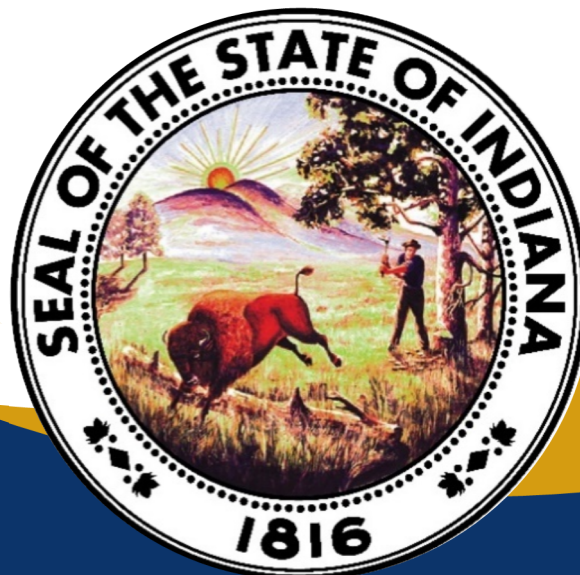


**STATE BOARD OF ACCOUNTS  
302 West Washington Street  
Room E418  
INDIANAPOLIS, INDIANA 46204-2769**

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

FINANCIAL STATEMENT AND  
FEDERAL COMPLIANCE AUDIT REPORT  
OF  
COMMUNITY SCHOOL CORPORATION OF EASTERN HANCOCK COUNTY  
HANCOCK COUNTY, INDIANA  
July 1, 2022 to June 30, 2024



**FILED**  
02/18/2025



Paul D. Joyce, CPA  
State Examiner

# INDIANA STATE BOARD OF ACCOUNTS

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February 18, 2025

To: The Officials of Community School Corporation of Eastern Hancock County  
Community School Corporation of Eastern Hancock County  
Hancock County, Indiana

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

We call your attention to the finding included in the report on pages 35 and 36. Please see the Schedule of Findings and Questioned Costs for complete details related to the finding. Management's Corrective Action Plan appears on page 37.

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 Community School Corporation of Eastern Hancock County 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

COMMUNITY SCHOOL CORPORATION OF EASTERN HANCOCK COUNTY  
Hancock 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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COMMUNITY SCHOOL CORPORATION OF EASTERN HANCOCK COUNTY  
SCHEDULE OF OFFICIALS (Unaudited)  
For the period July 1, 2022 through June 30, 2024

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<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Adam Kinder	07-01-22 to 06-30-24
Superintendent of Schools	George Philhower	07-01-22 to 06-30-24
President of the School Board	James R Jackson Jr.	01-01-22 to 06-30-24



## INDEPENDENT AUDITOR'S REPORT

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

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

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

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

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

#### ***Basis for Opinion***

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

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

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

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(Continued)

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

### ***Responsibilities of Management for the Financial Statement***

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

### ***Auditor's Responsibilities for the Audit of the Financial Statement***

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

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

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

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

### ***Supplementary Information***

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

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(Continued)

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

#### ***Other Information***

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

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

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2025, our consideration of the School Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

*Crowe LLP*  
Crowe LLP

Indianapolis, Indiana  
January 14, 2025

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

<u>Fund</u>	<u>Cash and Investments 07-01-2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2023</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2024</u>
Education	\$ 1,948,435	\$ 8,812,511	\$ 8,257,838	\$ (800,000)	\$ 1,703,108	\$ 9,446,401	\$ 8,433,291	\$ (850,000)	\$ 1,866,218
Debt Service	748,520	1,526,739	1,533,261	-	741,998	1,491,041	1,518,500	-	714,539
Operations	3,859,218	3,099,777	3,679,453	810,595	4,090,137	3,286,050	4,473,751	850,000	3,752,436
Rainy Day	1,232,664	-	-	-	1,232,664	-	-	-	1,232,664
Construction	37,562	-	37,562	-	-	-	-	-	-
2019 Bonds	1,273	-	1,273	-	-	-	-	-	-
School Lunch	123,433	800,266	687,943	-	235,756	665,765	759,379	-	142,142
Curricular Materials Rental	34,288	165,270	99,523	-	100,035	190,856	146,815	-	144,076
Levy Excess	1,671	-	-	-	1,671	-	-	-	1,671
United Way C-Cerf Grant	8,016	-	2,475	-	5,541	-	3,405	-	2,136
Community Foundation Grant	10,000	-	10,000	-	-	-	-	-	-
Hancock Health Sponsorship	20,556	20,556	8,346	-	32,766	-	32,766	-	-
Community Donor Projects	2,599	9,449	12,048	-	-	-	9,707	-	(9,707)
Joy Jam 23	-	8,500	1,639	-	6,861	27,500	26,552	-	7,809
Opioid Hancock Cnty Grant	-	-	-	-	-	18,250	6,970	-	11,280
Educational License Plates	583	169	407	-	345	169	-	-	514
Employee Wellness	3,069	-	1,762	-	1,307	-	1,307	-	-
Extra-Curricular Activities	949	103,176	99,782	-	4,343	131,393	139,635	-	(3,899)
Scholar And Award	32	-	-	-	32	-	-	-	32
Pltw Grant From Lilly	49	-	-	-	49	-	-	-	49
Scholarships And Awards	103	-	-	-	103	-	-	-	103
Scholar And Awards	320	-	-	-	320	-	-	-	320
Explore Engage Experience	-	4,000	12,858	-	(8,858)	6,000	-	-	(2,858)
Formative Assessment	496	-	5,750	-	(5,254)	11,742	6,488	-	-
Special Education Excess Cost	(4,454)	20,698	16,244	-	-	-	-	-	-
1008 Student Learn & Recov	-	47,807	47,490	-	317	-	317	-	-
Early Lit Achievement Grant 23	-	-	-	-	-	4,771	4,771	-	-
Sss Grant-Other Revenue	(24,082)	19,956	20,075	-	(24,201)	21,630	23,155	-	(25,726)
Stem 22-23 State Grant	-	-	50,000	-	(50,000)	50,000	-	-	-

