



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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March 16, 2023

To: The Officials of the Hamilton Community Schools
Hamilton Community Schools
903 South Wayne Street
Hamilton, IN 46742

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Hamilton Community Schools. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period July 1, 2020 to June 30, 2022. Per the *Independent Auditor's Report*, the financial statement referred to above presents fairly, in all material respects, the cash and investment balances of the School Corporation as of June 30, 2022, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2020 to June 30, 2022 in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

We call your attention to the findings included in the report on pages 39-44. Please see the Schedule of Findings and Questioned Costs for complete details related to the finding. Management's Corrective Action Plan appears on pages 45-46.

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 Hamilton Community Schools 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.

Handwritten signature of Tammy R. White in cursive.

Tammy R. White, CPA
Deputy State Examiner

HAMILTON COMMUNITY SCHOOLS
Steuben County, Indiana

FINANCIAL STATEMENT
As of June 30, 2022, and for the
period of July 1, 2020 to June 30, 2022

HAMILTON COMMUNITY SCHOOLS
Steuben County, Indiana

FINANCIAL STATEMENT
As of June 30, 2022, and for the
period of July 1, 2020 to June 30, 2022

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HAMILTON COMMUNITY SCHOOLS
SCHEDULE OF OFFICIALS (Unaudited)
For the period July 1, 2020 to June 30, 2022

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Brittany Taylor	07-01-20 to 06-30-22
Superintendent of Schools	Anthony Cassell	07-01-20 to 06-30-22
President of the School Board	Jeremy Hill	07-01-20 to 06-30-22

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
Hamilton Community Schools
Steuben County, Indiana

Report on the Audit of the Financial Statement***Opinions***

We have audited the accompanying statement of receipts, disbursements, other financing sources (uses) and cash and investment balances of the Hamilton Community Schools (the School Corporation) as of June 30, 2022 and for the period of July 1, 2020 to June 30, 2022, and the related notes to the financial statement.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash and investment balances of the School Corporation as of June 30, 2022, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2020 to June 30, 2022 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, 2022, or changes in net position for the period of July 1, 2020 to June 30, 2022.

Basis for Opinions

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 opinions.

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

As described in Note 1 to the financial statement, the financial statement is prescribed 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.

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.

(Continued)

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of these 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. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of this financial statement that are 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 purposes 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 opinions 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 are not a required part of the financial statement.

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.

(Continued)

Other Information

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

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

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2023, 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
Crowe LLP

Indianapolis, Indiana
March 8, 2023

HAMILTON COMMUNITY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
As of June 30, 2022 and for the period July 1, 2020 through June 30, 2022

Fund	Cash and Investments		Other Financing		Cash and Investments		Other Financing		Cash and Investments	
	07-01-2020	Receipts	Disbursements	Sources (Uses)	06-30-2021	Receipts	Disbursements	Sources (Uses)	06-30-2022	
Education Fund	\$ 1,897,575	\$ 2,337,478	\$ 1,170,699	\$ (411,292)	\$ 2,653,062	\$ 2,582,126	\$ 1,576,170	\$ (533,049)	\$ 3,125,969	
Referendum 2020	1,479,883	1,977,547	1,537,088	-	1,920,342	1,951,911	1,706,120	-	2,166,133	
Debt Service	85,223	273,617	276,543	-	82,297	267,696	271,455	-	78,538	
Operations Fund	1,684,792	1,690,298	1,636,171	356	1,739,275	1,996,188	1,559,048	(44,412)	2,132,003	
Rainy Day	1,612,551	-	184,422	418,529	1,846,658	-	452,842	591,586	1,985,402	
Construction Fund	95,935	-	70,973	-	24,962	-	24,962	-	-	
School Lunch-Cafeteria	39	222,997	213,073	(7,517)	2,446	261,814	251,339	(2,579)	10,342	
Textbook Rental	103,750	32,409	24,305	-	111,854	27,390	47,419	-	91,825	
Levy Excess Fund	11,546	-	-	-	11,546	-	-	(11,546)	-	
Education License Fee	168	18	-	-	186	-	-	-	186	
Fist Grants	124	-	-	-	124	250	115	-	259	
Staff Wellness Grant	8,477	3,300	6,498	-	5,279	8,000	5,501	-	7,778	
Art Dekko Grant-Richter	370	-	-	-	370	-	-	-	370	
Donations To Cafeteria	1,010	320	-	(76)	1,254	-	-	-	1,254	
Donations To Corp	-	-	-	-	-	30,000	30,000	-	-	
Preschool Fund	1,450	19,312	1,538	-	19,224	24,700	679	-	43,245	
Formative Assessment Grant	-	3,195	2,761	-	434	-	434	-	-	
Secured School Safety Grant	-	10,665	22,927	-	(12,262)	50,323	31,842	-	6,219	
Secured School Safety Grant 18	14,461	-	-	-	14,461	-	-	-	14,461	
Early Intervention Grant 20-21	-	974	974	-	-	-	-	-	-	
Early Intervention Grant	-	-	-	-	-	1,219	778	-	441	
Non-English Speaking Grant	1,771	-	1,771	-	-	-	-	-	-	
Non-English Speaking Program	-	-	-	-	-	1,357	705	-	652	
School Technology Fund	38,077	5,760	-	-	43,837	-	-	-	43,837	
Career & Tech Performance Gran	5,325	-	-	-	5,325	-	-	-	5,325	
Teacher Appreciation Grant	-	-	-	-	-	13,136	13,136	-	-	
Sy20-21 Teacher Perform Grant	-	11,971	11,971	-	-	-	-	-	-	
Sy16-17 Teacher Perform Grant	68	-	-	-	68	-	-	-	68	
High Ability 2020-2021	17,048	20,120	32,778	-	4,390	22,019	22,068	-	4,341	
State Connectivity Grant	-	-	-	-	-	5,310	-	-	5,310	
Title I 2015-2016	-	-	-	-	-	-	-	-	-	
Title I:School Improvement 2017	(129)	-	-	-	(129)	-	-	-	(129)	
Title I 2017-2018	(12,349)	-	-	-	(12,349)	-	-	-	(12,349)	
Title I 2019-2020	(8,211)	26,653	18,442	-	-	-	-	-	-	
Title I 2020-2021	-	80,236	95,717	-	(15,481)	40,604	25,123	-	-	
Title I 2021-2022	-	-	-	-	-	77,598	103,272	-	(25,674)	
Title Iv Ssae Grant	-	10,000	-	-	10,000	-	-	-	10,000	
Title Iv Ssae 2019-2021	-	-	-	-	-	10,000	10,000	-	-	
Enhance Alternative Education Programs	(4,838)	-	6,961	-	(11,799)	14,799	3,000	-	-	
Title Ii Part A Ffy 2019-2021	-	-	-	-	-	-	-	-	-	

