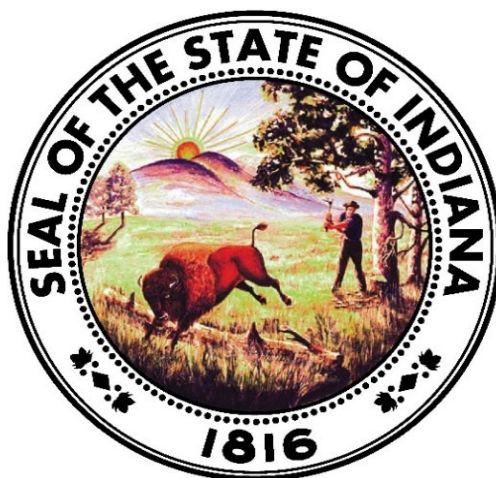


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

FINANCIAL STATEMENT AND
FEDERAL COMPLIANCE AUDIT REPORT
OF

TRI-TOWNSHIP CONSOLIDATED SCHOOL CORPORATION
LAPORTE COUNTY, INDIANA

July 1, 2021 to June 30, 2023



FILED
03/26/2024



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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March 26, 2024

To: The Officials of Tri-Township Consolidated School Corporation
Tri-Township Consolidated School Corporation
LaPorte County, Indiana

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Tri-Consolidated School Corporation. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period July 1, 2021 to June 30, 2023. Per the *Independent Auditor's Report*, the financial statement referred to above presents fairly, in all material respects, the cash and investment balances of Tri-Township Consolidated School Corporation as of June 30, 2023, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2021 to June 30, 2023 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 32 through 39. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 40 through 43.

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

In addition to the report presented herein, a Supplemental Report for Tri-Township Consolidated School Corporation was prepared in accordance with the guidelines established by the State Board of Accounts.

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

A handwritten signature in black ink that reads 'Tammy R. White'.

Tammy R. White, CPA
Deputy State Examiner

TRI-TOWNSHIP CONSOLIDATED SCHOOL CORPORATION
LaPorte County, Indiana

FINANCIAL STATEMENT
As of June 30, 2023, and for the
period of July 1, 2021 through June 30, 2023

TRI-TOWNSHIP CONSOLIDATED SCHOOL CORPORATION
LaPorte County, Indiana

FINANCIAL STATEMENT
As of June 30, 2023, and for the
period of July 1, 2021 through June 30, 2023

CONTENTS

SCHEDULE OF OFFICIALS (Unaudited)	1
INDEPENDENT AUDITOR'S REPORT	2
FINANCIAL STATEMENT	
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS	5
NOTES TO FINANCIAL STATEMENT	7
OTHER INFORMATION	
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS (Unaudited)	13
SCHEDULE OF PAYABLES AND RECEIVABLES (Unaudited)	19
SCHEDULE OF LEASES AND DEBT (Unaudited)	20
SCHEDULE OF CAPITAL ASSETS (Unaudited)	21
STATE REPORTING INFORMATION (Unaudited)	22
SUPPLEMENTARY INFORMATION	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	23
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	25
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 <i>GOVERNMENT AUDITING STANDARDS</i>	26
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE	28
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	31

TRI-TOWNSHIP CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF OFFICIALS (Unaudited)
For the period July 1, 2021 through June 30, 2023

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Dara Guse	07-01-21 to 06-30-23
Superintendent of Schools	Kelly Shepard	07-01-21 to 06-30-23
President of the School Board	Tim Guse	01-01-21 to 12-31-24

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
Tri-Township Consolidated School Corporation
LaPorte 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 Tri-Township Consolidated School Corporation (the School Corporation) as of June 30, 2023 and for the period of July 1, 2021 through June 30, 2023, 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, 2023, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2021 through June 30, 2023 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 paragraph, 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, 2023, or changes in net position for the period of July 1, 2021 through June 30, 2023.

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 described in Note 1 to the financial statement, the financial statement is prepared by the School Corporation 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 opinions. 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 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 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 Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2024, on 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 19, 2024

TRI-TOWNSHIP CONSOLIDATED SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
As of June 30, 2023 and for the period of July 1, 2021 through June 30, 2023

<u>Fund</u>	<u>Cash and Investments 07-01-2021</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2023</u>
School Education	\$ 620,332	\$ 2,353,660	\$ 2,134,068	\$ (145,812)	\$ 694,112	\$ 2,610,469	\$ 2,177,365	\$ (106,054)	\$ 1,021,162
Debt Service	90,509	326,563	232,500	-	184,572	352,321	210,275	(7,268)	319,350
School Operations	1,439,602	1,377,636	1,417,143	132,550	1,532,645	1,445,667	1,469,144	109,268	1,618,436
Rainy Day	610,200	623	-	-	610,823	3,053	-	-	613,876
Post-Retire/ Severance Future Ben	49,647	1,616	11,107	-	40,156	1,687	9,542	-	32,301
Construct	1,011,376	22,774	23,578	-	1,010,572	10,112	624,653	-	396,031
Construction	-	30,600	30,600	-	-	-	-	-	-
School Lunch	93,173	216,054	153,422	-	155,805	245,877	219,924	-	181,758
Curricular Materials	108,162	43,632	55,099	-	96,695	39,450	70,787	7,268	72,626
Levy Excess	6,351	-	-	-	6,351	-	-	-	6,351
After School Child Care Program	7,859	3,356	78	-	11,137	2,853	3,246	(7,483)	3,261
IN-Mac Micro Grant	-	-	-	-	-	2,000	-	-	2,000
Educational License Plates	-	38	-	-	38	38	-	-	76
Comprehensive Counseling Grant	-	-	-	-	-	-	-	-	-
Formative Assessment Grant	1,764	4,943	-	-	6,707	-	7,491	4,186	3,402
Drug Free Communities	104	-	-	-	104	-	104	-	-
Partners In Prevention Planning Gra	577	-	-	-	577	-	577	-	-
Partners In Preventions Implem. Gra	22,468	1,463	17,386	-	6,545	-	-	-	6,545
Medicaid Reimb. State	16,757	7,086	-	(890)	22,953	5,175	22,952	-	5,176
School Secured Safety Grant	-	29,211	30,482	(12,550)	(13,821)	7,255	28,383	10,732	(24,217)
Stem Accel. Program Grant	-	40,957	38,557	(2,400)	-	7,353	7,720	-	(367)
Early Intervention Grant	-	1,189	1,189	-	-	932	-	-	932
Teacher Appreciation Grant	-	11,680	12,273	-	(593)	11,955	12,342	-	(980)
High Ability Program	(9,705)	22,143	31,174	-	(18,736)	22,601	19,272	-	(15,407)
Technology Planning Grant	19,797	9,360	10,225	-	18,932	9,360	6,480	-	21,812
Project Lead The Way	944	4,100	4,100	-	944	4,900	3,213	(2,500)	131
IT/ Cybersecurity Grant	-	4,600	-	(4,600)	-	-	-	-	-
Build Learn Grow Grant	-	109,705	18,391	-	91,314	-	80,739	-	10,575
Digital Learning Grant	(2,400)	-	-	2,400	-	29,620	42,564	-	(12,944)

