

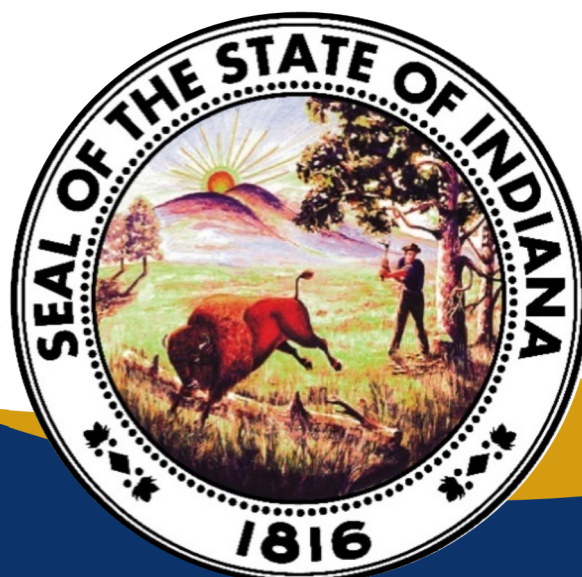
**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

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

FINANCIAL STATEMENT AND
FEDERAL COMPLIANCE AUDIT REPORT

OF

FREMONT COMMUNITY SCHOOLS
STEBEN COUNTY, INDIANA
July 1, 2022 to June 30, 2024



FILED

03/28/2025





Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

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March 28, 2025

To: The Officials of the Fremont Community Schools
Fremont Community Schools
Steuben County, Indiana

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

We call your attention to the findings included in the report on pages 36 through 39. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 40 and 41.

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 Fremont Community Schools was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

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

Tammy R. White, CPA
Deputy State Examiner

FREMONT COMMUNITY SCHOOLS
Steuben County, Indiana

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

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

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Shelby Miller	07-01-22 to 06-30-24
Superintendent of Schools	Dr. William Stitt	07-01-22 to 06-30-24
President of the School Board	Kimberly Bennett Andrew Lies	01-01-22 to 12-31-22 01-01-23 to 12-31-24



INDEPENDENT AUDITOR'S REPORT

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

Unmodified Opinion on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinion

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

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

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

(Continued)

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

Responsibilities of Management for the Financial Statement

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

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

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

Supplementary Information

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

(Continued)

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report March 7, 2025, our consideration of the School Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.


Crowe LLP

Indianapolis, Indiana
March 7, 2025

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

<u>Fund</u>	<u>Cash and Investments 07-01-2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2023</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2024</u>
Education	\$ 5,423,704	\$ 7,569,645	\$ 6,842,378	\$ 1,818	\$ 6,152,789	\$ 8,280,855	\$ 7,495,121	\$ (16,295)	\$ 6,922,228
Operating Referendum Tax Levy	4,346,352	987,998	2,201,095	-	3,133,255	-	1,816,857	-	1,316,398
Debt Service	539,480	3,710,546	3,382,548	67,947	935,425	5,085,004	5,245,796	(14,700)	759,933
Retirement/Severance Bond Debt Service	6,022	-	-	(6,022)	-	-	-	-	-
Operations	5,582,106	4,240,583	3,738,919	(292,642)	5,791,128	4,416,976	3,362,956	12,936	6,858,084
Local Rainy Day	275,597	3,428	180,632	325,721	424,114	-	-	-	424,114
2017 Go Bond	625	-	-	(625)	-	-	-	-	-
School Lunch	183,208	611,971	525,850	-	269,329	535,761	595,646	-	209,444
Curricular Materials Rental	259,600	98,894	195,398	-	163,096	157,157	134,503	-	185,750
Levy Excess	-	-	-	-	-	-	-	25,827	25,827
Educational License Plates	563	113	60	-	616	113	15	-	714
Early Intervention Grant	5,293	-	-	(5,293)	-	-	-	-	-
Gifts	61,194	36,668	27,643	-	70,219	20,613	10,445	-	80,387
Formative Assessment	1,826	-	-	-	1,826	-	-	-	1,826
Teacher Quality Improvement Program	-	-	-	-	-	16,751	16,751	-	-
Secured Schools Safety Grant	(13,675)	18,419	21,899	6,187	(10,968)	47,498	47,483	6,535	(4,418)
Non-English Speak Prog 22/23	-	4,145	4,145	-	-	-	-	-	-
Non English Speaking Balance	5,029	-	-	(5,029)	-	-	-	-	-
Non-English Speaking Program-School Tech	-	-	-	-	-	-	-	-	-
Career And Technical Performance Grant	3,256	733	-	-	3,989	261	-	-	4,250
Teacher Apprec Grant 2017	-	46	-	(46)	-	-	-	-	-
Teacher Appreciation Grant 2023-2024	-	36,734	36,734	-	-	36,745	36,745	-	-
Teacher Appreciation Grant	-	-	-	-	-	-	-	-	-
High Ability Students	(1,666)	25,899	24,233	-	-	30,505	25,222	-	5,283
State Connectivity Grant	5,760	3,060	5,760	-	3,060	3,510	3,285	-	3,285
Employee Paid By FCS	-	1,755	2,219	-	(464)	464	-	-	-
Title I 2021-2022	(12,037)	59,022	46,985	-	-	-	-	-	-
Title I 2022-2023	-	72,844	102,241	-	(29,397)	73,461	44,064	-	-
Title I FY2024 (SY2023-2024)	-	-	-	-	-	133,693	152,787	-	(19,094)
Title IV 2019	-	-	9,992	-	(9,992)	-	-	9,992	-
Title IV FFY22	-	10,411	10,411	-	-	10,166	10,166	-	-
Head Start Food Service	3,107	136,135	187,024	42,234	(5,548)	147,611	196,211	70,568	16,420

(Continued)

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

Fund	Cash and Investments 07-01-2022	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2023	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2024
Head Start American Rescue Pla	\$ (6,164)	\$ 89,284	\$ 89,995	\$ -	\$ (6,875)	\$ 128,264	\$ 121,389	\$ -	\$ -
Head Start 2021-2022	(126,455)	945,604	807,259	(11,890)	-	-	-	-	-
Head Start 2022-2023	-	1,151,659	1,304,271	(30,344)	(182,956)	2,132,452	2,045,893	(70,568)	(166,965)
Title II/Pt.A/10-11	8,705	-	-	(8,705)	-	-	-	-	-
Title IIA	-	-	26,945	-	(26,945)	60,984	34,039	-	-
Elementary And Secondary School Emerg (E	(103,323)	820,420	717,097	-	-	-	-	-	-
Elementary And Secondary School Emergenc	(180,335)	180,815	480	-	-	-	-	-	-
Prepaid School Lunch Accounts	16,749	165,866	167,710	-	14,905	184,416	184,313	-	15,008
Federal Withholding Tax	-	617,940	617,940	-	-	620,732	620,732	-	-
FICA/Medi	(60)	625,494	625,434	-	-	650,165	650,165	-	-
State Tax	8,697	257,220	245,797	-	20,120	260,598	271,959	-	8,759
CAGIT	5,356	141,834	135,153	-	12,037	155,824	160,602	-	7,259
TRF	7,474	8,297	8,297	-	7,474	6,570	6,570	-	7,474
PERF	(9)	80,706	80,697	-	-	88,252	88,252	-	-
Insurance-After Tax	(2,838)	2,838	-	-	-	-	-	-	-
Insurance-Pre Tax 125	(36,993)	468,550	395,295	-	36,262	475,957	474,426	-	37,793
Section 125	9,864	57,763	57,465	-	10,162	67,167	67,160	-	10,169
LTD	62,381	10,297	-	-	72,678	11,592	-	-	84,270
AFA Insurance	332	41,980	41,457	-	855	42,224	42,364	-	715
Texas Life	1,139	16,153	14,587	-	2,705	17,456	17,340	-	2,821
Annuities	1,687	142,606	142,606	-	1,687	153,786	153,786	-	1,687
Neisic Critical Care Insurance	170	-	170	-	-	-	-	-	-
Insurance Paid By Employee	1,211	-	1,211	-	-	-	-	-	-
Child Support/Garn	(5,582)	6,614	1,032	-	-	-	-	-	-
Garnishment Loan	-	49	49	-	-	609	609	-	-
Misc Pr Adjustments	(278)	278	-	-	-	-	-	-	-
Steuben County United Way	-	135	135	-	-	130	130	-	-
Life Insurance (B4 Komputrol)	2,048	-	2,048	-	-	-	-	-	-
Fringe Benefit	-	1,296	1,296	-	-	-	-	-	-
Totals	\$ 16,339,120	\$ 23,462,747	\$ 23,030,592	\$ 83,311	\$ 16,854,586	\$ 24,054,322	\$ 24,133,782	\$ 24,295	\$ 16,799,421

