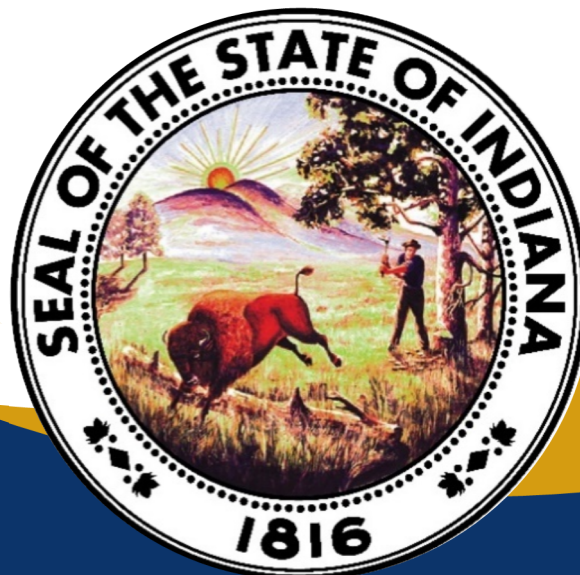


**STATE BOARD OF ACCOUNTS  
302 West Washington Street  
Room E418  
INDIANAPOLIS, INDIANA 46204-2769**

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

FINANCIAL STATEMENT AND  
FEDERAL COMPLIANCE AUDIT REPORT  
OF  
FAIRFIELD COMMUNITY SCHOOLS  
ELKHART COUNTY, INDIANA  
July 1, 2022 to June 30, 2024



**FILED**

03/25/2025



Paul D. Joyce, CPA  
State Examiner

# INDIANA STATE BOARD OF ACCOUNTS

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

March 25, 2025

To: The Officials of the Fairfield Community Schools  
Fairfield Community Schools  
Elkhart County, Indiana

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Fairfield Community Schools. 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 35 through 39. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 40 through 42.

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

In addition to the report presented herein, a supplemental report of Fairfield Community Schools 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

**FAIRFIELD COMMUNITY SCHOOLS**  
Elkhart County, Indiana

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

FAIRFIELD COMMUNITY SCHOOLS  
Elkhart 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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FAIRFIELD COMMUNITY SCHOOLS  
SCHEDULE OF OFFICIALS (Unaudited)  
For the period of July 1, 2022 through June 30, 2024

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<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Jill Erb	07-01-22 to 06-30-24
Superintendent of Schools	Dr. Carrie Cannon	07-01-22 to 06-30-24
President of the School Board	Marilee Keim Sarah Elledge	01-01-22 to 12-31-22 01-01-23 to 12-31-24



## INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance  
Fairfield Community Schools  
Elkhart 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 Fairfield Community Schools (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.

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(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.

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(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 6, 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 6, 2025

FAIRFIELD COMMUNITY SCHOOLS  
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	\$ 2,728,666	\$ 16,194,553	\$ 14,559,674	\$ (544,000)	\$ 3,819,545	\$ 17,314,497	\$ 15,509,101	\$ (1,401,603)	\$ 4,223,338
Debt Service	1,992,642	5,441,299	5,634,086	(22,835)	1,777,020	6,382,644	6,528,383	-	1,631,281
Operations	7,630,495	4,467,707	7,103,334	478,802	5,473,670	4,952,733	6,885,715	1,017,398	4,558,086
Local Rainy Day	692,411	-	30,200	-	662,211	40,000	311,189	-	391,022
Post-Retirement/Severance Future Benefit	3,168,231	133,548	66,047	-	3,235,732	192,371	100,033	-	3,328,070
General Obligation Bond 2023	-	-	-	-	-	160,009	1,250,160	6,000,990	4,910,839
General Obligation Bond 2019	1,502,967	15,406	1,518,373	-	-	-	-	-	-
General Obligation Bond 2020	582,679	49,685	240,602	-	391,762	7,345	399,107	-	-
General Obligation Bond 2022	-	28,397	91,873	1,175,431	1,111,955	60,748	291,130	-	881,573
School Lunch	710,863	1,444,258	1,087,945	2,095	1,069,271	1,149,647	1,195,553	1,010	1,024,375
Curricular Materials Rental	200,198	306,729	585,540	78,943	330	8,682	13,640	341,795	337,167
Self Insurance	908,878	3,769,701	4,342,802	(298,377)	37,400	1,167,500	1,373,801	322,975	154,074
Dental Self Insurance	-	141,413	148,076	298,377	291,714	107,585	76,324	(322,975)	-
Educational License Plates	4,739	263	563	-	4,439	244	255	-	4,428
Benton Elementary Donation/Grant	1,066	-	544	-	522	-	-	-	522
Fairfield Jr-Sr High Donation/Grant	3,889	-	-	-	3,889	514	-	-	4,403
Millersburg Elementary-Middle Donation/G	8,769	-	977	-	7,792	559	450	-	7,901
New Paris Elementary Donation/Grant	431	-	-	-	431	-	-	-	431
Dairy Council Grant	1,778	-	-	-	1,778	-	-	-	1,778
Athletics Donation	206,342	600,000	806,342	-	-	-	-	-	-
Police Department Donations	-	2,270	-	-	2,270	-	-	-	2,270
Fairfield Community Schools Donation	-	8,577	3,992	-	4,585	11,347	14,345	-	1,587
Preschool	1,332	30,615	74,143	44,000	1,804	28,651	89,702	60,000	753
Korenstra Foundation	49,814	21,300	25,730	-	45,384	-	18,607	-	26,777
Oaklawn Grant	-	1,200	918	-	282	-	-	-	282
Formative Assessment	6,102	26,820	25,540	-	7,382	31,464	24,195	-	14,651
Early Literacy Achievement Grant	-	-	-	-	-	-	10,987	10,987	-
Medicaid Reimbursement	827	-	827	-	-	-	-	-	-
Secured Schools Safety Grant	1,390	13,413	1,391	-	13,412	36,587	25,707	-	24,292
Early Intervention Grant	682	2,300	2,982	-	-	10,987	-	(10,987)	-
Non-English Speaking Program Grant	23,193	69,974	52,980	-	40,187	-	40,187	-	-

(Continued)