(Continued)

TRI-TOWNSHIP CONSOLIDATED SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
As of June 30, 2023 and for the period of July 1, 2021 through June 30, 2023

<u>Fund</u>	<u>Cash and Investments 07-01-2021</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2023</u>
PI 107-110 ECIA Title 1	\$ (11,524)	\$ 36,278	\$ 69,310	\$ 31,302	\$ (13,254)	\$ 67,901	\$ 65,274	\$ -	\$ (10,627)
Title IV, Part A	(2,321)	13,342	14,660	-	(3,639)	1,890	597	2,346	-
Medicaid Reimb. Federal	8,954	17,189	487	-	25,656	30,582	27,411	-	28,827
Improving Teacher Quality	(832)	6,673	6,842	-	(1,001)	14,316	15,886	-	(2,571)
Rural Schools & Low Income Program	-	-	-	-	-	23,994	23,994	-	-
Rural Schools & Low Income Program	(9,350)	36,413	14,068	-	12,995	-	-	(12,995)	-
Educational Excellence Grant	-	-	-	-	-	97,850	98,747	-	(897)
Explore Engage Exp (3E)	-	-	-	-	-	30,905	37,865	-	(6,960)
Emergency Connectivity Grant	-	45,167	-	-	45,167	-	38,774	-	6,393
ESSER III	-	339,391	354,448	-	(15,057)	69,296	55,978	-	(1,739)
ESSER II	-	-	7,379	-	(7,379)	68,116	81,054	-	(20,317)
ESSER I (CARES)	(4,989)	8,453	3,166	-	298	-	2,941	-	(2,643)
Digital Learn Cap Build Grant	(4,110)	20,432	16,322	-	-	-	-	-	-
Other-FEMA	-	32,739	-	-	32,739	-	32,739	2,500	2,500
Payroll Clearing	7,632	571,965	575,005	-	4,592	604,757	608,604	-	745
Prepaid Lunch	11,998	9,011	10,524	-	10,485	69,227	70,966	-	8,746
Totals	\$ 4,082,975	\$ 5,760,042	\$ 5,293,583	\$ -	\$ 4,549,434	\$ 5,891,512	\$ 6,177,603	\$ -	\$ 4,263,343

See notes to financial statement.

TRI-TOWNSHIP CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2023, and for the period of
July 1, 2021 through June 30, 2023

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)

TRI-TOWNSHIP CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2023, and for the period of
July 1, 2021 through June 30, 2023

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)

TRI-TOWNSHIP CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2023, and for the period of
July 1, 2021 through June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

NOTE 2 - BUDGETS

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

NOTE 3 - PROPERTY TAXES

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

The School Corporation held cash deposits with financial institutions that maintained FDIC and PDIF coverages, as applicable. The School Corporation did not hold any investments as of June 30, 2022. As of June 30, 2023, the School corporation held various certificates of deposits with a balance of \$1,483,447 and maturity dates ranging through October 2023.

(Continued)

TRI-TOWNSHIP CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2023, and for the period of
July 1, 2021 through June 30, 2023

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, 2022, and 2023.

NOTE 7 - HOLDING CORPORATION

The School Corporation has entered into a series of capital lease with the Tri-Township Consolidated 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, 2021 to June 30, 2022 totaled \$231,500. Lease payments for the period July 1, 2022 to June 30, 2023 totaled \$325,275.

NOTE 8 - PENSION PLANS

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.

(Continued)

TRI-TOWNSHIP CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2023, and for the period of
July 1, 2021 through June 30, 2023

NOTE 8 - PENSION PLANS (Continued)

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

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.

(Continued)

TRI-TOWNSHIP CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2023, and for the period of
July 1, 2021 through June 30, 2023

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS

The School Corporation provides to eligible retirees and their spouses the following benefits: participation in the School Corporation's health insurance plan solely at the retiree's expense. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

NOTE 10 - SUBSEQUENT EVENT

In December 2023, the School Corporation entered into a capital lease with Tri-Township Consolidated School Building Corporation to finance the renovations to Wanatah Public School and other equipment purchases. The lease arrangement requires annual lease payments totaling approximately \$262,000 beginning June 30, 2024 through December 31, 2042.

OTHER INFORMATION (Unaudited)