(Continued)

HAMILTON COMMUNITY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
As of June 30, 2022 and for the period July 1, 2020 through June 30, 2022

Fund	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments		
	07-01-2020	Receipts	Disbursements		06-30-2021	Receipts	Disbursements		06-30-2022		
Title Ii Part A 2020-2022	\$ -	\$ -	\$ 983	\$ -	\$ (983)	\$ -	\$ 15,698	\$ -	\$ (16,681)		
Title Ii Part A Ffy 2018-2020	(6,307)	16,040	15,798	-	(6,065)	-	-	-	(6,065)		
Reap 2020-2021	-	-	14,474	-	(14,474)	21,422	9,315	-	(2,367)		
Srsa Reap 2021-2022	-	-	-	-	-	8,685	10,619	-	(1,934)		
ESSER III	-	-	-	-	-	-	157,883	-	(157,883)		
ESSER II	-	-	142,875	-	(142,875)	188,985	56,272	-	(10,162)		
ESSER I	-	760	93,667	-	(92,907)	93,667	760	-	-		
Clearing	26,957	-	17,417	-	9,540	-	-	-	9,540		
Federal Taxes Withheld	29	152,390	152,390	-	29	165,645	165,645	-	29		
Certified(Teaching) Fica Wh	-	89,695	89,695	-	-	103,656	103,656	-	-		
Certified(Teaching)Medicare Wh	-	20,977	20,977	-	-	24,242	24,242	-	-		
Classified(N/T) Fica Wh	32	51,402	51,402	-	32	59,416	59,416	-	32		
Classified (N/T) Medicare Wh	7	12,022	12,022	-	7	13,896	13,896	-	7		
State Tax Withheld	3,307	69,416	69,416	-	3,307	79,262	79,262	-	3,307		
County Adj Gross Income Tax Wh	20	38,347	38,347	-	20	46,235	46,235	-	20		
American Fidelity Annuity Wh	231	4,800	4,800	-	231	4,800	4,800	-	231		
Valic Annuity Wh	510	63,821	63,821	-	510	103,141	103,141	-	510		
Health Savings Account	350	3,150	2,625	-	875	4,500	4,500	-	875		
Ltd-Madison National Life Wh	66	52	52	-	66	61	61	-	66		
Madison National Life Ins Cowh	207	187	187	-	207	222	222	-	207		
American Fidelity-Life Insuran	(1)	5,148	5,147	-	-	10,816	10,816	-	-		
Madison Life Supplemental Cons	5	418	418	-	5	797	798	-	4		
Texas Life Insurance Wh	161	-	-	-	161	-	-	-	161		
Aflac Vision&Dental Ins Wh	181	-	-	-	181	-	-	-	181		
Aflac Accident Insurance Wh	47	-	-	-	47	-	-	-	47		
Taxable Cancer Insurance Wh	-	2,537	2,537	-	-	2,783	2,783	-	-		
Taxable Disability&Critical Wh	-	3,641	3,641	-	-	6,825	6,825	-	-		
S125 Health Premium Employeepd	(2,383)	112,178	112,178	-	(2,383)	120,987	120,987	-	(2,383)		
S125 Non-Reimbursed Medical Wh	(350)	7,320	7,320	-	(350)	5,150	5,150	-	(350)		
S125 Non-Taxed Cancer Wh	-	10,428	10,428	-	-	11,218	11,218	-	-		
S125 Accident Insurance Wh	-	5,281	5,281	-	-	4,999	4,999	-	-		
Medical/Afa-Hospital Indemnity	(25)	-	-	-	(25)	3,325	3,325	-	(25)		
Aflac Cancer After Tax	135	-	-	-	135	-	-	-	135		
S125 Delta Dental	-	6,062	6,059	-	3	12,930	12,930	-	3		
S125 Anthem Vision	-	227	227	-	-	440	440	-	-		
Garnishments Wh	-	2,775	2,775	-	-	1,249	1,249	-	-		
United Way Deduction Wh	36	412	448	-	-	408	408	-	-		
School Lunch Clearing Account	3,725	20,976	21,285	-	3,416	15,482	17,237	-	1,661		
Fringe Benefit Clearing Fund	2,933	338	338	-	2,933	-	-	-	2,933		
Totals	\$ 7,063,989	\$ 7,427,670	\$ 6,284,642	\$ -	\$ 8,207,017	\$ 8,501,684	\$ 7,190,796	\$ -	\$ 9,517,905		

