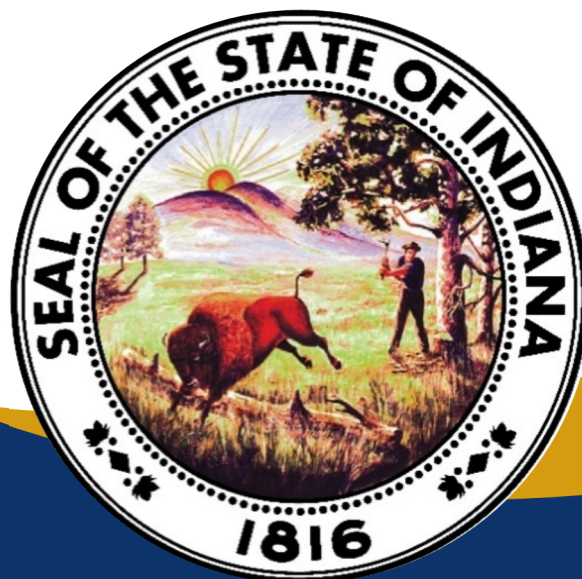


**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

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

FINANCIAL STATEMENT AND
FEDERAL COMPLIANCE AUDIT REPORT
OF

COVINGTON COMMUNITY SCHOOL CORPORATION
FOUNTAIN COUNTY, INDIANA
July 1, 2022 to June 30, 2024



FILED

02/12/2025



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

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February 12, 2025

To: The Officials of the Covington Community School Corporation
Covington Community School Corporation
Fountain County, Indiana

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Covington Community School Corporation. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period July 1, 2022 to June 30, 2024. Per the *Independent Auditor's Report*, the financial statements included in the report 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 39 through 45. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 46 through 48.

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 Covington Community School Corporation was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

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

Tammy R. White, CPA
Deputy State Examiner

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

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Vicki Jones	07-01-22 to 06-30-24
Superintendent of Schools	Brady Scott Nicole Allee	07-01-22 to 06-30-23 07-01-23 to 06-30-24
President of the School Board	Doug Hunter Kevin Cates	07-01-22 to 12-31-22 01-01-23 to 06-30-24

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
Covington Community School Corporation
Fountain 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 Covington Community School Corporation (the School Corporation) as of June 30, 2024 and for the period of July 1, 2022 through June 30, 2024, and the related notes to the financial statement.

Unmodified Opinion on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the School Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

(Continued)

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

Responsibilities of Management for the Financial Statement

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

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

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

Supplementary Information

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

(Continued)

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report January 23, 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
Crowe LLP

Indianapolis, Indiana
January 23, 2025

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

<u>Fund</u>	<u>Cash and Investments 07-01-2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2023</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2024</u>
Education	\$ 1,781,360	\$ 6,188,393	\$ 5,671,799	\$ (600,000)	\$ 1,697,954	\$ 6,932,871	\$ 6,097,161	\$ (391,572)	\$ 2,142,092
Debt Service	597,730	1,109,260	1,215,948	-	491,042	1,218,682	1,336,937	-	372,787
Operations	1,336,207	1,784,847	2,705,928	616,823	1,031,949	1,838,067	2,717,408	400,000	552,608
Local Rainy Day	1,358,621	-	48,256	-	1,310,365	-	-	(35,952)	1,274,413
Post-Retirement/ Severance Future Benefit	320,858	-	54,875	-	265,983	-	60,188	-	205,795
Contruction 2018	10,436	-	10,436	-	-	-	-	-	-
2020 Fit Construction Bond	1,037,505	7,237	665,003	-	379,739	4,005	383,744	-	-
2022 Go Bond	-	112,737	91,026	1,453,477	1,475,188	54,824	1,530,012	-	-
2023 Go Bond	-	-	-	-	-	9,907	135,810	760,000	634,097
School Lunch	121,078	584,618	505,795	-	199,901	500,004	565,576	-	134,329
Curricular Materials Rental	(13,086)	112,008	236,229	-	(137,307)	136,669	131,539	35,952	(96,225)
2021-22 Hs Momh	10,976	1,903	14,039	-	(1,160)	1,160	-	-	-
2021-22 Ms Momh	(2,813)	13,210	10,417	-	(20)	20	-	-	-
2023-24 Pk Momh	-	-	-	-	-	232,874	179,970	-	52,904
2022-23 Pk Momh	-	144,662	159,261	-	(14,599)	24,339	9,740	-	-
2023-24 Ms Momh	-	-	-	-	-	185,089	139,535	-	45,554
2022-23 Ms Momh	-	121,008	127,888	-	(6,880)	18,673	11,793	-	-
2023-24 Hs Momh	-	-	-	-	-	182,194	160,592	-	21,602
2022-23 Hs Momh	-	141,448	129,146	-	12,302	159	12,461	-	-
2021-22 Wabash River Special Svc Coop	233,249	850	-	(26,207)	207,892	-	-	-	207,892
2022-23 Wabash River Sp Svc Coop	-	1,582,482	1,564,682	26,207	44,007	450	252,348	-	(207,891)
2023-24 Wabash River Svc Coop	-	-	-	-	-	1,961,189	1,493,675	-	467,514
2024-25 Pre School Speech	(9,620)	-	2,280	-	(11,900)	11,900	-	-	-
2023-24 Pre School Speech	-	-	-	-	-	12,700	12,338	1,882	2,244
2022-23 Pre School Speech	13,501	9,626	12,338	-	10,789	-	8,907	(1,882)	-
2022-23 Wrcte Auto North	-	114,842	127,144	27,833	15,531	-	15,531	-	-
2023-24 Auto	-	-	-	-	-	148,503	126,587	-	21,916
2024-25 Auto	28,673	4,180	4,839	(27,833)	181	-	181	-	-
2022-23 Facilities Maint	-	42,686	47,413	-	(4,727)	11,174	6,447	-	-

(Continued)