FAIRFIELD COMMUNITY SCHOOLS  
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
Career And Technical Performance Grant	\$ 7,107	\$ 568	\$ 3,381	\$ -	\$ 4,294	\$ 549	\$ 4,450	\$ -	\$ 393
Teacher Appreciation Grant	-	81,107	81,107	-	-	80,791	80,791	-	-
Science of Reading Grant	-	-	-	-	-	62,553	76,028	-	(13,475)
High Ability Students	9,937	30,257	34,615	-	5,579	36,781	20,913	-	21,447
State Connectivity Grant	9,000	29,040	10,880	-	27,160	5,700	22,560	-	10,300
Natural Resources	-	52,160	-	-	52,160	-	343	-	51,817
Title I 20-21	-	-	-	-	-	-	-	-	-
Title I 21-22	(12,531)	116,273	101,742	(2,000)	-	-	-	-	-
Title I 22-23	-	100,287	179,970	(2,000)	(81,683)	114,822	33,139	-	-
Title I 23-24	-	-	-	-	-	219,779	275,784	(2,000)	(58,005)
Refugee Child Assistance	-	-	-	-	-	720	720	-	-
Special Education Grant 19-20	(5,742)	-	-	-	(5,742)	-	-	-	(5,742)
Special Education Grant 20-21	-	1,066	1,066	-	-	-	-	-	-
Special Education Grant 21-22	(143,725)	398,223	254,498	-	-	175	175	-	-
Special Education Grant 22-23	-	77,278	82,594	-	(5,316)	484,290	505,797	-	(26,823)
Special Education Grant 23-24	-	-	-	-	-	-	96,177	-	(96,177)
Title IV Part A Grant	-	8,150	10,008	-	(1,858)	17,250	15,392	-	-
Federal Medicaid	79,861	7,889	12,386	-	75,364	14,109	25,199	-	64,274
Title IIA Grant	(5,140)	35,069	60,414	-	(30,485)	66,851	36,568	-	(202)
Title III Grant	(2,410)	9,304	6,894	-	-	1,069	1,069	-	-
ARP HCY II	-	846	846	-	-	4,550	4,550	-	-
IDEA ARP Special Education	-	37,713	37,713	-	-	103,618	103,618	-	-
IDEA ARP Special Education Preschool	(10,547)	10,547	-	-	-	-	-	-	-
ESSER III	(83,771)	558,811	537,496	-	(62,456)	354,630	543,765	-	(251,591)
ESSER II	(101,993)	225,247	123,335	-	(81)	66,151	66,070	-	-
ESSER	1,835	-	1,835	-	-	-	-	-	-
Clearing Accounts	12,171	3,870,697	3,832,043	-	50,825	4,089,737	4,092,166	83,441	131,837
Prepaid School Lunch Accounts	49,649	558,975	565,949	-	42,675	541,366	546,662	-	37,379
Medical/Dental Insurance Clearing	-	-	-	-	-	83,441	-	(83,441)	-
<b>Totals</b>	<b>\$ 20,232,085</b>	<b>\$ 38,978,935</b>	<b>\$ 42,344,253</b>	<b>\$ 1,208,436</b>	<b>\$ 18,075,203</b>	<b>\$ 38,013,046</b>	<b>\$ 40,710,507</b>	<b>\$ 6,017,590</b>	<b>\$ 21,395,332</b>

See notes to financial statement.

FAIRFIELD COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2024 and for the period of  
July 1, 2022 through June 30, 2024

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**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.

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

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(Continued)

FAIRFIELD COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2024 and for the period of  
July 1, 2022 through June 30, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

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

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

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

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

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

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

*Debt services.* Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the School 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.

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

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

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

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

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

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

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(Continued)

FAIRFIELD COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2024 and for the period of  
July 1, 2022 through June 30, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

**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.

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(Continued)

FAIRFIELD COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2024 and for the period of  
July 1, 2022 through June 30, 2024

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**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.

**NOTE 6 - CASH BALANCE DEFICITS**

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

**NOTE 7 - HOLDING CORPORATIONS**

The School Corporation has entered into a series of capital leases with the Fairfield Community Schools 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 \$3,531,000. Lease payments for the period July 1, 2023 through June 30, 2024 totaled \$3,378,500.

**NOTE 8 - PENSION PLANS**

**Public Employees Retirement Fund**

*Plan Description*

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

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(Continued)

FAIRFIELD COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2024 and for the period of  
July 1, 2022 through June 30, 2024

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**NOTE 8 - PENSION PLANS** (Continued)

*Financial Report*

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

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

*Contributions*

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

**Teachers' Retirement Fund**

*Plan Descriptions*

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

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

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

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

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

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.

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(Continued)

FAIRFIELD COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2024 and for the period of  
July 1, 2022 through June 30, 2024

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**NOTE 8 - PENSION PLANS** (Continued)

*Financial Report*

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

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

*Contributions*

The School 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.

**NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS**

The School Corporation provides health insurance benefits to eligible retirees and their spouses. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding these benefits can be obtained by contacting the School Corporation.

**NOTE 10 - SUBSEQUENT EVENTS**

In October 2024, the School Corporation entered into a capital lease with the Fairfield Community Schools Building Corporation to finance renovations and improvements to Fairfield Junior/Senior High School. The lease arrangement requires annual lease payments totaling approximately \$39,447,000 beginning June 30, 2025 through December 31, 2043.

In December 2024, the School Corporation issued the General Obligation Bonds of 2024 in the amount of \$3,000,000 to finance site improvements to school facilities, buses, equipment, and technology. Principal and interest payments begin June 30, 2025 through December 31, 2027.

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**OTHER INFORMATION (Unaudited)**