See notes to financial statement.

HAMILTON COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022, and for the period July 1, 2020 to June 30, 2022

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 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)

HAMILTON COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022, and for the period July 1, 2020 to June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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.

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.

(Continued)

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 and certificates of deposit with financial institutions that maintained FDIC and PDIF coverages, as applicable.

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, 2021 and 2022. Deficits in other fund balances, including the S125 Health Premium Employee Paid, S125 Non-Reimbursed Medical Withholding, and Medical/Afa-Hospital Indemnity funds, were the result of disbursements exceeding receipts due to under-estimating current requirements for some funds. These deficits are to be prepaid from future receipts.

NOTE 7 - PENSION PLANS

Public Employees' Retirement Fund

Plan Description

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

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

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

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

Financial Report

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

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

NOTE 7 - PENSION PLANS (Continued)

Contributions

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

Teachers' Retirement Fund

Plan Description

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

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

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

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

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

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

(Continued)

NOTE 7 - PENSION PLANS (Continued)

Financial Report

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

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

Contributions

The School Corporation contributes the employer's share to Teachers' 1996 DB for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. These contributions are determined by the INPRS Board based on actuarial valuation. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995 (Teachers' Pre-1996 DB) is considered to be 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.

SUPPLEMENTARY INFORMATION

HAMILTON COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2020 through June 30, 2021

	Education Fund	Referendum 2020	Debt Service	Operations Fund	Rainy Day	Construction Fund	School Lunch- Cafeteria	Textbook Rental	Levy Excess Fund	Education License Fee	Fist Grants	Staff Wellness Grant
Cash and investments - beginning	\$ 1,897,575	\$ 1,479,883	\$ 85,223	\$ 1,684,792	\$ 1,612,551	\$ 95,935	\$ 39	\$ 103,750	\$ 11,546	\$ 168	\$ 124	\$ 8,477
Receipts:												
Local sources	207,790	1,977,547	273,617	1,690,298	-	-	23,307	19,631	-	-	-	3,300
Intermediate sources	69	-	-	-	-	-	-	-	-	18	-	-
State sources	2,129,619	-	-	-	-	-	137,654	12,778	-	-	-	-
Federal sources	-	-	-	-	-	-	38,487	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	23,513	-	-	-	-	-
Other receipts	-	-	-	-	-	-	36	-	-	-	-	-
Total receipts	2,337,478	1,977,547	273,617	1,690,298	-	-	222,997	32,409	-	18	-	3,300
Disbursements:												
Instruction	546,898	1,537,088	-	-	5,195	-	-	5,929	-	-	-	-
Support services	528,436	-	-	1,319,114	-	-	-	18,376	-	-	-	6,498
Noninstructional services	95,365	-	-	7,027	-	-	213,073	-	-	-	-	-
Facilities acquisition and construction	-	-	-	310,030	155,714	70,973	-	-	-	-	-	-
Debt services	-	-	276,543	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	23,513	-	-	-	-	-	-	-
Total disbursements	1,170,699	1,537,088	276,543	1,636,171	184,422	70,973	213,073	24,305	-	-	-	6,498
Excess (deficiency) of receipts over disbursements	1,166,779	440,459	(2,926)	54,127	(184,422)	(70,973)	9,924	8,104	-	18	-	(3,198)
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	200,000	418,529	-	18,326	-	-	-	-	-
Transfers out	(411,292)	-	-	(199,644)	-	-	(25,843)	-	-	-	-	-
Total other financing sources (uses)	(411,292)	-	-	356	418,529	-	(7,517)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	755,487	440,459	(2,926)	54,483	234,107	(70,973)	2,407	8,104	-	18	-	(3,198)
Cash and investments - ending	\$ 2,653,062	\$ 1,920,342	\$ 82,297	\$ 1,739,275	\$ 1,846,658	\$ 24,962	\$ 2,446	\$ 111,854	\$ 11,546	\$ 186	\$ 124	\$ 5,279

(Continued)

HAMILTON COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2020 through June 30, 2021