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

<u>Fund</u>	<u>Cash and Investments 07-01-2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2023</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2024</u>
2023-24 Facilities Maint	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,500	\$ 39,748	\$ -	\$ 3,752
2022-23 Building Trades	-	21,484	30,633	-	(9,149)	15,187	5,547	(491)	-
2023-24 Building Trades	-	-	-	-	-	32,199	36,918	491	(4,228)
Tech Repairs From Lab Fees	17,415	-	4,159	-	13,256	5,347	-	-	18,603
Chs Lab Fees	-	-	-	-	-	2,944	1,899	-	1,045
Ces Lab Fees	-	-	-	-	-	1,257	1,500	-	(243)
Cms Lab Fees	-	-	-	-	-	428	171	-	257
Sta	-	-	-	-	-	5,100	43	-	5,057
Flowthrough - Reimbursement	-	-	-	-	-	42,872	53,465	-	(10,593)
Educational License Plates	188	94	-	-	282	94	-	-	376
2022-23 Extra Curricular (Athletic)	(7,284)	7,284	-	-	-	-	-	-	-
2023-24 Extra Curricular (Athletic)	-	-	-	-	-	19,590	19,590	-	-
2024-25 Pysi - Preventing Youth Suicide	-	-	-	-	-	13,088	-	-	13,088
Resiliant Yth Imp Grant	14,370	-	-	(14,370)	-	-	-	-	-
Yr 3 - Resiliant Yth Imp Grant	2,758	-	17,128	14,370	-	-	-	-	-
Formative Assessment	266	9,645	9,911	-	-	11,868	11,876	-	(8)
2023-24 Elag - Early Literacy Achievemen	-	-	-	-	-	11,204	11,204	-	-
Dlg - Digital Learning Grant	-	42,257	49,992	-	(7,735)	7,743	8	-	-
2022 Whin - Wabash Heartland Innovation	-	11,780	11,468	-	312	-	312	-	-
2023 Whin - Wabash Heartland Innovation	-	70,049	63,886	-	6,163	-	4,052	-	2,111
Medicaid Reimbursement	-	-	-	-	-	8,428	-	(8,428)	-
Secured Schools Safety Grant	-	46,828	49,000	-	(2,172)	35,689	52,610	-	(19,093)
2021-22 - Sssg - Secured School Safety G	(6,661)	4,933	(1,728)	-	-	-	-	-	-
Stem (Science Technology Engineering	(42,054)	42,054	-	-	-	-	-	-	-
2023-24 Fountain Co Local Coordinating C	-	710	-	-	710	-	710	-	-
Nesp 2021-22 Non-English Speaking Progra	450	-	-	-	450	-	450	-	-
Nesp 2022-23 Non-English Speaking Progra	-	-	-	-	-	-	3,473	-	(3,473)
Career And Technical Performance Grant	21,233	220	-	-	21,453	439	21,892	-	-
2023-24 Teacher Appreciation Grant	-	-	-	-	-	31,469	31,469	-	-

(Continued)

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

<u>Fund</u>	<u>Cash and Investments 07-01-2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2023</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2024</u>
2022 Teacher Appreciation Grant	\$ -	\$ 30,710	\$ 30,710	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
High Ability Students	4,570	23,571	20,539	-	7,602	29,380	25,602	-	11,380
State Connectivity Grant	8,266	6,147	9,809	-	4,604	6,362	4,603	-	6,363
Project Lead The Way	(1,400)	1,400	-	-	-	-	-	-	-
Title I 2022-23	-	60,391	76,367	-	(15,976)	26,788	10,812	-	-
2023-24 Title I	(11,347)	20,423	9,076	-	-	69,358	75,589	-	(6,231)
Sp Ed B 611 2021-22	(10,475)	38,971	28,496	-	-	5,146	5,146	-	-
Sp Ed B 611 2022-23	-	170,247	178,160	-	(7,913)	37,279	29,366	-	-
2023-24 611 Part B Spec Ed	-	-	-	-	-	176,628	193,275	-	(16,647)
2023-24 619 Part B Pre-K Spec Ed	-	-	-	-	-	8,805	7,595	-	1,210
Spec Ed Pre-K 619 2021-22	-	11,531	7,074	-	4,457	-	-	-	4,457
Spec Ed Pre-K 619 2022-23	-	-	6,271	-	(6,271)	-	-	-	(6,271)
Title IV 2022-23	(5,000)	10,000	10,000	-	(5,000)	10,000	5,000	-	-
Usda - Afhk - Action For Healthy Kids	-	-	-	-	-	1,421	-	-	1,421
Medicaid Reimbursement - Federal	-	-	-	-	-	16,112	6,019	-	10,093
Title II 2022-23	-	18,216	18,216	-	-	-	-	-	-
2023-24 Title II	-	-	-	-	-	11,201	13,196	-	(1,995)
Arp 611 2021-22	(2,254)	2,870	3,734	-	(3,118)	35,572	32,454	-	-
Arp 619 2021-22	-	403	2,449	-	(2,046)	3,026	980	-	-
ESSER III	(10,763)	214,441	267,310	-	(63,632)	354,238	323,096	-	(32,490)
ESSER II	3,484	20,008	30,702	-	(7,210)	7,210	-	-	-
ESSER I	(3,324)	3,324	-	-	-	-	-	-	-
Fema	16,823	-	-	(16,823)	-	-	-	-	-
Prepaid School Lunch Accounts	(7,383)	220,716	199,799	-	13,534	200,982	198,959	-	15,557
Federal Tax	1,823	509,625	509,625	-	1,823	538,017	538,017	-	1,823
23C.Sec.	-	515,462	515,462	-	-	562,858	562,858	-	-
State Tax	-	213,175	213,175	-	-	227,700	227,700	-	-
County Adj. Gross Inc. Tax	-	137,878	137,878	-	-	152,795	152,795	-	-
Istrf	-	1,459	1,459	-	-	1,548	1,548	-	-

(Continued)

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

<u>Fund</u>	<u>Cash and Investments</u> <u>07-01-2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments</u> <u>06-30-2023</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments</u> <u>06-30-2024</u>
Insurance	\$ -	\$ 322,221	\$ 322,221	\$ -	\$ -	\$ 276,583	\$ 276,686	\$ -	\$ (103)
Annuities	-	126,415	126,415	-	-	147,257	147,257	-	-
Garnishment	-	967	967	-	-	793	793	-	-
Fountain County Mentoring Prog	-	816	816	-	-	474	474	-	-
Totals	<u>\$ 6,808,376</u>	<u>\$ 15,014,722</u>	<u>\$ 16,365,921</u>	<u>\$ 1,453,477</u>	<u>\$ 6,910,654</u>	<u>\$ 16,681,432</u>	<u>\$ 18,525,237</u>	<u>\$ 760,000</u>	<u>\$ 5,826,849</u>

See notes to financial statement.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

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

(Continued)

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

(Continued)

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

(Continued)

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

NOTE 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. The deficits in the Curricular Materials Rental fund and Insurance funds are the result of disbursements exceeding receipts due to under-estimating current requirements for those funds. These deficits will be repaid from future receipts.

NOTE 7 - HOLDING CORPORATIONS

The School Corporation has entered into a capital lease with the Covington Multi School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments for the period July 1, 2022 through June 30, 2023 totaled \$833,500. Lease payments for the period July 1, 2023 through June 30, 2024 totaled \$866,500.

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.

(Continued)

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

NOTE 8 - PENSION PLANS (Continued)

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

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

Financial Report

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

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

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.

(Continued)

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

NOTE 8 - PENSION PLANS (Continued)

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

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

Financial Report

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

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

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 - SUBSEQUENT EVENTS

In October 2024, the School Corporation issued general obligation bonds in the amount of \$525,000 for renovations and improvements to facilities.