See notes to financial statement.

FREMONT COMMUNITY SCHOOLS
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)

FREMONT COMMUNITY SCHOOLS
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)

FREMONT COMMUNITY SCHOOLS
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 Depositary 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)

FREMONT COMMUNITY SCHOOLS
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, 2024 and 2023, respectively.

NOTE 7 - HOLDING CORPORATIONS

The School Corporation has entered into a series of capital leases with the Fremont 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 \$621,000. Lease payments for the period July 1, 2023 through June 30, 2024 totaled \$816,000.

NOTE 8 - PENSION PLANS

Public Employees Retirement Fund

Plan Description

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

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

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

(Continued)

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

NOTE 8 - PENSION PLANS (Continued)

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

Financial Report

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

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

Contributions

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

Teachers' Retirement Fund

Plan Descriptions

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

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

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

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

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

(Continued)

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

NOTE 8 - PENSION PLANS (Continued)

All these plans are administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2, IC 5-10.3, and IC 5-10.4) and administrative code (35 IAC 14), which govern most requirements of the system and give the School 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 November 2024, the School Corporation issued General Obligation Bonds of 2024 in the amount of \$995,000 to finance the renovation and improvements to school facilities throughout the School Corporation.

OTHER INFORMATION (Unaudited)

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

	Education	Operating Referendum Tax Levy	Debt Service	Retirement/ Severance Bond Debt Service	Operations	Local Rainy Day	2017 Go Bond	School Lunch	Curricular Materials Rental	Levy Excess	Educational License Plates	Early Intervention Grant	Gifts
Cash and investments - beginning	\$ 5,423,704	\$ 4,346,352	\$ 539,480	\$ 6,022	\$ 5,582,106	\$ 275,597	\$ 625	\$ 183,208	\$ 259,600	\$ -	\$ 563	\$ 5,293	\$ 61,194
Receipts:													
Local sources	427,027	987,998	3,710,546	-	4,223,519	3,428	-	220,279	66,026	-	-	-	36,668
Intermediate sources	-	-	-	-	-	-	-	-	-	-	113	-	-
State sources	7,142,618	-	-	-	-	-	-	332,452	32,868	-	-	-	-
Federal sources	-	-	-	-	-	-	-	59,240	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	17,064	-	-	-	-	-	-	-	-
Total receipts	7,569,645	987,998	3,710,546	-	4,240,583	3,428	-	611,971	98,894	-	113	-	36,668
Disbursements:													
Instruction	5,133,902	1,623,432	-	-	-	-	-	-	-	-	-	-	17,797
Support services	1,564,598	577,663	-	-	2,594,194	122,606	-	-	195,398	-	60	-	6,490
Noninstructional services	143,878	-	-	-	-	-	-	525,850	-	-	-	-	3,356
Facilities acquisition and construction	-	-	-	-	1,144,725	49,261	-	-	-	-	-	-	-
Debt services	-	-	3,382,548	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	8,765	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	6,842,378	2,201,095	3,382,548	-	3,738,919	180,632	-	525,850	195,398	-	60	-	27,643
Excess (deficiency) of receipts over disbursements	727,267	(1,213,097)	327,998	-	501,664	(177,204)	-	86,121	(96,504)	-	53	-	9,025
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	1,818	-	-	-	81,493	-	-	-	-	-	-	-	-
Transfers in	-	-	67,947	-	-	325,721	-	-	-	-	-	-	-
Transfers out	-	-	-	(6,022)	(374,135)	-	(625)	-	-	-	-	(5,293)	-
Total other financing sources (uses)	1,818	-	67,947	(6,022)	(292,642)	325,721	(625)	-	-	-	-	(5,293)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	729,085	(1,213,097)	395,945	(6,022)	209,022	148,517	(625)	86,121	(96,504)	-	53	(5,293)	9,025
Cash and investments - ending	\$ 6,152,789	\$ 3,133,255	\$ 935,425	\$ -	\$ 5,791,128	\$ 424,114	\$ -	\$ 269,329	\$ 163,096	\$ -	\$ 616	\$ -	\$ 70,219

(Continued)

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

	Formative Assessment	Teacher Quality Improvement Program	Secured Schools Safety Grant	Non-English Speak Prog 22/23	Non English Speaking Balance	Non-English Speaking Program-School Tech	Career And Technical Performance Grant	Teacher Apprec Grant 2017	Teacher Appreciation Grant 2023-2024	Teacher Appreciation Grant	High Ability Students	State Connectivity Grant
Cash and investments - beginning	\$ 1,826	\$ -	\$ (13,675)	\$ -	\$ 5,029	\$ -	\$ 3,256	\$ -	\$ -	\$ -	\$ (1,666)	\$ 5,760
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	18,419	4,145	-	-	733	46	36,734	-	25,899	3,060
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	18,419	4,145	-	-	733	46	36,734	-	25,899	3,060
Disbursements:												
Instruction	-	-	21,899	3,900	-	-	-	-	36,734	-	23,692	-
Support services	-	-	-	245	-	-	-	-	-	-	541	5,760
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	21,899	4,145	-	-	-	-	36,734	-	24,233	5,760
Excess (deficiency) of receipts over disbursements	-	-	(3,480)	-	-	-	733	46	-	-	1,666	(2,700)
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	6,187	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(5,029)	-	-	(46)	-	-	-	-
Total other financing sources (uses)	-	-	6,187	-	(5,029)	-	-	(46)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	2,707	-	(5,029)	-	733	-	-	-	1,666	(2,700)
Cash and investments - ending	\$ 1,826	\$ -	\$ (10,968)	\$ -	\$ -	\$ -	\$ 3,989	\$ -	\$ -	\$ -	\$ -	\$ 3,060

(Continued)