FAIRFIELD COMMUNITY SCHOOLS  
 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	Post-Retirement/ Severance Future Benefit	General Obligation Bond 2023	General Obligation Bond 2019	General Obligation Bond 2020	General Obligation Bond 2022	School Lunch	Curricular Materials Rental	Self Insurance	Dental Self Insurance	Educational License Plates
Cash and investments - beginning	\$ 2,728,666	\$ 1,992,642	\$ 7,630,495	\$ 692,411	\$ 3,168,231	\$ -	\$ 1,502,967	\$ 582,679	\$ -	\$ 710,863	\$ 200,198	\$ 908,878	\$ -	\$ 4,739
Receipts:														
Local sources	873,045	5,441,299	4,452,842	-	133,548	-	14,306	19,985	28,397	560,987	263,998	3,769,701	141,413	-
Intermediate sources	445	-	-	-	-	-	-	-	-	-	-	-	-	263
State sources	15,222,431	-	43	-	-	-	-	-	-	11,281	42,650	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	871,990	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	98,632	-	14,822	-	-	-	1,100	29,700	-	-	81	-	-	-
Total receipts	16,194,553	5,441,299	4,467,707	-	133,548	-	15,406	49,685	28,397	1,444,258	306,729	3,769,701	141,413	263
Disbursements:														
Instruction	11,293,783	-	-	-	-	-	-	-	-	-	-	-	-	563
Support services	3,080,839	-	5,229,793	-	66,047	-	-	-	-	-	585,540	16,034	-	-
Noninstructional services	185,052	-	6,202	-	-	-	-	-	-	1,087,945	-	-	-	-
Facilities acquisition and construction	-	-	1,867,339	30,200	-	-	1,518,373	240,602	91,873	-	-	-	-	-
Debt services	-	5,634,086	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	4,326,768	148,076	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	14,559,674	5,634,086	7,103,334	30,200	66,047	-	1,518,373	240,602	91,873	1,087,945	585,540	4,342,802	148,076	563
Excess (deficiency) of receipts over disbursements	1,634,879	(192,787)	(2,635,627)	(30,200)	67,501	-	(1,502,967)	(190,917)	(63,476)	356,313	(278,811)	(573,101)	(6,663)	(300)
Other financing sources (uses):														
Proceeds of long-term debt	-	-	-	-	-	-	-	-	1,175,431	-	-	-	-	-
Sale of capital assets	-	-	30,707	-	-	-	-	-	-	2,095	203	-	-	-
Transfers in	-	-	666,215	-	-	-	-	-	-	-	240,955	-	298,377	-
Transfers out	(544,000)	(22,835)	(218,120)	-	-	-	-	-	-	-	(162,215)	(298,377)	-	-
Total other financing sources (uses)	(544,000)	(22,835)	478,802	-	-	-	-	-	1,175,431	2,095	78,943	(298,377)	298,377	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,090,879	(215,622)	(2,156,825)	(30,200)	67,501	-	(1,502,967)	(190,917)	1,111,955	358,408	(199,868)	(871,478)	291,714	(300)
Cash and investments - ending	\$ 3,819,545	\$ 1,777,020	\$ 5,473,670	\$ 662,211	\$ 3,235,732	\$ -	\$ -	\$ 391,762	\$ 1,111,955	\$ 1,069,271	\$ 330	\$ 37,400	\$ 291,714	\$ 4,439

(Continued)

FAIRFIELD COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2023

	Benton Elementary Donation/Grant	Fairfield Jr-Sr High Donation/Grant	Millersburg Elementary- Middle Donation/G	New Paris Elementary Donation/Grant	Dairy Council Grant	Athletics Donation	Police Department Donations	Fairfield Community Schools Donation	Preschool	Korenstra Foundation	Oaklawn Grant	Formative Assessment	Medicaid Reimbursement
Cash and investments - beginning	\$ 1,066	\$ 3,889	\$ 8,769	\$ 431	\$ 1,778	\$ 206,342	\$ -	\$ -	\$ 1,332	\$ 49,814	\$ -	\$ 6,102	\$ 827
Receipts:													
Local sources	-	-	-	-	-	-	-	8,577	30,615	21,300	-	-	-
Intermediate sources	-	-	-	-	-	600,000	2,270	-	-	-	1,200	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	26,820	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	600,000	2,270	8,577	30,615	21,300	1,200	26,820	-
Disbursements:													
Instruction	544	-	977	-	-	-	-	-	74,063	13,146	-	3,667	-
Support services	-	-	-	-	-	-	-	3,992	80	12,584	918	21,873	827
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	806,342	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	544	-	977	-	-	806,342	-	3,992	74,143	25,730	918	25,540	827
Excess (deficiency) of receipts over disbursements	(544)	-	(977)	-	-	(206,342)	2,270	4,585	(43,528)	(4,430)	282	1,280	(827)
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	44,000	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	44,000	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(544)	-	(977)	-	-	(206,342)	2,270	4,585	472	(4,430)	282	1,280	(827)
Cash and investments - ending	\$ 522	\$ 3,889	\$ 7,792	\$ 431	\$ 1,778	\$ -	\$ 2,270	\$ 4,585	\$ 1,804	\$ 45,384	\$ 282	\$ 7,382	\$ -

(Continued)

FAIRFIELD COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2023

	Secured Schools Safety Grant	Early Intervention Grant	Non-English Speaking Program Grant	Career And Technical Performance Grant	Teacher Appreciation Grant	High Ability Students	State Connectivity Grant	Natural Resources	Title I 20-21	Title I 21-22	Title I 22-23	Title I 23-24	Special Education Grant 19-20	Special Education Grant 20-21	Special Education Grant 21-22
Cash and investments - beginning	\$ 1,390	\$ 682	\$ 23,193	\$ 7,107	\$ -	\$ 9,937	\$ 9,000	\$ -	\$ -	\$ (12,531)	\$ -	\$ -	\$ (5,742)	\$ -	\$ (143,725)
Receipts:															
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	13,413	2,300	69,974	568	81,107	30,257	29,040	52,160	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	116,273	100,287	-	-	1,066	398,223
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	13,413	2,300	69,974	568	81,107	30,257	29,040	52,160	-	116,273	100,287	-	1,066	398,223	
Disbursements:															
Instruction	-	375	39,821	181	81,107	32,848	-	-	-	37,183	171,958	-	-	1,066	227,698
Support services	1,391	2,607	13,104	3,200	-	1,767	10,880	-	-	52,420	6,373	-	-	-	-
Noninstructional services	-	-	55	-	-	-	-	-	-	12,139	1,639	-	-	-	26,800
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,391	2,982	52,980	3,381	81,107	34,615	10,880	-	-	101,742	179,970	-	-	1,066	254,498
Excess (deficiency) of receipts over disbursements	12,022	(682)	16,994	(2,813)	-	(4,358)	18,160	52,160	-	14,531	(79,683)	-	-	-	143,725
Other financing sources (uses):															
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	(2,000)	(2,000)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	(2,000)	(2,000)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	12,022	(682)	16,994	(2,813)	-	(4,358)	18,160	52,160	-	12,531	(81,683)	-	-	-	143,725
Cash and investments - ending	\$ 13,412	\$ -	\$ 40,187	\$ 4,294	\$ -	\$ 5,579	\$ 27,160	\$ 52,160	\$ -	\$ -	\$ (81,683)	\$ -	\$ (5,742)	\$ -	\$ -

(Continued)

