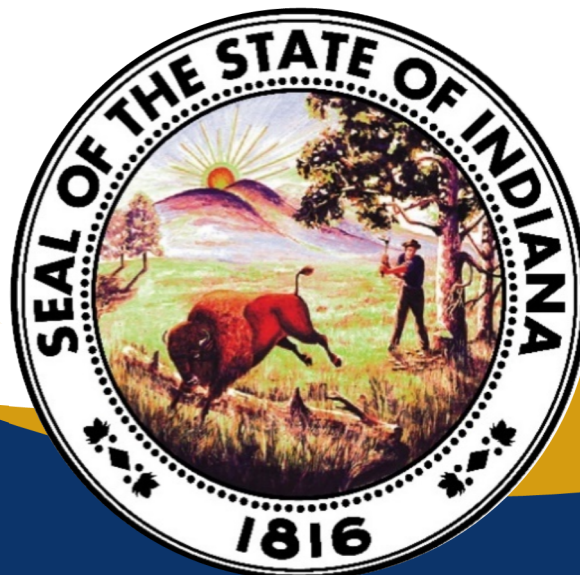


**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

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

FINANCIAL STATEMENT AND
FEDERAL COMPLIANCE AUDIT REPORT
OF

ROCHESTER COMMUNITY SCHOOL CORPORATION
FULTON COUNTY, INDIANA
July 1, 2022 to June 30, 2024



FILED

04/02/2025



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

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April 2, 2025

To: The Officials of the Rochester Community School Corporation
Rochester Community School Corporation
Fulton County, Indiana

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Rochester Community School Corporation. 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 statement referred to above presents 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 42 through 55. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 56 through 61.

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 for Rochester Community School Corporation 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

ROCHESTER COMMUNITY SCHOOL CORPORATION
Fulton County, Indiana

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

ROCHESTER COMMUNITY SCHOOL CORPORATION
Fulton County, Indiana

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

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ROCHESTER COMMUNITY SCHOOL CORPORATION
SCHEDULE OF OFFICIALS (Unaudited)
For the period of July 1, 2022 through June 30, 2024

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Todd VanDerWeele Denise Chandler (Interim) Shoda Beehler (Interim)	07-01-22 to 09-30-23 10-01-23 to 12-31-23 01-01-24 to 06-30-24
Superintendent of Schools	Jana K. Vance	07-01-22 to 06-30-24
President of the School Board	Katie Miller	01-01-22 to 12-31-24

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
Rochester Community School Corporation
Fulton 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 Rochester Community School Corporation (the School Corporation) 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 Corporation 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 Corporation 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 Corporation 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 Corporation 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 Corporation'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 Corporation'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 Corporation'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 March 28, 2025, our consideration of the School Corporation'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 Corporation'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 Corporation's internal control over financial reporting and compliance.


Crowe LLP

Indianapolis, Indiana
March 28, 2025

ROCHESTER COMMUNITY SCHOOL CORPORATION
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

<u>Fund</u>	<u>Cash and Investments 07-01-2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2023</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2024</u>
Education	\$ 815,194	\$ 12,296,676	\$ 11,910,287	\$ (261,904)	\$ 939,679	\$ 12,669,679	\$ 12,399,115	\$ (582,529)	\$ 627,714
Debt Service	1,387,166	3,467,857	3,645,988	(48,086)	1,160,949	3,543,424	2,892,188	-	1,812,185
Operations	1,737,275	3,431,572	4,289,442	300,000	1,179,405	4,047,477	4,851,499	583,704	959,087
Local Rainy Day	219,418	-	-	-	219,418	-	-	-	219,418
2018 Construction	136,164	708	120,597	-	16,275	459	7,239	-	9,495
2021 Go Bond	744,164	6,030	723,508	-	26,686	125,162	112,391	61,100	100,557
2022 Go Bond	-	15,877	89,249	842,697	769,325	12,528	641,774	(61,100)	78,979
2023 Construction Account	-	-	-	-	-	231,084	1,453,635	5,906,130	4,683,579
School Lunch	103,419	1,277,034	1,234,366	-	146,087	1,003,960	1,251,930	-	(101,883)
Curricular Materials Rental	435,940	210,486	133,001	48,086	561,511	304,129	78,839	-	786,801
Self-Insurance	1,255,345	1,871,204	2,570,681	-	555,868	2,183,322	2,579,370	16,296	176,116
Haas Grant 2019-2020	6,661	-	-	-	6,661	-	-	-	6,661
Juul Settlement	-	-	-	-	-	13,119	-	-	13,119
Educational License Plates	488	-	-	-	488	-	-	-	488
No. In Community Foundation	821	-	-	-	821	-	-	-	821
Rochester Royals Donations	450	-	-	-	450	-	-	-	450
Coca Cola	808	99	-	-	907	108	-	-	1,015
Ivy Tech Facility Rental Pymnt	110,004	-	3,660	-	106,344	50	885	-	105,509
Donations	57,126	6,890	54,226	-	9,790	29,388	28,329	-	10,849
Fulton Co United Way	53	-	-	-	53	-	-	-	53
Adult And Continuing Education	17,681	-	-	-	17,681	-	-	-	17,681
Duzan Scholarship	1,810	11	3	-	1,818	1,758	-	-	3,576
Kurz Scholarship	23,920	56	-	-	23,976	1,528	3,000	-	22,504
HS General Scholarship	1,321	-	-	-	1,321	-	-	-	1,321
Formative Assessment	-	20,520	7,271	-	13,249	20,193	24,160	-	9,282
Medicaid Reimbursement	15,157	38,166	11,749	-	41,574	31,545	11,442	-	61,677
Secured Schools Safety Grant	(18,000)	42,075	39,075	-	(15,000)	36,540	20,059	-	1,481
K-12 Robotics Competition Grant	-	-	-	-	-	-	9,754	-	(9,754)
Alternate Ed 2021-22	-	13,050	-	-	13,050	-	-	-	13,050
Early Literacy Grant 2020-21	155	-	-	-	155	-	-	-	155
Early Intervention 2022/23	-	5,594	1,200	-	4,394	-	4,394	-	-
NESP 2021-22	(2,120)	-	(2,120)	-	-	-	-	-	-

(Continued)

ROCHESTER COMMUNITY SCHOOL CORPORATION
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 07-01-2022	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2023	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2024
NESP 2022-23 Grant	\$ -	\$ 4,555	\$ 624	\$ -	\$ 3,931	\$ -	\$ 3,931	\$ -	\$ -
Career And Technical Performance Grant	4,800	73	-	-	4,873	-	-	-	4,873
School Performance Awards Dec	-	57,497	57,442	-	55	56,315	55,932	-	438
Science Of Reading Grant	-	-	-	-	-	72,871	74,753	-	(1,882)
High Ability Students	5,636	25,338	26,623	-	4,351	38,029	27,813	-	14,567
State Connectivity Grant	12,147	3,360	5,830	-	9,677	3,360	5,300	-	7,737
Title I FY 2022	(46,900)	46,900	-	-	-	-	-	-	-
Title I FY2023	-	355,928	437,678	-	(81,750)	181,639	99,889	-	-
Title I FY2024	-	-	-	-	-	364,371	414,027	-	(49,656)
Idea Part B 611 FY2021	(156,670)	171,284	14,614	-	-	-	-	-	-
Idea Part B 619 FY2021	(11,110)	13,255	2,145	-	-	-	-	-	-
Part B 611 FY 2022	(28,556)	256,994	287,531	-	(59,093)	100,452	41,359	-	-
Part B 619 FY2022	-	-	13,454	-	(13,454)	13,454	-	-	-
FY2023 Part B 611	-	-	-	-	-	180,957	205,024	-	(24,067)
FY2023 Part B 619	-	-	4,651	-	(4,651)	12,850	8,199	-	-
Idea Part B 611 FY2024	-	-	-	-	-	91,882	82,428	-	9,454
FY2024 Part B 619	-	-	-	-	-	-	4,264	-	(4,264)
Title IV FFY2019	-	-	-	-	-	-	-	-	-
Title IV FFY2020	(27,107)	23,402	(3,705)	-	-	-	-	-	-
Title IV FFY21	(2,304)	21,722	37,764	-	(18,346)	18,346	-	-	-
Title IV FFY2022	-	-	10,375	-	(10,375)	18,985	8,610	-	-
Medicaid Reimbursement - Feder	50,979	128,670	105,774	(38,096)	35,779	132,838	106,538	(17,471)	44,608
Title II 2010-11	(1,833)	8,802	7,497	-	(528)	528	-	-	-
Title II Part-A FFY 2021	-	31,792	66,479	-	(34,687)	32,804	(1,883)	-	-
Title II Part-A FFY 2022	-	-	3,175	-	(3,175)	41,356	34,820	-	3,361
Title II Part-A FFY 2023	-	-	-	-	-	25,536	25,536	-	-
Title III FFI2020	(1,296)	1,495	199	-	-	-	-	-	-
Title III FFY 2021	(1,890)	-	(199)	-	(1,691)	-	(1,691)	-	-
Title III - 2023-2025 Grant Year	-	-	-	-	-	-	812	-	(812)
Title III - 2022-2024 Grant	-	-	-	-	-	-	1,004	-	(1,004)
ARP Grant 611	(41,709)	-	55,976	-	(97,685)	97,685	-	-	-
ARP Grant 619	(1,519)	-	4,187	-	(5,706)	7,292	1,586	-	-

(Continued)