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

	Employee Paid By FCS	Title I 2021- 2022	Title I 2022- 2023	Title I FY2024 (SY2023-2024)	Title IV 2019	Title IV FFY22	Head Start Food Service	Head Start American Rescue Pla	Head Start 2021-2022	Head Start 2022-2023	Title II/Pt.A/10- 11	Title IIA
Cash and investments - beginning	\$ -	\$ (12,037)	\$ -	\$ -	\$ -	\$ -	\$ 3,107	\$ (6,164)	\$ (126,455)	\$ -	\$ 8,705	\$ -
Receipts:												
Local sources	1,755	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	59,022	72,844	-	-	10,411	136,135	89,284	945,604	1,151,659	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	1,755	59,022	72,844	-	-	10,411	136,135	89,284	945,604	1,151,659	-	-
Disbursements:												
Instruction	2,219	37,494	89,717	-	9,992	10,411	187,024	89,995	790,550	1,267,866	-	26,945
Support services	-	6,000	10,975	-	-	-	-	-	15,683	34,328	-	-
Noninstructional services	-	3,491	1,549	-	-	-	-	-	1,026	2,077	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	2,219	46,985	102,241	-	9,992	10,411	187,024	89,995	807,259	1,304,271	-	26,945
Excess (deficiency) of receipts over disbursements	(464)	12,037	(29,397)	-	(9,992)	-	(50,889)	(711)	138,345	(152,612)	-	(26,945)
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	42,234	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	(11,890)	(30,344)	(8,705)	-
Total other financing sources (uses)	-	-	-	-	-	-	42,234	-	(11,890)	(30,344)	(8,705)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(464)	12,037	(29,397)	-	(9,992)	-	(8,655)	(711)	126,455	(182,956)	(8,705)	(26,945)
Cash and investments - ending	\$ (464)	\$ -	\$ (29,397)	\$ -	\$ (9,992)	\$ -	\$ (5,548)	\$ (6,875)	\$ -	\$ (182,956)	\$ -	\$ (26,945)

(Continued)

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

	Elementary And Secondary School Emerg (E)	Elementary And Secondary School Emergenc	Prepaid School Lunch Accounts	Federal Withholding Tax	FICA/Medi	State Tax	CAGIT	TRF	PERF	Insurance-After Tax	Insurance-Pre Tax 125	Section 125
Cash and investments - beginning	\$ (103,323)	\$ (180,335)	\$ 16,749	\$ -	\$ (60)	\$ 8,697	\$ 5,356	\$ 7,474	\$ (9)	\$ (2,838)	\$ (36,993)	\$ 9,864
Receipts:												
Local sources	-	-	165,866	-	60	-	-	-	9	2,838	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	820,420	180,815	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	617,940	625,434	257,220	141,834	8,297	80,697	-	468,550	57,763
Total receipts	820,420	180,815	165,866	617,940	625,494	257,220	141,834	8,297	80,706	2,838	468,550	57,763
Disbursements:												
Instruction	28,126	-	-	-	-	-	-	-	-	-	-	-
Support services	21,609	480	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	167,710	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	667,362	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	617,940	625,434	245,797	135,153	8,297	80,697	-	395,295	57,465
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	717,097	480	167,710	617,940	625,434	245,797	135,153	8,297	80,697	-	395,295	57,465
Excess (deficiency) of receipts over disbursements	103,323	180,335	(1,844)	-	60	11,423	6,681	-	9	2,838	73,255	298
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	103,323	180,335	(1,844)	-	60	11,423	6,681	-	9	2,838	73,255	298
Cash and investments - ending	\$ -	\$ -	\$ 14,905	\$ -	\$ -	\$ 20,120	\$ 12,037	\$ 7,474	\$ -	\$ -	\$ 36,262	\$ 10,162

(Continued)

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

	LTD	AFA Insurance	Texas Life	Annuities	Neisic Critical Care Insurance	Insurance Paid By Employee	Child Support/Garn	Garnishment Loan	Misc Pr Adjustments	Steuben County United Way	Life Insurance (B4 Komputrol)	Fringe Benefit	Totals
Cash and investments - beginning	\$ 62,381	\$ 332	\$ 1,139	\$ 1,687	\$ 170	\$ 1,211	\$ (5,582)	\$ -	\$ (278)	\$ -	\$ 2,048	\$ -	\$ 16,339,120
Receipts:													
Local sources	-	-	-	-	-	-	5,582	-	278	-	-	-	9,851,879
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	113
State sources	-	-	-	-	-	-	-	-	-	-	-	-	7,596,974
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	3,525,434
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	10,297	41,980	16,153	142,606	-	-	1,032	49	-	135	-	1,296	2,488,347
Total receipts	10,297	41,980	16,153	142,606	-	-	6,614	49	278	135	-	1,296	23,462,747
Disbursements:													
Instruction	-	-	-	-	-	-	-	-	-	-	-	-	9,401,695
Support services	-	-	-	-	-	-	-	-	-	-	-	-	5,156,630
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	848,937
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	1,861,348
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	3,382,548
Nonprogrammed charges	-	41,457	14,587	142,606	170	1,211	1,032	49	-	135	2,048	1,296	2,379,434
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	41,457	14,587	142,606	170	1,211	1,032	49	-	135	2,048	1,296	23,030,592
Excess (deficiency) of receipts over disbursements	10,297	523	1,566	-	(170)	(1,211)	5,582	-	278	-	(2,048)	-	432,155
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	83,311
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	442,089
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	(442,089)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	83,311
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	10,297	523	1,566	-	(170)	(1,211)	5,582	-	278	-	(2,048)	-	515,466
Cash and investments - ending	\$ 72,678	\$ 855	\$ 2,705	\$ 1,687	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,854,586

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

	Education	Operating Referendum Tax Levy	Debt Service	Retirement/ Severance Bond Debt Service	Operations	Local Rainy Day	2017 Go Bond	School Lunch	Curricular Materials Rental	Levy Excess	Educational License Plates	Early Intervention Grant	Gifts
Cash and investments - beginning	\$ 6,152,789	\$ 3,133,255	\$ 935,425	\$ -	\$ 5,791,128	\$ 424,114	\$ -	\$ 269,329	\$ 163,096	\$ -	\$ 616	\$ -	\$ 70,219
Receipts:													
Local sources	716,821	-	5,085,004	-	4,411,048	-	-	233,988	1,790	-	-	-	20,613
Intermediate sources	78	-	-	-	-	-	-	-	-	-	113	-	-
State sources	7,560,632	-	-	-	-	-	-	256,088	155,367	-	-	-	-
Federal sources	-	-	-	-	-	-	-	45,685	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	3,324	-	-	-	5,928	-	-	-	-	-	-	-	-
Total receipts	8,280,855	-	5,085,004	-	4,416,976	-	-	535,761	157,157	-	113	-	20,613
Disbursements:													
Instruction	5,560,121	1,408,938	-	-	-	-	-	-	-	-	-	-	5,779
Support services	1,789,966	407,919	-	-	2,894,152	-	-	-	134,503	-	15	-	219
Noninstructional services	145,034	-	-	-	-	-	-	595,646	-	-	-	-	4,447
Facilities acquisition and construction	-	-	-	-	468,804	-	-	-	-	-	-	-	-
Debt services	-	-	5,245,796	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	7,495,121	1,816,857	5,245,796	-	3,362,956	-	-	595,646	134,503	-	15	-	10,445
Excess (deficiency) of receipts over disbursements	785,734	(1,816,857)	(160,792)	-	1,054,020	-	-	(59,885)	22,654	-	98	-	10,168
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	232	-	-	-	24,063	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	25,827	-	-	-
Transfers out	(16,527)	-	(14,700)	-	(11,127)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(16,295)	-	(14,700)	-	12,936	-	-	-	-	25,827	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	769,439	(1,816,857)	(175,492)	-	1,066,956	-	-	(59,885)	22,654	25,827	98	-	10,168
Cash and investments - ending	\$ 6,922,228	\$ 1,316,398	\$ 759,933	\$ -	\$ 6,858,084	\$ 424,114	\$ -	\$ 209,444	\$ 185,750	\$ 25,827	\$ 714	\$ -	\$ 80,387