FAIRFIELD COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2023

	Special Education Grant 22-23	Special Education Grant 23-24	Title IV Part A Grant	Federal Medicaid	Title IIA Grant	Title III Grant	ARP HCY II	IDEA ARP Special Education	IDEA ARP Special Education Preschool	ESSER III	ESSER II	ESSER	Clearing Accounts	Prepaid School Lunch Accounts	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 79,861	\$ (5,140)	\$ (2,410)	\$ -	\$ -	\$ (10,547)	\$ (83,771)	\$ (101,993)	\$ 1,835	\$ 12,171	\$ 49,649	\$ 20,232,085
Receipts:															
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,760,013
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	604,178
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,582,044
Federal sources	77,278	-	8,150	7,889	35,069	9,304	846	37,713	10,547	558,811	225,247	-	-	-	2,458,693
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	3,870,697	558,975	4,574,007
Total receipts	77,278	-	8,150	7,889	35,069	9,304	846	37,713	10,547	558,811	225,247	-	3,870,697	558,975	38,978,935
Disbursements:															
Instruction	64,078	-	5,280	11,166	-	5,674	-	-	-	-	67,040	1,835	-	-	12,134,053
Support services	-	-	4,728	1,220	57,530	833	-	-	-	537,496	20,448	-	-	-	9,732,524
Noninstructional services	18,516	-	-	-	2,884	387	846	8,576	-	-	-	-	-	-	1,351,041
Facilities acquisition and construction	-	-	-	-	-	-	-	29,137	-	-	35,847	-	-	-	4,619,713
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,634,086
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	3,832,043	565,949	8,872,836
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	82,594	-	10,008	12,386	60,414	6,894	846	37,713	-	537,496	123,335	1,835	3,832,043	565,949	42,344,253
Excess (deficiency) of receipts over disbursements	(5,316)	-	(1,858)	(4,497)	(25,345)	2,410	-	-	10,547	21,315	101,912	(1,835)	38,654	(6,974)	(3,365,318)
Other financing sources (uses):															
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,175,431
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33,005
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,249,547
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,249,547)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,208,436
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,316)	-	(1,858)	(4,497)	(25,345)	2,410	-	-	10,547	21,315	101,912	(1,835)	38,654	(6,974)	(2,156,882)
Cash and investments - ending	\$ (5,316)	\$ -	\$ (1,858)	\$ 75,364	\$ (30,485)	\$ -	\$ -	\$ -	\$ -	\$ (62,456)	\$ (81)	\$ -	\$ 50,825	\$ 42,675	\$ 18,075,203

FAIRFIELD COMMUNITY SCHOOLS  
 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	Post-Retirement/ Severance Future Benefit	General Obligation Bond 2023	General Obligation Bond 2019	General Obligation Bond 2020	General Obligation Bond 2022	School Lunch	Curricular Materials Rental	Self Insurance	Dental Self Insurance
Cash and investments - beginning	\$ 3,819,545	\$ 1,777,020	\$ 5,473,670	\$ 662,211	\$3,235,732	\$ -	\$ -	\$ 391,762	\$ 1,111,955	\$ 1,069,271	\$ 330	\$ 37,400	\$ 291,714
Receipts:													
Local sources	710,777	6,382,644	4,867,374	40,000	192,371	160,009	-	7,345	60,748	545,082	8,682	1,167,500	107,585
Intermediate sources	445	-	-	-	-	-	-	-	-	-	-	-	-
State sources	16,603,110	-	200	-	-	-	-	-	-	21,394	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	583,171	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	165	-	85,159	-	-	-	-	-	-	-	-	-	-
Total receipts	17,314,497	6,382,644	4,952,733	40,000	192,371	160,009	-	7,345	60,748	1,149,647	8,682	1,167,500	107,585
Disbursements:													
Instruction	12,239,974	-	-	-	-	-	-	-	-	-	-	-	-
Support services	3,078,771	-	5,454,975	-	100,033	-	-	-	-	-	13,640	2,411	-
Noninstructional services	190,356	-	10,687	-	-	-	-	-	-	1,195,553	-	-	-
Facilities acquisition and construction	-	-	1,420,053	311,189	-	1,250,160	-	399,107	291,130	-	-	-	-
Debt services	-	6,528,383	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	1,371,390	76,324
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	15,509,101	6,528,383	6,885,715	311,189	100,033	1,250,160	-	399,107	291,130	1,195,553	13,640	1,373,801	76,324
Excess (deficiency) of receipts over disbursements	1,805,396	(145,739)	(1,932,982)	(271,189)	92,338	(1,090,151)	-	(391,762)	(230,382)	(45,906)	(4,958)	(206,301)	31,261
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	6,000,990	-	-	-	-	-	-	-
Sale of capital assets	-	-	15,398	-	-	-	-	-	-	1,010	192	-	-
Transfers in	-	-	1,002,000	-	-	-	-	-	-	-	341,603	322,975	-
Transfers out	(1,401,603)	-	-	-	-	-	-	-	-	-	-	-	(322,975)
Total other financing sources (uses)	(1,401,603)	-	1,017,398	-	-	6,000,990	-	-	-	1,010	341,795	322,975	(322,975)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	403,793	(145,739)	(915,584)	(271,189)	92,338	4,910,839	-	(391,762)	(230,382)	(44,896)	336,837	116,674	(291,714)
Cash and investments - ending	\$ 4,223,338	\$ 1,631,281	\$ 4,558,086	\$ 391,022	\$3,328,070	\$ 4,910,839	\$ -	\$ -	\$ 881,573	\$ 1,024,375	\$ 337,167	\$ 154,074	\$ -

(Continued)

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

	Educational License Plates	Benton Elementary Donation/Grant	Fairfield Jr-Sr High Donation/Grant	Millersburg Elementary-Middle Donation/G	New Paris Elementary Donation/Grant	Dairy Council Grant	Athletics Donation	Police Department Donations	Fairfield Community Schools Donation	Preschool	Korenstra Foundation	Oaklawn Grant
Cash and investments - beginning	\$ 4,439	\$ 522	\$ 3,889	\$ 7,792	\$ 431	\$ 1,778	\$ -	\$ 2,270	\$ 4,585	\$ 1,804	\$ 45,384	\$ 282
Receipts:												
Local sources	-	-	514	559	-	-	-	-	11,347	28,651	-	-
Intermediate sources	244	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	244	-	514	559	-	-	-	-	11,347	28,651	-	-
Disbursements:												
Instruction	255	-	-	-	-	-	-	-	-	88,644	7,199	-
Support services	-	-	-	-	-	-	-	-	14,345	1,058	11,408	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	450	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	255	-	-	450	-	-	-	-	14,345	89,702	18,607	-
Excess (deficiency) of receipts over disbursements	(11)	-	514	109	-	-	-	-	(2,998)	(61,051)	(18,607)	-
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	60,000	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	60,000	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(11)	-	514	109	-	-	-	-	(2,998)	(1,051)	(18,607)	-
Cash and investments - ending	\$ 4,428	\$ 522	\$ 4,403	\$ 7,901	\$ 431	\$ 1,778	\$ -	\$ 2,270	\$ 1,587	\$ 753	\$ 26,777	\$ 282