TRI-TOWNSHIP CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2022

	School Education	Debt Service	School Operations	Rainy Day	Post-Retire/ Severance Future Ben	Construct	Construction	School Lunch	Curricular Materials	Levy Excess	After School Child Care	IN-Mac Micro Grant	Educational License Plates	Comprehensive Counseling Grant	Formative Assessment Grant
Cash and investments - beginning	\$ 620,332	\$ 90,509	\$ 1,439,602	\$ 610,200	\$ 49,647	\$ 1,011,376	\$ -	\$ 93,173	\$ 108,162	\$ 6,351	\$ 7,859	\$ -	\$ -	\$ -	\$ 1,764
Receipts:															
Local sources	26,469	326,563	1,377,636	623	1,616	22,774	-	11,214	34,158	-	3,356	-	38	-	-
Intermediate sources	6,055	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	2,321,136	-	-	-	-	-	-	1,628	9,474	-	-	-	-	-	4,943
Federal sources	-	-	-	-	-	-	-	203,212	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	30,600	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	2,353,660	326,563	1,377,636	623	1,616	22,774	30,600	216,054	43,632	-	3,356	-	38	-	4,943
Disbursements:															
Instruction	1,592,897	-	-	-	2,770	-	-	-	-	-	-	-	-	-	-
Support services	375,177	-	1,353,100	-	8,293	23,578	25,900	8,038	55,099	-	50	-	-	-	-
Noninstructional services	165,994	-	-	-	-	-	-	145,384	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	64,043	-	-	-	4,700	-	-	-	-	-	-	-	-
Debt services	-	232,500	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	44	-	-	-	-	-	28	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	2,134,068	232,500	1,417,143	-	11,107	23,578	30,600	153,422	55,099	-	78	-	-	-	-
Excess (deficiency) of receipts over disbursements	219,592	94,063	(39,507)	623	(9,491)	(804)	-	62,632	(11,467)	-	3,278	-	38	-	4,943
Other financing sources (uses):															
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	8,063	-	132,550	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	(153,875)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(145,812)	-	132,550	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	73,780	94,063	93,043	623	(9,491)	(804)	-	62,632	(11,467)	-	3,278	-	38	-	4,943
Cash and investments - ending	\$ 694,112	\$ 184,572	\$ 1,532,645	\$ 610,823	\$ 40,156	\$ 1,010,572	\$ -	\$ 155,805	\$ 96,695	\$ 6,351	\$ 11,137	\$ -	\$ 38	\$ -	\$ 6,707

(Continued)

TRI-TOWNSHIP CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2022

	Drug Free Communities	Partners In Prevention Planning Gra	Partners In Preventions Implem. Gra	Medicaid Reimb. State	School Secured Safety Grant	Stem Accel. Program Grant	Early Intervention Grant	Teacher Appreciation Grant	High Ability Program	Technology Planning Grant	Project Lead The Way	IT/ Cybersecurity Grant	Build Learn Grow Grant	Digital Learning Grant	PI 107-110 ECIA Title 1
Cash and investments - beginning	\$ 104	\$ 577	\$ 22,468	\$ 16,757	\$ -	\$ -	\$ -	\$ -	\$ (9,705)	\$ 19,797	\$ 944	\$ -	\$ -	\$ (2,400)	\$ (11,524)
Receipts:															
Local sources	-	-	-	527	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	109,705	-	-
State sources	-	-	1,463	6,559	29,211	40,957	1,189	11,680	22,143	9,360	4,100	4,600	-	-	
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	36,278
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	1,463	7,086	29,211	40,957	1,189	11,680	22,143	9,360	4,100	4,600	109,705	-	36,278
Disbursements:															
Instruction	-	-	500	-	-	17,557	1,189	12,273	31,174	-	-	-	18,391	-	69,310
Support services	-	-	16,886	-	30,482	1,000	-	-	-	10,225	4,100	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	20,000	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	17,386	-	30,482	38,557	1,189	12,273	31,174	10,225	4,100	-	18,391	-	69,310
Excess (deficiency) of receipts over disbursements	-	-	(15,923)	7,086	(1,271)	2,400	-	(593)	(9,031)	(865)	-	4,600	91,314	-	(33,032)
Other financing sources (uses):															
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-	2,400	31,302
Transfers out	-	-	-	(890)	(12,550)	(2,400)	-	-	-	-	-	(4,600)	-	-	-
Total other financing sources (uses)	-	-	-	(890)	(12,550)	(2,400)	-	-	-	-	-	(4,600)	-	2,400	31,302
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(15,923)	6,196	(13,821)	-	-	(593)	(9,031)	(865)	-	-	91,314	2,400	(1,730)
Cash and investments - ending	\$ 104	\$ 577	\$ 6,545	\$ 22,953	\$ (13,821)	\$ -	\$ -	\$ (593)	\$ (18,736)	\$ 18,932	\$ 944	\$ -	\$ 91,314	\$ -	\$ (13,254)

(Continued)

TRI-TOWNSHIP CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2022

	Title IV, Part A	Medicaid Reimb. Federal	Improving Teacher Quality	Rural Schools & Low Income	Rural Schools & Low Income	Educational Excellence Grant	Explore Engage Exp (3E)	Emergency Connectivity Grant	ESSER III	ESSER II	ESSER I (CARES)	Digital Learn Cap Build Grant	Other- FEMA	Payroll Clearing	Prepaid Lunch	Totals
Cash and investments - beginning	\$ (2,321)	\$ 8,954	\$ (832)	\$ -	\$ (9,350)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,989)	\$ (4,110)	\$ -	\$ 7,632	\$ 11,998	\$ 4,082,975
Receipts:																
Local sources	-	-	1,000	-	-	-	-	-	-	-	298	-	-	3,189	9,011	1,818,472
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	115,760
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,468,443
Federal sources	13,342	17,189	5,673	-	36,413	-	-	45,167	339,391	-	8,155	20,432	32,739	2,590	-	760,581
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	30,600
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	566,186	-	566,186
Total receipts	13,342	17,189	6,673	-	36,413	-	-	45,167	339,391	-	8,453	20,432	32,739	571,965	9,011	5,760,042
Disbursements:																
Instruction	14,660	-	-	-	14,068	-	-	-	41,350	7,379	2,367	9,572	-	120	-	1,835,577
Support services	-	487	6,642	-	-	-	-	-	4,455	-	799	2,250	-	58,281	20	1,984,862
Noninstructional services	-	-	200	-	-	-	-	-	-	-	-	-	-	-	10,504	322,082
Facilities acquisition and construction	-	-	-	-	-	-	-	-	308,643	-	-	4,500	-	-	-	401,886
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	232,500
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-	516,604	-	516,676
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	14,660	487	6,842	-	14,068	-	-	-	354,448	7,379	3,166	16,322	-	575,005	10,524	5,293,583
Excess (deficiency) of receipts over disbursements	(1,318)	16,702	(169)	-	22,345	-	-	45,167	(15,057)	(7,379)	5,287	4,110	32,739	(3,040)	(1,513)	466,459
Other financing sources (uses):																
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	174,315
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(174,315)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,318)	16,702	(169)	-	22,345	-	-	45,167	(15,057)	(7,379)	5,287	4,110	32,739	(3,040)	(1,513)	466,459
Cash and investments - ending	\$ (3,639)	\$ 25,656	\$ (1,001)	\$ -	\$ 12,995	\$ -	\$ -	\$ 45,167	\$ (15,057)	\$ (7,379)	\$ 298	\$ -	\$ 32,739	\$ 4,592	\$ 10,485	\$ 4,549,434