(Continued)

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

	Formative Assessment	Teacher Quality Improvement Program	Secured Schools Safety Grant	Non-English Speak Prog 22/23	Non English Speaking Balance	Non-English Speaking Program-School Tech	Career And Technical Performance Grant	Teacher Apprec Grant 2017	Teacher Appreciation Grant 2023-2024	Teacher Appreciation Grant	High Ability Students	State Connectivity Grant
Cash and investments - beginning	\$ 1,826	\$ -	\$ (10,968)	\$ -	\$ -	\$ -	\$ 3,989	\$ -	\$ -	\$ -	\$ -	\$ 3,060
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	16,751	47,498	-	-	-	261	-	36,745	-	30,505	3,510
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	16,751	47,498	-	-	-	261	-	36,745	-	30,505	3,510
Disbursements:												
Instruction	-	16,751	27,483	-	-	-	-	-	36,148	-	25,222	-
Support services	-	-	20,000	-	-	-	-	-	597	-	-	3,285
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	16,751	47,483	-	-	-	-	-	36,745	-	25,222	3,285
Excess (deficiency) of receipts over disbursements	-	-	15	-	-	-	261	-	-	-	5,283	225
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	6,535	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	6,535	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	6,550	-	-	-	261	-	-	-	5,283	225
Cash and investments - ending	\$ 1,826	\$ -	\$ (4,418)	\$ -	\$ -	\$ -	\$ 4,250	\$ -	\$ -	\$ -	\$ 5,283	\$ 3,285

(Continued)

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

	Employee Paid By FCS	Title I 2021- 2022	Title I 2022- 2023	Title I FY2024 (SY2023-2024)	Title IV 2019	Title IV FFY22	Head Start Food Service	Head Start American Rescue Pla	Head Start 2021-2022	Head Start 2022-2023	Title II/Pt.A/10- 11	Title IIA
Cash and investments - beginning	\$ (464)	\$ -	\$ (29,397)	\$ -	\$ (9,992)	\$ -	\$ (5,548)	\$ (6,875)	\$ -	\$ (182,956)	\$ -	\$ (26,945)
Receipts:												
Local sources	464	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	73,461	133,693	-	10,166	147,611	128,264	-	2,132,452	-	60,984
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	464	-	73,461	133,693	-	10,166	147,611	128,264	-	2,132,452	-	60,984
Disbursements:												
Instruction	-	-	44,064	132,582	-	4,000	196,211	121,389	-	1,988,768	-	34,039
Support services	-	-	-	18,603	-	6,166	-	-	-	53,865	-	-
Noninstructional services	-	-	-	1,602	-	-	-	-	-	3,260	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	44,064	152,787	-	10,166	196,211	121,389	-	2,045,893	-	34,039
Excess (deficiency) of receipts over disbursements	464	-	29,397	(19,094)	-	-	(48,600)	6,875	-	86,559	-	26,945
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	9,992	-	70,568	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	(70,568)	-	-
Total other financing sources (uses)	-	-	-	-	9,992	-	70,568	-	-	(70,568)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	464	-	29,397	(19,094)	9,992	-	21,968	6,875	-	15,991	-	26,945
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (19,094)	\$ -	\$ -	\$ 16,420	\$ -	\$ -	\$ (166,965)	\$ -	\$ -

(Continued)

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

	Elementary And Secondary School Emerg (E)	Elementary And Secondary School Emergenc	Prepaid School Lunch Accounts	Federal Withholding Tax	FICA/Medi	State Tax	CAGIT	TRF	PERF	Insurance-After Tax	Insurance-Pre Tax 125	Section 125
Cash and investments - beginning	\$ -	\$ -	14,905	\$ -	\$ -	20,120	12,037	7,474	-	-	36,262	10,162
Receipts:												
Local sources	-	-	184,416	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	620,732	650,165	260,598	155,824	6,570	88,252	-	475,957	67,167
Total receipts	-	-	184,416	620,732	650,165	260,598	155,824	6,570	88,252	-	475,957	67,167
Disbursements:												
Instruction	-	-	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	184,313	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	620,732	650,165	271,959	160,602	6,570	88,252	-	474,426	67,160
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	184,313	620,732	650,165	271,959	160,602	6,570	88,252	-	474,426	67,160
Excess (deficiency) of receipts over disbursements	-	-	103	-	-	(11,361)	(4,778)	-	-	-	1,531	7
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	-	-	103	-	-	(11,361)	(4,778)	-	-	-	1,531	7
Cash and investments - ending	\$ -	\$ -	15,008	\$ -	\$ -	8,759	7,259	7,474	-	-	37,793	10,169

(Continued)

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

	LTD	AFA Insurance	Texas Life	Annuities	Neisic Critical Care Insurance	Insurance Paid By Employee	Child Support/Garn	Garnishment Loan	Misc Pr Adjustments	Steuben County United Way	Life Insurance (B4 Komputrol)	Fringe Benefit	Totals
Cash and investments - beginning	\$ 72,678	\$ 855	\$ 2,705	\$ 1,687	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,854,586
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	10,654,144
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	191
State sources	-	-	-	-	-	-	-	-	-	-	-	-	8,107,357
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	2,732,316
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	11,592	42,224	17,456	153,786	-	-	-	609	-	130	-	-	2,560,314
Total receipts	11,592	42,224	17,456	153,786	-	-	-	609	-	130	-	-	24,054,322
Disbursements:													
Instruction	-	-	-	-	-	-	-	-	-	-	-	-	9,601,495
Support services	-	-	-	-	-	-	-	-	-	-	-	-	5,329,290
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	934,302
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	468,804
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	5,245,796
Nonprogrammed charges	-	42,364	17,340	153,786	-	-	-	609	-	130	-	-	2,554,095
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	42,364	17,340	153,786	-	-	-	609	-	130	-	-	24,133,782
Excess (deficiency) of receipts over disbursements	11,592	(140)	116	-	-	-	-	-	-	-	-	-	(79,460)
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	24,295
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	112,922
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	(112,922)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	24,295
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	11,592	(140)	116	-	-	-	-	-	-	-	-	-	(55,165)
Cash and investments - ending	\$ 84,270	\$ 715	\$ 2,821	\$ 1,687	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,799,421

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

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ <u>133,545</u>	\$ <u>225,117</u>

FREMONT COMMUNITY SCHOOLS
SCHEDULE OF LEASES AND DEBT
June 30, 2024

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
KS State Bank	Copier Lease-Admin	\$ 4,740	6/1/2024	4/1/2026
KS State Bank	Copier Lease	16,345	4/1/2023	4/1/2026
Sterling National Bank	Solar Field Lease Payment	293,653	4/5/2017	4/1/2037
US Bank - Fremont School Building Corp	FES & FHS Improvements	680,000	1/1/2019	1/15/2031
US Bank - Fremont School Building Corp	FMS Improvements	<u>262,500</u>	5/25/2016	1/15/2026
Total governmental activities		<u>1,257,238</u>		
Total of annual lease payments		<u>\$ 1,257,238</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 2014 B General Renovation Projects	\$ 145,000	\$ 145,000
General Obligation Bonds	GO Bond 2023 General Renovation Projects	<u>1,750,000</u>	<u>1,750,000</u>
Total governmental activities		<u>1,895,000</u>	<u>1,895,000</u>
Totals		<u>\$ 1,895,000</u>	<u>\$ 1,895,000</u>

FREMONT COMMUNITY SCHOOLS
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	\$ 380,775
Infrastructure	32,318,760
Buildings	33,499,978
Improvements other than buildings	5,997,621
Machinery, equipment, and vehicles	5,095,071
Construction in progress	2,358,718
Books and other	<u>1,220,615</u>
 Total governmental activities	 <u>80,871,538</u>
 Total capital assets	 <u>\$ 80,871,538</u>

FREMONT COMMUNITY SCHOOLS
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.