(Continued)

FAIRFIELD COMMUNITY SCHOOLS  
 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	Early Literacy Achievement Grant	Medicaid Reimbursement	Secured Schools Safety Grant	Early Intervention Grant	Non-English Speaking Program Grant	Career And Technical Performance Grant	Teacher Appreciation Grant	Science of Reading Grant	High Ability Students	State Connectivity Grant	Natural Resources
Cash and investments - beginning	\$ 7,382	\$ -	\$ -	\$ 13,412	\$ -	\$ 40,187	\$ 4,294	\$ -	\$ -	\$ 5,579	\$ 27,160	\$ 52,160
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	31,464	-	-	36,587	10,987	-	549	80,791	62,553	36,781	5,700	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	31,464	-	-	36,587	10,987	-	549	80,791	62,553	36,781	5,700	-
Disbursements:												
Instruction	-	-	-	-	-	30,779	1,250	80,791	76,028	20,502	-	-
Support services	24,195	10,987	-	25,707	-	5,868	3,200	-	-	411	22,560	-
Noninstructional services	-	-	-	-	-	3,540	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	343
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	24,195	10,987	-	25,707	-	40,187	4,450	80,791	76,028	20,913	22,560	343
Excess (deficiency) of receipts over disbursements	7,269	(10,987)	-	10,880	10,987	(40,187)	(3,901)	-	(13,475)	15,868	(16,860)	(343)
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	10,987	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(10,987)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	10,987	-	-	(10,987)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	7,269	-	-	10,880	-	(40,187)	(3,901)	-	(13,475)	15,868	(16,860)	(343)
Cash and investments - ending	\$ 14,651	\$ -	\$ -	\$ 24,292	\$ -	\$ -	\$ 393	\$ -	\$ (13,475)	\$ 21,447	\$ 10,300	\$ 51,817

(Continued)

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

	Title I 20-21	Title I 21-22	Title I 22-23	Title I 23-24	Refugee Child Assistance	Special Education Grant 19-20	Special Education Grant 20-21	Special Education Grant 21-22	Special Education Grant 22-23	Special Education Grant 23-24	Title IV Part A Grant	Federal Medicaid
Cash and investments - beginning	\$ -	\$ -	\$ (81,683)	\$ -	\$ -	\$ (5,742)	\$ -	\$ -	\$ (5,316)	\$ -	\$ (1,858)	\$ 75,364
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	114,822	219,779	720	-	-	175	484,290	-	17,250	14,109
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	114,822	219,779	720	-	-	175	484,290	-	17,250	14,109
Disbursements:												
Instruction	-	-	(388)	262,825	-	-	-	175	470,662	96,136	7,668	17,614
Support services	-	-	22,754	6,579	720	-	-	-	-	-	7,004	7,585
Noninstructional services	-	-	10,773	6,380	-	-	-	-	35,135	41	720	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	33,139	275,784	720	-	-	175	505,797	96,177	15,392	25,199
Excess (deficiency) of receipts over disbursements	-	-	81,683	(56,005)	-	-	-	-	(21,507)	(96,177)	1,858	(11,090)
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(2,000)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(2,000)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	81,683	(58,005)	-	-	-	-	(21,507)	(96,177)	1,858	(11,090)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (58,005)	\$ -	\$ (5,742)	\$ -	\$ -	\$ (26,823)	\$ (96,177)	\$ -	\$ 64,274

(Continued)

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

	Title IIA Grant	Title III Grant	ARP HCY II	IDEA ARP Special Education	IDEA ARP Special Education Preschool	ESSER III	ESSER II	ESSER	Clearing Accounts	Prepaid School Lunch Accounts	Medical/Dental Insurance Clearing	Totals
Cash and investments - beginning	\$ (30,485)	\$ -	\$ -	\$ -	\$ -	\$ (62,456)	\$ (81)	\$ -	\$ 50,825	\$ 42,675	\$ -	\$ 18,075,203
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	14,291,188
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	689
State sources	-	-	-	-	-	-	-	-	-	-	-	16,890,116
Federal sources	66,851	1,069	4,550	103,618	-	354,627	66,151	-	-	-	-	2,031,182
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	3	-	-	4,089,737	541,366	83,441	4,799,871
Total receipts	66,851	1,069	4,550	103,618	-	354,630	66,151	-	4,089,737	541,366	83,441	38,013,046
Disbursements:												
Instruction	-	330	-	39,722	-	86	(24,250)	-	-	-	-	13,416,002
Support services	36,568	739	2,964	-	-	543,679	90,320	-	-	-	-	9,488,481
Noninstructional services	-	-	1,586	-	-	-	-	-	-	-	-	1,454,771
Facilities acquisition and construction	-	-	-	63,896	-	-	-	-	-	-	-	3,736,328
Debt services	-	-	-	-	-	-	-	-	-	-	-	6,528,383
Nonprogrammed charges	-	-	-	-	-	-	-	-	4,092,166	546,662	-	6,086,542
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	36,568	1,069	4,550	103,618	-	543,765	66,070	-	4,092,166	546,662	-	40,710,507
Excess (deficiency) of receipts over disbursements	30,283	-	-	-	-	(189,135)	81	-	(2,429)	(5,296)	83,441	(2,697,461)
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	6,000,990
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	16,600
Transfers in	-	-	-	-	-	-	-	-	83,441	-	-	1,821,006
Transfers out	-	-	-	-	-	-	-	-	-	-	(83,441)	(1,821,006)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	83,441	-	(83,441)	6,017,590
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	30,283	-	-	-	-	(189,135)	81	-	81,012	(5,296)	-	3,320,129
Cash and investments - ending	\$ (202)	\$ -	\$ -	\$ -	\$ -	\$ (251,591)	\$ -	\$ -	\$ 131,837	\$ 37,379	\$ -	\$ 21,395,332

FAIRFIELD COMMUNITY SCHOOLS  
SCHEDULE OF PAYABLES AND RECEIVABLES  
June 30, 2024

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<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 824,625</u>	<u>\$ 452,015</u>