OTHER INFORMATION (Unaudited)

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

	Education	Debt Service	Operations	Local Rainy Day	Post-Retirement/ Severance Future Benefit	Construction 2018	2020 Fit Construction Bond	2022 Go Bond	School Lunch	Curricular Materials Rental	2021-22 Hs Momh	2021-22 Ms Momh	2022-23 Pk Momh	2022-23 Ms Momh
Cash and investments - beginning	\$ 1,781,360	\$ 597,730	\$ 1,336,207	\$ 1,358,621	\$ 320,858	\$ 10,436	\$ 1,037,505	\$ -	\$ 121,078	\$ (13,086)	\$ 10,976	\$ (2,813)	\$ -	\$ -
Receipts:														
Local sources	54,658	1,109,260	1,701,049	-	-	-	7,237	1,214	209,750	86,420	1,903	13,210	144,662	121,008
Intermediate sources	-	-	266	-	-	-	-	-	-	-	-	-	-	-
State sources	6,124,755	-	-	-	-	-	-	-	3,335	24,651	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	371,533	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	8,980	-	83,532	-	-	-	-	111,523	-	937	-	-	-	-
Total receipts	6,188,393	1,109,260	1,784,847	-	-	-	7,237	112,737	584,618	112,008	1,903	13,210	144,662	121,008
Disbursements:														
Instruction	4,420,457	-	-	-	-	-	-	-	-	-	14,039	10,417	154,333	122,673
Support services	1,059,296	-	2,473,535	48,256	54,875	-	20,000	91,026	146	236,229	-	-	4,928	5,215
Noninstructional services	192,046	-	3,000	-	-	-	-	-	505,649	-	-	-	-	-
Facilities acquisition and construction	-	-	229,393	-	-	10,436	645,003	-	-	-	-	-	-	-
Debt services	-	1,215,948	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	5,671,799	1,215,948	2,705,928	48,256	54,875	10,436	665,003	91,026	505,795	236,229	14,039	10,417	159,261	127,888
Excess (deficiency) of receipts over disbursements	516,594	(106,688)	(921,081)	(48,256)	(54,875)	(10,436)	(657,766)	21,711	78,823	(124,221)	(12,136)	2,793	(14,599)	(6,880)
Other financing sources (uses):														
Proceeds of long-term debt	-	-	-	-	-	-	-	1,453,477	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	616,823	-	-	-	-	-	-	-	-	-	-	-
Transfers out	(600,000)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(600,000)	-	616,823	-	-	-	-	1,453,477	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(83,406)	(106,688)	(304,258)	(48,256)	(54,875)	(10,436)	(657,766)	1,475,188	78,823	(124,221)	(12,136)	2,793	(14,599)	(6,880)
Cash and investments - ending	\$ 1,697,954	\$ 491,042	\$ 1,031,949	\$ 1,310,365	\$ 265,983	\$ -	\$ 379,739	\$ 1,475,188	\$ 199,901	\$ (137,307)	\$ (1,160)	\$ (20)	\$ (14,599)	\$ (6,880)

(Continued)

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

	2022-23 Hs Momh	2021-22 Wabash River Special Svc Coop	2022-23 Wabash River Sp Svc Coop	2024-25 Pre School Speech	2022-23 Pre School Speech	2022-23 Wrcte Auto North	2024-25 Auto	2022-23 Facilities Maint	2022-23 Building Trades	Tech Repairs From Lab Fees	Educational License Plates	2022-23 Extra Curricular (Athletic)	Resiliant Yth Imp Grant
Cash and investments - beginning	\$ -	\$ 233,249	\$ -	\$ (9,620)	\$ 13,501	\$ -	\$ 28,673	\$ -	\$ -	\$ 17,415	\$ 188	\$ (7,284)	\$ 14,370
Receipts:													
Local sources	141,448	-	1,579,293	-	9,626	106,302	-	37,800	-	-	-	7,284	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	94	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	850	3,189	-	-	8,540	4,180	4,886	21,484	-	-	-	-
Total receipts	141,448	850	1,582,482	-	9,626	114,842	4,180	42,686	21,484	-	94	7,284	-
Disbursements:													
Instruction	124,504	-	1,550,777	2,280	12,338	116,571	4,206	41,640	30,633	-	-	-	-
Support services	4,642	-	13,905	-	-	10,573	633	5,773	-	4,159	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	129,146	-	1,564,682	2,280	12,338	127,144	4,839	47,413	30,633	4,159	-	-	-
Excess (deficiency) of receipts over disbursements	12,302	850	17,800	(2,280)	(2,712)	(12,302)	(659)	(4,727)	(9,149)	(4,159)	94	7,284	-
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	26,207	-	-	27,833	-	-	-	-	-	-	-
Transfers out	-	(26,207)	-	-	-	-	(27,833)	-	-	-	-	-	(14,370)
Total other financing sources (uses)	-	(26,207)	26,207	-	-	27,833	(27,833)	-	-	-	-	-	(14,370)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	12,302	(25,357)	44,007	(2,280)	(2,712)	15,531	(28,492)	(4,727)	(9,149)	(4,159)	94	7,284	(14,370)
Cash and investments - ending	\$ 12,302	\$ 207,892	\$ 44,007	\$ (11,900)	\$ 10,789	\$ 15,531	\$ 181	\$ (4,727)	\$ (9,149)	\$ 13,256	\$ 282	\$ -	\$ -

(Continued)

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

	Yr 3 - Resiliant Yth Imp Grant	Formative Assessment	Dlg - Digital Learning Grant	2022 Whin - Wabash Heartland Innovation	2023 Whin - Wabash Heartland Innovation	Secured Schools Safety Grant	2021-22 - Sssg - Secured School Safety G	Stem (Science Technology Engineering)	2023-24 Fountain Co Local Coordinating C	Nesp 2021-22 Non-English Speaking Progra	Career And Technical Performance Grant	2023-24 Teacher Appreciation Grant
Cash and investments - beginning	\$ 2,758	\$ 266	\$ -	\$ -	\$ -	\$ -	\$ (6,661)	\$ (42,054)	\$ -	\$ 450	\$ 21,233	\$ -
Receipts:												
Local sources	-	-	-	-	-	-	-	42,054	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	9,645	42,257	11,780	70,049	46,828	4,933	-	710	-	220	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	9,645	42,257	11,780	70,049	46,828	4,933	42,054	710	-	220	-
Disbursements:												
Instruction	-	-	-	-	-	-	-	-	-	-	-	-
Support services	17,128	9,911	49,992	11,468	63,886	49,000	(1,728)	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	17,128	9,911	49,992	11,468	63,886	49,000	(1,728)	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	(17,128)	(266)	(7,735)	312	6,163	(2,172)	6,661	42,054	710	-	220	-
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	14,370	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	14,370	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,758)	(266)	(7,735)	312	6,163	(2,172)	6,661	42,054	710	-	220	-
Cash and investments - ending	\$ -	\$ -	\$ (7,735)	\$ 312	\$ 6,163	\$ (2,172)	\$ -	\$ -	\$ 710	\$ 450	\$ 21,453	\$ -

(Continued)