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

	School Education	Debt Service	School Operations	Rainy Day	Post-Retire/ Severance Future Ben	Construct	Construction	School Lunch	Curricular Materials	Levy Excess	After School Child Care	IN-Mac Micro Grant	Educational License Plates	Comprehensive Counseling Grant	Formative Assessment Grant
Cash and investments - beginning	\$ 694,112	\$ 184,572	\$ 1,532,645	\$ 610,823	\$ 40,156	\$ 1,010,572	\$ -	\$ 155,805	\$ 96,695	\$ 6,351	\$ 11,137	\$ -	\$ 38	\$ -	\$ 6,707
Receipts:															
Local sources	66,965	352,321	1,445,667	3,053	1,687	10,112	-	101,381	27,633	-	2,853	2,000	38	-	-
Intermediate sources	20,901	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	2,522,603	-	-	-	-	-	-	1,590	11,817	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	142,906	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	<u>2,610,469</u>	<u>352,321</u>	<u>1,445,667</u>	<u>3,053</u>	<u>1,687</u>	<u>10,112</u>	<u>-</u>	<u>245,877</u>	<u>39,450</u>	<u>-</u>	<u>2,853</u>	<u>2,000</u>	<u>38</u>	<u>-</u>	<u>-</u>
Disbursements:															
Instruction	1,604,559	-	-	-	590	-	-	-	627	-	3,018	-	-	-	7,491
Support services	395,515	-	1,407,856	-	8,952	559,824	-	21,290	70,160	-	228	-	-	-	-
Noninstructional services	177,291	-	-	-	-	-	-	139,822	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	61,288	-	-	64,829	-	58,812	-	-	-	-	-	-	-
Debt services	-	210,275	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>2,177,365</u>	<u>210,275</u>	<u>1,469,144</u>	<u>-</u>	<u>9,542</u>	<u>624,653</u>	<u>-</u>	<u>219,924</u>	<u>70,787</u>	<u>-</u>	<u>3,246</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,491</u>
Excess (deficiency) of receipts over disbursements	<u>433,104</u>	<u>142,046</u>	<u>(23,477)</u>	<u>3,053</u>	<u>(7,855)</u>	<u>(614,541)</u>	<u>-</u>	<u>25,953</u>	<u>(31,337)</u>	<u>-</u>	<u>(393)</u>	<u>2,000</u>	<u>38</u>	<u>-</u>	<u>(7,491)</u>
Other financing sources (uses):															
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	20,477	-	120,000	-	-	-	-	-	7,268	-	-	-	-	-	4,186
Transfers out	(126,531)	(7,268)	(10,732)	-	-	-	-	-	-	-	(7,483)	-	-	-	-
Total other financing sources (uses)	<u>(106,054)</u>	<u>(7,268)</u>	<u>109,268</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,268</u>	<u>-</u>	<u>(7,483)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,186</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>327,050</u>	<u>134,778</u>	<u>85,791</u>	<u>3,053</u>	<u>(7,855)</u>	<u>(614,541)</u>	<u>-</u>	<u>25,953</u>	<u>(24,069)</u>	<u>-</u>	<u>(7,876)</u>	<u>2,000</u>	<u>38</u>	<u>-</u>	<u>(3,305)</u>
Cash and investments - ending	<u>\$ 1,021,162</u>	<u>\$ 319,350</u>	<u>\$ 1,618,436</u>	<u>\$ 613,876</u>	<u>\$ 32,301</u>	<u>\$ 396,031</u>	<u>\$ -</u>	<u>\$ 181,758</u>	<u>\$ 72,626</u>	<u>\$ 6,351</u>	<u>\$ 3,261</u>	<u>\$ 2,000</u>	<u>\$ 76</u>	<u>\$ -</u>	<u>\$ 3,402</u>

(Continued)

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

	Drug Free Communities	Partners In Prevention Planning	Partners In Preventions Implem. Gra	Medicaid Reimb. State	School Secured Safety Grant	Stem Accel. Program Grant	Early Intervention Grant	Teacher Appreciation Grant	High Ability Program	Technology Planning Grant	Project Lead The Way	IT/ Cybersecurity Grant	Build Learn Grow Grant	Digital Learning Grant	PI 107- 110 ECIA Title 1
Cash and investments - beginning	\$ 104	\$ 577	\$ 6,545	\$ 22,953	\$ (13,821)	\$ -	\$ -	\$ (593)	\$ (18,736)	\$ 18,932	\$ 944	\$ -	\$ 91,314	\$ -	\$(13,254)
Receipts:															
Local sources	-	-	-	-	-	-	-	-	1,962	-	2,000	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	5,175	7,255	7,353	932	11,955	20,639	9,360	2,900	-	-	29,620	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	67,901
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	5,175	7,255	7,353	932	11,955	22,601	9,360	4,900	-	-	29,620	67,901
Disbursements:															
Instruction	104	-	-	8,954	-	7,720	-	12,342	19,272	-	813	-	49,621	14,564	60,468
Support services	-	-	-	-	28,383	-	-	-	-	6,480	2,400	-	1,785	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	577	-	13,998	-	-	-	-	-	-	-	-	29,333	28,000	4,806
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	104	577	-	22,952	28,383	7,720	-	12,342	19,272	6,480	3,213	-	80,739	42,564	65,274
Excess (deficiency) of receipts over disbursements	(104)	(577)	-	(17,777)	(21,128)	(367)	932	(387)	3,329	2,880	1,687	-	(80,739)	(12,944)	2,627
Other financing sources (uses):															
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	10,732	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	(2,500)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	10,732	-	-	-	-	-	(2,500)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(104)	(577)	-	(17,777)	(10,396)	(367)	932	(387)	3,329	2,880	(813)	-	(80,739)	(12,944)	2,627
Cash and investments - ending	\$ -	\$ -	\$ 6,545	\$ 5,176	\$ (24,217)	\$ (367)	\$ 932	\$ (980)	\$ (15,407)	\$ 21,812	\$ 131	\$ -	\$ 10,575	\$ (12,944)	\$(10,627)