	Art Dekko Grant-Richter	Donations To Cafeteria	Preschool Fund	Formative Assessment Grant	Secured School Safety Grant	Secured School Safety Grant 18	Early Intervention Grant 20-21	Non-English Speaking Grant	School Technology Fund	Career & Tech Performance Gran	Sy20-21 Teacher Perform Grant
Cash and investments - beginning	\$ 370	\$ 1,010	\$ 1,450	\$ -	\$ -	\$ 14,461	\$ -	\$ 1,771	\$ 38,077	\$ 5,325	\$ -
Receipts:											
Local sources	-	320	19,312	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	3,195	10,665	-	974	-	5,760	-	11,971
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	320	19,312	3,195	10,665	-	974	-	5,760	-	11,971
Disbursements:											
Instruction	-	-	1,538	2,761	-	-	974	1,771	-	-	11,971
Support services	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	22,927	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	1,538	2,761	22,927	-	974	1,771	-	-	11,971
Excess (deficiency) of receipts over disbursements	-	320	17,774	434	(12,262)	-	-	(1,771)	5,760	-	-
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	(76)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(76)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	244	17,774	434	(12,262)	-	-	(1,771)	5,760	-	-
Cash and investments - ending	\$ 370	\$ 1,254	\$ 19,224	\$ 434	\$ (12,262)	\$ 14,461	\$ -	\$ -	\$ 43,837	\$ 5,325	\$ -

(Continued)

HAMILTON COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2020 through June 30, 2021

	Sy16-17 Teacher Perform Grant	High Ability 2020-2021	Title I:School Improvement 2017	Title I 2017-2018	Title I 2019-2020	Title I 2020-2021	Title Iv Ssae Grant	Enhance Alternative Education Programs	Title Ii Part A 2020-2022	Title Ii Part A Ffy 2018-2020	Reap 2020-2021
Cash and investments - beginning	\$ 68	\$ 17,048	\$ (129)	\$ (12,349)	\$ (8,211)	\$ -	\$ -	\$ (4,838)	\$ -	\$ (6,307)	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	3,935	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	20,120	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	26,653	80,236	10,000	-	-	12,105	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	20,120	-	-	26,653	80,236	10,000	-	-	16,040	-
Disbursements:											
Instruction	-	32,778	-	-	18,442	92,856	-	-	-	-	14,474
Support services	-	-	-	-	-	2,176	-	6,961	983	15,798	-
Noninstructional services	-	-	-	-	-	685	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	32,778	-	-	18,442	95,717	-	6,961	983	15,798	14,474
Excess (deficiency) of receipts over disbursements	-	(12,658)	-	-	8,211	(15,481)	10,000	(6,961)	(983)	242	(14,474)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(12,658)	-	-	8,211	(15,481)	10,000	(6,961)	(983)	242	(14,474)
Cash and investments - ending	\$ 68	\$ 4,390	\$ (129)	\$ (12,349)	\$ -	\$ (15,481)	\$ 10,000	\$ (11,799)	\$ (983)	\$ (6,065)	\$ (14,474)

(Continued)

HAMILTON COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2020 through June 30, 2021

	ESSER II	ESSER I	Clearing	Federal Taxes Withheld	Certified(Teaching) Fica Wh	Certified(Teaching) Medicare Wh	Classified(N/T) Fica Wh	Classified (N/T) Medicare Wh	State Tax Withheld	County Adj Gross Income Tax Wh	American Fidelity Annuity Wh
Cash and investments - beginning	\$ -	\$ -	\$ 26,957	\$ 29	\$ -	\$ -	\$ 32	\$ 7	\$ 3,307	\$ 20	\$ 231
Receipts:											
Local sources	-	760	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	152,390	89,695	20,977	51,402	12,022	69,416	38,347	4,800
Total receipts	-	760	-	152,390	89,695	20,977	51,402	12,022	69,416	38,347	4,800
Disbursements:											
Instruction	115,611	45,844	-	-	-	-	-	-	-	-	-
Support services	27,264	35,029	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	12,794	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	17,417	152,390	89,695	20,977	51,402	12,022	69,416	38,347	4,800
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	142,875	93,667	17,417	152,390	89,695	20,977	51,402	12,022	69,416	38,347	4,800
Excess (deficiency) of receipts over disbursements	(142,875)	(92,907)	(17,417)	-	-	-	-	-	-	-	-
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(142,875)	(92,907)	(17,417)	-	-	-	-	-	-	-	-
Cash and investments - ending	\$ (142,875)	\$ (92,907)	\$ 9,540	\$ 29	\$ -	\$ -	\$ 32	\$ 7	\$ 3,307	\$ 20	\$ 231

(Continued)

HAMILTON COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2020 through June 30, 2021

	Valic Annuity Wh	Health Savings Account	Ltd-Madison National Life Wh	Madison National Life Ins Cowh	American Fidelity-Life Insuran	Madison Life Supplemental Cons	Texas Life Insurance Wh	Aflac Vision&Dental Ins Wh	Aflac Accident Insurance Wh	Taxable Cancer Insurance Wh	Taxable Disability&Critical Wh	S125 Health Premium Employeepd
Cash and investments - beginning	\$ 510	\$ 350	\$ 66	\$ 207	\$ (1)	\$ 5	\$ 161	\$ 181	\$ 47	\$ -	\$ -	\$ (2,383)
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	63,821	3,150	52	187	5,148	418	-	-	-	2,537	3,641	112,178
Total receipts	63,821	3,150	52	187	5,148	418	-	-	-	2,537	3,641	112,178
Disbursements:												
Instruction	-	-	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	63,821	2,625	52	187	5,147	418	-	-	-	2,537	3,641	112,178
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	63,821	2,625	52	187	5,147	418	-	-	-	2,537	3,641	112,178
Excess (deficiency) of receipts over disbursements	-	525	-	-	1	-	-	-	-	-	-	-
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	525	-	-	1	-	-	-	-	-	-	-
Cash and investments - ending	\$ 510	\$ 875	\$ 66	\$ 207	\$ -	\$ 5	\$ 161	\$ 181	\$ 47	\$ -	\$ -	\$ (2,383)