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

	2022 Teacher Appreciation Grant	High Ability Students	State Connectivity Grant	Project Lead The Way	Title I 2022-23	2023-24 Title I	Sp Ed B 611 2021-22	Sp Ed B 611 2022-23	Spec Ed Pre-K 619 2021-22	Spec Ed Pre-K 619 2022-23	Title IV 2022-23	Title II 2022- 23	Arp 611 2021- 22	Arp 619 2021- 22
Cash and investments - beginning	\$ -	\$ 4,570	\$ 8,266	\$ (1,400)	\$ -	\$ (11,347)	\$ (10,475)	\$ -	\$ -	\$ -	\$ (5,000)	\$ -	\$ (2,254)	\$ -
Receipts:														
Local sources	-	-	-	1,400	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	30,710	23,571	6,147	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	60,391	20,423	38,971	170,247	11,531	-	10,000	18,216	2,870	403
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	30,710	23,571	6,147	1,400	60,391	20,423	38,971	170,247	11,531	-	10,000	18,216	2,870	403
Disbursements:														
Instruction	30,710	20,539	-	-	76,367	9,076	28,496	178,160	7,074	6,271	-	18,216	3,734	2,449
Support services	-	-	9,809	-	-	-	-	-	-	-	10,000	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	30,710	20,539	9,809	-	76,367	9,076	28,496	178,160	7,074	6,271	10,000	18,216	3,734	2,449
Excess (deficiency) of receipts over disbursements	-	3,032	(3,662)	1,400	(15,976)	11,347	10,475	(7,913)	4,457	(6,271)	-	-	(864)	(2,046)
Other financing sources (uses):														
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	3,032	(3,662)	1,400	(15,976)	11,347	10,475	(7,913)	4,457	(6,271)	-	-	(864)	(2,046)
Cash and investments - ending	\$ -	\$ 7,602	\$ 4,604	\$ -	\$ (15,976)	\$ -	\$ -	\$ (7,913)	\$ 4,457	\$ (6,271)	\$ (5,000)	\$ -	\$ (3,118)	\$ (2,046)

(Continued)

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

	ESSER III	ESSER II	ESSER I	Fema	Prepaid School Lunch Accounts	Federal Tax	23C.Sec.	State Tax	County Adj. Gross Inc. Tax	Istrf	Insurance	Annuities	Garnishment	Fountain County Mentoring Prog	Totals
Cash and investments - beginning	\$ (10,763)	\$ 3,484	\$ (3,324)	\$ 16,823	\$ (7,383)	\$ 1,823	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,808,376
Receipts:															
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,375,578
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	360
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,399,591
Federal sources	214,441	20,008	3,324	-	-	-	-	-	-	-	-	-	-	-	942,358
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	220,716	509,625	515,462	213,175	137,878	1,459	322,221	126,415	967	816	2,296,835
Total receipts	214,441	20,008	3,324	-	220,716	509,625	515,462	213,175	137,878	1,459	322,221	126,415	967	816	15,014,722
Disbursements:															
Instruction	19,054	-	-	-	-	-	-	-	-	-	-	-	-	-	7,005,014
Support services	243,306	30,702	-	-	-	-	-	-	-	-	-	-	-	-	4,526,665
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	700,695
Facilities acquisition and construction	4,950	-	-	-	-	-	-	-	-	-	-	-	-	-	889,782
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,215,948
Nonprogrammed charges	-	-	-	-	199,799	509,625	515,462	213,175	137,878	1,459	322,221	126,415	967	816	2,027,817
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	267,310	30,702	-	-	199,799	509,625	515,462	213,175	137,878	1,459	322,221	126,415	967	816	16,365,921
Excess (deficiency) of receipts over disbursements	(52,869)	(10,694)	3,324	-	20,917	-	-	-	-	-	-	-	-	-	(1,351,199)
Other financing sources (uses):															
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,453,477
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-	-	685,233
Transfers out	-	-	-	(16,823)	-	-	-	-	-	-	-	-	-	-	(685,233)
Total other financing sources (uses)	-	-	-	(16,823)	-	-	-	-	-	-	-	-	-	-	1,453,477
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(52,869)	(10,694)	3,324	(16,823)	20,917	-	-	-	-	-	-	-	-	-	102,278
Cash and investments - ending	\$ (63,632)	\$ (7,210)	\$ -	\$ -	\$ 13,534	\$ 1,823	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,910,654

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

	Education	Debt Service	Operations	Local Rainy Day	Post-Retirement/Severance Future Benefit	2020 Fit Construction Bond	2022 Go Bond	2023 Go Bond	School Lunch	Curricular Materials Rental	2021-22 Hs Momh	2021-22 Ms Momh	2023-24 Pk Momh	2022-23 Pk Momh
Cash and investments - beginning	\$ 1,697,954	\$ 491,042	\$ 1,031,949	\$ 1,310,365	\$ 265,983	\$ 379,739	\$ 1,475,188	\$ -	\$ 199,901	\$ (137,307)	\$ (1,160)	\$ (20)	\$ -	\$ (14,599)
Receipts:														
Local sources	154,128	1,218,682	1,836,801	-	-	4,005	54,824	9,907	201,752	3,411	1,160	20	232,874	24,339
Intermediate sources	-	-	266	-	-	-	-	-	-	-	-	-	-	-
State sources	6,778,743	-	-	-	-	-	-	-	5,024	133,058	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	293,228	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	1,000	-	-	-	-	-	-	200	-	-	-	-
Total receipts	6,932,871	1,218,682	1,838,067	-	-	4,005	54,824	9,907	500,004	136,669	1,160	20	232,874	24,339
Disbursements:														
Instruction	4,841,703	-	18,264	-	-	-	-	-	-	-	-	-	145,769	9,291
Support services	1,078,891	-	2,510,452	-	60,188	41	545	5,199	162	131,539	-	-	34,201	449
Noninstructional services	176,567	-	1,839	-	-	-	-	-	550,069	-	-	-	-	-
Facilities acquisition and construction	-	-	186,853	-	-	383,703	1,529,467	130,611	-	-	-	-	-	-
Debt services	-	1,336,937	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	15,345	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	6,097,161	1,336,937	2,717,408	-	60,188	383,744	1,530,012	135,810	565,576	131,539	-	-	179,970	9,740
Excess (deficiency) of receipts over disbursements	835,710	(118,255)	(879,341)	-	(60,188)	(379,739)	(1,475,188)	(125,903)	(65,572)	5,130	1,160	20	52,904	14,599
Other financing sources (uses):														
Proceeds of long-term debt	-	-	-	-	-	-	-	760,000	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	8,428	-	400,000	-	-	-	-	-	-	35,952	-	-	-	-
Transfers out	(400,000)	-	-	(35,952)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(391,572)	-	400,000	(35,952)	-	-	-	760,000	-	35,952	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	444,138	(118,255)	(479,341)	(35,952)	(60,188)	(379,739)	(1,475,188)	634,097	(65,572)	41,082	1,160	20	52,904	14,599
Cash and investments - ending	\$ 2,142,092	\$ 372,787	\$ 552,608	\$ 1,274,413	\$ 205,795	\$ -	\$ -	\$ 634,097	\$ 134,329	\$ (96,225)	\$ -	\$ -	\$ 52,904	\$ -

(Continued)