(Continued)

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

	Title IV, Part A	Medicaid Reimb. Federal	Improving Teacher Quality	Rural Schools & Low Income	Rural Schools & Low Income	Educational Excellence Grant	Explore Engage Exp (3E)	Emergency Connectivity Grant	ESSER III	ESSER II	ESSER I (CARES)	Digital Learn Cap Build Grant	Other- FEMA	Payroll Clearing	Prepaid Lunch	Totals
Cash and investments - beginning	\$ (3,639)	\$ 25,656	\$ (1,001)	\$ -	\$ 12,995	\$ -	\$ -	\$ 45,167	\$ (15,057)	\$ (7,379)	\$ 298	\$ -	\$ 32,739	\$ 4,592	\$ 10,485	\$ 4,549,434
Receipts:																
Local sources	-	-	500	-	-	-	-	-	6,000	4,700	-	-	-	673	68,599	2,098,144
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,901
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,631,199
Federal sources	1,890	30,582	13,816	23,994	-	97,850	30,905	-	63,296	63,416	-	-	-	1,267	628	538,451
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	602,817	-	602,817
Total receipts	1,890	30,582	14,316	23,994	-	97,850	30,905	-	69,296	68,116	-	-	-	604,757	69,227	5,891,512
Disbursements:																
Instruction	597	27,260	9,161	23,994	-	98,227	34,081	-	39,734	8,413	2,643	-	-	-	-	2,034,253
Support services	-	151	6,500	-	-	520	3,784	1,988	-	-	298	-	-	40,742	-	2,556,856
Noninstructional services	-	-	225	-	-	-	-	-	-	-	-	-	-	-	70,966	388,304
Facilities acquisition and construction	-	-	-	-	-	-	-	36,786	16,244	72,641	-	-	32,739	-	-	420,053
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	210,275
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-	567,862	-	567,862
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	597	27,411	15,886	23,994	-	98,747	37,865	38,774	55,978	81,054	2,941	-	32,739	608,604	70,966	6,177,603
Excess (deficiency) of receipts over disbursements	1,293	3,171	(1,570)	-	-	(897)	(6,960)	(38,774)	13,318	(12,938)	(2,941)	-	(32,739)	(3,847)	(1,739)	(286,091)
Other financing sources (uses):																
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	2,346	-	-	12,995	-	-	-	-	-	-	-	-	2,500	-	-	180,504
Transfers out	-	-	-	(12,995)	(12,995)	-	-	-	-	-	-	-	-	-	-	(180,504)
Total other financing sources (uses)	2,346	-	-	-	(12,995)	-	-	-	-	-	-	-	2,500	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,639	3,171	(1,570)	-	(12,995)	(897)	(6,960)	(38,774)	13,318	(12,938)	(2,941)	-	(30,239)	(3,847)	(1,739)	(286,091)
Cash and investments - ending	\$ -	\$ 28,827	\$ (2,571)	\$ -	\$ -	\$ (897)	\$ (6,960)	\$ 6,393	\$ (1,739)	\$ (20,317)	\$ (2,643)	\$ -	\$ 2,500	\$ 745	\$ 8,746	\$ 4,263,343

TRI-TOWNSHIP CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2023

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 44,220	\$ -

TRI-TOWNSHIP CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2023

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
Tri-Township Consolidated School Building Corporation	Lease Rental 2014	\$ 230,000	6/30/2015	12/31/2024
Tri-Township Consolidated School Building Corporation	Lease Rental 2021	<u>71,000</u>	6/30/2022	6/30/2041
Total governmental activities		<u>301,000</u>		
Total of annual lease payments		<u>\$ 301,000</u>		

TRI-TOWNSHIP CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2023

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:	
Infrastructure	\$ 48,828
Buildings	4,988,560
Improvements other than buildings	135,560
Machinery, equipment, and vehicles	<u>1,351,241</u>
Total governmental activities	<u>6,524,189</u>
Total capital assets	<u>\$ 6,524,189</u>

TRI-TOWNSHIP CONSOLIDATED SCHOOL CORPORATION
STATE REPORTING INFORMATION
July 1, 2021 through June 30, 2023

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.

TRI-TOWNSHIP CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period July 1, 2021 through June 30, 2023

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 06-30-22	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended
<u>Department of Agriculture</u>						
Child Nutrition Cluster	Indiana Department of Education					
School Breakfast Program		10.553	FY2022, FY2023	\$ 38,368	\$ 35,596	\$ 73,964
National School Lunch Program		10.555	FY2022, FY2023	164,096	138,482	302,578
Commodities		10.555	FY2022, FY2023	<u>22,315</u>	<u>14,367</u>	<u>36,682</u>
Total - Child Nutrition Cluster				<u>224,779</u>	<u>188,445</u>	<u>413,224</u>
Pandemic EBT Administrative Costs	Indiana Department of Education	10.649	FY2022, FY2023	<u>614</u>	<u>628</u>	<u>1,242</u>
Total - Department of Agriculture				<u>225,393</u>	<u>189,073</u>	<u>414,466</u>
<u>Federal Communications Commission</u>						
Emergency Connectivity Fund Program	Direct Award					
Emergency Connectivity Fund		32.009	ECF202105181	<u>45,167</u>	<u>-</u>	<u>45,167</u>
Total - Federal Communications Commission				<u>45,167</u>	<u>-</u>	<u>45,167</u>
<u>Department of Education</u>						
Special Education Cluster (IDEA)						
Special Education Grants to States	Indiana Department of Education					
IDEA, Part B		84.027	21611-053-PN01	58,287	-	58,287
IDEA, Part B		84.027	22611-053-PN01	24,402	66,031	90,433
COVID-19 - Supplemental Funding - IDEA, Part B		84.027X	22611-053-ARP	<u>-</u>	<u>10,907</u>	<u>10,907</u>
Total - Special Education Grants to States				<u>82,689</u>	<u>76,938</u>	<u>159,627</u>
Special Education - Preschool Grants	Indiana Department of Education					
IDEA-Preschool		84.173	20619-053-PN01	1,467	-	1,467
IDEA-Preschool		84.173	21619-053-PN01	3,718	561	4,279
IDEA-Preschool		84.173	22619-053-PN01	-	3,640	3,640
COVID-19 - Supplemental Funding - IDEA, Preschool		84.173X	22619-053-ARP	<u>-</u>	<u>1,092</u>	<u>1,092</u>
Total - Special Education - Preschool Grants				<u>5,185</u>	<u>5,294</u>	<u>10,479</u>
Total - Special Education Cluster (IDEA)				<u>87,874</u>	<u>82,231</u>	<u>170,105</u>
Title I Grants to Local Educational Agencies	Indiana Department of Education					
Title I, Part A		84.010A	S010A200014	26,700	-	26,700
Title I, Part A		84.010A	S010A210014	9,577	49,696	59,273
Title I, Part A		84.010A	S010A220014	<u>-</u>	<u>18,205</u>	<u>18,205</u>
Total - Title I Grants to Local Educational Agencies				<u>36,277</u>	<u>67,901</u>	<u>104,178</u>