ROCHESTER COMMUNITY SCHOOL CORPORATION
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 07-01-2022	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2023	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2024
Emergency Connectivity (ARP)	\$ (669,715)	\$ 499,800	\$ (134,300)	\$ -	\$ (35,615)	\$ -	\$ -	\$ -	\$ (35,615)
ESSER III	(690,393)	2,103,312	1,774,720	-	(361,801)	685,622	467,827	-	(144,006)
ESSER II	(1,428,618)	1,433,207	4,589	-	-	-	-	-	-
Federal Stimulus - GEER	(2,260)	8,205	5,945	-	-	-	-	-	-
Federal Stimulus - 18003 Educ. Stab Reli	(272,145)	266,367	(5,778)	-	-	-	-	-	-
FEMA	-	-	-	-	-	-	-	-	-
Cops Grant FY2021	-	261,478	436,370	-	(174,892)	85,671	33,150	-	(122,371)
Prepaid School Lunch Accounts	24,201	287,353	314,806	-	(3,252)	240,304	169,886	-	67,166
Federal Taxes Withheld	-	898,959	898,959	-	-	957,819	957,819	-	-
Social Security & Medicare	(36)	906,842	906,806	-	-	922,431	922,398	-	33
State Taxes Withheld	61,183	379,402	401,605	-	38,980	373,553	385,081	-	27,452
County Taxes Withheld	46,696	291,372	307,780	-	30,288	298,254	306,326	-	22,216
Teachers Retirement Withheld	-	2,797	2,797	-	-	2,875	2,875	-	-
PERF Withholdings	-	56,115	56,115	-	-	57,869	57,841	-	28
Dental Insurance Withheld	2,389	107,171	92,732	-	16,828	102,959	34,799	-	84,988
Vision (Vsp) Withheld	155	30,059	15,078	-	15,136	29,217	28,971	-	15,382
Health Insurance Withheld	(23,125)	461,764	254,429	-	184,210	438,564	385,946	-	236,828
Life Employee Contribution	-	80	-	-	80	60	-	-	140
Annuities Withheld	9,765	160,049	153,962	-	15,852	163,907	170,073	-	9,686
RCTA Dues Withheld	-	-	-	-	-	-	-	-	-
Vol Std-Short Term Disability	4,909	15,906	19,861	-	954	17,999	16,305	-	2,648
Voluntary Life	6,770	20,010	21,017	-	5,763	24,003	21,218	-	8,548
HSA Contributions	-	-	-	-	-	-	-	-	-
Flexible Spending Account	-	9,313	8,151	-	1,162	8,091	8,459	-	794
United Way Employee Donations	-	102	-	-	102	-	-	-	102
Garnishment/Child Support	-	15,809	15,809	-	-	15,989	15,907	-	82
In/Out Tcu Credit Card	(5,305)	60,624	63,166	-	(7,847)	49,145	74,822	-	(33,524)
Riddle Kroger/Walmart	162	-	162	-	-	-	-	-	-
Totals	\$ 3,867,721	\$ 32,131,068	\$ 31,585,078	\$ 842,697	\$ 5,256,408	\$ 30,221,335	\$ 31,627,957	\$ 5,906,130	\$ 9,755,916

See notes to financial statement.

ROCHESTER COMMUNITY SCHOOL CORPORATION
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 Corporation, as used herein, shall include, but is not limited to, the following: school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

The School Corporation was established under the laws of the State of Indiana. The School Corporation 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 Corporation.

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 corporations, transfer tuition, transportation fees, investment income, food services, School Corporation 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 Corporation 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 Corporation 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 Corporation.

Federal sources. Amounts received as distributions from the federal government that are to be used by the School Corporation 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 Corporation.

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.

(Continued)

ROCHESTER COMMUNITY SCHOOL CORPORATION
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)

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 Corporation, including: all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

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

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.

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.

Fund Accounting: Separate funds are established, maintained, and reported by the School Corporation. 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 Corporation. 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 Corporation 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 Corporation itself.

(Continued)

ROCHESTER COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2024, and for the period of
July 1, 2022 through June 30, 2024

NOTE 2 - BUDGETS

The operating budget is initially prepared and approved at the local level. The fiscal officer of the School Corporation 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 Corporation 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 Corporation 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 Corporation 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 Corporation 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 Corporation held cash deposits with financial institutions that maintained FDIC and PDIF coverages, as applicable. The School Corporation did not hold investments for the period under audit.

NOTE 5 - RISK MANAGEMENT

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

(Continued)

ROCHESTER COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2024, and for the period of
July 1, 2022 through June 30, 2024

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. The deficits in the School Lunch, and In/Out TCU Credit Card funds are the result of disbursements exceeding receipts due to under-estimating current requirements for those funds. These deficits will be repaid from future receipts.

NOTE 7 - HOLDING CORPORATIONS

The School Corporation has entered into a capital lease with the Rochester Multi-School 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 Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments for the period July 1, 2022 through June 30, 2023 totaled \$2,124,652. Lease payments for the period July 1, 2023 through June 30, 2024 totaled \$2,718,310.

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 Corporation 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 Corporation authority to contribute to the plan.

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

(Continued)

ROCHESTER COMMUNITY SCHOOL CORPORATION
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)

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.

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 Corporation 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

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ROCHESTER COMMUNITY SCHOOL CORPORATION
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)

Contributions

The School Corporation 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 Corporation 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)

ROCHESTER COMMUNITY 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	2018 Construction	2021 Go Bond	2022 Go Bond	School Lunch	Curricular Materials Rental	Self-Insurance	Haas Grant 2019-2020
Cash and investments - beginning	\$ 815,194	\$ 1,387,166	\$ 1,737,275	\$ 219,418	\$ 136,164	\$ 744,164	\$ -	\$ 103,419	\$ 435,940	\$ 1,255,345	\$ 6,661
Receipts:											
Local sources	133,473	3,460,252	3,306,682	-	708	6,030	15,877	324,543	141,932	1,871,204	-
Intermediate sources	44,184	-	-	-	-	-	-	-	-	-	-
State sources	12,119,019	-	-	-	-	-	-	8,072	68,554	-	-
Federal sources	-	-	-	-	-	-	-	943,791	-	-	-
Other receipts	-	7,605	124,890	-	-	-	-	628	-	-	-
Total receipts	12,296,676	3,467,857	3,431,572	-	708	6,030	15,877	1,277,034	210,486	1,871,204	-
Disbursements:											
Instruction	9,551,484	-	-	-	-	9,659	-	-	-	-	-
Support services	2,160,580	-	4,086,267	-	-	393,867	88,373	-	133,001	-	-
Noninstructional services	198,223	-	108,787	-	-	-	-	1,234,366	-	-	-
Facilities acquisition and construction	-	-	94,388	-	120,597	319,982	876	-	-	-	-
Debt services	-	3,645,988	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	2,570,681	-
Total disbursements	11,910,287	3,645,988	4,289,442	-	120,597	723,508	89,249	1,234,366	133,001	2,570,681	-
Excess (deficiency) of receipts over disbursements	386,389	(178,131)	(857,870)	-	(119,889)	(717,478)	(73,372)	42,668	77,485	(699,477)	-
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	842,697	-	-	-	-
Transfers in	38,096	-	300,000	-	-	-	-	-	48,086	-	-
Transfers out	(300,000)	(48,086)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(261,904)	(48,086)	300,000	-	-	-	842,697	-	48,086	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	124,485	(226,217)	(557,870)	-	(119,889)	(717,478)	769,325	42,668	125,571	(699,477)	-
Cash and investments - ending	\$ 939,679	\$ 1,160,949	\$ 1,179,405	\$ 219,418	\$ 16,275	\$ 26,686	\$ 769,325	\$ 146,087	\$ 561,511	\$ 555,868	\$ 6,661

(Continued)

ROCHESTER COMMUNITY 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

	Educational License Plates	No. In Community Foundation	Rochester Royals Donations	Coca Cola	Ivy Tech Facility Rental Pymnt	Donations	Fulton Co United Way	Adult And Continuing Education	Duzan Scholarship	Kurz Scholarship	HS General Scholarship
Cash and investments - beginning	\$ 488	\$ 821	\$ 450	\$ 808	\$ 110,004	\$ 57,126	\$ 53	\$ 17,681	\$ 1,810	\$ 23,920	\$ 1,321
Receipts:											
Local sources	-	-	-	99	-	6,890	-	-	11	56	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	99	-	6,890	-	-	11	56	-
Disbursements:											
Instruction	-	-	-	-	3,660	39,236	-	-	-	-	-
Support services	-	-	-	-	-	11,452	-	-	-	-	-
Noninstructional services	-	-	-	-	-	1,138	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	2,400	-	-	3	-	-
Total disbursements	-	-	-	-	3,660	54,226	-	-	3	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	99	(3,660)	(47,336)	-	-	8	56	-
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	99	(3,660)	(47,336)	-	-	8	56	-
Cash and investments - ending	\$ 488	\$ 821	\$ 450	\$ 907	\$ 106,344	\$ 9,790	\$ 53	\$ 17,681	\$ 1,818	\$ 23,976	\$ 1,321

(Continued)

ROCHESTER COMMUNITY 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

	Formative Assessment	Medicaid Reimbursement	Secured Schools Safety Grant	Alternate Ed 2021-22	Early Literacy Grant 2020-21	Early Intervention 2022/23	NESP 2021-22	NESP 2022-23 Grant	Career And Technical Performance Grant	School Performance Awards Dec	High Ability Students
Cash and investments - beginning	\$ -	\$ 15,157	\$ (18,000)	\$ -	\$ 155	\$ -	\$ (2,120)	\$ -	\$ 4,800	\$ -	\$ 5,636
Receipts:											
Local sources	-	147	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	20,520	38,019	42,075	13,050	-	5,594	-	4,555	73	57,497	25,338
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	20,520	38,166	42,075	13,050	-	5,594	-	4,555	73	57,497	25,338
Disbursements:											
Instruction	7,271	11,749	-	-	-	1,200	(2,120)	624	-	57,442	26,623
Support services	-	-	39,075	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	7,271	11,749	39,075	-	-	1,200	(2,120)	624	-	57,442	26,623
Excess (deficiency) of receipts over disbursements	13,249	26,417	3,000	13,050	-	4,394	2,120	3,931	73	55	(1,285)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	13,249	26,417	3,000	13,050	-	4,394	2,120	3,931	73	55	(1,285)
Cash and investments - ending	\$ 13,249	\$ 41,574	\$ (15,000)	\$ 13,050	\$ 155	\$ 4,394	\$ -	\$ 3,931	\$ 4,873	\$ 55	\$ 4,351

(Continued)

ROCHESTER COMMUNITY 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

	State Connectivity Grant	Title I FY 2022	Title I FY2023	Idea Part B 611 FY2021	Idea Part B 619 FY2021	Part B 611 FY 2022	Part B 619 FY2022	FY2023 Part B 619	Title IV FFY2020	Title IV FFY21	Title IV FFY2022
Cash and investments - beginning	\$ 12,147	\$ (46,900)	\$ -	\$ (156,670)	\$ (11,110)	\$ (28,556)	\$ -	\$ -	\$ (27,107)	\$ (2,304)	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	8,605	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	3,360	-	-	-	-	-	-	-	-	-	-
Federal sources	-	46,900	355,928	171,284	13,255	256,994	-	-	23,402	13,117	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	3,360	46,900	355,928	171,284	13,255	256,994	-	-	23,402	21,722	-
Disbursements:											
Instruction	-	-	437,678	-	2,145	3,863	13,454	4,651	(4,230)	28,330	10,155
Support services	5,830	-	-	14,614	-	283,668	-	-	525	9,434	220
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	5,830	-	437,678	14,614	2,145	287,531	13,454	4,651	(3,705)	37,764	10,375
Excess (deficiency) of receipts over disbursements	(2,470)	46,900	(81,750)	156,670	11,110	(30,537)	(13,454)	(4,651)	27,107	(16,042)	(10,375)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,470)	46,900	(81,750)	156,670	11,110	(30,537)	(13,454)	(4,651)	27,107	(16,042)	(10,375)
Cash and investments - ending	\$ 9,677	\$ -	\$ (81,750)	\$ -	\$ -	\$ (59,093)	\$ (13,454)	\$ (4,651)	\$ -	\$ (18,346)	\$ (10,375)