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

	2023-24 Ms	2022-23 Ms	2023-24 Hs	2022-23 Hs	2021-22 Wabash River Special Svc Coop	2022-23 Wabash River Sp Svc Coop	2023-24 Wabash River Svc Coop	2024-25 Pre School Speech	2023-24 Pre School Speech	2022-23 Pre School Speech	2022-23 Wrcte Auto North	2023-24 Auto	2024-25 Auto	2022-23 Facilities Maint
Cash and investments - beginning	\$ -	\$ (6,880)	\$ -	\$ 12,302	\$ 207,892	\$ 44,007	\$ -	\$ (11,900)	\$ -	\$ 10,789	\$ 15,531	\$ -	\$ 181	\$ (4,727)
Receipts:														
Local sources	185,089	18,673	182,194	159	-	-	1,961,189	11,900	12,700	-	-	138,087	-	11,174
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	450	-	-	-	-	-	10,416	-	-
Total receipts	185,089	18,673	182,194	159	-	450	1,961,189	11,900	12,700	-	-	148,503	-	11,174
Disbursements:														
Instruction	130,335	11,345	151,746	12,012	-	251,350	1,419,918	-	12,338	8,907	14,212	111,129	181	6,447
Support services	9,200	448	8,846	449	-	998	73,757	-	-	-	1,319	15,458	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	139,535	11,793	160,592	12,461	-	252,348	1,493,675	-	12,338	8,907	15,531	126,587	181	6,447
Excess (deficiency) of receipts over disbursements	45,554	6,880	21,602	(12,302)	-	(251,898)	467,514	11,900	362	(8,907)	(15,531)	21,916	(181)	4,727
Other financing sources (uses):														
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	1,882	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	(1,882)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	1,882	(1,882)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	45,554	6,880	21,602	(12,302)	-	(251,898)	467,514	11,900	2,244	(10,789)	(15,531)	21,916	(181)	4,727
Cash and investments - ending	\$ 45,554	\$ -	\$ 21,602	\$ -	\$ 207,892	\$ (207,891)	\$ 467,514	\$ -	\$ 2,244	\$ -	\$ -	\$ 21,916	\$ -	\$ -

(Continued)

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

	2023-24 Facilities Maint	2022-23 Building Trades	2023-24 Building Trades	Tech Repairs From Lab Fees	Chs Lab Fees	Ces Lab Fees	Cms Lab Fees	Sta	Flowthrough - Reimbursement	Educational License Plates	2023-24 Extra Curricular (Athletic)	2024-25 Pysi - Preventing Youth Suicide	Formative Assessment
Cash and investments - beginning	\$ -	\$ (9,149)	\$ -	\$ 13,256	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 282	\$ -	\$ -	\$ -
Receipts:													
Local sources	43,500	-	32,199	5,347	2,944	1,257	428	-	-	-	19,590	13,088	-
Intermediate sources	-	-	-	-	-	-	-	-	-	94	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-	11,868
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	15,187	-	-	-	-	-	5,100	42,872	-	-	-	-
Total receipts	43,500	15,187	32,199	5,347	2,944	1,257	428	5,100	42,872	94	19,590	13,088	11,868
Disbursements:													
Instruction	39,748	5,547	36,918	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	1,899	1,500	171	-	-	-	1,524	-	11,876
Noninstructional services	-	-	-	-	-	-	-	43	53,465	-	18,066	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	39,748	5,547	36,918	-	1,899	1,500	171	43	53,465	-	19,590	-	11,876
Excess (deficiency) of receipts over disbursements	3,752	9,640	(4,719)	5,347	1,045	(243)	257	5,057	(10,593)	94	-	13,088	(8)
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	491	-	-	-	-	-	-	-	-	-	-
Transfers out	-	(491)	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(491)	491	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,752	9,149	(4,228)	5,347	1,045	(243)	257	5,057	(10,593)	94	-	13,088	(8)
Cash and investments - ending	\$ 3,752	\$ -	\$ (4,228)	\$ 18,603	\$ 1,045	\$ (243)	\$ 257	\$ 5,057	\$ (10,593)	\$ 376	\$ -	\$ 13,088	\$ (8)

(Continued)

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

	2023-24 Elag - Early Literacy Achievemen	Dlg - Digital Learning Grant	2022 Whin - Wabash Heartland Innovation	2023 Whin - Wabash Heartland Innovation	Medicaid Reimbursement	Secured Schools Safety Grant	2023-24 Fountain Co Local Coordinating C	Nesp 2021-22 Non-English Speaking Progra	Nesp 2022-23 Non-English Speaking Progra	Career And Technical Performance Grant	2023-24 Teacher Appreciation Grant	High Ability Students	State Connectivity Grant
Cash and investments - beginning	\$ -	\$ (7,735)	\$ 312	\$ 6,163	\$ -	\$ (2,172)	\$ 710	\$ 450	\$ -	\$ 21,453	\$ -	\$ 7,602	\$ 4,604
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	11,204	7,743	-	-	8,428	35,689	-	-	-	439	31,469	29,380	6,362
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	11,204	7,743	-	-	8,428	35,689	-	-	-	439	31,469	29,380	6,362
Disbursements:													
Instruction	11,204	-	-	-	-	-	-	450	3,273	21,892	30,086	25,602	-
Support services	-	8	312	4,052	-	52,610	710	-	200	-	1,383	-	4,603
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	11,204	8	312	4,052	-	52,610	710	450	3,473	21,892	31,469	25,602	4,603
Excess (deficiency) of receipts over disbursements	-	7,735	(312)	(4,052)	8,428	(16,921)	(710)	(450)	(3,473)	(21,453)	-	3,778	1,759
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(8,428)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(8,428)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	7,735	(312)	(4,052)	-	(16,921)	(710)	(450)	(3,473)	(21,453)	-	3,778	1,759
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 2,111	\$ -	\$ (19,093)	\$ -	\$ -	\$ (3,473)	\$ -	\$ -	\$ 11,380	\$ 6,363

(Continued)

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

	Title I 2022-23	2023-24 Title I	Sp Ed B 611 2021-22	Sp Ed B 611 2022-23	2023-24 611 Part B Spec Ed	2023-24 619 Part B Pre-K Spec Ed	Spec Ed Pre-K 619 2021-22	Spec Ed Pre-K 619 2022-23	Title IV 2022-23	Usda - Afhk - Action For Healthy Kids	Medicaid Reimbursement - Federal	2023-24 Title II	Arp 611 2021-22
Cash and investments - beginning	\$ (15,976)	\$ -	\$ -	\$ (7,913)	\$ -	\$ -	\$ 4,457	\$ (6,271)	\$ (5,000)	\$ -	\$ -	\$ -	\$ (3,118)
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	26,788	69,358	5,146	37,279	176,628	8,805	-	-	10,000	1,421	16,112	11,201	35,572
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	26,788	69,358	5,146	37,279	176,628	8,805	-	-	10,000	1,421	16,112	11,201	35,572
Disbursements:													
Instruction	10,812	75,589	5,146	29,366	193,275	7,595	-	-	-	-	-	-	32,454
Support services	-	-	-	-	-	-	-	-	5,000	-	6,019	13,196	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	10,812	75,589	5,146	29,366	193,275	7,595	-	-	5,000	-	6,019	13,196	32,454
Excess (deficiency) of receipts over disbursements	15,976	(6,231)	-	7,913	(16,647)	1,210	-	-	5,000	1,421	10,093	(1,995)	3,118
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	15,976	(6,231)	-	7,913	(16,647)	1,210	-	-	5,000	1,421	10,093	(1,995)	3,118
Cash and investments - ending	\$ -	\$ (6,231)	\$ -	\$ -	\$ (16,647)	\$ 1,210	\$ 4,457	\$ (6,271)	\$ -	\$ 1,421	\$ 10,093	\$ (1,995)	\$ -

(Continued)