(Continued)

TRI-TOWNSHIP CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period July 1, 2021 through June 30, 2023

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 06-30-22	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended
Rural Education	Direct Award					
Small Rural School Achievement Program		84.358	S358A200298	\$ 3,291	\$ -	\$ 3,291
Small Rural School Achievement Program		84.358	S358A211180	33,122	-	33,122
Small Rural School Achievement Program		84.358	S358A221136	-	23,994	23,994
Total - Rural Education				<u>36,413</u>	<u>23,994</u>	<u>60,407</u>
Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II, Part A		84.367A	S367A190013	5,673	4,443	10,116
Title II, Part A		84.367A	S367A210013	-	9,374	9,374
Total - Supporting Effective Instruction State Grants				<u>5,673</u>	<u>13,817</u>	<u>19,490</u>
Student Support and Academic Enrichment Program	Indiana Department of Education					
Title IV, Part A		84.424	S424A190015	13,342	1,890	15,232
Total - Student Support and Academic Enrichment Program				<u>13,342</u>	<u>1,890</u>	<u>15,232</u>
COVID-19 - Education Stabilization Fund	Indiana Department of Education					
Digital Learning Capacity Grant		84.425D	S425D200013	20,432	-	20,432
Elementary and Secondary School Emergency Relief Fund (ESSER I)		84.425D	S425D200013	8,453	-	8,453
Elementary and Secondary School Emergency Relief Fund (ESSER II)		84.425D	S425D210013	-	63,416	63,416
Elementary and Secondary School Emergency Relief Fund (ESSER III)		84.425U	S425U210013	339,093	63,296	402,389
Explore Engage Experience (3E) Grant		84.425U	S425U210013	-	30,905	30,905
Educational Excellence Grant		84.425U	S425U210013	-	97,850	97,850
Total - COVID-19 - Education Stabilization Fund				<u>367,978</u>	<u>255,467</u>	<u>623,445</u>
Total - Department of Education				<u>547,556</u>	<u>445,300</u>	<u>992,857</u>
<u>Department of Health and Human Services</u>						
Medicaid Cluster	Indiana Department of Education					
Medical Assistance Program		93.778	FY2022, FY2023	17,189	30,582	47,771
Total - Department of Health and Human Services				<u>17,189</u>	<u>30,582</u>	<u>47,771</u>
<u>Department of Homeland Security</u>						
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Indiana Department of Homeland Security					
FEMA Public Assistance Grant		97.036	FEMA-4515-DR-IN	32,739	-	32,739
Total - Department of Homeland Security				<u>32,739</u>	<u>-</u>	<u>32,739</u>
Total federal awards expended				<u>\$ 868,045</u>	<u>\$ 664,955</u>	<u>\$ 1,533,000</u>

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

TRI-TOWNSHIP CONSOLIDATED SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period of July 1, 2021 through June 30, 2023

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, 2021 through June 30, 2023. 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, 2021 through June 30, 2023.

NOTE 4 - SPECIAL EDUCATION COOPERATIVE (ALN: 84.027, 84.027X, 84.173, 84.173X)

The School Corporation is a member of the LaPorte County 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
Tri-Township Consolidated School Corporation
LaPorte 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 Tri-Township Consolidated School Corporation ("School Corporation"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School Corporation as of June 30, 2023 and for the period July 1, 2021 through June 30, 2023 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 19, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 that we consider to be material weaknesses.

(Continued)

Report on Compliance and Other Matters

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

The School Corporation's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School Corporation's response to the findings 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 19, 2024



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

Those Charged with Governance
Tri-Township Consolidated School Corporation
LaPorte County, Indiana

Report on Compliance for Major Federal Program

Qualified Opinion on Major Federal Program

We have audited Tri-Township Consolidated School Corporation's (School Corporation) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on the School Corporation's major federal program for the period of July 1, 2021 through June 30, 2023. The School Corporation's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion 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, 2021 through June 30, 2023.

Basis for Qualified Opinion on 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 the major federal program. Our audit does not provide a legal determination of the School Corporation's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on the Education Stabilization Fund Major Program

As described in the accompanying schedule of findings and questioned costs, the School Corporation did not comply with requirements regarding Assistance Listing Number 84.425U, Education Stabilization Fund, as described in finding number 2023-004 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.

(Continued)

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.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the School Corporation's response to the noncompliance 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.

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as 2023-003, and 2023-004 to be material weaknesses.

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

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


Crowe LLP

Indianapolis, Indiana
March 19, 2024

TRI-TOWNSHIP CONSOLIDATED SCHOOL CORPORATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 July 1, 2021 through June 30, 2023

Section I – Summary of Auditor’s Results

Financial Statement

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

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:	Qualified		
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>
84.425D, 84.425U	COVID-19 - Education Stabilization Fund

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

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

TRI-TOWNSHIP CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

Section II – Financial Statement Findings

FINDING 2023-001

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

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

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

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

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

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

2 CFR 200.508 states in part:

"The auditee must: . . .