(Continued)

HAMILTON COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2020 through June 30, 2021

	S125 Non- Reimbursed Medical Wh	S125 Non- Taxed Cancer Wh	S125 Accident Insurance Wh	Medical/Afa- Hospital Indemnity	Aflac Cancer After Tax	S125 Delta Dental	S125 Anthem Vision	Garnishments Wh	United Way Deduction Wh	School Lunch Clearing Account	Fringe Benefit Clearing Fund	Totals
Cash and investments - beginning	\$ (350)	\$ -	\$ -	\$ (25)	\$ 135	\$ -	\$ -	\$ -	\$ 36	\$ 3,725	\$ 2,933	\$ 7,063,989
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	4,219,817
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	87
State sources	-	-	-	-	-	-	-	-	-	-	-	2,332,736
Federal sources	-	-	-	-	-	-	-	-	-	-	-	167,481
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	23,513
Other receipts	7,320	10,428	5,281	-	-	6,062	227	2,775	412	20,976	338	684,036
Total receipts	7,320	10,428	5,281	-	-	6,062	227	2,775	412	20,976	338	7,427,670
Disbursements:												
Instruction	-	-	-	-	-	-	-	-	-	-	-	2,434,130
Support services	-	-	-	-	-	-	-	-	-	-	-	1,960,635
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	316,150
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	572,438
Debt services	-	-	-	-	-	-	-	-	-	-	-	276,543
Nonprogrammed charges	7,320	10,428	5,281	-	-	6,059	227	2,775	448	21,285	338	701,233
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	23,513
Total disbursements	7,320	10,428	5,281	-	-	6,059	227	2,775	448	21,285	338	6,284,642
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	3	-	-	(36)	(309)	-	1,143,028
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	636,855
Transfers out	-	-	-	-	-	-	-	-	-	-	-	(636,855)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	3	-	-	(36)	(309)	-	1,143,028
Cash and investments - ending	\$ (350)	\$ -	\$ -	\$ (25)	\$ 135	\$ 3	\$ -	\$ -	\$ -	\$ 3,416	\$ 2,933	\$ 8,207,017

HAMILTON COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2021 through June 30, 2022

	Education Fund	Referendum 2020	Debt Service	Operations Fund	Rainy Day	Construction Fund	School Lunch- Cafeteria	Textbook Rental	Levy Excess Fund	Education License Fee	Fist Grants
Cash and investments - beginning	\$ 2,653,062	\$ 1,920,342	\$ 82,297	\$ 1,739,275	\$ 1,846,658	\$ 24,962	\$ 2,446	\$ 111,854	\$ 11,546	\$ 186	\$ 124
Receipts:											
Local sources	21,997	1,951,911	267,696	1,996,188	-	-	20,074	16,588	-	-	250
Intermediate sources	65	-	-	-	-	-	16,086	-	-	-	-
State sources	2,560,064	-	-	-	-	-	78,495	10,802	-	-	-
Federal sources	-	-	-	-	-	-	144,580	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	2,579	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	2,582,126	1,951,911	267,696	1,996,188	-	-	261,814	27,390	-	-	250
Disbursements:											
Instruction	802,842	1,519,080	-	-	5,195	-	-	499	-	-	115
Support services	677,905	187,040	-	1,377,012	-	-	-	46,920	-	-	-
Noninstructional services	95,423	-	-	-	-	-	234,039	-	-	-	-
Facilities acquisition and construction	-	-	-	182,036	445,068	24,962	17,300	-	-	-	-
Debt services	-	-	271,455	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	2,579	-	-	-	-	-	-
Total disbursements	1,576,170	1,706,120	271,455	1,559,048	452,842	24,962	251,339	47,419	-	-	115
Excess (deficiency) of receipts over disbursements	1,005,956	245,791	(3,759)	437,140	(452,842)	(24,962)	10,475	(20,029)	-	-	135
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	251,546	591,586	-	-	-	-	-	-
Transfers out	(533,049)	-	-	(295,958)	-	-	(2,579)	-	(11,546)	-	-
Total other financing sources (uses)	(533,049)	-	-	(44,412)	591,586	-	(2,579)	-	(11,546)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	472,907	245,791	(3,759)	392,728	138,744	(24,962)	7,896	(20,029)	(11,546)	-	135
Cash and investments - ending	\$ 3,125,969	\$ 2,166,133	\$ 78,538	\$ 2,132,003	\$ 1,985,402	\$ -	\$ 10,342	\$ 91,825	\$ -	\$ 186	\$ 259

(Continued)

HAMILTON COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2021 through June 30, 2022