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 06-30-24	Total Federal Awards Expended 07-01-23 to 06-30-24
<u>Department of Agriculture</u>						
Child Nutrition Cluster	Indiana Department of Education					
School Breakfast Program		10.553	FY2023, FY2024	\$ 41,814	\$ 36,120	\$ 77,934
National School Lunch Program		10.555	FY2023, FY2024	276,229	214,412	490,641
Supply Chain Assistance Funds		10.555	FY2023, FY2024	58,612	34,723	93,335
Commodities		10.555	FY2023, FY2024	32,081	41,437	73,518
Summer Food Service Program for Children		10.559	FY2023, FY2024	10,606	10,962	21,568
Total - Child Nutrition Cluster				<u>419,342</u>	<u>337,654</u>	<u>756,996</u>
Child and Adult Care Food Program	Indiana Department of Education					
Head Start Food Service		10.558	FY2023, FY2024	136,135	147,611	283,746
Total - Child and Adult Care Food Program				<u>136,135</u>	<u>147,611</u>	<u>283,746</u>
Pandemic EBT Administrative Costs	Indiana Department of Education					
Pandemic EBT Administrative Costs		10.649	FY2023	628	-	628
Total - Department of Agriculture				<u>556,105</u>	<u>485,265</u>	<u>1,041,370</u>
<u>Department of Education</u>						
Special Education Cluster (IDEA)	Indiana Department of Education					
Special Education Grants to States						
IDEA, Part B		84.027	21611-42-PN01	2,290	-	2,290
COVID-19 - IDEA, Part B		84.027X	22611-042-ARP	30,449	20,991	51,440
IDEA, Part B		84.027	22611-042-PN01	6,955	3,846	10,801
IDEA, Part B		84.027	23611-042-PN01	258,499	2,597	261,096
IDEA, Part B		84.027	24611-042-PN01	-	264,996	264,996
Total - Special Education Grants to States				<u>298,193</u>	<u>292,430</u>	<u>590,623</u>
Special Education Preschool Grants	Indiana Department of Education					
IDEA, Preschool		84.173	21619-042-PN01	88	-	88
COVID-19 - IDEA, Preschool		84.173X	22619-042-ARP	2,595	1,244	3,839
IDEA, Preschool		84.173	22619-042-PN01	-	48	48
IDEA, Preschool		84.173	23619-042-PN01	12,394	-	12,394
IDEA, Preschool		84.173	24619-042-PN01	-	12,493	12,493
Total - Special Education Preschool Grants				<u>15,077</u>	<u>13,785</u>	<u>28,862</u>
Total - Special Education Cluster (IDEA)				<u>313,270</u>	<u>306,215</u>	<u>619,485</u>

(Continued)

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 06-30-24	Total Federal Awards Expended 07-01-23 to 06-30-24
Title I Grants to Local Educational Agencies						
Indiana Department of Education						
Title I, Part A		84.010A	S010A210014	\$ 59,022	\$ -	\$ 59,022
Title I, Part A		84.010A	S010A220014	72,844	73,461	146,305
Title I, Part A		84.010A	S010A230014	-	133,693	133,693
Total - Title I Grants to Local Educational Agencies				<u>131,866</u>	<u>207,154</u>	<u>339,020</u>
Supporting Effective Instruction State Grants						
Indiana Department of Education						
Title II, Part A		84.367A	S367A220013	-	31,643	31,643
Title II, Part A		84.367A	S367A230013	-	29,341	29,341
Total - Supporting Effective Instruction State Grants				<u>-</u>	<u>60,984</u>	<u>60,984</u>
Student Support and Academic Enrichment Program						
Indiana Department of Education						
Title IV, Part A		84.424	S424A210015	10,411	-	10,411
Title IV, Part A		84.424	S424A220015	-	10,166	10,166
Total - Student Support and Academic Enrichment Program				<u>10,411</u>	<u>10,166</u>	<u>20,577</u>
COVID-19 - Education Stabilization Fund						
Indiana Department of Education						
Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D	S425D210013	180,814	-	180,814
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund (ESSER III)		84.425U	S425U210013	820,419	-	820,419
Total - COVID-19 - Education Stabilization Fund				<u>1,001,233</u>	<u>-</u>	<u>1,001,233</u>
Total - Department of Education				<u>1,456,780</u>	<u>584,519</u>	<u>2,041,299</u>
<u>Department of Health and Human Services</u>						
Head Start Cluster						
Direct Award						
Head Start		93.600	05CH010700-04-00	945,605	-	945,605
Head Start		93.600	05CH012353-01-00	-	1,196,157	1,196,157
Head Start		93.600	05CH010700-05-00	1,151,659	936,295	2,087,954
COVID-19 - Head Start		93.600	05HE001014-01-01	89,284	128,264	217,548
Total - Head Start Cluster				<u>2,186,548</u>	<u>2,260,716</u>	<u>4,447,264</u>
Total - Department of Health and Human Services				<u>2,186,548</u>	<u>2,260,716</u>	<u>4,447,264</u>
Total federal awards expended				<u>\$ 4,199,433</u>	<u>\$ 3,330,500</u>	<u>\$ 7,529,933</u>

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

FREMONT COMMUNITY SCHOOLS
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 \$73,518 are valued based on the USDA's donated commodity price list. These are shown as part of the National School Lunch Program (10.555).

NOTE 5 - SPECIAL EDUCATION COOPERATIVE (ALN: 84.027, 84.173)

The School Corporation is a member of the Northeast Indiana Special Education Cooperative (Cooperative), which operates the special education program for the School Corporation. As a result, some activity for the Special Education Cluster (IDEA) that is presented on the SEFA is not presented as receipts and disbursements in the financial statement for the School Corporation. This activity is reported on the financial statement of the Cooperative.

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
Fremont Community Schools
Steuben 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 Fremont Community Schools ("School Corporation"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School Corporation as of June 30, 2024 and for the period July 1, 2022 through June 30, 2024 and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement, and have issued our report thereon dated March 7, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as 2024-001 that we consider to be a significant deficiency.

(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 Finding

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

Purpose of this Report

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


Crowe LLP

Indianapolis, Indiana
March 7, 2025

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

Those Charged with Governance
Fremont Community Schools
Steuben County, Indiana

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

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

Qualified Opinion on the Education Stabilization Fund

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the School Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on *the Education Stabilization Fund* for the period of July 1, 2022 through June 30, 2024.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the period of July 1, 2022 through June 30, 2024.

Basis for Qualified and Unmodified Opinions

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

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

(Continued)

Matter Giving Rise to Qualified Opinion on the Education Stabilization Fund

As described in the accompanying schedule of findings and questioned costs, the School Corporation did not comply with requirements regarding Assistance Listing No. 84.425D, 84.425U Education Stabilization Fund as described in finding number 2024-002 for Special Tests and Provisions – Wage Rate Requirements. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

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

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.

(Continued)

Other Matters

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

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 deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a material weakness.