(Continued)

COMMUNITY SCHOOL CORPORATION OF EASTERN HANCOCK COUNTY  
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
Robotics K-12 23-24 Grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,342	\$ 21,342	\$ -	\$ -
Early Intervention Grant	-	-	2,855	-	(2,855)	3,170	315	-	-
Nesp 21-22	3,012	2,945	3,062	-	2,895	-	2,895	-	-
Career & Tech Performance Gran	-	477	-	-	477	-	-	-	477
Performance Based Awards	-	43,688	43,587	-	101	44,585	44,686	-	-
High Ability 19/20	-	24,955	57,488	-	(32,533)	31,474	31,434	-	(32,493)
State Tech Grant	10,825	12,840	11,040	-	12,625	9,432	6,750	-	15,307
Title I 21-22	(65,064)	84,373	19,309	-	-	-	-	-	-
Title I 22-23	-	-	69,100	-	(69,100)	90,125	21,025	-	-
Title I 23-24	-	-	-	-	-	73,424	80,322	-	(6,898)
Idea P.L. Fy22 Special Ed	(319,439)	324,654	5,215	-	-	-	-	-	-
Idea P.L. Fy23 Special Ed	-	-	252,497	-	(252,497)	336,709	84,214	-	(2)
Idea P.L. Fy24 Special Ed	-	-	-	-	-	289,210	321,945	-	(32,735)
Idea P.L. Fy24 Preschool	-	-	-	-	-	14,664	14,664	-	-
Student Support Title Iv 22	(1)	-	7,772	-	(7,773)	10,000	2,229	-	(2)
Student Support Title Iv Fy21	-	-	-	-	-	10,000	10,000	-	-
Medicaid Reimbursement - Federal	5,851	6,594	2,804	-	9,641	8,951	13,208	-	5,384
Title li Fy 2021	(7,958)	-	12,369	-	(20,327)	20,327	-	-	-
Title li Fy 2022	-	-	-	-	-	21,730	21,730	-	-
Title li Ffy2023	-	-	-	-	-	-	6,230	-	(6,230)
Ai Pilot Grant	-	-	-	-	-	825	825	-	-
Part B Arp 611	(7,074)	-	19,241	-	(26,315)	59,982	33,667	-	-
Part B Arp 619	-	-	4,491	-	(4,491)	4,477	(14)	-	-
ESSER III	(153,170)	-	84,530	-	(237,700)	629,806	392,106	-	-
Cafe Holding	76,604	286,632	337,914	-	25,322	329,018	329,018	-	25,322
Payroll Liability	9,799	4,511,217	4,504,277	-	16,739	4,976,135	5,000,801	-	(7,927)
<b>Totals</b>	<b>\$ 7,558,685</b>	<b>\$ 19,937,249</b>	<b>\$ 20,023,280</b>	<b>\$ 10,595</b>	<b>\$ 7,483,249</b>	<b>\$ 22,336,954</b>	<b>\$ 22,026,201</b>	<b>\$ -</b>	<b>\$ 7,794,002</b>

See notes to financial statement.

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

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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

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

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

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

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

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

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

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

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(Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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(Continued)

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

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

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

**NOTE 2 - BUDGETS**

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

**NOTE 3 - PROPERTY TAXES**

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

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

The School Corporation held cash deposits with financial institutions that maintained FDIC and PDIF coverages, as applicable.

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(Continued)

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

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**NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)**

The School Corporation holds an investment account within the TrustIndiana Local Government Investment Pool. The purpose of TrustIndiana is to allow local units of government (e.g. counties, municipalities, school corporations, townships, and other units of local government) as well as the State of Indiana to invest in a common pool of investment assets that preserves the principal of the public's funds, remains highly liquid, and maximizes return on investment. TrustIndiana was authorized by the Indiana General Assembly's passage of Indiana Code § 5-13-9-11. At June 30, 2024, the School Corporation's investment account within the TrustIndiana Local Government Investment Pool was valued at \$4,365,071.

**NOTE 5 - RISK MANAGEMENT**

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

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

**NOTE 6 - CASH BALANCE DEFICITS**

The financial statement contains some funds with deficits in cash. This is a result of certain funds being set up for reimbursable grants, but for which reimbursement was not yet received by June 30, 2023, and 2024. The deficits in the Community Donor Projects and Payroll Liability funds are the result of disbursements exceeding receipts due to under-estimating current requirements for those funds. These deficits will be repaid from future receipts.