(Continued)

ROCHESTER COMMUNITY 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

	Medicaid Reimbursement - Feder	Title II 2010-11	Title II Part-A FFY 2021	Title II Part-A FFY 2022	Title III FFI2020	Title III FFY 2021	ARP Grant 611	ARP Grant 619	Emergency Connectivity (ARP)	ESSER III	ESSER II
Cash and investments - beginning	\$ 50,979	\$ (1,833)	\$ -	\$ -	\$ (1,296)	\$ (1,890)	\$ (41,709)	\$ (1,519)	\$ (669,715)	\$ (690,393)	\$ (1,428,618)
Receipts:											
Local sources	5,468	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	123,202	8,802	31,792	-	1,495	-	-	-	499,800	2,103,312	1,433,207
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	128,670	8,802	31,792	-	1,495	-	-	-	499,800	2,103,312	1,433,207
Disbursements:											
Instruction	24,063	-	-	-	-	-	2,443	4,187	-	846,989	12,660
Support services	81,711	7,497	66,479	3,175	199	(199)	53,533	-	(134,300)	927,731	(8,071)
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	105,774	7,497	66,479	3,175	199	(199)	55,976	4,187	(134,300)	1,774,720	4,589
Excess (deficiency) of receipts over disbursements	22,896	1,305	(34,687)	(3,175)	1,296	199	(55,976)	(4,187)	634,100	328,592	1,428,618
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	(38,096)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(38,096)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(15,200)	1,305	(34,687)	(3,175)	1,296	199	(55,976)	(4,187)	634,100	328,592	1,428,618
Cash and investments - ending	\$ 35,779	\$ (528)	\$ (34,687)	\$ (3,175)	\$ -	\$ (1,691)	\$ (97,685)	\$ (5,706)	\$ (35,615)	\$ (361,801)	\$ -

(Continued)

ROCHESTER COMMUNITY 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

	Federal Stimulus - GEER	Federal Stimulus - 18003 Educ. Stab Reli	Cops Grant FY2021	Prepaid School Lunch Accounts	Federal Taxes Withheld	Social Security & Medicare	State Taxes Withheld	County Taxes Withheld	Teachers Retirement Withheld	PERF Withholdings	Dental Insurance Withheld
Cash and investments - beginning	\$ (2,260)	\$ (272,145)	\$ -	\$ 24,201	\$ -	\$ (36)	\$ 61,183	\$ 46,696	\$ -	\$ -	\$ 2,389
Receipts:											
Local sources	-	-	-	287,353	-	37	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	8,205	266,367	261,478	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	898,959	906,805	379,402	291,372	2,797	56,115	107,171
Total receipts	8,205	266,367	261,478	287,353	898,959	906,842	379,402	291,372	2,797	56,115	107,171
Disbursements:											
Instruction	5,945	-	-	-	-	-	-	-	-	-	-
Support services	-	(5,778)	436,370	643	-	-	-	-	-	-	-
Noninstructional services	-	-	-	171,831	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	142,332	898,959	906,806	401,605	307,780	2,797	56,115	92,732
Total disbursements	5,945	(5,778)	436,370	314,806	898,959	906,806	401,605	307,780	2,797	56,115	92,732
Excess (deficiency) of receipts over disbursements	2,260	272,145	(174,892)	(27,453)	-	36	(22,203)	(16,408)	-	-	14,439
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,260	272,145	(174,892)	(27,453)	-	36	(22,203)	(16,408)	-	-	14,439
Cash and investments - ending	\$ -	\$ -	\$ (174,892)	\$ (3,252)	\$ -	\$ -	\$ 38,980	\$ 30,288	\$ -	\$ -	\$ 16,828

(Continued)

ROCHESTER COMMUNITY 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

	Vision (Vsp) Withheld	Health Insurance Withheld	Life Employee Contribution	Annuities Withheld	Vol Std-Short Term Disability	Voluntary Life	Flexible Spending Account	United Way Employee Donations	Garnishment/ Child Support	In/Out Tcu Credit Card	Riddle Kroger/Walmart	Totals
Cash and investments - beginning	\$ 155	\$ (23,125)	\$ -	\$ 9,765	\$ 4,909	\$ 6,770	\$ -	\$ -	\$ -	\$ (5,305)	\$ 162	\$ 3,867,721
Receipts:												
Local sources	-	-	-	-	-	-	-	102	192	60,624	-	9,630,285
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	44,184
State sources	-	-	-	-	-	-	-	-	-	-	-	12,405,726
Federal sources	-	-	-	-	-	-	-	-	-	-	-	6,562,331
Other receipts	30,059	461,764	80	160,049	15,906	20,010	9,313	-	15,617	-	-	3,488,542
Total receipts	30,059	461,764	80	160,049	15,906	20,010	9,313	102	15,809	60,624	-	32,131,068
Disbursements:												
Instruction	-	-	-	-	-	-	-	-	-	-	-	11,099,161
Support services	-	-	-	-	-	-	-	-	-	-	-	8,655,896
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	1,714,345
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	535,843
Debt services	-	-	-	-	-	-	-	-	-	-	-	3,645,988
Nonprogrammed charges	15,078	254,429	-	153,962	19,861	21,017	8,151	-	15,809	63,166	162	5,933,845
Total disbursements	15,078	254,429	-	153,962	19,861	21,017	8,151	-	15,809	63,166	162	31,585,078
Excess (deficiency) of receipts over disbursements	14,981	207,335	80	6,087	(3,955)	(1,007)	1,162	102	-	(2,542)	(162)	545,990
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	842,697
Transfers in	-	-	-	-	-	-	-	-	-	-	-	386,182
Transfers out	-	-	-	-	-	-	-	-	-	-	-	(386,182)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	842,697
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	14,981	207,335	80	6,087	(3,955)	(1,007)	1,162	102	-	(2,542)	(162)	1,388,687
Cash and investments - ending	\$ 15,136	\$ 184,210	\$ 80	\$ 15,852	\$ 954	\$ 5,763	\$ 1,162	\$ 102	\$ -	\$ (7,847)	\$ -	\$ 5,256,408

ROCHESTER COMMUNITY SCHOOL CORPORATION
 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	2018 Construction	2021 Go Bond	2022 Go Bond	2023 Construction Account	School Lunch	Curricular Materials Rental	Self-Insurance	Haas Grant 2019-2020
Cash and investments - beginning	\$ 939,679	\$ 1,160,949	\$ 1,179,405	\$ 219,418	\$ 16,275	\$ 26,686	\$ 769,325	\$ -	\$ 146,087	\$ 561,511	\$ 555,868	\$ 6,661
Receipts:												
Local sources	158,994	3,543,424	3,937,884	-	459	356	12,528	231,084	281,281	66,016	2,183,322	-
Intermediate sources	48,631	-	-	-	-	-	-	-	-	-	-	-
State sources	12,398,353	-	-	-	-	-	-	-	-	238,113	-	-
Federal sources	-	-	-	-	-	-	-	-	722,233	-	-	-
Other receipts	63,701	-	109,593	-	-	124,806	-	-	446	-	-	-
Total receipts	12,669,679	3,543,424	4,047,477	-	459	125,162	12,528	231,084	1,003,960	304,129	2,183,322	-
Disbursements:												
Instruction	9,774,019	-	-	-	-	-	-	-	-	-	-	-
Support services	2,414,135	-	4,506,928	-	1,674	104,409	84,567	469,312	35,440	78,839	-	-
Noninstructional services	210,961	-	160,252	-	-	-	-	-	1,216,490	-	-	-
Facilities acquisition and construction	-	-	184,319	-	5,565	7,982	557,207	372,752	-	-	-	-
Debt services	-	2,892,188	-	-	-	-	-	611,571	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	2,579,370	-
Total disbursements	12,399,115	2,892,188	4,851,499	-	7,239	112,391	641,774	1,453,635	1,251,930	78,839	2,579,370	-
Excess (deficiency) of receipts over disbursements	270,564	651,236	(804,022)	-	(6,780)	12,771	(629,246)	(1,222,551)	(247,970)	225,290	(396,048)	-
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	5,906,130	-	-	-	-
Transfers in	17,471	-	600,000	-	-	61,100	-	-	-	-	16,296	-
Transfers out	(600,000)	-	(16,296)	-	-	-	(61,100)	-	-	-	-	-
Total other financing sources (uses)	(582,529)	-	583,704	-	-	61,100	(61,100)	5,906,130	-	-	16,296	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(311,965)	651,236	(220,318)	-	(6,780)	73,871	(690,346)	4,683,579	(247,970)	225,290	(379,752)	-
Cash and investments - ending	\$ 627,714	\$ 1,812,185	\$ 959,087	\$ 219,418	\$ 9,495	\$ 100,557	\$ 78,979	\$ 4,683,579	\$ (101,883)	\$ 786,801	\$ 176,116	\$ 6,661

(Continued)

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

	Juul Settlement	Educational License Plates	No. In Community Foundation	Rochester Royals Donations	Coca Cola	Ivy Tech Facility Rental Pymnt	Donations	Fulton Co United Way	Adult And Continuing Education	Duzan Scholarship	Kurz Scholarship	HS General Scholarship
Cash and investments - beginning	\$ -	\$ 488	\$ 821	\$ 450	\$ 907	\$ 106,344	\$ 9,790	\$ 53	\$ 17,681	\$ 1,818	\$ 23,976	\$ 1,321
Receipts:												
Local sources	-	-	-	-	108	50	29,388	-	-	1,758	1,528	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	13,119	-	-	-	-	-	-	-	-	-	-	-
Total receipts	13,119	-	-	-	108	50	29,388	-	-	1,758	1,528	-
Disbursements:												
Instruction	-	-	-	-	-	-	14,621	-	-	-	-	-
Support services	-	-	-	-	-	885	13,708	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	3,000	-
Total disbursements	-	-	-	-	-	885	28,329	-	-	-	3,000	-
Excess (deficiency) of receipts over disbursements	13,119	-	-	-	108	(835)	1,059	-	-	1,758	(1,472)	-
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	13,119	-	-	-	108	(835)	1,059	-	-	1,758	(1,472)	-
Cash and investments - ending	\$ 13,119	\$ 488	\$ 821	\$ 450	\$ 1,015	\$ 105,509	\$ 10,849	\$ 53	\$ 17,681	\$ 3,576	\$ 22,504	\$ 1,321

(Continued)