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

Condition: There was no internal control in place to prevent, or detect and correct, errors on the Annual Financial Report (AFR) prior to submission to Gateway Portal.

Cause: Management had not established internal control that would have ensured the AFR submission agrees to the underlying funds ledger. There was also a disbursement transaction in July 2023 improperly backdated to June 2023 in the funds ledger resulting in material variance between the funds ledger balance and available cash and investments balances.

(Continued)

TRI-TOWNSHIP CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

Section II – Financial Statement Findings (Continued)

FINDING 2023-001 (Continued)

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

- 1) Adjustments were posted to beginning balances as of July 1, 2021 to agree to the prior period audited financial statement. The original AFR's beginning balances were overstated by \$469,641 before adjustments due to audit adjustments posted in previous periods not being properly reflected in the AFR.
- 2) The cash and investment balances reported on the AFR were understated by \$115,000 compared to bank reconciliations provided for the period ended June 30, 2023 as a result of a holding corporation lease payment made on July 14, 2023 that was back dated to June 30, 2023 in the funds ledger by management and not properly documented as a reconciling item on the June 2023 bank reconciliation. Due to the material dollar amount of the transaction, an audit adjustment was posted to reduce disbursements and increase ending cash and investments in the Debt Service Fund by \$115,000 to agree to cash and investment balances on hand at June 30, 2023.

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

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

Identification as a repeat finding, if applicable: No.

Recommendation: We recommended that the School Corporation's management establish a formal review over the AFR financial statement submission to ensure amounts reported are accurate and agree to underlying fund ledgers including disbursements, receipts, and other financing sources.

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

(Continued)

TRI-TOWNSHIP CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

Section II – Financial Statement Findings (Continued)

FINDING 2023-002

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

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

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

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

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduced 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.

(Continued)

TRI-TOWNSHIP CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

Section II – Financial Statement Findings (Continued)

FINDING 2023-002 (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 Assistance Listings Number or other identifying number when the Assistance Listings 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. Due to the lack of effective internal controls, the following errors resulted in the net understatement of the total federal awards reported on the SEFA by \$131,562 for the period July 1, 2021 through June 30, 2023:

1. The Child Nutrition Cluster funds were understated by \$65,385 which includes non-cash Commodities of \$36,682.
2. The Pandemic EBT Administrative Costs funds (ALN:10.649) was understated by \$1,242.
3. The Special Education Cluster funds were overstated by \$4,659.
4. The Title I – Grants to Local Educational Agencies funds overstated by \$19,097.
5. The High Ability grant award which is a state funded grant was improperly reported on the SEFA resulting in an overstatement of \$22,143.
6. The Supporting Effective Instruction State Grants (ALN: 84.367A) were overstated by \$1,500.
7. The Student Support and Academic Enrichment Program (ALN: 84.424) were overstated by \$2,345.
8. The Education Stabilization Fund grants (ALN: 84.425) were overstated by \$10,998.
9. The Medicaid Cluster funds (ALN: 93.778) were understated by \$47,771.
10. The FEMA Disaster - Public Assistance Grant (ALN: 97.036) was understated by \$32,739.
11. The Emergency Connectivity Fund (ALN: 32.009) was understated by \$45,167.

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 operate effectively, material misstatements of the SEFA could go undetected.

Repeat Finding: No.

(Continued)

TRI-TOWNSHIP CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

Section II – Financial Statement Findings (Continued)

FINDING 2023-002 (Continued)

Recommendation: We recommended that the School Corporation's management establish a formal review over the SEFA to ensure amounts reported are accurate and complete. This review should include a reconciliation of federal receipts on the funds ledger compared to amounts reported in Gateway. We recommend this review be formally documented.

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

Section III – Federal Award Findings and Questioned Costs

Finding 2023-003

Information on the federal program:

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

Criteria: "Standards for Documentation of Personnel Expenses (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

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

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

Indiana Department of Education Onsite Fiscal Monitoring Document - Monitoring Topic 1-Compliance with compensation for personnel services requirements, page 2 states:

"Show evidence that personnel in 'split-funded' positions maintain Program Activity Reports (PAR)/Time and Effort logs and evidence that personnel paid 100% with federal funds complete accurate and timely 'Semi-Annual Certification' forms."

(Continued)

TRI-TOWNSHIP CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

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

Finding 2023-003 (Continued)

Condition: The School Corporation had not established an effective internal control system related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

The School Corporation failed to comply with the allowable costs/cost principle requirements that employees who work 100 percent of their time on a federal award maintain semiannual certifications as required by the pass-through agency, and that employees who work on a federal award and a non-federal award have Program Activity Reports or equivalent documentation to support the distribution of their salaries or wages.

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

Effect: The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs: There were no questioned costs identified.

Context: Six pay periods were selected for testing of payroll charges to the ESF grants during the audit period in which employees were charged 100% to the ESF grant awards. There were no Semi-Annual Certification or other supporting documentation (Personnel Activity Reports or equivalent documentation) maintained to support payroll and benefits for employees who worked 100 percent of the time on the ESF funded initiatives.

Identification as a repeat finding: No.

Recommendation: We recommended that the School Corporations' management establish controls to ensure compliance and comply with the Allowable Costs/Cost Principles compliance requirement including maintaining Personnel Activity Reports, Semi-Annual Certifications, or equivalent documentation to support payroll charges allocated to federal grants.

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

(Continued)

TRI-TOWNSHIP CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

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

Finding 2023-004

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: 84.425U
Federal Award Numbers and Years (or Other Identifying Numbers): S425U210013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Wage Rate Requirements
Audit Findings: Material Weakness, Qualified 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...

(1) Minimum wages.

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

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

2 CFR 200 Appendix II states in part:

(Continued)

TRI-TOWNSHIP CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

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

Finding 2023-004 (Continued)

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

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

Condition: An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions – Wage Rate Requirements compliance requirements. The School Corporation did not include Davis Bacon wage rate requirements in its contract with vendor which includes labor. The School Corporation did not obtain the weekly payroll reports certifications from a construction company for a building project.