**NOTE 7 - HOLDING CORPORATIONS**

The School Corporation has entered into a series of capital leases with the Eastern Hancock Middle 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 \$1,714,500. Lease payments for the period July 1, 2023 through June 30, 2024 totaled \$1,518,500.

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(Continued)

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

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**NOTE 8 - PENSION PLANS**

**Public Employees' Retirement Fund**

*Plan Description*

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

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

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

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

*Financial Report*

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

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

*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.

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(Continued)

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

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

**Teachers' Retirement Fund**

*Plan Descriptions*

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

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

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

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

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

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

*Financial Report*

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

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

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(Continued)

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

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

*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 September 2024, the School Corporation issued general obligation bonds in the amount of \$2,500,000 for renovations and improvements to facilities.

**OTHER INFORMATION (Unaudited)**

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

	Education	Debt Service	Operations	Rainy Day	Construction	2019 Bonds	School Lunch	Curricular Materials Rental	Levy Excess	United Way C- Cerf Grant	Community Foundation Grant
Cash and investments - beginning	\$ 1,948,435	\$ 748,520	\$ 3,859,218	\$ 1,232,664	\$ 37,562	\$ 1,273	\$ 123,433	\$ 34,288	\$ 1,671	\$ 8,016	\$ 10,000
Receipts:											
Local sources	23,052	1,526,739	3,015,515	-	-	-	297,439	119,191	-	-	-
Intermediate sources	61	-	-	-	-	-	66,824	-	-	-	-
State sources	8,789,398	-	-	-	-	-	4,674	46,079	-	-	-
Federal sources	-	-	84,262	-	-	-	431,329	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	8,812,511	1,526,739	3,099,777	-	-	-	800,266	165,270	-	-	-
Disbursements:											
Instruction	6,533,847	-	-	-	-	-	-	10,599	-	-	6,846
Support services	1,528,602	16,811	3,293,335	-	19,572	-	17	88,924	-	1,225	2,502
Noninstructional services	195,389	-	-	-	-	-	687,926	-	-	1,250	652
Facilities acquisition and construction	-	-	386,118	-	17,990	1,273	-	-	-	-	-
Debt services	-	1,516,450	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	8,257,838	1,533,261	3,679,453	-	37,562	1,273	687,943	99,523	-	2,475	10,000
Excess (deficiency) of receipts over disbursements	554,673	(6,522)	(579,676)	-	(37,562)	(1,273)	112,323	65,747	-	(2,475)	(10,000)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	10,595	-	-	-	-	-	-	-	-
Transfers in	-	-	800,000	-	-	-	-	-	-	-	-
Transfers out	(800,000)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(800,000)	-	810,595	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(245,327)	(6,522)	230,919	-	(37,562)	(1,273)	112,323	65,747	-	(2,475)	(10,000)
Cash and investments - ending	\$ 1,703,108	\$ 741,998	\$ 4,090,137	\$ 1,232,664	\$ -	\$ -	\$ 235,756	\$ 100,035	\$ 1,671	\$ 5,541	\$ -

(Continued)

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

	Hancock Health Sponsorship	Community Donor Projects	Joy Jam 23	Educational License Plates	Employee Wellness	Extra- Curricular Activities	Scholar And Award	Pltw Grant From Lilly	Scholarships And Awards	Scholar And Awards	Explore Engage Experience	Formative Assessment
Cash and investments - beginning	\$ 20,556	\$ 2,599	\$ -	\$ 583	\$ 3,069	\$ 949	\$ 32	\$ 49	\$ 103	\$ 320	\$ -	\$ 496
Receipts:												
Local sources	20,556	9,449	8,500	-	-	103,176	-	-	-	-	-	-
Intermediate sources	-	-	-	169	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	4,000	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	20,556	9,449	8,500	169	-	103,176	-	-	-	-	4,000	-
Disbursements:												
Instruction	887	-	-	407	-	-	-	-	-	-	-	5,750
Support services	-	-	1,639	-	762	99,782	-	-	-	-	12,858	-
Noninstructional services	-	-	-	-	1,000	-	-	-	-	-	-	-
Facilities acquisition and construction	7,459	12,048	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	8,346	12,048	1,639	407	1,762	99,782	-	-	-	-	12,858	5,750
Excess (deficiency) of receipts over disbursements	12,210	(2,599)	6,861	(238)	(1,762)	3,394	-	-	-	-	(8,858)	(5,750)
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	12,210	(2,599)	6,861	(238)	(1,762)	3,394	-	-	-	-	(8,858)	(5,750)
Cash and investments - ending	\$ 32,766	\$ -	\$ 6,861	\$ 345	\$ 1,307	\$ 4,343	\$ 32	\$ 49	\$ 103	\$ 320	\$ (8,858)	\$ (5,254)

(Continued)