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

The School Corporation is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The School Corporation's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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
March 7, 2025

FREMONT COMMUNITY SCHOOLS
 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?	_____	Yes	_____	X	No
Significant deficiencies identified not considered to be material weaknesses?	_____	X	_____		None Reported

Noncompliance material to financial statement noted?	_____	Yes	_____	X	No
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Federal Awards

Internal control over major programs:

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

Type of auditor’s report issued on compliance for major programs:	Child Nutrition Cluster: Unmodified Head Start: Unmodified Education Stabilization Fund: Qualified
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Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	_____	X	Yes	_____	No
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Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.559	Child Nutrition Cluster
84.425D, 84.425U	COVID-19 - Education Stabilization Fund
93.600	Head Start, COVID-19 – Head Start

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

Auditee qualified as low-risk auditee?	_____	Yes	_____	X	No
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(Continued)

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

Section II – Financial Statement Findings

FINDING 2024-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Significant Deficiency

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.

(Continued)

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

Section II – Financial Statement Findings (Continued)

FINDING 2024-001 (Continued)

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

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

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

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

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

Condition: The School 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 understatement of the total federal awards expended on the SEFA by \$164,777 for the period July 1, 2022, through June 30, 2024:

1. The Child Nutrition Cluster funds were understated by \$166,853.
2. The Pandemic EBT Administrative Costs were understated by \$628.
3. The Supporting Effective Instruction State Grants funds were understated by \$31,643.
4. The Head Start funds were overstated by \$34,347.

Additionally, Assistance Listing Numbers have been updated to align with the grant agreements. 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 *Condition and Context*.

Identification as a repeat finding, if applicable: Yes. See Finding 2022-001.

(Continued)

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

Section II – Financial Statement Findings (Continued)

FINDING 2024-001 (Continued)

Recommendation: We recommend that the School Corporation's management review internal controls surrounding the review over the SEFA submitted to Gateway which should include reviewing the underlying detail of federal receipts to ensure amounts reported on the SEFA are accurate and complete.

Views of Responsible Officials and Planned Corrective Actions: For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

Section III – Federal Award Findings and Questioned Costs

FINDING 2024-002

Information on the federal program:

Subject: Education Stabilization Fund – Special Tests and Provisions – Wage Rate Requirements
Federal Agency: Department of Education
Federal Program: COVID-19 – Education Stabilization Fund
Assistance Listing Number: 84.425D, 84.425U
Federal Award Number and Year (or Other Identifying Numbers): S425D210013, S425U210013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions – Wage Rate Requirements
Audit Finding: Material Weakness, Material Noncompliance, Modified Opinion

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

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

29 CFR 5.5 states in part:

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

(Continued)

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

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

FINDING 2024-002 (Continued)

(1) Minimum wages.

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

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

Condition: An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions – Wage Rate Requirements compliance requirement.

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

Effect: The failure to design and implement an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the Special Tests and Provisions - Wage Rate Requirements compliance requirement could result in the loss of future federal funds to the School Corporation.

Questioned Costs: There were no questioned costs identified.

Context: The School Corporation did not obtain the weekly payroll report certifications from the vendors that performed window and locker replacements in the school buildings in a timely fashion. Therefore, a timely review was not performed to ensure that pay rates complied with the federal wage rate requirements. Additionally, the School Corporation did not have contracts with the companies that included clauses for the federal wage rate requirements. ESSER II funds (ALN 84.425D) were charged \$179,194 of these vendor costs while ESSER III funds (ALN 84.425U) were charged to and costs of \$747,188 were charged.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommended that the School Corporation implement a formal process to ensure the required weekly payroll report certifications are collected and reviewed timely to ensure compliance with the wage rate requirements.

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

Fremont Community Schools

Indiana Performance Qualified School District

Dr. William Stitt, Ed.D.
Superintendent
Shelby Miller
Corporation Treasurer
Stacey Harris
Corporation Accounts Payable
Caleb Frederick
Corporation Technology Director
Jacqui Mundy
Corporation Secretary

Board of School Trustees

Andrew Lies
Zachary Burnau
Brandi Berkhalter
Benjamin Roederer
Nicholas Treat
Abby Probst
Andrea Vaughn

CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

June 30, 2024

FINDING 2024-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards

Audit Findings: Significant Deficiency

Condition and Context: 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).

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 understatement of the total federal awards expended on the SEFA by \$164,777 for the period July 1, 2022, through June 30, 2024:

1. The Child Nutrition Cluster funds were understated by \$166,853.
2. The Pandemic EBT Administrative Costs were understated by \$628.
3. The Supporting Effective Instruction State Grants funds were understated by \$31,643.
4. The Head Start funds were overstated by \$34,347

Additionally, Assistance Listing Numbers have been updated to align with the grant agreements. Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA to correct the issues noted above.

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Moving forward, the corporation will take more time in understanding and completing the Annual SEFA report. This will ensure that the proper Information will be

entered. We will also be implementing a process in which the document will be understood and a documented review by another member of the corporation staff, will occur before submission.

Responsible Party for Corrective Action: The School Corporation Treasurer will work with the Superintendent to ensure information is correctly reported.

Timeline for Completion: June 30, 2025

FINDING 2024-002

Information on the federal program:

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

Federal Agency: Department of Education

Federal Program: COVID-19 – Education Stabilization Fund

Assistance Listing Number: 84.425D, 84.425U

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

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions – Wage Rate Requirements

Audit Finding: Material Weakness, Material Noncompliance, Modified Opinion

Condition and Context: An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions – Wage Rate Requirements compliance requirement.

The School Corporation did not obtain the weekly payroll report certifications from the vendors that performed window and locker replacements in the school buildings in a timely fashion. Therefore, a timely review was not performed to ensure that pay rates complied with the federal wage rate requirements. Additionally, the School Corporation did not have contracts with the companies that included clauses for the federal wage rate requirements. ESSER II funds (ALN 84.425D) were charged \$179,194 of these vendor costs while ESSER III funds (ALN 84.425U) were charged to and costs of \$747,188 were charged.

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: See attached letter that was sent to the DOE on 2/25/25 along with the approval email and documents from the DOE.

Responsible Party for Corrective Action: Superintendent, Dr. William Stitt

Timeline for Completion: Completed 2/25/25

Fremont Community Schools

Indiana Performance Qualified School District

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Superintendent
Shelby Miller
Corporation Treasurer
Stacey Harris
Corporation Accounts Payable
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Jacqui Patton
Corporation Secretary

Board of School Trustees

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Zachary Burnau
Brandi Berkhalter
Benjamin Roederer
Abby Probst
Nick Treat
Andrea Vaughn

February 25, 2025

ESSER Corrective Action Requirements
Davis-Bacon

During ESSER II Construction we had several companies work on projects at Fremont Community Schools. To no one's fault but my own, the Davis-Bacon requirements were not fully communicated to these companies. One company that did work for us could not respond with a positive affirmation on Davis-Bacon. Their response is as follows: "We will not be able to provide a letter stating we paid our employees a Prevailing Wage for work completed at Fremont Community Schools. We do not have any proposals or signed contracts stating these jobs were Prevailing Wage. As such, our employees were not paid a Prevailing Wage when working on these projects."

I (Dr. William Stitt) have watched the webinar regarding Davis-Bacon requirements provided by the U.S. Department of Education (USDE) and U.S. Department of Labor (DOL). I have also read through the questions and responses for the December 7, 2023 webinar.

I attest that I and Fremont Community Schools commit that applicable Davis-Bacon requirements will be utilized on any future construction, or construction related, activities using \$2,000 or greater of Federal grant funds and will follow Davis-Bacon requirements.