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 expended \$324,887 during the audit period on an HVAC project was charged to the ESSER III grant award (84.425U). The construction contract did not include a Davis-Bacon clause prescribing federal wage rate requirements required for construction contracts. The School Corporation did not have an internal control designed to collect the weekly payroll reports certifications from the construction company and its subcontractors, as applicable, for the construction project to verify prevailing wages were being paid during the project period. Therefore, no review was performed by management to ensure that pay rates complied with the federal wage rate requirements. The construction payments represented approximately 52% of the Education Stabilization Fund disbursements reported on the SEFA for the period under audit.

Identification as a repeat finding: No.

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

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



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CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

June 30, 2023

Finding 2023-001

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

Condition: There was no internal control in place to prevent, or detect and correct, errors on the Annual Financial Report (AFR) prior to submission to Gateway Portal.

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 by someone other than the preparer prior to submission. However, it was not reviewed in enough detail to prevent the following errors in the financial statement:

- 1) Adjustments were posted to beginning balances as of July 1, 2021 to agree to the prior period audited financial statement. The original AFR's beginning balances were overstated by \$469,641 before adjustments due to audit adjustments posted in previous periods not being properly reflected in the AFR.
- 2) The cash and investment balances reported on the AFR were understated by \$115,000 compared to bank reconciliations provided for the period ended June 30, 2023 as a result of a holding corporation lease payment made on July 14, 2023 that was back dated to June 30, 2023 in the funds ledger by management and not properly documented as a reconciling item on the June 2023 bank reconciliation. Due to the material dollar amount of the transaction, an audit adjustment was posted to reduce disbursements and increase ending cash and investments in the Debt Service Fund by \$115,000 to agree to cash and investment balances on hand at June 30, 2023.

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

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and will take the following corrective action: For all future AFR submissions- upon completion of the report by the Corporation Treasurer, the Deputy Treasurer will review the report for accuracy. A third review will be conducted by the Superintendent. A final review will then be conducted and the report will be finalized by the corporation treasurer prior to submission.

Responsible party and timeline for completion: Dara Lee Guse- Corporation Treasurer

06/30/2024

Finding 2023-002

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

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).

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. Due to the lack of effective internal controls, the following errors resulted in the net understatement of the total federal awards reported on the SEFA by \$131,562 for the period July 1, 2021 through June 30, 2023:

1. The Child Nutrition Cluster funds were understated by \$65,385 which includes non-cash Commodities of \$36,682.
2. The Pandemic EBT Administrative Costs funds (ALN:10.649) was understated by \$1,242.
3. The Special Education Cluster funds were overstated by \$4,659.
4. The Title I – Grants to Local Educational Agencies funds overstated by \$19,097.
5. The High Ability grant award which is a state funded grant was improperly reported on the SEFA resulting in an overstatement of \$22,143.
6. The Supporting Effective Instruction State Grants (ALN: 84.367A) were overstated by \$1,500.
7. The Student Support and Academic Enrichment Program (ALN: 84.424) were overstated by \$2,345.
8. The Education Stabilization Fund grants (ALN: 84.425) were overstated by \$10,998.
9. The Medicaid Cluster funds (ALN: 93.778) were understated by \$47,771.
10. The FEMA Disaster - Public Assistance Grant (ALN: 97.036) was understated by \$32,739.
11. The Emergency Connectivity Fund (ALN: 32.009) was understated by \$45,167.

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

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and will take the following corrective action: Upon completion of the report by the Corporation Treasurer, the Deputy Treasurer will review the report for accuracy. A third review will be conducted by the Superintendent. A final review will then be conducted and the report will be finalized by the corporation treasurer prior to submission.

Responsible party and timeline for completion: Dara Lee Guse- Corporation Treasurer

06/30/2024

FINDING 2023-003**Information on the federal program:**

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

Condition: The School Corporation had not established an effective internal control system related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

The School Corporation failed to comply with the allowable costs/cost principal requirements that employees who work 100 percent of their time on a federal award maintain semiannual certifications as required by the pass-through agency, and that employees who work on a federal award and a non-federal award have Program Activity Reports or equivalent documentation to support the distribution of their salaries or wages.

Context: Six pay periods were selected for testing of payroll charges to the ESF grants during the audit period in which employees were charged 100% to the ESF grant awards. There were no Semi-Annual Certification or other supporting documentation (Personnel Activity Reports or equivalent documentation) maintained to support payroll and benefits for employees who worked 100 percent of the time on the ESF funded initiatives.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and will take the following corrective action: Semi-annual certifications will be required to be completed by any employee who is paid from federal funds 100% of the time. Employees who are paid partially from federal funds will be required to complete a program activity report to support the distribution of their wages.

Responsible party and timeline for completion: Dara Lee Guse

Immediately

FINDING 2023-004**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: 84.425U
Federal Award Numbers and Years (or Other Identifying Numbers): S425U210013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Wage Rate Requirements
Audit Findings: Material Weakness, Qualified Opinion

Condition: An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions – Wage Rate Requirements compliance requirements. The School Corporation did not include Davis Bacon wage rate requirements in its contract with vendor which includes labor. The School Corporation did not obtain the weekly payroll reports certifications from a construction company for a building project.

Context: The School Corporation expended \$324,887 during the audit period on an HVAC project was charged to the ESSER III grant award (84.425U). The construction contract did not include a Davis-Bacon clause prescribing federal wage rate requirements required for construction contracts. The School Corporation did not have an internal control designed to collect the weekly payroll reports certifications from the construction company and its subcontractors, as applicable, for the construction project to verify prevailing wages were being paid during the project period. Therefore, no review was performed by management to ensure that pay rates complied with the federal wage rate requirements. The construction payments represented approximately 52% of the Education Stabilization Fund disbursements reported on the SEFA for the period under audit.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and will take the following corrective action: In the future, all contracts with vendors that include labor will be required to include the Davis Bacon wage rate requirement in the contract if federal funds are being used for the project.

Responsible party and timeline for completion: Dr. Gib Crimmins

Immediately