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

	Arp 619 2021- 22	ESSER III	ESSER II	Prepaid School Lunch Accounts	Federal Tax	23C.Sec.	State Tax	County Adj. Gross Inc. Tax	Istrf	Insurance	Annuities	Garnishment	Fountain County Mentoring Prog	Totals
Cash and investments - beginning	\$ (2,046)	\$ (63,632)	\$ (7,210)	\$ 13,534	\$ 1,823	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,910,654
Receipts:														
Local sources	-	-	-	200,982	-	-	-	-	-	-	-	-	-	6,582,403
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	360
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-	7,059,407
Federal sources	3,026	354,238	7,210	-	-	-	-	-	-	-	-	-	-	1,056,012
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	538,017	562,858	227,700	152,795	1,548	276,583	147,257	793	474	1,983,250
Total receipts	3,026	354,238	7,210	200,982	538,017	562,858	227,700	152,795	1,548	276,583	147,257	793	474	16,681,432
Disbursements:														
Instruction	980	-	-	-	-	-	-	-	-	-	-	-	-	7,674,884
Support services	-	225,303	-	741	-	-	-	-	-	-	-	-	-	4,263,249
Noninstructional services	-	-	-	198,218	-	-	-	-	-	-	-	-	-	998,267
Facilities acquisition and construction	-	88,784	-	-	-	-	-	-	-	-	-	-	-	2,319,418
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	1,336,937
Nonprogrammed charges	-	9,009	-	-	538,017	562,858	227,700	152,795	1,548	276,686	147,257	793	474	1,932,482
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	980	323,096	-	198,959	538,017	562,858	227,700	152,795	1,548	276,686	147,257	793	474	18,525,237
Excess (deficiency) of receipts over disbursements	2,046	31,142	7,210	2,023	-	-	-	-	-	(103)	-	-	-	(1,843,805)
Other financing sources (uses):														
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	760,000
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-	446,753
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	(446,753)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	760,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,046	31,142	7,210	2,023	-	-	-	-	-	(103)	-	-	-	(1,083,805)
Cash and investments - ending	\$ -	\$ (32,490)	\$ -	\$ 15,557	\$ 1,823	\$ -	\$ -	\$ -	\$ -	\$ (103)	\$ -	\$ -	\$ -	\$ 5,826,849

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

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 173,483	\$ 82,847

COVINGTON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2024

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities: GORDON FLESCH	COPIER	\$ 19,752	1/4/2024	12/31/2029
Covington Multi School Building Corporation	2019 Lease Rental	255,500	11/21/2019	1/15/2039
Covington Multi School Building Corporation	2012 Lease Rental	615,000	6/13/2012	1/15/2027
PITNEY BOWES	POSTAGE METER	<u>2,798</u>	5/1/2023	4/30/2028
Total governmental activities		<u>893,050</u>		
Total of annual lease payments		<u>\$ 893,050</u>		

<u>Description of Debt</u>		<u>Ending Principal Balance</u>	<u>Principal Due Within One Year</u>
<u>Type</u>	<u>Purpose</u>		
Governmental activities: General Obligation Bonds	GO Bond of 2022 - Building Improvement	\$ 1,390,000	\$ 75,000
General Obligation Bonds	GO Bond of 2023 - Building Improvement	620,000	155,000
Notes and Loans Payable	Common School Loan - Building Improvement	<u>295,625</u>	<u>53,750</u>
Total governmental activities		<u>2,305,625</u>	<u>283,750</u>
Totals		<u>\$ 2,305,625</u>	<u>\$ 283,750</u>

COVINGTON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2024

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 943,841
Infrastructure	66,570
Buildings	28,688,994
Improvements other than buildings	1,190,791
Machinery, equipment, and vehicles	3,131,464
Construction in progress	4,950
Books and other	<u>72,772</u>
 Total governmental activities	 <u>34,099,382</u>
 Total capital assets	 <u>\$ 34,099,382</u>

COVINGTON COMMUNITY SCHOOL CORPORATION
STATE REPORTING INFORMATION
July 1, 2022 - June 30, 2024

Financial Statement and Accompanying Notes:

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

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

Indiana Department of Education Reporting:

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

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

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

COVINGTON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period of July 1, 2022 through June 30, 2024

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 06-30-24	Total Federal Awards Expended 07-01-22 to 06-30-24
<u>Department of Agriculture</u>						
Child Nutrition Cluster	Indiana Department of Education					
School Breakfast Program		10.553	FY2023, FY2024	\$ 59,966	\$ 49,435	\$ 109,401
National School Lunch Program		10.555	FY2023, FY2024	312,481	243,793	556,274
Commodities		10.555	FY2023, FY2024	<u>31,370</u>	<u>43,847</u>	<u>75,217</u>
Total - Child Nutrition Cluster				<u>403,817</u>	<u>337,075</u>	<u>740,892</u>
Child Nutrition Discretionary Grants Limited Availability Action for Healthy Kids	Indiana Department of Education	10.579	FY2024	<u>-</u>	<u>1,421</u>	<u>1,421</u>
Total - Department of Agriculture				<u>403,817</u>	<u>338,496</u>	<u>742,313</u>
<u>Department of Education</u>						
Special Education Cluster (IDEA)						
Special Education Grants to States	Indiana Department of Education					
IDEA, Part B		84.027	20611-072-PN01	38,971	37,279	76,250
IDEA, Part B		84.027	21611-072-PN01	170,247	176,628	346,875
IDEA, Part B		84.027	22611-072-PN01	-	5,146	5,146
COVID-19 - Supplemental Funding - IDEA, Part B		84.027X	22611-072-ARP	<u>2,870</u>	<u>35,572</u>	<u>38,442</u>
Total - Special Education Grants to States				<u>212,088</u>	<u>254,625</u>	<u>466,713</u>
Special Education Preschool Grants	Indiana Department of Education					
IDEA, Preschool		84.173	21619-072-PN01	11,531	2,280	13,811
IDEA, Preschool		84.173	22619-072-PN01	-	674	674
IDEA, Preschool		84.173	24619-072-PN01	-	5,851	5,851
COVID-19 - Supplemental Funding - IDEA, Preschool		84.173X	22619-072-ARP	<u>403</u>	<u>3,026</u>	<u>3,429</u>
Total - Special Education Preschool Grants				<u>11,934</u>	<u>11,831</u>	<u>23,765</u>
Total - Special Education Cluster (IDEA)				<u>224,022</u>	<u>266,456</u>	<u>490,478</u>

(Continued)

COVINGTON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period of July 1, 2022 through June 30, 2024