	Staff Wellness Grant	Art Dekko Grant-Richter	Donations To Cafeteria	Donations To Corp	Preschool Fund	Formative Assessment Grant	Secured School Safety Grant	Secured School Safety Grant 18	Early Intervention Grant	Non-English Speaking Program	School Technology Fund
Cash and investments - beginning	\$ 5,279	\$ 370	\$ 1,254	\$ -	\$ 19,224	\$ 434	\$ (12,262)	\$ 14,461	\$ -	\$ -	\$ 43,837
Receipts:											
Local sources	8,000	-	-	30,000	24,700	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	50,323	-	1,219	1,357	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	8,000	-	-	30,000	24,700	-	50,323	-	1,219	1,357	-
Disbursements:											
Instruction	-	-	-	-	679	405	-	-	778	205	-
Support services	5,501	-	-	-	-	29	22,234	-	-	500	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	20,000	-	-	9,608	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	10,000	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	5,501	-	-	30,000	679	434	31,842	-	778	705	-
Excess (deficiency) of receipts over disbursements	2,499	-	-	-	24,021	(434)	18,481	-	441	652	-
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,499	-	-	-	24,021	(434)	18,481	-	441	652	-
Cash and investments - ending	\$ 7,778	\$ 370	\$ 1,254	\$ -	\$ 43,245	\$ -	\$ 6,219	\$ 14,461	\$ 441	\$ 652	\$ 43,837

(Continued)

HAMILTON COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2021 through June 30, 2022

	Career & Tech Performance Grant	Teacher Appreciation Grant	Sy16-17 Teacher Perform Grant	High Ability 2020- 2021	State Connectivity Grant	Title I:School Improvement 2017	Title I 2017-2018	Title I 2020-2021	Title I 2021-2022	Title Iv Ssae Grant	Title Iv Ssae 2019-2021
Cash and investments - beginning	\$ 5,325	\$ -	\$ 68	\$ 4,390	\$ -	\$ (129)	\$ (12,349)	\$ (15,481)	\$ -	\$ 10,000	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	13,136	-	22,019	5,310	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	40,604	77,598	-	10,000
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	13,136	-	22,019	5,310	-	-	40,604	77,598	-	10,000
Disbursements:											
Instruction	-	13,136	-	22,068	-	-	-	21,077	96,366	-	-
Support services	-	-	-	-	-	-	-	4,046	6,906	-	10,000
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	13,136	-	22,068	-	-	-	25,123	103,272	-	10,000
Excess (deficiency) of receipts over disbursements	-	-	-	(49)	5,310	-	-	15,481	(25,674)	-	-
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(49)	5,310	-	-	15,481	(25,674)	-	-
Cash and investments - ending	\$ 5,325	\$ -	\$ 68	\$ 4,341	\$ 5,310	\$ (129)	\$ (12,349)	\$ -	\$ (25,674)	\$ 10,000	\$ -

(Continued)

HAMILTON COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2021 through June 30, 2022

	Enhance Alternative Education Programs	Title li Part A 2020-2022	Title li Part A Ffy 2018-2020	Reap 2020-2021	Srsa Reap 2021- 2022	ESSER III	ESSER II	ESSER I	Clearing	Federal Taxes Withheld	Certified(Teachin g) Fica Wh
Cash and investments - beginning	\$ (11,799)	\$ (983)	\$ (6,065)	\$ (14,474)	\$ -	\$ -	\$ (142,875)	\$ (92,907)	\$ 9,540	\$ 29	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	14,799	-	-	21,422	8,685	-	188,985	93,667	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	165,645	103,656
Total receipts	14,799	-	-	21,422	8,685	-	188,985	93,667	-	165,645	103,656
Disbursements:											
Instruction	-	15,698	-	9,315	10,619	143,347	(21,590)	-	-	-	-
Support services	3,000	-	-	-	-	14,536	69,072	760	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	8,790	-	-	165,645	103,656
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	3,000	15,698	-	9,315	10,619	157,883	56,272	760	-	165,645	103,656
Excess (deficiency) of receipts over disbursements	11,799	(15,698)	-	12,107	(1,934)	(157,883)	132,713	92,907	-	-	-
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	11,799	(15,698)	-	12,107	(1,934)	(157,883)	132,713	92,907	-	-	-
Cash and investments - ending	\$ -	\$ (16,681)	\$ (6,065)	\$ (2,367)	\$ (1,934)	\$ (157,883)	\$ (10,162)	\$ -	\$ 9,540	\$ 29	\$ -

(Continued)

HAMILTON COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2021 through June 30, 2022

	Certified(Teaching) Medicare Wh	Classified(N/T) Fica Wh	Classified (N/T) Medicare Wh	State Tax Withheld	County Adj Gross Income Tax Wh	American Fidelity Annuity Wh	Valic Annuity Wh	Health Savings Account	Ltd-Madison National Life Wh	Madison National Life Ins Cowh	American Fidelity-Life Insuran
Cash and investments - beginning	\$ -	\$ 32	\$ 7	\$ 3,307	\$ 20	\$ 231	\$ 510	\$ 875	\$ 66	\$ 207	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	24,242	59,416	13,896	79,262	46,235	4,800	103,141	4,500	61	222	10,816
Total receipts	24,242	59,416	13,896	79,262	46,235	4,800	103,141	4,500	61	222	10,816
Disbursements:											
Instruction	-	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	24,242	59,416	13,896	79,262	46,235	4,800	103,141	4,500	61	222	10,816
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	24,242	59,416	13,896	79,262	46,235	4,800	103,141	4,500	61	222	10,816
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-	-	-	-	-
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ 32	\$ 7	\$ 3,307	\$ 20	\$ 231	\$ 510	\$ 875	\$ 66	\$ 207	\$ -