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

	Special Education Excess Cost	1008 Student Learn & Recov	Sss Grant-Other Revenue	Stem 22-23 State Grant	Early Intervention Grant	Nesp 21-22	Career & Tech Performance Gran	Performance Based Awards	High Ability 19/20	State Tech Grant	Title I 21-22	Title I 22-23
Cash and investments - beginning	\$ (4,454)	\$ -	\$ (24,082)	\$ -	\$ -	\$ 3,012	\$ -	\$ -	\$ -	\$ 10,825	\$ (65,064)	\$ -
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	20,698	26,747	19,956	-	-	2,945	477	43,688	24,955	12,840	-	-
Federal sources	-	21,060	-	-	-	-	-	-	-	-	84,373	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	20,698	47,807	19,956	-	-	2,945	477	43,688	24,955	12,840	84,373	-
Disbursements:												
Instruction	16,244	2,361	-	14,985	2,855	866	-	43,587	57,488	-	19,309	69,100
Support services	-	45,129	20,075	35,015	-	1,036	-	-	-	11,040	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	1,160	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	16,244	47,490	20,075	50,000	2,855	3,062	-	43,587	57,488	11,040	19,309	69,100
Excess (deficiency) of receipts over disbursements	4,454	317	(119)	(50,000)	(2,855)	(117)	477	101	(32,533)	1,800	65,064	(69,100)
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	4,454	317	(119)	(50,000)	(2,855)	(117)	477	101	(32,533)	1,800	65,064	(69,100)
Cash and investments - ending	\$ -	\$ 317	\$ (24,201)	\$ (50,000)	\$ (2,855)	\$ 2,895	\$ 477	\$ 101	\$ (32,533)	\$ 12,625	\$ -	\$ (69,100)

(Continued)

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

	Idea P.L. Fy22 Special Ed	Idea P.L. Fy23 Special Ed	Student Support Title Iv 22	Medicaid Reimbursement - Federal	Title Ii Fy 2021	Part B Arp 611	Part B Arp 619	ESSER III	Cafe Holding	Payroll Liability	Totals
Cash and investments - beginning	\$ (319,439)	\$ -	\$ (1)	\$ 5,851	\$ (7,958)	\$ (7,074)	\$ -	\$ (153,170)	\$ 76,604	\$ 9,799	\$ 7,558,685
Receipts:											
Local sources	-	-	-	-	-	-	-	-	286,632	-	5,410,249
Intermediate sources	-	-	-	-	-	-	-	-	-	-	67,054
State sources	-	-	-	-	-	-	-	-	-	-	8,996,457
Federal sources	324,654	-	-	6,594	-	-	-	-	-	-	952,272
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	4,511,217	4,511,217
Total receipts	324,654	-	-	6,594	-	-	-	-	286,632	4,511,217	19,937,249
Disbursements:											
Instruction	5,215	154,926	6,315	2,013	2,515	19,241	4,491	35,284	-	-	7,015,131
Support services	-	97,571	1,457	791	9,854	-	-	36,480	639	-	5,325,116
Noninstructional services	-	-	-	-	-	-	-	-	-	-	886,217
Facilities acquisition and construction	-	-	-	-	-	-	-	12,766	-	-	437,654
Debt services	-	-	-	-	-	-	-	-	-	-	1,516,450
Nonprogrammed charges	-	-	-	-	-	-	-	-	337,275	4,504,277	4,842,712
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	5,215	252,497	7,772	2,804	12,369	19,241	4,491	84,530	337,914	4,504,277	20,023,280
Excess (deficiency) of receipts over disbursements	319,439	(252,497)	(7,772)	3,790	(12,369)	(19,241)	(4,491)	(84,530)	(51,282)	6,940	(86,031)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	10,595
Transfers in	-	-	-	-	-	-	-	-	-	-	800,000
Transfers out	-	-	-	-	-	-	-	-	-	-	(800,000)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	10,595
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	319,439	(252,497)	(7,772)	3,790	(12,369)	(19,241)	(4,491)	(84,530)	(51,282)	6,940	(75,436)
Cash and investments - ending	\$ -	\$ (252,497)	\$ (7,773)	\$ 9,641	\$ (20,327)	\$ (26,315)	\$ (4,491)	\$ (237,700)	\$ 25,322	\$ 16,739	\$ 7,483,249

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

	Education	Debt Service	Operations	Rainy Day	School Lunch	Curricular Materials Rental	Levy Excess	United Way C- Cerf Grant	Hancock Health Sponsorship	Community Donor Projects	Joy Jam 23	Opioid Hancock Cnty Grant
Cash and investments - beginning	\$ 1,703,108	\$ 741,998	\$ 4,090,137	\$ 1,232,664	\$ 235,756	\$ 100,035	\$ 1,671	\$ 5,541	\$ 32,766	\$ -	\$ 6,861	\$ -
Receipts:												
Local sources	73,422	1,491,041	3,275,870	-	328,163	2,340	-	-	-	-	9,500	-
Intermediate sources	60	-	-	-	36,298	-	-	-	-	-	-	18,250
State sources	9,372,919	-	-	-	7,563	188,516	-	-	-	-	18,000	-
Federal sources	-	-	-	-	293,741	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	10,180	-	-	-	-	-	-	-	-	-
Total receipts	9,446,401	1,491,041	3,286,050	-	665,765	190,856	-	-	-	-	27,500	18,250
Disbursements:												
Instruction	6,781,628	-	-	-	-	19,947	-	1,500	1,105	-	-	-
Support services	1,434,781	-	3,686,792	-	10,669	126,868	-	1,905	31,661	9,707	26,552	6,970
Noninstructional services	216,882	-	-	-	748,710	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	786,959	-	-	-	-	-	-	-	-	-
Debt services	-	1,518,500	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	8,433,291	1,518,500	4,473,751	-	759,379	146,815	-	3,405	32,766	9,707	26,552	6,970
Excess (deficiency) of receipts over disbursements	1,013,110	(27,459)	(1,187,701)	-	(93,614)	44,041	-	(3,405)	(32,766)	(9,707)	948	11,280
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	850,000	-	-	-	-	-	-	-	-	-
Transfers out	(850,000)	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(850,000)	-	850,000	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	163,110	(27,459)	(337,701)	-	(93,614)	44,041	-	(3,405)	(32,766)	(9,707)	948	11,280
Cash and investments - ending	\$ 1,866,218	\$ 714,539	\$ 3,752,436	\$ 1,232,664	\$ 142,142	\$ 144,076	\$ 1,671	\$ 2,136	\$ -	\$ (9,707)	\$ 7,809	\$ 11,280