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

	Formative Assessment	Medicaid Reimbursement	Secured Schools Safety Grant	K-12 Robotics Competition Grant	Alternate Ed 2021-22	Early Literacy Grant 2020-21	Early Intervention 2022/23	NESP 2022-23 Grant	Career And Technical Performance Grant	School Performance Awards Dec	Science Of Reading Grant
Cash and investments - beginning	\$ 13,249	\$ 41,574	\$ (15,000)	\$ -	\$ 13,050	\$ 155	\$ 4,394	\$ 3,931	\$ 4,873	\$ 55	\$ -
Receipts:											
Local sources	-	42	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	20,193	31,503	36,540	-	-	-	-	-	-	56,315	72,871
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	20,193	31,545	36,540	-	-	-	-	-	-	56,315	72,871
Disbursements:											
Instruction	24,160	11,442	-	9,754	-	-	-	3,931	-	55,932	56,461
Support services	-	-	20,059	-	-	-	4,394	-	-	-	18,292
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	24,160	11,442	20,059	9,754	-	-	4,394	3,931	-	55,932	74,753
Excess (deficiency) of receipts over disbursements	(3,967)	20,103	16,481	(9,754)	-	-	(4,394)	(3,931)	-	383	(1,882)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,967)	20,103	16,481	(9,754)	-	-	(4,394)	(3,931)	-	383	(1,882)
Cash and investments - ending	\$ 9,282	\$ 61,677	\$ 1,481	\$ (9,754)	\$ 13,050	\$ 155	\$ -	\$ -	\$ 4,873	\$ 438	\$ (1,882)

(Continued)

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

	High Ability Students	State Connectivity Grant	Title I FY2023	Title I FY2024	Part B 611 FY 2022	Part B 619 FY2022	FY2023 Part B 611	FY2023 Part B 619	Idea Part B 611 FY2024	FY2024 Part B 619	Title IV FFY21
Cash and investments - beginning	\$ 4,351	\$ 9,677	\$ (81,750)	\$ -	\$ (59,093)	\$ (13,454)	\$ -	\$ (4,651)	\$ -	\$ -	\$ (18,346)
Receipts:											
Local sources	-	-	-	-	-	-	-	-	348	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	38,029	3,360	-	-	-	-	-	-	-	-	-
Federal sources	-	-	181,639	364,371	100,452	13,454	180,957	12,850	91,534	-	18,346
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	<u>38,029</u>	<u>3,360</u>	<u>181,639</u>	<u>364,371</u>	<u>100,452</u>	<u>13,454</u>	<u>180,957</u>	<u>12,850</u>	<u>91,882</u>	<u>-</u>	<u>18,346</u>
Disbursements:											
Instruction	27,813	-	81,452	412,827	7,963	-	894	8,199	14,837	3,414	-
Support services	-	5,300	18,437	1,200	33,396	-	204,130	-	67,591	850	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>27,813</u>	<u>5,300</u>	<u>99,889</u>	<u>414,027</u>	<u>41,359</u>	<u>-</u>	<u>205,024</u>	<u>8,199</u>	<u>82,428</u>	<u>4,264</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>10,216</u>	<u>(1,940)</u>	<u>81,750</u>	<u>(49,656)</u>	<u>59,093</u>	<u>13,454</u>	<u>(24,067)</u>	<u>4,651</u>	<u>9,454</u>	<u>(4,264)</u>	<u>18,346</u>
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>10,216</u>	<u>(1,940)</u>	<u>81,750</u>	<u>(49,656)</u>	<u>59,093</u>	<u>13,454</u>	<u>(24,067)</u>	<u>4,651</u>	<u>9,454</u>	<u>(4,264)</u>	<u>18,346</u>
Cash and investments - ending	\$ <u>14,567</u>	\$ <u>7,737</u>	\$ <u>-</u>	\$ <u>(49,656)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(24,067)</u>	\$ <u>-</u>	\$ <u>9,454</u>	\$ <u>(4,264)</u>	\$ <u>-</u>

(Continued)

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

	Title IV FFY2022	Medicaid Reimbursement - Feder	Title II 2010-11	Title II Part-A FFY 2021	Title II Part-A FFY 2022	Title II Part-A FFY 2023	Title III FFY 2021	Title III - 2023- 2025 Grant Year	Title III - 2022- 2024 Grant	ARP Grant 611	ARP Grant 619
Cash and investments - beginning	\$ (10,375)	\$ 35,779	\$ (528)	\$ (34,687)	\$ (3,175)	\$ -	\$ (1,691)	\$ -	\$ -	\$ (97,685)	\$ (5,706)
Receipts:											
Local sources	-	200	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	18,985	132,638	528	32,804	41,356	25,536	-	-	-	97,685	7,292
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	18,985	132,838	528	32,804	41,356	25,536	-	-	-	97,685	7,292
Disbursements:											
Instruction	8,085	34,268	-	-	-	-	-	-	-	-	1,586
Support services	525	72,270	-	(1,883)	34,820	25,536	(1,691)	812	1,004	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	8,610	106,538	-	(1,883)	34,820	25,536	(1,691)	812	1,004	-	1,586
Excess (deficiency) of receipts over disbursements	10,375	26,300	528	34,687	6,536	-	1,691	(812)	(1,004)	97,685	5,706
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	(17,471)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(17,471)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	10,375	8,829	528	34,687	6,536	-	1,691	(812)	(1,004)	97,685	5,706
Cash and investments - ending	\$ -	\$ 44,608	\$ -	\$ -	\$ 3,361	\$ -	\$ -	\$ (812)	\$ (1,004)	\$ -	\$ -

(Continued)

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

	Emergency Connectivity (ARP)	ESSER III	Cops Grant FY2021	Prepaid School Lunch Accounts	Federal Taxes Withheld	Social Security & Medicare	State Taxes Withheld	County Taxes Withheld	Teachers Retirement Withheld	PERF Withholdings	Dental Insurance Withheld
Cash and investments - beginning	\$ (35,615)	\$ (361,801)	\$ (174,892)	\$ (3,252)	\$ -	\$ -	\$ 38,980	\$ 30,288	\$ -	\$ -	\$ 16,828
Receipts:											
Local sources	-	-	-	215,641	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	685,622	85,671	-	-	-	-	-	-	-	-
Other receipts	-	-	-	24,663	957,819	922,431	373,553	298,254	2,875	57,869	102,959
Total receipts	-	685,622	85,671	240,304	957,819	922,431	373,553	298,254	2,875	57,869	102,959
Disbursements:											
Instruction	-	393,908	-	-	-	-	-	-	-	-	-
Support services	-	73,919	33,150	223	-	-	-	-	-	-	-
Noninstructional services	-	-	-	169,663	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	957,819	922,398	385,081	306,326	2,875	57,841	34,799
Total disbursements	-	467,827	33,150	169,886	957,819	922,398	385,081	306,326	2,875	57,841	34,799
Excess (deficiency) of receipts over disbursements	-	217,795	52,521	70,418	-	33	(11,528)	(8,072)	-	28	68,160
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	217,795	52,521	70,418	-	33	(11,528)	(8,072)	-	28	68,160
Cash and investments - ending	\$ (35,615)	\$ (144,006)	\$ (122,371)	\$ 67,166	\$ -	\$ 33	\$ 27,452	\$ 22,216	\$ -	\$ 28	\$ 84,988

(Continued)

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

	Vision (Vsp) Withheld	Health Insurance Withheld	Life Employee Contribution	Annuities Withheld	Vol Std-Short Term Disability	Voluntary Life	Flexible Spending Account	United Way Employee Donations	Garnishment/ Child Support	In/Out Tcu Credit Card	Totals
Cash and investments - beginning	\$ 15,136	\$ 184,210	\$ 80	\$ 15,852	\$ 954	\$ 5,763	\$ 1,162	\$ 102	\$ -	\$ (7,847)	\$ 5,256,408
Receipts:											
Local sources	-	-	-	-	-	-	-	-	462	49,145	10,714,018
Intermediate sources	-	-	-	-	-	-	-	-	-	-	48,631
State sources	-	-	-	-	-	-	-	-	-	-	12,895,277
Federal sources	-	-	-	-	-	-	-	-	-	-	2,813,953
Other receipts	29,217	438,564	60	163,907	17,999	24,003	8,091	-	15,527	-	3,749,456
Total receipts	29,217	438,564	60	163,907	17,999	24,003	8,091	-	15,989	49,145	30,221,335
Disbursements:											
Instruction	-	-	-	-	-	-	-	-	-	-	10,945,566
Support services	-	-	-	-	-	-	-	-	-	-	8,322,231
Noninstructional services	-	-	-	-	-	-	-	-	-	-	1,757,366
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	1,127,825
Debt services	-	-	-	-	-	-	-	-	-	-	3,503,759
Nonprogrammed charges	28,971	385,946	-	170,073	16,305	21,218	8,459	-	15,907	74,822	5,971,210
Total disbursements	28,971	385,946	-	170,073	16,305	21,218	8,459	-	15,907	74,822	31,627,957
Excess (deficiency) of receipts over disbursements	246	52,618	60	(6,166)	1,694	2,785	(368)	-	82	(25,677)	(1,406,622)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	5,906,130
Transfers in	-	-	-	-	-	-	-	-	-	-	694,867
Transfers out	-	-	-	-	-	-	-	-	-	-	(694,867)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	5,906,130
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	246	52,618	60	(6,166)	1,694	2,785	(368)	-	82	(25,677)	4,499,508
Cash and investments - ending	\$ 15,382	\$ 236,828	\$ 140	\$ 9,686	\$ 2,648	\$ 8,548	\$ 794	\$ 102	\$ 82	\$ (33,524)	\$ 9,755,916

ROCHESTER COMMUNITY SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2024

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 3,112,200</u>	<u>\$ 393,431</u>

ROCHESTER COMMUNITY SCHOOL CORPORATION
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:				
Rochester Multi-School Building Corporation	2023 Bond	\$ 674,500	12/21/2023	12/31/2034
Rochester Multi-School Building Corporation	2015 Bonds	724,000	12/22/2015	6/30/2035
Rochester Multi-School building Corporation	2018 Bond	962,500	6/30/2019	12/31/2037
Rochester Multi-School Building Corporation	2014 Bonds	<u>693,500</u>	4/23/2014	12/31/2028
Total governmental activities		<u>3,054,500</u>		
Total of annual lease payments		<u>\$ 3,054,500</u>		

<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	2021 GO Bond	<u>\$ 170,000</u>	<u>\$ 170,000</u>
Totals		<u>\$ 170,000</u>	<u>\$ 170,000</u>

ROCHESTER COMMUNITY SCHOOL CORPORATION
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	\$ 930,115
Buildings	22,696,539
Improvements other than buildings	10,672,836
Machinery, equipment, and vehicles	5,161,848
Construction in progress	<u>2,093,432</u>
Total governmental activities	<u>41,554,770</u>
Total capital assets	<u>\$ 41,554,770</u>

ROCHESTER COMMUNITY SCHOOL CORPORATION
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 Corporation. The financial statement and notes are presented as intended by the School Corporation.