(Continued)

HAMILTON COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2021 through June 30, 2022

	Madison Life Supplemental Cons	Texas Life Insurance Wh	Aflac Vision&Dental Ins Wh	Aflac Accident Insurance Wh	Taxable Cancer Insurance Wh	Taxable Disability&Critical Wh	S125 Health Premium Employeeepd	S125 Non- Reimbursed Medical Wh	S125 Non- Taxed Cancer Wh	S125 Accident Insurance Wh	Medical/Afa- Hospital Indemnity
Cash and investments - beginning	\$ 5	\$ 161	\$ 181	\$ 47	\$ -	\$ -	\$ (2,383)	\$ (350)	\$ -	\$ -	\$ (25)
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	797	-	-	-	2,783	6,825	120,987	5,150	11,218	4,999	3,325
Total receipts	797	-	-	-	2,783	6,825	120,987	5,150	11,218	4,999	3,325
Disbursements:											
Instruction	-	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	798	-	-	-	2,783	6,825	120,987	5,150	11,218	4,999	3,325
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	798	-	-	-	2,783	6,825	120,987	5,150	11,218	4,999	3,325
Excess (deficiency) of receipts over disbursements	(1)	-	-	-	-	-	-	-	-	-	-
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1)	-	-	-	-	-	-	-	-	-	-
Cash and investments - ending	\$ 4	\$ 161	\$ 181	\$ 47	\$ -	\$ -	\$ (2,383)	\$ (350)	\$ -	\$ -	\$ (25)

(Continued)

HAMILTON COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2021 through June 30, 2022

	Aflac Cancer After Tax	S125 Delta Dental	S125 Anthem Vision	Garnishments Wh	United Way Deduction Wh	School Lunch Clearing Account	Fringe Benefit Clearing Fund	Totals
Cash and investments - beginning	\$ 135	\$ 3	\$ -	\$ -	\$ -	\$ 3,416	\$ 2,933	\$ 8,207,017
Receipts:								
Local sources	-	-	-	-	-	-	-	4,337,404
Intermediate sources	-	-	-	-	-	-	-	16,151
State sources	-	-	-	-	-	-	-	2,742,725
Federal sources	-	-	-	-	-	-	-	600,340
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	2,579
Other receipts	-	12,930	440	1,249	408	15,482	-	802,485
Total receipts	-	12,930	440	1,249	408	15,482	-	8,501,684
Disbursements:								
Instruction	-	-	-	-	-	-	-	2,639,834
Support services	-	-	-	-	-	-	-	2,425,461
Noninstructional services	-	-	-	-	-	-	-	329,462
Facilities acquisition and construction	-	-	-	-	-	-	-	698,974
Debt services	-	-	-	-	-	-	-	271,455
Nonprogrammed charges	-	12,930	440	1,249	408	17,237	-	823,031
Interfund loans	-	-	-	-	-	-	-	2,579
Total disbursements	-	12,930	440	1,249	408	17,237	-	7,190,796
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	(1,755)	-	1,310,888
Other financing sources (uses)								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	843,132
Transfers out	-	-	-	-	-	-	-	(843,132)
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	(1,755)	-	1,310,888
Cash and investments - ending	\$ 135	\$ 3	\$ -	\$ -	\$ -	\$ 1,661	\$ 2,933	\$ 9,517,905

HAMILTON COMMUNITY SCHOOLS
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2022

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 283,564	\$ 370,489

HAMILTON COMMUNITY SCHOOLS
SCHEDULE OF LEASES AND DEBT
June 30, 2022

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
LEAF Capital Funding LLC	LED Lighting Project	\$ 42,401	1/1/2022	3/31/2025
Musco Financ	Tennis Court Lights	<u>25,226</u>	6/27/2022	6/27/2027
Total governmental activities		<u>67,627</u>		
Total of annual lease payments		<u>\$ 67,627</u>		

<u>Description of Debt</u>		<u>Ending Principal Balance</u>	<u>Principal and Interest Due Within One Year</u>
<u>Type</u>	<u>Purpose</u>		
Governmental activities:			
General Obligation Bonds	General Bond	<u>\$ 1,645,000</u>	<u>\$ 230,000</u>
Totals		<u>\$ 1,645,000</u>	<u>\$ 230,000</u>

HAMILTON COMMUNITY SCHOOLS
SCHEDULE OF CAPITAL ASSETS
June 30, 2022

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 297,570
Infrastructure	53,441
Buildings	6,879,303
Improvements other than buildings	1,012,613
Machinery, equipment, and vehicles	<u>1,121,427</u>
Total governmental activities	<u>9,364,354</u>
Total capital assets	<u>\$ 9,364,354</u>

HAMILTON COMMUNITY SCHOOLS
STATE REPORTING INFORMATION
July 1, 2020 - June 30, 2022

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.