Respectfully Submitted



Dr. William Stitt



Miller, Shelby <smiller@fremonteagles.us>

7605 ESSER II Construction IDOE Monitoring - CA RESOLVED

1 message

Fernandez, Marina <MFernandez1@doe.in.gov>

Wed, Feb 26, 2025 at 9:42 AM

To: "Dr. William Stitt - Superintendent, Title I, Title II, Title III, Title IV, ESSER" <bstitt@fremonteagles.us>

Cc: Shelby Miller - Treasurer <smiller@fremonteagles.us>

Bill,

Happy Wednesday! Thank you for sending over the Corrective Action Plan Documentation. I am very pleased to confirm that your ESSER II Construction Monitoring is now resolved. Please see the attached documents for your records.

Thank you kindly for your extra time and collaboration. I hope you have a beautiful day!

Marina Valencia

Federal Grants Specialist

Indiana Department of Education

(317) 234-2635 | mfernandez1@doe.in.gov

www.doe.in.gov | Feedback: [How are we doing?](#)

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"It is not true that people stop pursuing dreams because they grow old, they grow old because they stop pursuing dreams." – Gabriel Garcia Marquez.

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2 attachments

 **7605 Fremont Community Schools ESSER II Construction Monitoring Report [02-26-2025] CA RESOLVED.docx.pdf**
261K

 **7605 ESSER II Construction Monitoring CA RESOLVED [02-26-2025] .docx.pdf**
106K



Indiana Department of Education

Dr. Katie Jenner, Secretary of Education

MEMORANDUM

TO: Mr. William Stitt, Superintendent
William Stitt, ESSER Program Administrator
Shelby Miller, Treasurer

7605 Fremont Community Schools

FROM: Marina Fernandez, Federal Grants Specialist

SUBJECT: ESSER II Construction Monitoring

DATE: February 26, 2025

Thank you for submitting the requested ESSER II Construction Monitoring documentation for ESSER II (CRRSA). The information provided for each monitoring indicator has been reviewed and approved.

The enclosed report includes a summary of ratings and comments for each indicator. There were no findings and no further action regarding the ESSER II Construction monitoring is necessary.

Feel free to contact me by phone at (317) 234-2635 or e-mail at mfernandez1@doe.in.gov, regarding any questions or concerns.



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ESSER Construction Monitoring Report 2023

The Indiana Department of Education's (IDOE) Review Team will complete this document as a record of the ESSER Construction review of the *Coronavirus Response and Relief Supplemental Appropriations Act of 2021* (ESSER II) grants as indicated below. It details the findings of the review team regarding the key focus areas identified in this protocol. If any areas are found to be in partial compliance or out of compliance, a finding will be listed on the report generated by the team from the Indiana Department of Education (IDOE).

LEA ID:	7605	LEA NAME:	Fremont Community Schools
DATE:	February 26, 2025		

ESEA GRANTS MONITORED:
ESSER II: CRSSA

LEA REPRESENTATIVES:	
Superintendent:	William Stitt bstitt@fremonteagles.us
Program Administrator:	William Stitt bstitt@fremonteagles.us
Treasurer:	Shelby Miller smiller@fremonteagles.us

IDOE REPRESENTATIVES:	
Specialist:	Marina Fernandez mfernandez1@doe.in.gov



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Compliance Standard Indicator	Acceptable Evidence	Rating	Comments
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ESSER Construction Monitoring Indicators

1	Compliance with <u>34 CFR Part 75 §75.602-604, 75.606-615.</u>	Acceptable Evidence: <ul style="list-style-type: none"> LEA has agreed all construction projects are in compliance with EDGAR 34 CFR Parts 75.602-604 and 75.606-615. 	Meets	Evidence provided: LEA reported a Yes answer.
				Corrective Action: No corrective action required. Evidence meets compliance measurement.
2	Compliance with <u>Davis-Bacon (prevailing wage).</u>	Acceptable Evidence: <ul style="list-style-type: none"> Attestation, signed by Superintendent, Davis-Bacon requirements have been met for any project with a cost of greater than \$2,000 using ESSER II funds, all or in part, for the construction, alteration, or repair (including painting and decorating) 	Meets	Evidence provided: Attestation provided and meets criteria.
				Corrective Action: No corrective action required. Evidence meets compliance measurement.



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		of public buildings and public works.		
3	Review of timesheets, signed to confirm review and compliance with prevailing wage.	<p>Acceptable Evidence:</p> <ul style="list-style-type: none"> A minimum of two payroll timesheets showing the data has been reviewed, approved, and meets prevailing wages as required by Davis-Bacon. 	Meets	<p>Evidence provided: MFZ 1/30/2025 LEA submitted payroll timesheets that are in the U.S. DOL Wage and Hour Division format. Documentation is at times hard to read, but will be accepted in good faith.</p> <p>Quotation and proposal submitted. No timesheets submitted.</p> <p>Corrective Action: MFZ CA RESOLVED 1/30/2025 No further action required. Thank you!</p> <p>Within 30 days of receiving this letter, LEA must provide a minimum of two timesheets showing review and approval signatures by LEA representative that prevailing wage requirements were met; or within 30 days of receiving this letter, LEA must submit a statement, signed by the superintendent, stating why timesheets are not being provided and evidence LEA has worked with the contractor in good faith to obtain the documents.</p> <p>For closed or completed projects/contracts, within 30 days of receiving this letter, LEA will work with</p>



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				contractor to ensure all workers were paid prevailing wage as required by Davis-Bacon and submit a plan of action to IDOE, or submit evidence they have worked to contact contractor in a good faith effort to correctly pay prevailing wages to employees. LEA will submit a minimum of two timesheets showing formerly paid wage and the corrected paid wage.
4	Construction timeline, start to finish.	<p>Acceptable Evidence:</p> <ul style="list-style-type: none"> Document showing construction timeline to include start and completion dates. 	Meets	<p>LEA: Evidence provided: Timeline document submitted and contains required information.</p> <p>Corrective Action: No corrective action required. Evidence meets compliance measurement.</p> <p>Recommendation: For future projects, please include benchmark dates to ensure project starts and is completed on time, as well as benchmark dates to ensure project remains on track to be completed by agreed upon timeline.</p>



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5	<p>Attestation or document demonstrating procurement practices were followed.</p>	<p>Acceptable Evidence:</p> <ul style="list-style-type: none"> Document outlining procurement practices have been followed and evidence thereof, such as LEA procurement Board Policy AND copy of RFP, review or scores of submissions, or other similar evidence. 	<p>Meets</p>	<p>Evidence provided: MFZ 2/14/2025 CA RESOLVED. LEA submitted a sample notice to bidders. No further action required. Thank you!</p> <p>MFZ 1/30/2025 Corrective Action not addressed by LEA. No additional applicable documents have been submitted.</p> <p>LEA submitted Board procurement policy.</p> <p>Corrective Action: MFZ 2/14/2025 CA RESOLVED.</p> <p>MFZ 1/30/2025 Within 30 days of receiving this letter, please submit one additional piece of acceptable evidence as outlined two columns to the left.</p> <p>Within 30 days of receiving this letter, LEA must submit a copy of RFP, review or scores of submissions, or other similar evidence.</p>
6	<p>Copy of contracts.</p>	<p>Acceptable Evidence:</p> <ul style="list-style-type: none"> Copy of contractor construction contracts. 	<p>Meets</p>	<p>Evidence provided: MFZ 2/26/2025 LEA provided proof of reaching out to contractors in good faith to make wages owed right. With Title Grants director approval, LEA has completed the corrective action plan</p>