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

Indiana Department of Education Reporting:

The School Corporation'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 Corporation Treasurer's office. Additionally, some financial information of the School Corporation 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 Corporation'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 Corporation. It is presented as intended by the School Corporation.

ROCHESTER COMMUNITY SCHOOL CORPORATION
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	FY2023, FY2024	\$ 181,263	\$ -	\$ 181,263
National School Lunch Program		10.555	FY2023, FY2024	741,765	722,233	1,463,998
Commodities		10.555	FY2023, FY2024	93,855	130,328	224,183
Summer Food Service Program for Children		10.559	FY2023, FY2024	20,762	-	20,762
				<u>1,037,645</u>	<u>852,561</u>	<u>1,890,206</u>
Total - Child Nutrition Cluster						
Pandemic EBT Administrative Costs	Indiana Department of Education					
PEBT COVID Relief and Response Act		10.649	FY2023	628	-	628
				<u>628</u>	<u>-</u>	<u>628</u>
Total - Department of Agriculture				<u>1,038,273</u>	<u>852,561</u>	<u>1,890,834</u>
<u>Department of Justice</u>						
Public Safety Partnership and Community Policing Grants	Direct Grant					
COPS Grant		16.710	15JCOPS-21-GG-03638-SSIX	261,478	85,671	347,149
				<u>261,478</u>	<u>85,671</u>	<u>347,149</u>
Total - Public Safety Partnership and Community Policing Grants						
				<u>261,478</u>	<u>85,671</u>	<u>347,149</u>
Total - Department of Justice						
<u>Federal Communications Commission</u>						
Emergency Connectivity Fund Program						
ECF ARP	Direct Grant	32.009	ECF222119882	499,800	-	499,800
				<u>499,800</u>	<u>-</u>	<u>499,800</u>
Total - Federal Communications Commission						
				<u>499,800</u>	<u>-</u>	<u>499,800</u>
<u>Department of Education</u>						
Special Education Cluster(IDEA)						
Special Education Grants to States	Indiana Department of Education					
Special Ed-Part B		84.027	H027A200084	171,284	-	171,284
Special Ed-Part B		84.027	H027A210084	256,994	119,697	376,691
Special Ed-Part B		84.027	H027A220084	-	180,957	180,957
Special Ed-Part B		84.027	H027A230084	-	91,882	91,882
COVID-19 - Supplemental Funding - IDEA, Part B		84.027X	H027X210084	-	97,685	97,685
				<u>428,278</u>	<u>490,221</u>	<u>918,499</u>
Total - Special Education Grants to States						
				<u>428,278</u>	<u>490,221</u>	<u>918,499</u>

(Continued)

ROCHESTER COMMUNITY SCHOOL CORPORATION
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
Special Education Preschool Grants	Indiana Department of Education					
Special Ed-Preschool		84.173	H173A200104	\$ 13,255	\$ -	\$ 13,255
Special Ed-Preschool		84.173	H173A210104	-	13,454	13,454
Special Ed-Preschool		84.173	H173A220104	-	12,850	12,850
COVID-19 – Supplemental Funding – IDEA, Preschool		84.173X	H173X210104	-	7,292	7,292
				<u>13,255</u>	<u>33,596</u>	<u>46,851</u>
Total - Special Education Preschool Grants				<u>13,255</u>	<u>33,596</u>	<u>46,851</u>
				<u>441,533</u>	<u>523,817</u>	<u>965,350</u>
Total - Special Education Cluster(IDEA)				<u>441,533</u>	<u>523,817</u>	<u>965,350</u>
Title I Grants to Local Educational Agencies	Indiana Department of Education					
Title I, Part A		84.010A	S010A210014	46,900	-	46,900
Title I, Part A		84.010A	S010A220014	355,928	181,639	537,567
Title I, Part A		84.010A	S010A230014	-	364,371	364,371
				<u>402,828</u>	<u>546,010</u>	<u>948,838</u>
Total - Title I Grants to Local Educational Agencies				<u>402,828</u>	<u>546,010</u>	<u>948,838</u>
English Language Acquisition State Grants	Indiana Department of Education					
Title III, Part A		84.365A	S365A200013	1,495	-	1,495
				<u>1,495</u>	<u>-</u>	<u>1,495</u>
Total - English Language Acquisition State Grants				<u>1,495</u>	<u>-</u>	<u>1,495</u>
Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II, Part A		84.367A	S367A200013	8,802	528	9,330
Title II, Part A		84.367A	S367A210013	31,792	32,804	64,596
Title II, Part A		84.367A	S367A220013	-	41,356	41,356
Title II, Part A		84.367A	S367A230013	-	25,536	25,536
				<u>40,594</u>	<u>100,224</u>	<u>140,818</u>
Total - Supporting Effective Instruction State Grants				<u>40,594</u>	<u>100,224</u>	<u>140,818</u>
Student Support and Academic Enrichment Program	Indiana Department of Education					
Title IV, Part A		84.424	S424A210015	36,520	18,346	54,866
Title IV, Part A		84.424	S424A220015	-	18,985	18,985
				<u>36,520</u>	<u>37,331</u>	<u>73,851</u>
Total - Student Support and Academic Enrichment Program				<u>36,520</u>	<u>37,331</u>	<u>73,851</u>

(Continued)

ROCHESTER COMMUNITY SCHOOL CORPORATION
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
COVID-19 - Education Stabilization Fund	Indiana Department of Education					
Governor's Emergency Education Relief (GEER) Fund		84.425C	S425C200018	\$ 8,205	\$ -	\$ 8,205
Elementary and Secondary School Emergency Relief (ESSER I) Fund		84.425D	S425D200013	266,367	-	266,367
Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D	S425D210013	1,433,207	-	1,433,207
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund (ESSER III)		84.425U	S425U210013	<u>2,103,312</u>	<u>684,522</u>	<u>2,787,834</u>
Total - COVID-19 - Education Stabilization Fund				<u>3,811,091</u>	<u>684,522</u>	<u>4,495,613</u>
Total - Department of Education				<u>4,734,061</u>	<u>1,891,904</u>	<u>6,625,965</u>
<u>Department of Health and Human Services</u>						
Medicaid Cluster						
Medical Assistance Program	Family and Social Services Administration					
Medicaid		93.778	FY2023, FY2024	<u>128,671</u>	<u>132,838</u>	<u>261,509</u>
Total - Medicaid Cluster				<u>128,671</u>	<u>132,838</u>	<u>261,509</u>
Total - Department of Health and Human Services				<u>128,671</u>	<u>132,838</u>	<u>261,509</u>
<u>Department of Social Security Administration</u>						
Social Security - Disability Insurance						
Social Security - Disability Insurance	Social Security Administration	96.001	FY2023, FY2024	<u>28</u>	<u>56</u>	<u>84</u>
Total - Social Security Administration				<u>28</u>	<u>56</u>	<u>84</u>
Total federal awards expended				<u>\$ 6,662,311</u>	<u>\$ 2,963,030</u>	<u>\$ 9,625,341</u>

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

ROCHESTER COMMUNITY SCHOOL CORPORATION
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 Corporation 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 Corporation, it is not intended to and does not present the financial position of the School Corporation.

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

B. Other Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following 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 Corporation 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 Corporation 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 Corporation by the U.S. Department of Agriculture (USDA) of \$224,183 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
Rochester Community School Corporation
Fulton 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 Rochester Community School Corporation ("School Corporation"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School Corporation 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 Corporation's financial statement, and have issued our report thereon dated March 28, 2025.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements 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 Corporation'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 statements. 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 Corporation's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the School Corporation's response to the finding identified in our audit and described in the accompanying *schedule of findings and questioned costs*. The School Corporation's response was not subjected to the other auditing procedures applied in the audit of 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

Indianapolis, Indiana
March 28, 2025

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

Those Charged with Governance
Rochester Community School Corporation
Fulton County, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Rochester Community School Corporation's (School Corporation) 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 Corporation's major federal programs for the period of July 1, 2022 through June 30, 2024. The School Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Responsibilities of Management for Compliance

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

(Continued)

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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 and significant deficiencies.

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, 2024-006, 2024-007, and 2024-008 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-005 to be a significant deficiency.

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 Corporation's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The School Corporation's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.


Crowe LLP

Indianapolis, Indiana
March 28, 2025

ROCHESTER COMMUNITY SCHOOL CORPORATION
 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
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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?	<u> X </u>	Yes	_____	None Reported

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

Child Nutrition Cluster	Unmodified
Title I Grants to Local Educational Agencies	Unmodified
Special Education Cluster	Unmodified
COVID-19 – Education Stabilization Fund	Unmodified

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

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.559	Child Nutrition Cluster
84.010A	Title I Grants to Local Educational Agencies
84.027, 84.027X, 84.173, 84.173X	Special Education Cluster
84.425C, 84.425D, 84.425U	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
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(Continued)

ROCHESTER COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

Section II – Financial Statement Findings

FINDING 2024-001

Subject: Financial Transactions and Annual Financial Report Preparation
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, . . ."

Condition:

Annual Financial Report

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Annual Financial Report (AFR).

Cash and Investments (Bank Reconciliations)

The School Corporation had implemented internal control procedures over cash and investments, including bank reconciliations, however, the internal controls were determined to not be effective in ensuring the accuracy and completeness of the ledger activity.

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

(Continued)

ROCHESTER COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

Section II – Financial Statement Findings (Continued)

FINDING 2024-001 (Continued)

Context:

Annual Financial Report

- 1) During our opening cash tie-out procedures, it was noted the ending cash and investment balance per the fiscal year 2022 audit report did not agree to the opening cash and investment balance at July 1, 2022 for the funds listed below. Crowe posted the following adjustments to get the cash and investment balances on the Annual Financial Report (AFR) at July 1, 2022 to agree to the June 30, 2022 audited fund balances for each respective fund:
 - Cops Grant FY2021 fund – Decreased cash and investments by \$174,892
- 2) While performing audit procedures and tying out the cash and investment balances for the year ending June 30, 2023, Crowe noted the following adjustments needed to be made to get the AFR balances for each respective fund to agree to the underlying fund ledger detail and supporting documentation:
 - Debt Service fund – An adjustment was posted to decrease cash and receipts by \$77,642.
 - Operations fund – An adjustment was posted to decrease cash and receipts by \$74,895.
- 3) While performing audit procedures Crowe noted that management was recording interbank transfers as receipts and disbursements in the In/Out TCU Credit Card fund for the year ending June 30, 2023. This causes receipts and disbursements to be overstated within the fund since these are not true fund-to-fund transfers. Crowe posted the following adjustment:
 - Decrease receipts and disbursements by \$616,754. There was no impact to the ending cash and investment balance.
- 4) While performing audit procedures Crowe noted that management was recording interbank transfers as receipts and disbursements in the In/Out TCU Credit Card fund for the year ending June 30, 2024. This causes receipts and disbursements to be overstated within the fund since these are not true fund-to-fund transfers. Crowe posted the following adjustment:
 - Decrease receipts and disbursements by \$4,719,358. There was no impact to the ending cash and investment balance.
- 5) An adjustment was posted to increase receipts and ending cash in the Self-Insurance fund by \$778,055 for the year ended June 30, 2024. The receipt had not been properly recorded on the AFR to cover the self-insurance claims being paid from the account.