(Continued)

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

	Educational License Plates	Employee Wellness	Extra-Curricular Activities	Scholar And Award	Pltw Grant From Lilly	Scholarships And Awards	Scholar And Awards	Explore Engage Experience	Formative Assessment	1008 Student Learn & Recov	Early Lit Achievement Grant 23	Sss Grant-Other Revenue	Stem 22-23 State Grant
Cash and investments - beginning	\$ 345	\$ 1,307	\$ 4,343	\$ 32	\$ 49	\$ 103	\$ 320	\$ (8,858)	\$ (5,254)	\$ 317	\$ -	\$ (24,201)	\$ (50,000)
Receipts:													
Local sources	-	-	131,393	-	-	-	-	-	-	-	-	-	-
Intermediate sources	169	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	6,000	11,742	-	4,771	21,630	50,000
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	169	-	131,393	-	-	-	-	6,000	11,742	-	4,771	21,630	50,000
Disbursements:													
Instruction	-	-	-	-	-	-	-	-	6,488	-	4,771	-	-
Support services	-	1,307	139,635	-	-	-	-	-	-	317	-	23,155	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	1,307	139,635	-	-	-	-	-	6,488	317	4,771	23,155	-
Excess (deficiency) of receipts over disbursements	169	(1,307)	(8,242)	-	-	-	-	6,000	5,254	(317)	-	(1,525)	50,000
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	169	(1,307)	(8,242)	-	-	-	-	6,000	5,254	(317)	-	(1,525)	50,000
Cash and investments - ending	\$ 514	\$ -	\$ (3,899)	\$ 32	\$ 49	\$ 103	\$ 320	\$ (2,858)	\$ -	\$ -	\$ -	\$ (25,726)	\$ -

(Continued)

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

	Robotics K-12 23-24 Grant	Early Intervention Grant	Nesp 21-22	Career & Tech Performance Gran	Performance Based Awards	High Ability 19/20	State Tech Grant	Title I 22-23	Title I 23-24	Idea P.L. Fy23 Special Ed	Idea P.L. Fy24 Special Ed	Idea P.L. Fy24 Preschool
Cash and investments - beginning	\$ -	\$ (2,855)	\$ 2,895	\$ 477	\$ 101	\$ (32,533)	\$ 12,625	\$ (69,100)	\$ -	\$ (252,497)	\$ -	\$ -
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	21,342	3,170	-	-	44,585	31,474	9,432	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	90,125	73,424	336,709	289,210	14,664
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	21,342	3,170	-	-	44,585	31,474	9,432	90,125	73,424	336,709	289,210	14,664
Disbursements:												
Instruction	21,342	315	2,895	-	44,686	31,434	-	21,025	80,322	55,610	202,069	14,664
Support services	-	-	-	-	-	-	6,750	-	-	28,604	119,876	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	21,342	315	2,895	-	44,686	31,434	6,750	21,025	80,322	84,214	321,945	14,664
Excess (deficiency) of receipts over disbursements	-	2,855	(2,895)	-	(101)	40	2,682	69,100	(6,898)	252,495	(32,735)	-
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	2,855	(2,895)	-	(101)	40	2,682	69,100	(6,898)	252,495	(32,735)	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 477	\$ -	\$ (32,493)	\$ 15,307	\$ -	\$ (6,898)	\$ (2)	\$ (32,735)	\$ -

(Continued)