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			<p>approved by U.S DOE and any corrective actions have been resolved. Please note that the Department of Labor may require additional steps upon their own audit.</p> <p>MFZ 2/14/2025 LEA submitted additional Documentation but does not include Davis Bacon Provisions/Language.</p> <p>MFZ 1/30/2025 LEA submitted Terms and Conditions, and Limitations were submitted for contractor, Havel. This is not recognized as a formal contract. As the previous quotes were signed and dated, and the project is now complete, the documentation will be accepted.</p> <p>Quotations submitted but do not contain all necessary requirements.</p> <p>Corrective Action: MFZ 2/26/2025 CA RESOLVED</p> <p>Within 30 days of receiving this letter, LEA must submit a copy of the construction project contract, an amended contract to include Davis-Bacon language requirements and timeline, or evidence LEA has worked with the contractor in good faith to amend the contract. If LEA has amended the</p>
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				<p>contract to include Davis-Bacon requirements, evidence, which should include two-weeks of signed timesheets, must also be provided to show that the prevailing wage requirements have been met and paid to construction employees as applicable.</p> <p>MFZ 2/14/2025 Corrective Action: I am not seeing Davis Bacon/prevailing wage mentioned explicitly in any of the documents you submitted. It is possible I may have missed it. if this is the case let me know. Within 30 days of receiving this report please obtain a statement of assurance from your contractor(s) In which they confirm that Davis Bacon was met. This statement should be on contract letterhead and signed. Let me know if you have any questions.</p> <p>Recommendation: It is our Best Practice Recommendation that for all future projects funded with federal dollars formal contracts are established which explicitly detail benchmark dates, prevailing wage provisions, and are signed in live in or certified digital signatures.</p>
7	Attestation project(s) are on track to be completed prior to	<p>Acceptable Evidence:</p> <ul style="list-style-type: none"> • Attestation the construction projects 	Meets	<p>Evidence provided: Attestation provided and meets criteria.</p>



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	end of the project period.	are on track to be completed as stated in the contract.		<p>Corrective Action: No corrective action required. Evidence meets compliance measurement.</p>
8	Photos of completed project(s) and/or project(s) in progress.	<p>Acceptable Evidence:</p> <ul style="list-style-type: none"> A photo sampling of work, before (if possible), in progress, and work completed. 	Meets	<p>Evidence provided: MFZ 2/14/2025 CA RESOLVED - LEA submitted before and after photos. No further action required. Thank you!</p> <p>MFZ 1/30/2025 Corrective Action not addressed by LEA. No additional applicable documents have been submitted.</p> <p>Only current or after photos were submitted for the windows project.</p> <p>Corrective Action: MFZ 2/14/2025 CA RESOLVED</p> <p>Within 30 days of receiving this letter, LEA must submit a statement, signed by the superintendent, stating why submission of required photos is not possible OR If you do not have before/during photos, then you can provide a statement of affirmation in which you state that you were unaware of the photo documentation progress but will ensure that proper documentation happens for future projects. This attestation must be signed by the superintendent.</p>



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9	<p>Photo showing required <u>Davis-Bacon poster</u> was posted in a location all workers could view daily.</p>	<p>Acceptable Evidence:</p> <ul style="list-style-type: none"> • A photo showing all required posters are displayed for workers to view. 	<p>Meets</p>	<p>Evidence provided: MFZ 2/14/2025 CA RESOLVED LEA submitted photo. No further action required.</p> <p>MFZ 1/30/2025 Corrective Action not addressed by LEA. No additional applicable documents have been submitted.</p> <p>Photos were provided but does not provide sufficient evidence that required Davis-Bacon posters were posted.</p> <p>Corrective Action: MFZ 2/14/2025 CA RESOLVED</p> <p>Within 30 days of receiving this letter, LEA must submit a statement, signed by the superintendent, stating why submission of required photo was not possible OR If you do not have before/during photos, then you can provide a statement of affirmation in which you state that you were unaware of the photo documentation progress but will ensure that proper documentation happens for future projects. This attestation must be signed by the superintendent.</p>



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Fremont Community Schools

Indiana Performance Qualified School District

Dr. William Stitt, Ed.D.
Superintendent
Shelby Miller
Corporation Treasurer
Stacey Harris
Corporation Accounts Payable
Caleb Frederick
Corporation Technology Director
Jacqui Mundy
Corporation Secretary

Board of School Trustees

Andrew Lies
Zachary Burnau
Brandi Berkhalter
Benjamin Roederer
Nicholas Treat
Abby Probst
Andrea Vaughn

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

June 30, 2024

FINDING 2022-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards

Audit Finding: Material Weakness, Noncompliance

Condition: 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 understatement of the total federal awards expended on the SEFA by \$1,212,067 for the period July 1, 2020, through June 30, 2022:

1. The Child Nutrition Cluster funds were understated by \$102,359.
2. The Child and Adult Care Food Program funds were understated by \$20,502.
3. The Special Education Cluster funds were understated by \$18,561.
4. The Title I Grants to Local Educational Agencies fund were understated by \$26,418.
5. The Supporting Effective Instruction State Grants funds were overstated by
1. \$21,618.
6. The Student Support Academic Enrichment funds were understated by \$35,356.
7. The Head Start funds were understated by \$1,026,145.
8. The Disaster Grants – Public Assistance funds were understated by \$4,344.

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

Status of Prior Year Finding: Unresolved – see current finding 2024-001.

FINDING 2022-002

Subject: Special Education Cluster - Earmarking

Federal Agency: Department of Education

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

Assistance Listings Numbers: 84.027, 84.173

Federal Award Number and Year (or Other Identifying Numbers): 20611-042-PN01, 21611-042-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Matching, Level of Effort, Earmarking

Audit Finding: Significant Deficiency

Condition and Context: The School Corporation did not have internal controls in place to ensure that the Cooperative complied with the earmarking requirements. The Cooperative did not have adequate procedures in place to ensure that the required level of expenditures for non-public students with disabilities was met for each member school. The Cooperative did not have effective internal controls to ensure non-public school expenditures were appropriately identified and reported.

The School Corporation is a member of the Northeast Indiana Special Education Cooperative (Cooperative). During fiscal year 2021-2022, the Cooperative operated the special education programs and spent the federal money on behalf of all its members. As the grant agreements were between the Indiana Department of Education (IDOE) and each member school, the School Corporation was responsible for ensuring and providing oversight of the Cooperative. However, there was inadequate oversight performed by the School Corporation in order to ensure compliance with the Matching, Level of Effort, Earmarking compliance requirement.

The School Corporation did not have internal controls in place to ensure that the Cooperative complied with the earmarking requirements. The Cooperative did not have adequate procedures in place to ensure that the required level of expenditures for non-public students with disabilities was met for each member school. The Cooperative did not have effective internal controls to ensure non-public school expenditures were appropriately identified and reported.

The Non-Public Proportionate Share expenditures for the 20611-042-PN01 and 21611-042-PN01 grant awards could not be verified for the individual schools to verify the minimum amount per the grant awards was expended and properly reported to IDOE as required.

The lack of internal controls and noncompliance were isolated to the 20611-042-PN01 and 21611-042-PN01 grant awards. The minimum proportionate share earmarking amount was \$3,483 and \$3,429 for the 20611-042-PN01 and 21611-042-PN01 grant awards, respectively.

Status of Prior Year Finding: Resolved.