Audit adjustments were proposed, accepted by the School Corporation, and made to the financial statement to correct the issues noted above.

Cash and Investments (Bank Reconciliations)

Bank reconciliations are performed, however, reconciling items are not detailed and sometimes grouped into lump sums. There was an unreconcilable variance of \$159,392 for the year ended June 30, 2024. The effects of the unreconcilable variance have been waived and will not be adjusted in the AFR.

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

Identification as a repeat finding, if applicable: Yes. See finding 2022-001 in the prior audit report.

(Continued)

ROCHESTER COMMUNITY SCHOOL CORPORATION
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 recommended that the School Corporation's management establish a formal review over the AFR financial statement submission to ensure amounts reported are accurate and agree to underlying fund ledgers and that all funds belonging to the School Corporation are presented and tracked on the AFR. The School Corporation should establish a documented, secondary review to ensure the amounts reported on the financial statement agree to the supporting fund ledger detail.

We also recommend that management perform detailed reconciliations over all bank accounts to ensure that reconciling items are recorded timely and accurately, so that the cash and investment balances per the banks are reconciled to the funds ledger on a monthly basis.

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: Title I Grants to Local Educational Agencies – Allowable Costs/Cost Principles

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

Assistance Listing Number: 84.010A

Federal Award Numbers and Years (or Other Identifying Numbers): S010A210014, S010A220014, S010A230014

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles

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

Condition: An effective system of internal controls was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

Cause: Management had not developed an effective system of internal controls that would have ensured compliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

(Continued)

ROCHESTER COMMUNITY SCHOOL CORPORATION
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)

Effect: The failure to establish an effective system of internal controls, as well as adequately document costs, enabled noncompliance to go undetected. Noncompliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement could result in the loss of future federal funds to the School Corporation.

Questioned Costs: There were no questioned costs identified.

Context: We noted that for 11 payroll claims in a sample of 60, the School Corporation was not able to provide semi-annual certifications or support that the personnel were approved to be paid with Title I funds.

Identification as a repeat finding, if applicable: No.

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

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

FINDING 2024-003

Information on the federal program:

Subject: Title I Grants to Local Educational Agencies – Eligibility

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

Assistance Listing Number: 84.010A

Federal Award Numbers and Years (or Other Identifying Numbers): S010A210014, S010A220014, S010A230014

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Eligibility

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

Condition: An effective system of internal controls was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the eligibility compliance requirement.

(Continued)

ROCHESTER COMMUNITY SCHOOL CORPORATION
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)

Cause: Management had not developed an effective system of internal controls that would have ensured compliance with the grant agreement and the eligibility compliance requirement.

Effect: The failure to establish an effective internal control system placed the School Corporation 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 eligibility, we noted three out of 25 eligibility samples that were reported as free or reduced socioeconomic status to the Indiana Department of Education in the October 2022 data exchange count, but supporting documentation supported these students as a paid status. These three students should not have been reported as free or reduced socioeconomic status.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommended that the School Corporation's management establish a system of internal controls to review the applications submitted for free or reduced socioeconomic status to ensure the students are classified correctly within the system. We also recommend that management have a secondary review of the information submitted as part of the data exchange count to ensure the information is accurate and agrees to the underlying detail.

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

(Continued)

ROCHESTER COMMUNITY SCHOOL CORPORATION
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

Information on the federal program:

Subject: Title I Grants to Local Educational Agencies - Special Tests and Provisions - Annual Report Card/High School Graduation Rate
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
Assistance Listing Number: 84.010A
Federal Award Numbers and Years (or Other Identifying Numbers): S010A210014, S010A220014, S010A230014
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Annual Report Card/High School Graduation Rate
Audit Finding: Material Weakness

Criteria: 2 CFR 200.303 states in part:

"The non-Federal entity must:

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

20 USC 7801(23)(B) states:

"To remove a student from a cohort, a school or local educational agency shall require documentation, or obtain documentation from the State educational agency, to confirm that the student has transferred out, emigrated to another country, or transferred to a prison or juvenile facility, or is deceased."

Condition: An effective internal control system was not designed or implemented at the School Corporation to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

The School Corporation must report graduation rate data for all public high schools within the corporation using the four-year adjusted cohort rate. To remove a student from the cohort, the School Corporation must confirm the reason for removal in writing. Additionally, required documentation for each removal type must be retained by the School Corporation.

Cause: Management had not designed or implemented a system of internal controls that would have ensured compliance with the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

(Continued)

ROCHESTER COMMUNITY SCHOOL CORPORATION
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)

Effect: The failure to establish an effective system of internal controls enabled noncompliance to go undetected. Noncompliance with the grant agreement and the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement could result in the loss of future federal funds to the School Corporation.

Questioned Costs: There were no questioned costs identified.

Context: The School Corporation had not established internal controls to ensure required documentation to support the reason for a student's removal from the high school graduation cohort for mobility reasons was prepared, reviewed, and retained. For three of the eight students tested, the School Corporation was unable to provide documentation to support the removal of the student from the graduation cohort.

Identification as a repeat finding, if applicable: Yes. See finding 2022-008 in the prior audit report.

Recommendation: We recommended that the School Corporation's management establish a system of internal controls to ensure compliance and comply with the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

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

FINDING 2024-005

Information on the federal program:

Subject: Special Education Cluster (IDEA) – Procurement
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: Procurement and Suspension and Debarment
Audit Finding: Significant Deficiency

Criteria: 2 CFR 200.303 states in part:

"The non-Federal entity must:

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

(Continued)

ROCHESTER COMMUNITY SCHOOL CORPORATION
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)

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

"The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part."

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

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

2 CFR 200.318(i) states:

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

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

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

2 CFR 200.320 (Revised Uniform Guidance) states in part:

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

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

(2) Small purchases –

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

(Continued)

ROCHESTER COMMUNITY SCHOOL CORPORATION
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)

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

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

- (1) at least fifty thousand dollars (\$50,000); and
- (2) not more than one hundred fifty thousand dollars (\$150,000). . . .

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

Condition: An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

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

Cause: Management had not developed an effective system of internal controls that would have ensured compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

Effect: The failure to establish an effective system of internal controls, as well as adequately document the procurement process for small purchases, prevented the determination of the School Corporation's compliance with the procurement requirements of the Procurement and Suspension and Debarment compliance requirement.

Questioned Costs: There were no questioned costs identified.

Context: The School Corporation did not obtain price or rate quotes for one out of four vendors tested that were less than the simplified acquisition threshold of \$150,000 but exceeded the \$10,000 micro-purchase threshold. Documentation of vendor contract, bids or the School Corporation's process and rationale for the chosen vendor was not available for audit. Further, the School Corporation could not provide evidence that a suspension and debarment check had been performed on the vendor prior to entering into contract.

Identification as a repeat finding, if applicable: Yes. See finding 2022-006 in the prior audit report.

Recommendation: We recommended that the School Corporation's management establish a system of internal controls to ensure that documentation will be maintained and the system of internal controls outlines how the School Corporation will comply with their procurement policy, requirements of the grant agreement and the Procurement and Suspension and Debarment compliance requirements.

(Continued)

ROCHESTER COMMUNITY SCHOOL CORPORATION
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)

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

FINDING 2024-006

Information on the federal program:

Subject: Education Stabilization Fund – Internal Controls

Federal Agency: Department of Education

Federal Program: COVID-19 – Education Stabilization Fund

Assistance Listing Number: 84.425D, 84.425U

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

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Equipment and Real Property Management

Audit Finding: Material Weakness

Criteria: 2 CFR 200.313(d) states in part:

"Management requirements. Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, as a minimum, meet the following requirements:

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
- (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
- (4) Adequate maintenance procedures must be developed to keep the property in good condition.
..."

Condition: An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Equipment and Real Property Management Requirements compliance requirements.

Cause: The School Corporation'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 Corporation 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

(Continued)

ROCHESTER COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

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

FINDING 2024-006 (Continued)

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: The School Corporation was not able to provide a complete capital asset listing with the required information to support that the equipment purchases of \$46,727 and \$12,408 with COVID-19 – Education Stabilization Fund ESSER II and ESSER III funds had been added to the capital asset listing. Additionally, the School Corporation was not able to provide support that an inventory of capital assets had taken place at least once in the last 2 year.

Identification as a repeat finding: No.

Recommendation: We recommend the School Corporation update the capital asset listing at least annually to include all equipment and real property acquisitions and review for potential capital asset dispositions. The capital asset listing should include all required information to track capital asset acquisitions purchased with federal funding.

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

FINDING 2024-007

Information on the federal program:

Subject: Education Stabilization Fund (ESSER) – Internal Controls

Federal Agency: Department of Education

Federal Program: COVID-19 – Education Stabilization Fund

Assistance Listing Number: 84.425C, 84.425D, 84.425U

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

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting

Audit 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:

(Continued)

ROCHESTER COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

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

FINDING 2024-007 (Continued)

(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 Corporation in order to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirements.

Cause: The School Corporation's management implemented a review control over the annual data reports, however, it was not sufficient enough to detect and prevent errors in annual data reports submitted to the Indiana Department of Education.

Effect: Annual data reports submitted during the audit period to the Indiana Department of Education contained material errors compared to underlying transaction detail for the period reported.

Questioned Costs: There were no questioned costs identified.

Context: The School Corporation was required to submit Annual Data Reports to the Indiana Department of Education (IDOE) during the audit period to meet federal reporting requirements for ESSER grant awards. We noted that the ESSER I amount reported on the Year 3 report (\$266,367) did not agree to the underlying expenditure record (\$96,019) for the period of July 1, 2021 through June 30, 2022. Additionally, the ESSER II and ESSER III amount reported on the Year 2 report (\$1,433,207, and \$643,771, respectively) did not agree to the underlying expenditure records (\$1,400,698, and \$630,465 respectively) for the period of July 1, 2021 through June 30, 2022.

We also noted that the ESSER II and ESSER III amounts reported on the Year 3 report (\$4,291 and \$1,522,378, respectively) did not agree to the underlying expenditure records (\$4,590 and \$1,774,722, respectively) for the period of July 1, 2022 through June 30, 2023.