FAIRFIELD COMMUNITY SCHOOLS  
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:				
Fairfield School Building Corporation	Refunding	\$ 1,988,000	2/10/2022	12/31/2028
Fairfield School Building Corporation	Renovation/Construction Millersburg and other buildings	527,000	9/25/2014	6/30/2033
Fairfield School Building Corporation	Improvements to FJSHS/Equipment/Technology Purchases	378,000	8/19/2021	6/30/2037
Fairfield School Building Corporation	Millersburg/Benton/FJSHS/Transporation Center	<u>334,000</u>	9/25/2014	6/30/2033
Total governmental activities		<u>3,227,000</u>		
Total of annual lease payments		<u>\$ 3,227,000</u>		

<u>Type</u>	<u>Description of Debt</u>	<u>Purpose</u>	<u>Ending Principal Balance</u>	<u>Principal Due Within One Year</u>
Governmental activities:				
General Obligation Bonds	2020 - Reno/Improvement FJSHS	Site Improvement Equipment Technology	\$ 1,060,000	\$ 295,000
General Obligation Bonds	2023 - Safety/Capacity/Renovation/Construction		<u>4,435,000</u>	<u>1,845,000</u>
Total governmental activities			<u>5,495,000</u>	<u>2,140,000</u>
Totals			<u>\$ 5,495,000</u>	<u>\$ 2,140,000</u>

FAIRFIELD COMMUNITY SCHOOLS  
SCHEDULE OF CAPITAL ASSETS  
June 30, 2024

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 1,027,142
Buildings	66,628,807
Improvements other than buildings	666,569
Machinery, equipment, and vehicles	7,054,823
Construction in progress	<u>12,000,000</u>
 Total governmental activities	 <u>87,377,341</u>
 Total capital assets	 <u>\$ 87,377,341</u>

FAIRFIELD COMMUNITY SCHOOLS  
STATE REPORTING INFORMATION  
July 1, 2022 - June 30, 2024

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*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.

FAIRFIELD COMMUNITY SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the period of July 1, 2022 through June 30, 2024

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 06-30-24	Total Federal Awards Expended 07-01-22 to 06-30-24
<u>Department of Agriculture</u>						
Child Nutrition Cluster	Indiana Department of Education					
School Breakfast Program		10.553	FY22-23, FY23-24	\$ 105,168	\$ 77,337	\$ 182,505
National School Lunch Program		10.555	FY22-23, FY23-24	655,495	437,324	1,092,819
Supply Chain Assistance (SCA)		10.555	FY22-23, FY23-24	110,699	68,511	179,210
Commodities		10.555	FY22-23, FY23-24	<u>80,577</u>	<u>93,877</u>	<u>174,453</u>
Total - Child Nutrition Cluster				<u>951,939</u>	<u>677,047</u>	<u>1,628,986</u>
State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant	Indiana Department of Education	10.649	FY23	<u>628</u>	<u>-</u>	<u>628</u>
Total - Department of Agriculture				<u>952,567</u>	<u>677,047</u>	<u>1,629,614</u>
<u>Department of Education</u>						
Special Education Cluster (IDEA)						
Special Education Grants to States	Indiana Department of Education					
IDEA, Part B		84.027	21611-14-PN01	1,066	-	1,066
COVID-19 - Supplemental Funding - IDEA, Part B		84.027X	22611-14-ARP	37,713	103,618	141,331
IDEA, Part B		84.027	22611-14-PN01	398,223	175	398,398
IDEA, Part B		84.027	23611-14-PN01	<u>77,278</u>	<u>463,685</u>	<u>540,963</u>
Total - Special Education Grants to States				<u>514,280</u>	<u>567,478</u>	<u>1,081,758</u>
Special Education Preschool Grants	Indiana Department of Education					
COVID-19 - Supplemental Funding - IDEA, Preschool		84.173X	22619-14-ARP	10,547	-	10,547
IDEA, Preschool		84.173	23619-14-PN01	<u>-</u>	<u>20,605</u>	<u>20,605</u>
Total - Special Education Preschool Grants				<u>10,547</u>	<u>20,605</u>	<u>31,152</u>
Total - Special Education Cluster (IDEA)				<u>524,827</u>	<u>588,083</u>	<u>1,112,910</u>
Title I Grants to Local Educational Agencies	Indiana Department of Education					
Title I, Part A		84.010A	S010A210014	116,273	-	116,273
Title I, Part A		84.010A	S010A220014	100,287	114,822	215,109
Title I, Part A		84.010A	S010A230014	<u>-</u>	<u>219,779</u>	<u>219,779</u>
Total - Title I Grants to Local Educational Agencies				<u>216,560</u>	<u>334,601</u>	<u>551,161</u>

(Continued)

FAIRFIELD COMMUNITY SCHOOLS  
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
English Language Acquisition State Grants	Indiana Department of Education					
Title III, Part A		84.365A	S365A190014	\$ 1,119	\$ -	\$ 1,119
Title III, Part A		84.365A	S365A210014	8,185	659	8,844
Title III, Part A		84.365A	S365A220014	-	410	410
Total - English Language Acquisition State Grants				<u>9,304</u>	<u>1,069</u>	<u>10,373</u>
Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II, Part A		84.367A	S367A200013	16,264	-	16,264
Title II, Part A		84.367A	S367A210013	18,665	36,734	55,399
Title II, Part A		84.367A	S367A220013	140	30,117	30,257
Total - Supporting Effective Instruction State Grants				<u>35,069</u>	<u>66,851</u>	<u>101,920</u>
Student Support and Academic Enrichment Program	Indiana Department of Education					
Title IV, Part A		84.424A	S424A200015	470	-	470
Title IV, Part A		84.424A	S424A210015	7,680	7,182	14,862
Title IV, Part A		84.424A	S424A220015	-	10,068	10,068
Total - Student Support and Academic Enrichment Program				<u>8,150</u>	<u>17,250</u>	<u>25,400</u>
COVID-19 - Education Stabilization Fund	Indiana Department of Education					
Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D	S425D210013	225,247	66,151	291,398
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund		84.425U	S425U210013	558,811	354,627	913,438
American Rescue Plan - Homeless Children and Youth		84.425W	S425W210015	846	4,550	5,396
Total - COVID-19 - Education Stabilization Fund				<u>784,904</u>	<u>425,328</u>	<u>1,210,232</u>
Total - Department of Education				<u>1,578,814</u>	<u>1,433,182</u>	<u>3,011,996</u>
<u>Department of Health and Human Services</u>						
Medicaid Cluster	Family and Social Services Administration					
Medical Assistance Program		93.778	FY23, FY24	<u>7,889</u>	<u>14,109</u>	<u>21,998</u>
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	Indiana Department of Education					
Refugee School Impact Grant FY23		93.566	700REFSOCSVCF22	-	720	720
Total - Department of Health and Human Services				<u>7,889</u>	<u>14,829</u>	<u>22,718</u>
Total federal awards expended				<u>\$ 2,539,270</u>	<u>\$ 2,125,058</u>	<u>4,664,328</u>

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

FAIRFIELD COMMUNITY SCHOOLS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the period of July 1, 2022 through June 30, 2024

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**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 \$174,453 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  
Fairfield Community Schools  
Elkhart 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 Fairfield Community Schools ("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 6, 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 statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## 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 statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### 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.