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 06-30-24	Total Federal Awards Expended 07-01-22 to 06-30-24
Title I Grants to Local Educational Agencies	Indiana Department of Education					
Title I, Part A		84.010A	S010A210014	\$ 20,424	\$ -	\$ 20,424
Title I, Part A		84.010A	S010A220014	60,391	26,788	87,179
Title I, Part A		84.010A	S010A230014	-	69,358	69,358
Total - Title I Grants to Local Educational Agencies				<u>80,815</u>	<u>96,146</u>	<u>176,961</u>
Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II, Part A		84.367A	S367A220013	18,216	11,201	29,417
Total - Supporting Effective Instruction State Grants				<u>18,216</u>	<u>11,201</u>	<u>29,417</u>
Student Support and Academic Enrichment Program	Indiana Department of Education					
Title IV, Part A		84.424	S424A190015	10,000	-	10,000
Title IV, Part A		84.424	S424A200015	-	10,000	10,000
Total - Student Support and Academic Enrichment Program				<u>10,000</u>	<u>10,000</u>	<u>20,000</u>
COVID-19 - Education Stabilization Fund	Indiana Department of Education					
Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D	S425D210013	23,616	7,209	30,825
American Rescue Plan Elementary and Secondary School Elementary and Secondary School Emergency Relief (ESSER III) Fund		84.425U	S425U200013	214,441	354,238	568,679
Total - COVID-19 - Education Stabilization Fund				<u>238,057</u>	<u>361,447</u>	<u>599,504</u>
Total - Department of Education				<u>571,110</u>	<u>745,250</u>	<u>1,316,360</u>
<u>Department of Health and Human Services</u>						
Medicaid Cluster						
Medical Assistance Program	Family and Social Services Administration					
Medicaid		93.778	FY2024	-	16,112	16,112
Total - Department of Health and Human Services				<u>-</u>	<u>16,112</u>	<u>16,112</u>
Total federal awards expended				<u>\$ 974,927</u>	<u>\$ 1,099,858</u>	<u>\$ 2,074,785</u>

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

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

NOTE 1 - BASIS OF PRESENTATION

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the period of July 1, 2022 through June 30, 2024. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

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

B. Other Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

NOTE 2 - INDIRECT COST RATE

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

NOTE 3 - OTHER INFORMATION

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

NOTE 4 – NON-CASH PROGRAMS (COMMODITIES)

Commodities donated to the School Corporation by the U.S. Department of Agriculture (USDA) of \$75,217 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
Covington Community School Corporation
Fountain 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 Covington Community School Corporation ("School Corporation"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School Corporation as of June 30, 2024 and for the period July 1, 2022 through June 30, 2024 and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement, and have issued our report thereon dated January 23, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying *Schedule of Findings and Questioned Costs* as items 2024-001 and 2024-002 that we consider to be material weaknesses.

(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

School Corporation's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School Corporation's responses to the findings identified in our audit and 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 the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

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


Crowe LLP

Indianapolis, Indiana
January 23, 2025

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

Those Charged with Governance
Covington Community School Corporation
Fountain County, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

(Continued)

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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 2024-003 and 2024-004 to be material weaknesses.

(Continued)

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

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

Government Auditing Standards requires the auditor to perform limited procedures on the School 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.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
January 23, 2025

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

Section I – Summary of Auditor’s Results

Financial Statement

Type of auditor’s report issued: Adverse as to GAAP, Unmodified
as to regulatory basis

Internal control over financial reporting:

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

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

Internal control over major programs:

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

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

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

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

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

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

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

Section II – Financial Statement Findings

FINDING 2024-001

Subject: Preparation of the Annual Financial Report
Audit Findings: Material Weakness

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

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

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

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

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

2 CFR 200.508 states in part:

"The auditee must: . . .

(b) Prepare appropriate financial statements, ..."

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

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

(Continued)

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

Section II – Financial Statement Findings (Continued)

FINDING 2024-001 (Continued)

Context: The AFR entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and investment Balances – Regulatory Basis (the financial statement). The AFR was reviewed prior to submission. However, it was not reviewed in enough detail to prevent the following errors in the financial statement:

1) The School Corporation improperly reported bond proceeds received in FY23 on the FY24 AFR. Other financing sources and cash on the FY23 AFR were understated by \$1,453,477 and other financing sources on the FY24 AFR were overstated by the same amount.

2) For the period of July 1, 2022 to June 30, 2023, receipt amounts were understated by \$333,453 and the disbursement amounts were understated by \$290,825 resulting in an understatement of cash of \$42,628. Additionally, the beginning July 1, 2022 balance was overstated by \$7,383 resulting in a net impact on the ending June 30, 2023 cash balance of an understatement of \$35,245.

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

The errors noted in item 2 relate to improperly excluding the activity from the 2022 GO Bond and Prepaid School Lunch clearing fund on the AFR.

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

Identification as a repeat finding, if applicable: No.

Recommendation: We recommended that the School Corporation's management establish a formal review over the AFR financial statement submission to ensure amounts reported are accurate and agree to underlying fund ledgers. The School Corporation should establish a documented, secondary review to ensure the amounts reported on the financial statement agree to the supporting fund ledger detail.

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

(Continued)

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

Section II – Financial Statement Findings (Continued)

FINDING 2024-002

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

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

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

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

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

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

2 CFR 200.508 states in part:

"The auditee must: . . .

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

2 CFR 200.510(b) states:

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

(1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within a cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.

(2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.

(Continued)

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

Section II – Financial Statement Findings (Continued)

FINDING 2024-002 (Continued)

(3) Provide total Federal awards expended for each individual Federal program and the assistance listing number (ALN) or other identifying number when the ALN information is not available. For a cluster of programs also provide the total for the cluster.

(4) Include the total amount provided to subrecipients from each Federal program.

(5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.

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

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

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

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. The SEFA was reviewed prior to submission. However, it was not reviewed in enough detail to prevent the following errors that resulted in the overstatement on the SEFA of \$267,657 for the period July 1, 2022, through June 30, 2024:

- The Child Nutrition Cluster (10.553, 10.555) expenditures were overstated by \$287,377
- The Education Stabilization Fund (84.425D, 84.425U) expenditures were understated by \$3,608
- The Medicaid Cluster (93.778) expenditures were understated by \$16,112

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

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

Identification as a repeat finding, if applicable: No.

Recommendation: We recommended that the School Corporation's management establish a formal review over the SEFA to ensure amounts reported are accurate. The School Corporation should establish a documented, secondary review to ensure the amounts reported on the SEFA agree to the supporting federal receipt fund ledger detail.

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

(Continued)

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

Section III – Federal Award Findings and Questioned Costs

FINDING 2024-003

Information on the federal program:

Subject: Education Stabilization Fund (ESSER) – Internal Controls
Federal Agency: Department of Education
Federal Program: COVID-19 – Education Stabilization Fund
Assistance Listing Number: 84.425D, 84.425U
Federal Award Numbers and Years (or Other Identifying Numbers): S425D210013, S425U200013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Finding: Material Weakness

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.302(b) states in part:

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

(2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.328 Financial reporting"

34 CFR 76.722 states:

"A State may require a subgrantee to submit reports in a manner and format that assists the State in complying with the requirements under 34 CFR 76.720 and in carrying out other responsibilities under the program."

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

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

Effect: The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirements 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.

(Continued)

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

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

FINDING 2024-003 (Continued)

Questioned Costs: There were no questioned costs identified.

Context: The School Corporation was required to submit two Annual Data Reports to the Indiana Department of Education (IDOE) during the audit period to meet federal reporting requirements for ESSER grant awards. We noted that the ESSER II and ESSER III amounts reported on the Year 3 report (\$347,591 and \$337,851 respectively) did not agree to the underlying expenditure records (\$135,355 and \$159,811 respectively).

Additionally, we noted that the ESSER II amount reported on the Year 4 report (\$233,093) did not agree to the underlying expenditure records (\$267,310) of the School Corporation.

Identification as a repeat finding: This is a repeat finding from the immediately prior audit. The prior finding number was 2022-003.