Additionally, the School Corporation was not able to provide any support for the 288 full-time equivalent (FTE) positions on September 30, 2022, reported on the Year 2 CrossAct report or the 338 full-time equivalent (FTE) positions on September 30, 2023, reported on the Year 3 CrossAct report. Crowe also noted that the School Corporation reported 0 full-time equivalent (FTE) positions paid by ESSER on September 2023, but there were ESSER positions reported in the ESSER applications.

Identification as a repeat finding: No.

Recommendation: We recommend management review internal controls over the review of annual data reports to ensure the data to be submitted agrees to underlying transaction detail or other supporting documentation prior to the submission of the annual data report.

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

(Continued)

ROCHESTER COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

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

FINDING 2024-008

Information on the federal program:

Subject: Education Stabilization Fund (ESSER) – Internal Controls
Federal Agency: Department of Education
Federal Program: COVID-19 – Education Stabilization Fund
Assistance Listing Number: 84.425D, 84.425U
Federal Award Numbers and Years (or Other Identifying Numbers): S425D210013, S425U210013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Allowable Costs/Cost Principles
Audit Finding: Material Weakness

Criteria: 2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.403 states in part:

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

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

2 CFR 200.430(i) states in part:

"Standards for documentation of Personnel Expenses

(1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- (ii) Be incorporated into the official records of the non-Federal entity;
- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's

(Continued)

ROCHESTER COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

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

FINDING 2024-008 (Continued)

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

Condition: An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirements.

Cause: The School Corporation's management had not developed an effective system of internal controls that would have ensured compliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

Effect: The failure to establish an effective system of internal controls enabled noncompliance to go undetected. Noncompliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement could result in the loss of future federal funds to the School Corporation.

Questioned Costs: There were \$1,944 of known questioned costs identified.

Context: During testing of the Allowable Costs/Cost Principles compliance requirements, there were two vendor vouchers in a sample of 60, where the School Corporation was unable to locate any supporting documentation. These two selections totaled \$1,530 charged to the grant.

It was further noted that during our testing of payroll costs charged to the COVID-19 – Education Stabilization Fund, for 2 selections in a sample of 40, the School Corporation was unable to provide any support to validate the amount of payroll charged to the grant. These two selections totaled \$414 charged to the COVID-19 – Education Stabilization Fund.

Identification as a repeat finding: No.

Recommendation: We recommend the School Corporation's management establish a system of internal controls to ensure that documentation will be maintained and that expenditures charged to the grant comply with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

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



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03/27/2025

CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

June 30, 2024

FINDING 2024-001

Subject: Financial Transactions and Annual Financial Report Preparation
Audit Findings: Material Weakness

Condition:

Annual Financial Report

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Annual Financial Report (AFR).

Cash and Investments (Bank Reconciliations)

The School Corporation had implemented internal control procedures over cash and investments, including bank reconciliations, however, the internal controls were determined to not be effective in ensuring the accuracy and completeness of the ledger activity.

Annual Financial Report

- (1) During our opening cash tie-out procedures, it was noted the ending cash and investment balance per the fiscal year 2022 audit report did not agree to the opening cash and investment balance at July 1, 2022 for the funds listed below. Crowe posted the following adjustments to get the cash and investment balances on the Annual Financial Report (AFR) at July 1, 2022 to agree to the June 30, 2022 audited fund balances for each respective fund:
 - Cops Grant FY2021 fund – Decreased cash and investments by \$174,892
- (2) While performing audit procedures and tying out the cash and investment balances for the year ending June 30, 2023, Crowe noted the following adjustments needed to be made to get the AFR balances for each respective fund to agree to the underlying fund ledger detail and supporting documentation:
 - Debt Service fund – An adjustment was posted to decrease cash and receipts by \$77,642.
 - Operations fund – An adjustment was posted to decrease cash and receipts by \$74,895.
- (3) While performing audit procedures Crowe noted that management was recording interbank transfers as receipts and disbursements in the In/Out TCU Credit Card fund for the year ending June 30, 2023. This causes receipts and disbursements to be overstated within the fund since these are not true fund-to-fund transfers. Crowe posted the following adjustment:
 - Decrease receipts and disbursements by \$616,754. There was no impact to the ending cash and investment balance.
- (4) While performing audit procedures Crowe noted that management was recording interbank transfers as receipts and disbursements in the In/Out TCU Credit Card fund for the year ending June 30, 2024.

This causes receipts and disbursements to be overstated within the fund since these are not true fund-to-fund transfers. Crowe posted the following adjustment:

- Decrease receipts and disbursements by \$4,719,358. There was no impact to the ending cash and investment balance.

(5) An adjustment was posted to increase receipts and ending cash in the Self-Insurance fund by \$778,055 for the year ended June 30, 2024. The receipt had not been properly recorded on the AFR to cover the self-insurance claims being paid from the account.

Audit adjustments were proposed, accepted by the School Corporation, and made to the financial statement to correct the issues noted above.

Cash and Investments (Bank Reconciliations)

Bank reconciliations are performed, however, reconciling items are not detailed and sometimes grouped into lump sums. There was an unreconcilable variance of \$159,392 for the year ended June 30, 2024. The effects of the unreconcilable variance have been waived and will not be adjusted in the AFR.

Corrective Action Plan: The School Corporation will implement internal control procedures to ensure the amounts reported on the School Corporation's AFR agree to the underlying support and records. The School Corporation will perform detailed reconciliations of bank accounts in a timely manner to ensure the balance per the bank and the balance per the AFR reconcile to each other.

Person responsible for implementation and projected implementation date: The Corporation's Business Manager and Superintendent will be responsible for implementing the corrective action, which will be implemented immediately.

FINDING 2024-002

Information on the federal program:

Subject: Title I Grants to Local Educational Agencies – Allowable Costs/Cost Principles

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

Assistance Listing Number: 84.010A

Federal Award Numbers and Years (or Other Identifying Numbers): S010A210014, S010A220014, S010A230014

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles

Audit Finding: Material Weakness

Condition: An effective system of internal controls was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

Context: We noted that for 11 payroll claims in a sample of 60, the School Corporation was not able to provide semi-annual certifications or support that the personnel were approved to be paid with Title I funds.

Corrective Action Plan: The School Corporation will implement internal control procedures to ensure semi-annual certifications or other forms of support are maintained to certify employees are approved to be paid with Title I funds.

Person responsible for implementation and projected implementation date: The Curriculum Director and Business Manager will oversee the implementation of the corrective action plan, which will be implemented immediately. The CD has already implemented the requirements of certifications beginning August 1, 2025 and are on file in the Title I records.

FINDING 2024-003

Information on the federal program:

Subject: Title I Grants to Local Educational Agencies – Eligibility

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

Assistance Listing Number: 84.010A

Federal Award Numbers and Years (or Other Identifying Numbers): S010A210014, S010A220014, S010A230014

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Eligibility

Audit Finding: Material Weakness

Condition: An effective system of internal controls was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the eligibility compliance requirement.

Context: During the testing of eligibility, we noted three out of 25 eligibility samples that were reported as free or reduced socioeconomic status to the Indiana Department of Education in the October 2022 data exchange count, but supporting documentation supported these students as a paid status. These three students should not have been reported as free or reduced socioeconomic status.

Corrective Action Plan: The School Corporation will establish a system of internal controls to review the applications submitted for free or reduced socioeconomic status to ensure the students are classified correctly within the system. The School Corporation will ensure that applications are signed off on as reviewed after the review has taken place.

Person responsible for implementation and projected implementation date: In cooperation with the Food Service Director, the Curriculum Director and Business Manager will be responsible for overseeing the implementation of the corrective action plan which will be implemented with the applications for the 2025-2026 school year. This has already been implemented with the Food Service Director and records maintained in her office.

FINDING 2024-004

Information on the federal program:

Subject: Title I Grants to Local Educational Agencies - Special Tests and Provisions - Annual Report Card/High School Graduation Rate

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

Assistance Listing Number: 84.010A

Federal Award Numbers and Years (or Other Identifying Numbers): S010A210014, S010A220014, S010A230014

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Annual Report

Card/High School Graduation Rate

Audit Finding: Material Weakness

Condition: An effective internal control system was not designed or implemented at the School Corporation to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

The School Corporation must report graduation rate data for all public high schools within the corporation using the four-year adjusted cohort rate. To remove a student from the cohort, the School Corporation must confirm the reason for removal in writing. Additionally, required documentation for each removal type must be retained by the School Corporation.

Context: The School Corporation had not established internal controls to ensure required documentation to support the reason for a student's removal from the high school graduation cohort for mobility reasons

was prepared, reviewed, and retained. For three of the eight students tested, the School Corporation was unable to provide documentation to support the removal of the student from the graduation cohort.

Corrective Action Plan: The Head Secretary at Rochester High School will document any student that is removed from the high school graduation cohort. The secretary will have the high school principal review and approve this documentation, and the secretary will place in the student's permanent file.

Person responsible for implementation and projected implementation date: The secretary and the high school principal will be responsible for overseeing the implementation of the corrective action plan, which will start in April 2025.

FINDING 2024-005

Information on the federal program:

Subject: Special Education Cluster (IDEA) – Procurement
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: Procurement and Suspension and Debarment
Audit Finding: Significant Deficiency

Condition: An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

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

Context: The School Corporation did not obtain price or rate quotes for one out of four vendors tested that were less than the simplified acquisition threshold of \$150,000 but exceeded the \$10,000 micro-purchase threshold. Documentation of vendor contract, bids or the School Corporation's process and rationale for the chosen vendor was not available for audit. Further, the School Corporation could not provide evidence that a suspension and debarment check had been performed on the vendor prior to entering into contract.

Corrective Action Plan: The Special Education Director will obtain pricing quotes from the appropriate amount of qualified sources, when cumulative costs are projected to exceed the micro purchase threshold. The Special Education Director will document and communicate the results of this process with the Business Manager and Superintendent.

Person responsible for implementation and projected implementation date: The Special Education Director, the Business Manager, and the Superintendent will be responsible for overseeing the implementation of the corrective action plan, which will go into effect immediately.

FINDING 2024-006

Information on the federal program:

Subject: Education Stabilization Fund – Internal Controls
Federal Agency: Department of Education
Federal Program: COVID-19 – Education Stabilization Fund
Assistance Listing Number: 84.425D, 84.425U
Federal Award Numbers and Years (or Other Identifying Numbers): S425D210013, S425U210013

Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Equipment and Real Property Management
Audit Finding: Material Weakness

Condition: An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Equipment and Real Property Management Requirements compliance requirements.

Context: The School Corporation was not able to provide a complete capital asset listing with the required information to support that the equipment purchases of \$46,727 and \$12,408 with COVID-19 – Education Stabilization Fund ESSER II and ESSER III funds had been added to the capital asset listing. Additionally, the School Corporation was not able to provide support that an inventory of capital assets had taken place at least once in the last 2 year.