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

	Student Support Title Iv 22	Student Support Title Iv Fy21	Medicaid Reimbursement - Federal	Title Ii Fy 2021	Title Ii Fy 2022	Title Ii Ffy2023	Ai Pilot Grant	Part B Arp 611	Part B Arp 619	ESSER III	Cafe Holding	Payroll Liability	Totals
Cash and investments - beginning	\$ (7,773)	\$ -	\$ 9,641	\$ (20,327)	\$ -	\$ -	\$ -	\$ (26,315)	\$ (4,491)	\$ (237,700)	\$ 25,322	\$ 16,739	\$ 7,483,249
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	5,311,729
Intermediate sources	-	-	-	-	-	-	-	-	-	-	329,018	-	383,795
State sources	-	-	-	-	-	-	-	-	-	-	-	-	9,791,144
Federal sources	10,000	10,000	8,951	20,327	21,730	-	825	59,982	4,477	629,806	-	-	1,863,971
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	4,976,135	4,986,315
<b>Total receipts</b>	<b>10,000</b>	<b>10,000</b>	<b>8,951</b>	<b>20,327</b>	<b>21,730</b>	<b>-</b>	<b>825</b>	<b>59,982</b>	<b>4,477</b>	<b>629,806</b>	<b>329,018</b>	<b>4,976,135</b>	<b>22,336,954</b>
Disbursements:													
Instruction	2,229	8,901	13,014	-	-	-	-	24,125	(14)	-	-	-	7,338,056
Support services	-	1,099	194	-	21,730	6,230	825	9,542	-	112,018	329,018	5,000,801	11,137,006
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	965,592
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	280,088	-	-	1,067,047
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	1,518,500
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>2,229</b>	<b>10,000</b>	<b>13,208</b>	<b>-</b>	<b>21,730</b>	<b>6,230</b>	<b>825</b>	<b>33,667</b>	<b>(14)</b>	<b>392,106</b>	<b>329,018</b>	<b>5,000,801</b>	<b>22,026,201</b>
Excess (deficiency) of receipts over disbursements	7,771	-	(4,257)	20,327	-	(6,230)	-	26,315	4,491	237,700	-	(24,666)	310,753
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	850,000
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	(850,000)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	7,771	-	(4,257)	20,327	-	(6,230)	-	26,315	4,491	237,700	-	(24,666)	310,753
Cash and investments - ending	\$ (2)	\$ -	\$ 5,384	\$ -	\$ -	\$ (6,230)	\$ -	\$ -	\$ -	\$ -	\$ 25,322	\$ (7,927)	\$ 7,794,002

COMMUNITY SCHOOL CORPORATION OF EASTERN HANCOCK COUNTY  
SCHEDULE OF PAYABLES AND RECEIVABLES  
June 30, 2024

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<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ <u>96,563</u>	\$ <u>120,543</u>

COMMUNITY SCHOOL CORPORATION OF EASTERN HANCOCK COUNTY  
 SCHEDULE OF LEASES AND DEBT  
 June 30, 2024

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<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
Eastern Hancock Middle School First Mortgage Bonds 2020	School Building	\$ 621,000	11/12/2020	12/31/2029
Eastern Hancock Middle School Refunding and Improvement Bonds 2016	School Building	<u>897,500</u>	12/31/2016	12/31/2031
Total governmental activities		<u>1,518,500</u>		
Total of annual lease payments		<u>\$ 1,518,500</u>		

COMMUNITY SCHOOL CORPORATION OF EASTERN HANCOCK COUNTY  
SCHEDULE OF CAPITAL ASSETS  
June 30, 2024

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 33,921
Buildings	24,704,196
Improvements other than buildings	2,153,711
Machinery, equipment, and vehicles	<u>7,743,876</u>
Total governmental activities	<u>34,635,704</u>
Total capital assets	<u>\$ 34,635,704</u>

COMMUNITY SCHOOL CORPORATION OF EASTERN HANCOCK COUNTY  
STATE REPORTING INFORMATION  
July 1, 2022 - June 30, 2024

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*Financial Statement and Accompanying Notes:*

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

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

*Indiana Department of Education Reporting:*

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

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

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

COMMUNITY SCHOOL CORPORATION OF EASTERN HANCOCK COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Period of July 1, 2022 through June 30, 2024

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 06-30-24	Total Federal Awards Expended 07-01-22 to 06-30-24
<u>Department of Agriculture</u>						
Child Nutrition Cluster	Indiana Department of Education					
School Breakfast Program		10.553	FY 2023, FY 2024	44,639	38,392	83,031
National School Lunch Program		10.555	FY 2023, FY 2024	379,682	291,647	671,329
Commodities		10.555	FY 2023, FY 2024	<u>35,809</u>	<u>44,766</u>	<u>80,575</u>
Total - Child Nutrition Cluster				<u>460,130</u>	<u>374,805</u>	<u>834,935</u>
Total - Department of Agriculture				<u>460,130</u>	<u>374,805</u>	<u>834,935</u>
<u>Department of Education</u>						
Special Education Cluster(IDEA)						
Special Education Grants to States	Indiana Department of Education					
IDEA, Part B		84.027	22611-135-PN01	310,572	-	310,572
IDEA, Part B		84.027	23611-135-PN01	-	611,517	611,517
Special Ed Part B - COVID-19		84.027X	22611-135-ARP	<u>-</u>	<u>59,982</u>	<u>59,982</u>
Total - Special Education Grants to States				<u>310,572</u>	<u>671,499</u>	<u>982,071</u>
Special Education Preschool Grants	Indiana Department of Education					
COVID-19 - Supplemental Funding - IDEA, Preschool		84.173X	22619-135-ARP	-	4,477	4,477
IDEA, Preschool		84.173	22619-135-PN01	14,082	14,402	28,484
IDEA, Preschool		84.173	23619-135-PN01	<u>-</u>	<u>14,664</u>	<u>14,664</u>
Total - Special Education Preschool Grants				<u>14,082</u>	<u>33,543</u>	<u>47,625</u>
Total - Special Education Cluster(IDEA)				<u>324,654</u>	<u>705,042</u>	<u>1,029,696</u>
Title I Grants to Local Educational Agencies	Indiana Department of Education					
Title I, Part A		84.010A	S010A210014	84,373	-	84,373
Title I, Part A		84.010A	S010A220014	-	90,125	90,125
Title I, Part A		84.010A	S010A230014	<u>-</u>	<u>73,424</u>	<u>73,424</u>
Total - Title I Grants to Local Educational Agencies				<u>84,373</u>	<u>163,549</u>	<u>247,922</u>
Title II Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II, Part A		84.367A	S367A2100013	<u>-</u>	<u>42,057</u>	<u>42,057</u>
Total - Title II Supporting Effective Instruction State Grants				<u>-</u>	<u>42,057</u>	<u>42,057</u>