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

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

FINDING 2024-004

Information on the federal program:

Subject: Education Stabilization Fund – Internal Controls
Federal Agency: Department of Education
Federal Program: COVID-19 – Education Stabilization Fund
Assistance Listing Number: 84.425U
Federal Award Numbers: S425U200013
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.

(Continued)

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

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

FINDING 2024-004 (Continued)

- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
- (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
- (4) Adequate maintenance procedures must be developed to keep the property in good condition.

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

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

Effect: The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirements 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 \$82,286 on building renovations during the period under audit which was charged to the ESSER III (84.425U) grant award. It was noted these capital asset acquisitions were not reported on the capital asset listing for the School Corporation as of June 30, 2024. The acquisitions should have been added to the improvements other than buildings capital asset line.

Identification as a repeat finding: No.

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

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



Covington Community School Corporation

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Nicole Allee

Interim Superintendent

Vicki Jones

Corporation Treasurer

Toma Vail

Office Manager

Elisha Goodwin

Benefits Coordinator

Ross Ginter

Director of Operations

CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

June 30, 2024

Finding 2024-001 – Preparation of the Annual Financial Report

Context: The AFR entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and investment Balances – Regulatory Basis (the financial statement). The AFR was reviewed prior to submission. However, it was not reviewed in enough detail to prevent the following errors in the financial statement:

- 1) The School Corporation improperly reported bond proceeds received in FY23 on the FY24 AFR. Other financing sources and cash on the FY23 AFR were understated by \$1,453,477 and other financing sources on the FY24 AFR were overstated by the same amount.
- 2) For the period of July 1, 2022 to June 30, 2023, receipt amounts were understated by \$333,453 and the disbursement amounts were understated by \$290,825 resulting in an understatement of cash of \$42,628. Additionally, the beginning July 1, 2022 balance was overstated by \$7,383 resulting in a net impact on the ending June 30, 2023 cash balance of an understatement of \$35,245.

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

The errors noted in item 2 relate to improperly excluding the activity from the 2022 GO Bond and Prepaid School Lunch clearing fund on the AFR.

Contact Person Responsible for Corrective Action: Vicki Jones

Contact Phone Number: 765-793-4877

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The Annual Financial Report will include all bond proceeds and prepaid school lunch clearing fund. The AFR will be verified with a sign-off by the Superintendent.

Anticipated Completion Date: July 2025

FINDING 2024-002 - Preparation of the Schedule of Expenditures of Federal Awards

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. The SEFA was reviewed prior to submission. However, it was not reviewed in enough detail to prevent the following errors that resulted in the overstatement on the SEFA of \$267,657 for the period July 1, 2022, through June 30, 2024:

- The Child Nutrition Cluster (10.553, 10.555) expenditures were overstated by \$287,377
- The Education Stabilization Fund (84.425D, 84.425U) expenditures were understated by \$3,608
- The Medicaid Cluster (93.778) expenditures were understated by \$16,112

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

Contact Person Responsible for Corrective Action: Vicki Jones
Contact Phone Number: 765-793-4877

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The Schedule of Expenditures of Federal Awards will include all Federal Awards. The SEFA will be verified with a sign-off by the Superintendent.

Anticipated Completion Date: July 2025

FINDING 2024-003 - Education Stabilization Fund - Reporting

Context: The School Corporation was required to submit two Annual Data Reports to the Indiana Department of Education (IDOE) during the audit period to meet federal reporting requirements for ESSER grant awards. We noted that the ESSER II and ESSER III amounts reported on the Year 3 report (\$347,591 and \$337,851 respectively) did not agree to the underlying expenditure records (\$135,355 and \$159,811 respectively).

Additionally, we noted that the ESSER II amount reported on the Year 4 report (\$233,093) did not agree to the underlying expenditure records (\$267,310) of the School Corporation.

Contact Person Responsible for Corrective Action: Vicki Jones
Contact Phone Number: 765-793-4877

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Annual report data will be submitted with the requested information and will be verified with a sign-off by the Superintendent.

Anticipated Completion Date: July 2025

FINDING 2024-004

Information on the federal program:

Subject: Education Stabilization Fund – Internal Controls
Federal Agency: Department of Education
Federal Program: COVID-19 – Education Stabilization Fund
Assistance Listing Number: 84.425U
Federal Award Numbers: S425U200013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Equipment and Real Property Management
Audit Findings: Material Weakness

Context: The School Corporation expended \$82,286 on building renovations during the period under audit which was charged to the ESSER III (84.425U) grant award. It was noted these capital asset acquisitions were not reported on the capital asset listing for the School Corporation as of June 30, 2024.

Contact Person Responsible for Corrective Action: Vicki Jones
Contact Phone Number: 765-793-4877

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: All capital assets will be included in the AFR each year and verified with a sign-off by the Superintendent.

Anticipated Completion Date: July 2025

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-001

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

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. The SEFA was not reviewed prior to submission and resulted in the gross overstatement on the SEFA of \$169,812, the gross understatement of \$446,248, and the net understatement of the total federal awards expended on the SEFA by \$276,436 for the period July 1, 2020, through June 30, 2022:

1. The Child Nutrition Cluster (10.553, 10.555) expenditures were understated by \$411,218
2. The Title I Part A (84.010) expenditures were understated by \$14,947
3. The Title II Part A – Improving Teacher Quality (84.367) expenditures were understated by \$3,260
4. The Education Stabilization Fund (84.425D, 84.425U) expenditures were overstated by \$169,812
5. The Disaster Grants – Public Assistance (97.036) expenditures were understated by \$16,823

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

Status: Not resolved, see finding 2024-002. The finding reoccurred due to lack of detailed reviews of the reports submitted. To correct the finding, the SEFA will be verified with a sign-off by the Superintendent.

FINDING 2022-002

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
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Finding: Material Weakness

Context: We noted that four in a sample of four claims, the Food Service Director prepared the sponsor claim reimbursement summary without a secondary, documented review before the submission of the claim to ensure the accuracy of the sponsor claim reimbursement summary.

Status: Resolved.

Finding 2022-003

Information on the federal program:

Subject: Education Stabilization Fund (ESSER) – Internal Controls
Federal Agency: Department of Education
Federal Program: COVID-19 – Education Stabilization Fund
Assistance Listing Number: 84.425C, 84.425D, 84.425U
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Finding: Material Weakness

Context: The School Corporation was required to submit two Annual Data Reports to the Indiana Department of Education (IDOE) to meet federal reporting requirements for ESSER and GEER grant awards. The first report was for the period of March 13, 2020, to September 30, 2020, and was due by January 21, 2021. The second report was for the period of October 1, 2020, to June 30, 2021, and was due by May 13, 2022. For each report submitted, there was no documented review by someone other than the preparer of the report to ensure the information submitted was complete and accurate.

Additionally, the amount reported on the GEER Report did not agree to underlying detail. The amounts reported on the annual data report for the ESSER funds did agree to the underlying detail without issue.

Status: Not resolved, see finding 2024-003. The finding reoccurred due to lack of detailed reviews of the reports submitted. To correct the finding, the School Corporation will ensure that the reviewer will review the reports against the underlying disbursement registers to ensure the amounts on the reports are accurate.