Corrective Action Plan: The School Corporation will implement a system of internal controls to ensure the capital asset listing is updated at least annually to include all equipment and real property acquisitions as well as dispositions that took place. The School Corporation will ensure the capital asset listing includes all required information.

Person responsible for implementation and projected implementation date: The Business Manager will be responsible for overseeing the implementation of the corrective action plan, which will go into effect immediately.

FINDING 2024-007

Information on the federal program:

Subject: Education Stabilization Fund (ESSER) – Internal Controls
Federal Agency: Department of Education
Federal Program: COVID-19 – Education Stabilization Fund
Assistance Listing Number: 84.425C, 84.425D, 84.425U
Federal Award Numbers and Years (or Other Identifying Numbers): S425D200013, S425D210013, S425U210013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Finding: Material Weakness

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

Context: The School Corporation was required to submit Annual Data Reports to the Indiana Department of Education (IDOE) during the audit period to meet federal reporting requirements for ESSER grant awards. We noted that the ESSER I amount reported on the Year 3 report (\$266,367) did not agree to the underlying expenditure record (\$96,019) for the period of July 1, 2021 through June 30, 2022. Additionally, the ESSER II and ESSER III amount reported on the Year 2 report (\$1,433,207, and \$643,771, respectively) did not agree to the underlying expenditure records (\$1,400,698, and \$630,465 respectively) for the period of July 1, 2021 through June 30, 2022.

We also noted that the ESSER II and ESSER III amounts reported on the Year 3 report (\$4,291 and \$1,522,378, respectively) did not agree to the underlying expenditure records (\$4,590 and \$1,774,722, respectively) for the period of July 1, 2022 through June 30, 2023.

Additionally, the School Corporation was not able to provide any support for the 288 full-time equivalent (FTE) positions on September 30, 2022, reported on the Year 2 CrossAct report or the 338 full-time equivalent (FTE) positions on September 30, 2023, reported on the Year 3 CrossAct report. Crowe also noted that the School Corporation reported 0 full-time equivalent (FTE) positions paid by ESSER on September 2023, but there were ESSER positions reported in the ESSER applications.

Corrective Action Plan: The School Corporation will implement a system of internal controls and an effective review process to ensure amounts reported on annual data reports agrees to the underlying transaction detail or other supporting documentation.

Person responsible for implementation and projected implementation date: The Business Manager will be responsible for overseeing the implementation of the corrective action plan, which will go into effect with the next annual data report submission.

FINDING 2024-008

Information on the federal program:

Subject: Education Stabilization Fund (ESSER) – Internal Controls

Federal Agency: Department of Education

Federal Program: COVID-19 – Education Stabilization Fund

Assistance Listing Number: 84.425D, 84.425U

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

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles

Audit Finding: Material Weakness

Condition: An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirements.

Context: During testing of the Allowable Costs/Cost Principles compliance requirements, there were two vendor vouchers in a sample of 60, where the School Corporation was unable to locate any supporting documentation. These two selections totaled \$1,530 charged to the grant.

It was further noted that during our testing of payroll costs charged to the COVID-19 – Education Stabilization Fund, for 2 selections in a sample of 40, the School Corporation was unable to provide any support to validate the amount of payroll charged to the grant. These two selections totaled \$414 charged to the COVID-19 – Education Stabilization Fund.

Corrective Action Plan: The School Corporation will establish a system of internal controls to ensure that documentation is maintained and that expenditures charged to the grant comply with the grant agreement and are allowable.

Person responsible for implementation and projected implementation date: The Business Manager will be responsible for overseeing the implementation of the corrective action plan, which will go into effect immediately.



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3/27/2025

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-001

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

Condition and Context

The School Corporation had not established an effective system of internal controls over cash and investments, disbursements, and financial close and reporting.

Cash and Investments (Bank Reconciliations)

The School Corporation had implemented internal control procedures over cash and investments, including bank reconciliations. However, the internal controls were determined to not be effective in ensuring the accuracy and completeness of the ledger activity.

The School Corporation does not have an effective procedure in place to ensure that reconciling items are recorded timely. Disbursements paid via electronic fund transfers (EFT) for insurance and credit card payments were not timely recorded in the financial records. These reconciling items, some which dated back to September 2021, resulted in the \$282,641 understatement of disbursements and overstatement of the cash and investments balances as of June 30, 2022. The financial statement was not adjusted for these reconciling items.

Disbursements

The School Corporation had not implemented a process of internal controls over disbursements for new payees. New vendor and employee information was input by one employee without evidence of an oversight or review process.

Financial Close and Reporting

The School Corporation had not established internal controls over the financial information entered in the Indiana Gateway for Government Units financial reporting system, which was the source of the School Corporation's Annual Financial Report (financial statement). One employee prepared and entered the financial information without a documented review or oversight in place to prevent, or detect and correct, errors on the financial statement.

Status: Not resolved. See finding 2024-001.

FINDING 2022-002

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

Condition and Context

The School Corporation had established internal controls over the federal award information entered in the Indiana Gateway for Government Units financial reporting system, which was the source of the School Corporation's Schedule of Expenditures of Federal Awards (SEFA). However, the School Corporation did not have documentation of a proper system of internal control in place to prevent, or detect and correct, errors on the SEFA.

Status: Resolved.

FINDING 2022-003

Subject: Child Nutrition Cluster - Allowable Costs/Cost Principles
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, COVID-19 - School Breakfast Program,
National School Lunch Program, COVID-19 - National School Lunch
Program, COVID-19 - Summer Food Service Program for Children
Assistance Listings Numbers: 10.553, 10.555, 10.559
Federal Award Number and Year (or Other Identifying Number): SY 20-21
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Allowable Costs/Cost Principles
Audit Findings: Material Weakness, Other Matters

Condition and Context

An effective system of internal controls was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

Payroll disbursements for 3 of 11 employees tested, were not supported by the School Corporation's records. The hourly rate for 2 employees tested did not agree to the rate stated in the Board approved salary schedule. The School Corporation could not provide documentation or other justification to support their rate of pay. Additionally, the School Corporation did not retain time records for audit for the Food Service Director after leave of employment.

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

Status: Resolved.

FINDING 2022-004

Subject: Special Education Cluster (IDEA) - Allowable Costs/Cost Principles
Federal Agency: Department of Education
Federal Programs: Special Education Grants to States, Special Education Preschool Grants
Assistance Listings Numbers: 84.027, 84.173
Federal Award Numbers and Years (or Other Identifying Numbers): 19611-112-PN01, 20611-112-PN01,
21611-112-PN01, 19619-112-PN01,
20619-112-PN01
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Allowable Costs/Cost Principles
Audit Findings: Material Weakness, Modified Opinion

Condition and Context

An effective internal control system was not in place at the School Corporation in order to ensure compliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

Payroll disbursements for three of six employees tested were not supported by the School Corporation's records. The hourly rate for one employee tested did not agree to the rate stated in the School Board approved salary schedule. The rate paid was more than the amount stated in the School Board approved salary schedule. In addition, the School Corporation could not provide a contract for two of the employees tested. The total amount paid in unsupported salaries, \$86,043, was considered questioned costs.

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

Status: Resolved.

FINDING 2022-005

Subject: Special Education Cluster (IDEA) - Earmarking
Federal Agency: Department of Education
Federal Program: Special Education Grant to States
Assistance Listings Number: 84.027
Federal Award Numbers and Years (or Other Identifying Numbers): 19611-112-PN01, 20611-112-PN01
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Matching, Level of Effort, Earmarking
Audit Findings: Material Weakness, Modified Opinion

Condition and Context

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Matching, Level of Effort, Earmarking compliance requirement.

For grant awards 19611-112-PN01 and 20611-112-PN01, the School Corporation was required to spend \$2,883 and \$2,718, respectively, on expenditures for non-public students with disabilities (non-public services). The School Corporation could not provide documentation to support the expenditures made for non-public services.

The lack of internal controls and noncompliance were isolated to the 19611-112-PN01 and 20611-112-PN01 grant awards.

Status: Resolved.

FINDING 2022-006

Subject: Special Education Cluster (IDEA) - Procurement
Federal Agency: Department of Education
Federal Programs: Special Education Grants to States, Special Education Preschool Grants
Assistance Listings Numbers: 84.027, 84.173
Federal Award Numbers and Years (or Other Identifying Numbers): 19611-112-PN01, 20611-112-PN01, 21611-112-PN01, 20619-112-PN01
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Modified Opinion

Condition and Context

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

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

The School Corporation did not obtain price or rate quotes for all four vendors tested that were less than the simplified acquisition threshold of \$150,000 but exceeded the \$10,000 micro-purchase threshold. The Special Education Director contacted different vendors to provide physical, occupational, and speech therapy services to obtain pricing information. The information obtained was discussed by the School Corporation and vendors were chosen. Documentation of the School Corporation's process and rationale for the chosen vendors was not available for audit.

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

Status: Not resolved. See Finding 2024-005 in the current year report.

FINDING 2022-007

Subject: Title I Grants to Local Educational Agencies - Special Tests and Provisions - Assessment System Security
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
Assistance Listings Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): S010A190014, S010A200014, S010A210014
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Assessment System Security
Audit Findings: Material Weakness, Other Matters

Condition and Context

An effective internal control system was not properly implemented at the School Corporation in order to ensure compliance with the grant agreement and the Special Tests and Provisions – Assessment System Security compliance requirement.

The School Corporation did not have a system of internal controls in place to ensure that any individual who administered, handled, or had access to secure test materials at the school or School Corporation had completed assessment security training prior to testing or that all applicable staff members signed the Indiana Testing Security and Integrity Agreement.

As a result, for 19 of the 40 applicable staff members tested, the School Corporation could not provide documentation that the individual received assessment security training. In addition, for 8 of the 40 applicable staff members tested, documentation could not be provided to show they had signed the Indiana Testing Security and Integrity Agreement.

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

Status: Resolved.

FINDING 2022-008

Subject: Title I Grants to Local Educational Agencies - Special Tests and Provisions - Annual Report Card/High School Graduation Rate
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
Assistance Listings Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): S010A190014, S010A200014, S010A210014
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Annual Report Card/High School Graduation Rate
Audit Findings: Material Weakness, Other Matters

Condition and Context

An effective internal control system was not designed or implemented at the School Corporation to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

The School Corporation must report graduation rate data for all public high schools within the corporation using the four-year adjusted cohort rate. To remove a student from the cohort, the School Corporation must confirm the reason for removal in writing. Additionally, required documentation for each removal type must be retained by the School Corporation.

The School Corporation had not established internal controls to ensure required documentation to support the reason for a student's removal from the high school graduation cohort for mobility reasons was prepared, reviewed, and retained. For three of the seven students tested, the School Corporation was unable to provide documentation to support the removal of the student from the graduation cohort.

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

Status: Not resolved. See Finding 2024-004 in the current year report.