A handwritten signature in black ink that reads "Crowe LLP". The letters are cursive and slightly slanted.

Crowe LLP

Indianapolis, Indiana  
March 6, 2025



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

Those Charged with Governance  
Fairfield Community Schools  
Elkhart County, Indiana

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

***Opinion on Each Major Federal Program***

We have audited the Fairfield Community Schools' (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.

## ***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.

*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 2024-001, 2024-002, and 2024-003 to be material weaknesses.

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(Continued)

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the School Corporation's responses to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The School Corporation's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

A handwritten signature in black ink that reads "Crowe LLP". The letters are cursive and slightly slanted to the right.

Crowe LLP

Indianapolis, Indiana  
March 6, 2025

FAIRFIELD COMMUNITY SCHOOLS  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 July 1, 2022 through June 30, 2024

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**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? \_\_\_\_\_ Yes \_\_\_\_\_ X No

Significant deficiencies identified not considered to be material weaknesses? \_\_\_\_\_ Yes \_\_\_\_\_ X None Reported

Noncompliance material to financial statement noted? \_\_\_\_\_ Yes \_\_\_\_\_ X No

***Federal Awards***

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ X Yes \_\_\_\_\_ No

Significant deficiencies identified not considered to be material weaknesses? \_\_\_\_\_ Yes \_\_\_\_\_ X None Reported

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

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)? \_\_\_\_\_ X Yes \_\_\_\_\_ No

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555	Child Nutrition Cluster
84.425D, 84.425U, 84.425W	COVID-19 - Education Stabilization Fund

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

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes \_\_\_\_\_ X No

**Section II – Financial Statement Findings**

None noted.

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(Continued)

FAIRFIELD COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2022 through June 30, 2024

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

**FINDING 2024-001**

**Information on the federal program:**

Subject: Child Nutrition Cluster - Internal Controls  
Federal Agency: Department of Agriculture  
Federal Program: School Breakfast Program, National School Lunch Program  
Assistance Listing Number: 10.553, 10.555  
Federal Award Numbers and Years (or Other Identifying Numbers): FY 22-23, FY 23-24  
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 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). . . ."

**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 eligibility compliance requirement.

**Cause:** The School Corporation's management had not developed a system of internal controls to ensure compliance with eligibility requirements.

**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:** The School Corporation's internal controls over eligibility included an annual approval of the food service software's eligibility guidelines and also a documented review of individual meal applications by Food Service Department staff. During testing of eligibility, we noted 7 applications, out of 60 total students tested for the audit period, that did not have a timely, documented review by Food Service Department staff. The lack of review was isolated to fiscal year 2023. Additionally, there was no documented annual review by School Corporation personnel of the fiscal year 2024 income eligibility guidelines used by the food service software.

**Identification as a repeat finding, if applicable:** No.

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(Continued)

FAIRFIELD COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2022 through June 30, 2024

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

**FINDING 2024-001** (Continued)

**Recommendation:** We recommend School Corporation management review internal controls over eligibility and ensure a documented review occurs annually of income eligibility guidelines used by the food service software. We also recommend management document their review of applications entered into the system and ensure applications are maintained to support eligibility determinations made.

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

**FINDING 2024-002**

**Information on the federal program:**

Subject: Education Stabilization Fund – Equipment and Real Property Management  
Federal Agency: Department of Education  
Federal Program: COVID-19 – Education Stabilization Fund  
Assistance Listing Number: 84.425D  
Federal Award Numbers: S425D210013  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Equipment and Real Property Management  
Audit Findings: 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.

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(Continued)

FAIRFIELD COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2022 through June 30, 2024

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

**FINDING 2024-002** (Continued)

**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 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 expended \$94,444 on equipment/real property acquisitions during the period under audit which was charged to the ESSER II (84.425D) grant award. While the School Corporation did maintain a capital asset listing for the audit period, controls in place were not operating in an effective manner to properly track federal equipment acquisitions. The School Corporation failed to include the equipment/real property purchases on the capital asset listing. The School Corporation had also not performed a complete physical inventory of capital assets during the audit period as required by federal and state regulations.

**Identification as a repeat finding, if applicable:** No.

**Recommendation:** We recommend the School Corporation maintain and 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 funds. We also recommend the School Corporation conduct a physical inventory of capital assets at least every two years and maintain documentation to support the process undertaken to comply with federal and state regulations.

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

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(Continued)

FAIRFIELD COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2022 through June 30, 2024

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

**FINDING 2024-003**

**Information on the federal program:**

Subject: Education Stabilization Fund – Special Tests and Provisions - Wage Rate Requirements  
Federal Agency: Department of Education  
Federal Program: COVID-19 - Education Stabilization Fund  
Assistance Listing Number: 84.425D  
Federal Award Numbers: S425D210013  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Special Tests and Provisions - Wage Rate Requirements  
Audit Findings: 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). . . ."

29 CFR 5.5 states in part:

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

(1) Minimum wages.

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

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

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(Continued)

FAIRFIELD COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2022 through June 30, 2024

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

**FINDING 2024-003** (Continued)

2 CFR 200 Appendix II states in part:

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

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

**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 Special Tests and Provisions – Wage Rate Requirements compliance requirements. The School Corporation did not include Davis Bacon wage rate requirements in its contract with vendor which includes labor installation. The School Corporation did not obtain the weekly payroll reports certifications from vendor installing equipment.

**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 design and implement an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the Special Tests and Provisions – Wage Rate Requirements 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 one project during the audit period which included labor installation costs which were charged to the ESSER II (84.425D) grant award. For the vendor selected for testing, the School Corporation did not include federal wage rate requirement clauses in the contract with the vendor and did not have an internal control designed to collect the weekly payroll reports certifications from vendors and its subcontractors, as applicable, to comply with Davis Bacon wage rate requirements. The amount disbursed for the project during the audit period which includes material and labor totaled \$94,444.

**Identification as a repeat finding, if applicable:** No.

**Recommendation:** We recommend the School Corporation include Davis-Bacon wage requirements in vendor contracts which are federally funded and implement a formal process to ensure the required weekly payroll report certifications are collected and reviewed by management to ensure compliance with the federal wage rate requirements.