(Continued)

COMMUNITY SCHOOL CORPORATION OF EASTERN HANCOCK COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Period of July 1, 2022 through June 30, 2024

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 06-30-24	Total Federal Awards Expended 07-01-22 to 06-30-24
Title IV Student Support and Academic Enrichment Program	Indiana Department of Education					
Title IV Part A		84.424	S424A220015	\$ -	\$ 10,000	\$ 10,000
Title IV Part A		84.424	S424A230015	-	10,000	10,000
Total - Title IV Student Support and Academic Enrichment Program				-	20,000	20,000
COVID-19 - Education Stabilization Fund	Indiana Department of Education					
American Rescue Plan Elementary and Secondary School Elementary Relief (ARP ESSER) Fund		84.425U	S010A220014	-	630,631	630,631
Total - COVID-19 Education Stabilization Fund				-	630,631	630,631
Total - Department of Education				409,027	1,561,279	1,970,306
<u>Department of Health and Human Services</u>						
Medicaid Cluster						
Medical Assistance Program	Family and Social Services Administration					
Medicaid Assistance - MAC		93.778	FY 2023, FY 2024	6,594	8,951	15,545
Total - Department of Health and Human Services				6,594	8,951	15,545
<u>Department of Homeland Security</u>						
Disaster Grants - Public Assistance (Presidentially Declared Disasters) FEMA/COVID-19	Indiana Department of Education					
		97.036	385PA4515000000	84,262	-	84,262
Total - Department of Homeland Security				84,262	-	84,262
Total federal awards expended				\$ 960,013	\$ 1,945,035	\$ 2,905,048

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

COMMUNITY SCHOOL CORPORATION OF EASTERN HANCOCK COUNTY  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Period of July 1, 2022 through June 30, 2024

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**NOTE 1 - BASIS OF PRESENTATION**

*A. Basis of Presentation*

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

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

*B. Other Significant Accounting Policies*

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

**NOTE 2 - INDIRECT COST RATE**

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

**NOTE 3 - OTHER INFORMATION**

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

**NOTE 4 - NON-CASH PROGRAMS (COMMODITIES)**

Commodities donated to the School Corporation by the U.S. Department of Agriculture (USDA) of \$80,575 are valued based on the USDA's donated commodity price list. These are shown as part of the National School Lunch Program (10.555).

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

Those Charged with Governance  
Community School Corporation of Eastern Hancock County  
Hancock 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 Community School Corporation of Eastern Hancock County's ("School Corporation"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School Corporation as of June 30, 2024 and for the period July 1, 2022 through June 30, 2024 and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement, and have issued our report thereon dated January 14, 2025.

**Report on Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## Report on Compliance and Other Matters

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

### Purpose of this Report

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

*Crowe LLP*  
Crowe LLP

Indianapolis, Indiana  
January 14, 2025

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

Those Charged with Governance  
Community School Corporation of Eastern Hancock County  
Hancock County, Indiana

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

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

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

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

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

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(Continued)

## ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control Over Compliance**

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a material weakness.

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(Continued)

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

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

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

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

*Crowe LLP*  
Crowe LLP

Indianapolis, Indiana  
January 14, 2025

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

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**Section I – Summary of Auditor’s Results**

***Financial Statement***

Type of auditor’s report issued	Adverse as to GAAP, Unmodified as to regulatory basis		
Internal control over financial reporting			
Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____ No
Significant deficiencies identified not considered to be material weaknesses?	_____	Yes	_____ <u>X</u> _____ None Reported
Noncompliance material to financial statement noted?	_____	Yes	_____ <u>X</u> _____ No

***Federal Awards***

Internal control over major programs			
Material weakness(es) identified?	_____ <u>X</u> _____	Yes	_____ No
Significant deficiencies identified not considered to be material weaknesses?	_____	Yes	_____ <u>X</u> _____ None Reported
Type of auditor’s report issued on compliance for major programs	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	_____ <u>X</u> _____	Yes	_____ No

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555	Child Nutrition Cluster
84.027, 84.027X, 84.173, 84.173X	Special Education Cluster

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

Auditee qualified as low-risk auditee?	_____	Yes	_____ <u>X</u> _____	No
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**Section II – Financial Statement Findings**

None noted.