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

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67240 CR 31, Goshen, IN 46528

Dr. Carrie Cannon, Superintendent  
Monica Kegerreis, Assistant Superintendent of Curriculum

Phone: (574) 831-2188

Fax: (574) 831-5698

Email: ccannon@fairfield.k12.in.us

## CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

June 30, 2024

### **FINDING 2024-001**

Subject: Child Nutrition Cluster - Internal Controls

Federal Agency: Department of Agriculture

Federal Program: School Breakfast Program, National School Lunch Program

Assistance Listing Number: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY 22-23, FY 23-24

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Eligibility

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 eligibility compliance requirement.

**Context:** The School Corporation's internal controls over eligibility included an annual approval of the food service software's eligibility guidelines and also a documented review of individual meal applications by Food Service Department staff. During testing of eligibility, we noted 7 applications, out of 60 total students tested for the audit period, that did not have a timely, documented review by Food Service Department staff. The lack of review was isolated to fiscal year 2023. Additionally, there was no documented annual review by School Corporation personnel of the fiscal year 2024 income eligibility guidelines used by the food service software.

**Views of Responsible Official:** We concur with the finding.

**Description of Corrective Action Plan:** Management will ensure all applications for free/reduced meals have a formally documented dual review. Management will also ensure that income thresholds in the student meal system are reviewed annually.

**Responsible Party and Timeline for Completion:** Effective immediately, we have implemented procedures that Amanda Bilbrey, Food Service Assistant will periodically throughout the school year verify that all free & reduced applications are properly reviewed.

Attached is the 2024-2025 meal Income Eligibility Guidelines and Titan student meal system printout of meal pricing, that has been reviewed.



67240 CR 31, Goshen, IN 46528

Dr. Carrie Cannon, Superintendent  
Monica Kegerreis, Assistant Superintendent of Curriculum

Phone: (574) 831-2188

Fax: (574) 831-5698

Email: ccannon@fairfield.k12.in.us

### **FINDING 2024-002**

Subject: Education Stabilization Fund – Equipment and Real Property Management  
Federal Agency: Department of Education  
Federal Program: COVID-19 – Education Stabilization Fund  
Assistance Listing Number: 84.425D  
Federal Award Numbers: S425D210013  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Equipment and Real Property Management  
Audit Findings: 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 expended \$94,444 on equipment/real property acquisitions during the period under audit which was charged to the ESSER II (84.425D) grant award. While the School Corporation did maintain a capital asset listing for the audit period, controls in place were not operating in an effective manner to properly track federal equipment acquisitions. The School Corporation failed to include the equipment/real property purchases on the capital asset listing. The School Corporation had also not performed a complete physical inventory of capital assets during the audit period as required by federal and state regulations.

**Views of Responsible Official:** We concur with the finding.

**Description of Corrective Action Plan:** Management will consult Board approved policies for capital asset management and ensure listings include and identify purchases made with federal funds and ensure a physical inventory is completed at least once every two years.

**Responsible Party and Timeline for Completion:** Fairfield Community Schools has hired 3G Solutions to perform a complete inventory of assets.



67240 CR 31, Goshen, IN 46528

Dr. Carrie Cannon, Superintendent  
Monica Kegerreis, Assistant Superintendent of Curriculum

Phone: (574) 831-2188

Fax: (574) 831-5698

Email: ccannon@fairfield.k12.in.us

### **FINDING 2024-003**

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

Federal Agency: Department of Education

Federal Program: COVID-19 - Education Stabilization Fund

Assistance Listing Number: 84.425D

Federal Award Numbers: S425D210013

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Wage Rate Requirements

Audit Findings: 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 Special Tests and Provisions – Wage Rate Requirements compliance requirements. The School Corporation did not include Davis Bacon wage rate requirements in its contract with vendor which includes labor installation. The School Corporation did not obtain the weekly payroll reports certifications from vendor installing equipment.

**Context:** The School Corporation had one project during the audit period which included labor installation costs which were charged to the ESSER II (84.425D) grant award. For the vendor selected for testing, the School Corporation did not include federal wage rate requirement clauses in the contract with the vendor and did not have an internal control designed to collect the weekly payroll reports certifications from vendors and its subcontractors, as applicable, to comply with Davis Bacon wage rate requirements. The amount disbursed for the project during the audit period which includes material and labor totaled \$94,444.

**Views of Responsible Official:** We concur with the finding.

**Description of Corrective Action Plan:** Management will ensure all federal funded renovation, remodeling, or construction projects anticipated to incur labor costs greater than \$2,000 include a signed contract containing a Davis-Bacon wage rate provision and will monitor the vendor to ensure compliance with certified payroll reporting requirements.

**Responsible Party and Timeline for Completion:** Effective immediately for any future projects.



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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2022-001**

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

**Condition and Context:** The School Corporation had not established effective internal controls over the federal award information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the School Corporation's Schedule of Expenditures of Federal Awards (SEFA).

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

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

1. The Child Nutrition Cluster expenditures were understated by \$1,029,142 in fiscal year 2020-2021 and \$1,428,659 in 2021-2022.
2. The Special Education Cluster expenditures were understated by \$141,504 in 2020-2021 and \$358,458 in 2021-2022.
3. The School Corporation erroneously reported \$600,171 in federal expenditures that could not be traced to a grant, which resulted in an overstatement of expenditures.
4. Several additional grants had individually immaterial errors that resulted misstatements of expenditures of \$11,304, in total.

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

**Status:** Resolved.



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### **FINDING 2022-002**

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

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

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

The School Corporation did not enter into a contract, as required, with the sole vendor that was less than the simplified acquisition threshold of \$150,000, but exceeded the \$10,000 micro-purchase threshold. The School Corporation purchased goods and services in the amount of \$74,906 and \$82,070 during fiscal years 2020-2021 and 2021-2022, respectively, with the vendor. Additionally, the School Corporation did not verify the vendor was neither suspended nor debarred, or otherwise excluded or disqualified from participating in federal assistance programs.

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

**Status:** Resolved.

### **FINDING 2022-003**

Subject: COVID-19 – Education Stabilization Fund – Reporting  
Audit Findings: Material Weakness, Other Matters

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

Two of four annual data reports due and submitted during the audit period contained errors. The Elementary and Secondary School Emergency Relief (ESSER) I, Year 1 annual data report overstated total expenditures by \$72,046. The ESSER I, Year 2 annual data report overstated total expenditures by \$2,303.

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

**Status:** Resolved.