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(Continued)

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

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

**FINDING 2024-001**

**Information on the federal program:**

Subject: Child Nutrition Cluster - Internal Controls  
Federal Agency: Department of Agriculture  
Federal Program: School Breakfast Program, National School Lunch Program  
Assistance Listing Number: 10.553, 10.555  
Federal Award Numbers and Years (or Other Identifying Numbers): FY2023, FY2024  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Eligibility  
Audit Finding: Material Weakness

**Criteria:** 2 CFR section 200.303 states in part:

"The non-Federal entity must:

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

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

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

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

**Questioned Costs:** There were no questioned costs identified.

**Context:** During the testing of internal controls over eligibility determinations for free and reduced meals, we noted there was no formal review control in place. There is no documented, secondary review for the applications entered in the food service software which determines eligibility. Additionally, there was no documented review by School Corporation personnel of the Income Eligibility Guidelines used by the food service software which are updated on annual basis.

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

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(Continued)

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

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

**FINDING 2024-001** (Continued)

**Recommendation:** We recommend that the School Corporation's management establish an internal control process to review the updates to the annual adjustments to the Income Eligibility Guidelines made to the food service software to determine eligibility to ensure updated guidelines are accurate and complete. This review should be documented on annual basis to confirm management's oversight and monitoring of eligibility determinations.

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

# CSC of Eastern Hancock County

10370 E. County Rd. 250 N. \* Charlottesville, IN 46117 \* [www.easternhancock.org](http://www.easternhancock.org)  
(317) 936-5444 Phone \* (317) 936-5516 Fax

## CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

June 30, 2024

### **Finding 2024-001** – Child Nutrition Cluster – Eligibility

**Context:** During testing over controls for eligibility, we noted there was no formal, secondary review for the applications entered in the food service software determining eligibility. Additionally, there was no documented annual review by School Corporation personnel of the income eligibility guidelines used by the food service software.

Contact Person Responsible for Corrective Action: Tracy Wilson  
Contact Phone Number: 317-408-1388 ext. 407

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The Food Service Director will review and provide proof that multiple parties reviewed and confirmed the correct income eligibility guidelines in our software each year prior to making the applications available to parents.

Anticipated Completion Date: SY2025-2026

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**George Philhower**  
Superintendent

**Adam Kinder**  
Director of Business & Operations

**Kelly McKeeman**  
Director of Special Education

**Jenny Toth**  
Director of Employee Experience

**Andrea Harmeyer**  
Deputy Treasurer

**Stacey Jones**  
Joy Integration Specialist

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2022-001**

Subject: Preparation of the Schedule of Expenditures of Federal Awards

Audit Findings: Material Weakness

**Context:** The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. The SEFA was reviewed prior to submission. However, it was not reviewed in enough detail to prevent the following errors that resulted in the gross overstatement on the SEFA of \$143,742, the gross understatement of \$20,962, and the net overstatement of the total federal awards expended on the SEFA by \$122,780 for the period July 1, 2020, through June 30, 2022:

1. The Child Nutrition Cluster (10.553, 10.555, 10.559) expenditures were overstated by \$141,809
2. The Special Education Cluster (84.027, 84.173) expenditures were overstated by \$1,933
3. The Title II- Improving Teacher Effectiveness (84.367) expenditures were understated by \$16,935
4. The Medicaid Cluster (93.778) expenditures were understated by \$4,027
5. \$615,246 Special Education Grants to States (84.027) expenditures were improperly labeled as Special Education Preschool (84.173) expenditures
6. \$1,177 School Breakfast Program (10.553) and \$16,381 School Lunch Program (10.555) expenditures were improperly labeled as Summer Feeding Program (10.559) expenditures
7. \$102,591 School Lunch Program (10.555) and \$405,392 Summer Feeding Program (10.559) expenditures were improperly labeled as School Breakfast Program (10.553) expenditures

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

*Status:* Resolved.

### **FINDING 2022-002**

Subject: Preparation of the Annual Financial Report

Audit Findings: Material Weakness

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

- 1) For the period of July 1, 2020 to June 30, 2021, the School Corporation improperly excluded the Prepaid Payroll Clearing fund which understated receipt and disbursement amounts by \$3,943,459 and \$4,016,523 respectively. The beginning July 1, 2020 balance of \$92,973 as improperly excluded as well. The ending cash as of June 30, 2021 in the clearing fund was a negative balance of \$19,909.
- 2) For the period of July 1, 2021 to June 30, 2022, the School Corporation improperly excluded the Prepaid Payroll Clearing fund which understated receipt and disbursement amounts by \$4,195,022 and \$4,205,112 respectively. The ending cash as of June 30, 2021 in the clearing fund was a negative balance of \$9,799.

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

*Status:* Resolved.

**FINDING 2022-003**

**Information on the federal program:**

Subject: Child Nutrition Cluster - Internal Controls

Federal Agency: Department of Agriculture

Federal Program: School Breakfast Program, National School Lunch Program

Assistance Listing Number: 10.553, 10.555, 10.559

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting

Audit Finding: Material Weakness

**Context:** We noted that four in a sample of four claims, the Food Service Director prepared the sponsor claim reimbursement summary without a secondary, documented review before the submission of the claim to ensure the accuracy of the sponsor claim reimbursement summary. The Treasurer reviewed the claim after the submission when the money was received.

*Status:* Resolved.