HAMILTON COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period of July 1, 2020 through June 30, 2022

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 06-30-21	Total Federal Awards Expended 06-30-22	Total Federal Awards Expended 7-1-2020 - 6-30-2022
<u>Department of Agriculture</u>						
Child Nutrition Cluster	Indiana Department of Education					
School Breakfast Program		10.553	FY2021, FY2022	\$ -	\$ 23,681	\$ 23,681
National School Lunch Program		10.555	FY2021, FY2022	174,726	212,437	387,163
Commodities		10.555	FY2021, FY2022	15,856	20,969	36,825
Total - Child Nutrition Cluster				190,582	257,087	447,669
Total - Department of Agriculture				190,582	257,087	447,669
<u>Department of Education</u>						
Special Education Cluster (IDEA)						
Special Education Grants to States IDEA, Part B	Indiana Department of Education	84.027	14216-044PN01	118,200	115,854	234,054
Special Education Preschool Grants IDEA, Preschool	Indiana Department of Education	84.173	45716-044-PN01	1,777	1,684	3,461
Total - Special Education Cluster (IDEA)				119,977	117,538	237,515
Title I Grants to Local Educational Agencies	Indiana Department of Education					
Title I, Part A		84.010	S010A190014	26,653	-	26,653
Title I, Part A		84.010	S010A200014	80,236	40,604	120,840
Title I, Part A		84.010	S010A210014	-	77,598	77,598
Total - Title I Grants to Local Educational Agencies				106,889	118,202	225,091
Rural Education	Indiana Department of Education					
REAP 2020-2021		84.358	S358A203518	-	21,422	21,422
REAP 2021-2022		84.358	S358A211170	-	8,685	8,685
Total - Rural Education				-	30,107	30,107
Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II, Part A		84.367	S367A180013	12,105	-	12,105
Title II, Part A		84.367	S367A190013	-	3,000	3,000
Title II, Part A		84.367	S367A200013	-	11,799	11,799
Total - Supporting Effective Instruction State Grants				12,105	14,799	26,904

(Continued)

HAMILTON COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period of July 1, 2020 through June 30, 2022

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 06-30-21	Total Federal Awards Expended 06-30-22	Total Federal Awards Expended 7-1-2020 - 6-30-2022
Student Support and Academic Enrichment Program Title IV, Part A	Indiana Department of Education	84.424	S424A170015	\$ 10,000	\$ 10,000	\$ 20,000
COVID-19 - Education Stabilization Fund	Indiana Department of Education					
Elementary and Secondary School Emergency Relief (ESSER I) Fund		84.425D	S425D200013	-	93,667	93,667
Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D	S425D210013	-	188,985	188,985
Total - COVID-19 Education Stabilization Fund				-	282,652	282,652
Total - Department of Education				248,971	573,298	822,269
Total federal awards expended				\$ 439,553	\$ 830,385	\$ 1,269,938

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

HAMILTON COMMUNITY SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period of July 1, 2020 to June 30, 2022

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, 2020 to June 30, 2022. 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 - SPECIAL EDUCATION COOPERATIVE

The School Corporation is a member of the NorthEast Indiana Special Education Cooperative (Cooperative). As a result, some activity for the Special Education Cluster (IDEA) that is presented as federal awards expended in 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.

NOTE 4 - OTHER INFORMATION

The School Corporation did not have any subrecipient activity for the period July 1, 2020 to June 30, 2022.

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
Hamilton Community Schools
Steuben County, Indiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of Hamilton Community Schools ("School Corporation"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School Corporation as of June 30, 2022 and for the period July 1, 2020 to June 30, 2022 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 8, 2023.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2022-001 and 2022-002 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*.

Management's Response to Finding

The School Corporation's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The School Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

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 8, 2023

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

Those Charged with Governance
Hamilton Community Schools
Steuben County, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Hamilton Community Schools (the School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School Corporation's major federal programs for the period July 1, 2020 to June 30, 2022. The School Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2020 to June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

(Continued)

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

(Continued)

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. 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-003 to be a significant deficiency.

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
Crowe LLP

Indianapolis, Indiana
March 8, 2023

HAMILTON COMMUNITY SCHOOLS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the period of July 1, 2020 through June 30, 2022

Section I – Summary of Auditor’s Results

Financial Statement

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

Internal control over financial reporting:

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

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

Internal control over major programs:

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

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

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

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
84.027, 84.173	Special Education Cluster
84.425D	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)

HAMILTON COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the period of July 1, 2020 through June 30, 2022

Section II – Financial Statement Findings

FINDING 2022-001

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

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

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

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

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

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

2 CFR 200.508 states in part:

"The auditee must: . . .

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

2 CFR 200.510(b) states:

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

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

(Continued)

HAMILTON COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the period of July 1, 2020 through June 30, 2022

Section II – Financial Statement Findings (continued)

FINDING 2022-001 (continued)

- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the assistance listing number (ALN) or other identifying number when the ALN information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe that significant accounting policies used in preparing the schedule and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in §200.414 Indirect (F&A) costs."

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

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

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. The SEFA was not reviewed prior to submission. Without a secondary review in place, material misstatements of the SEFA may not be detected or corrected.

Additionally, we noted the SEFA contained the errors related to the Assistance Listing Number and Pass-Through Entity (or Other) Identifying Number for Title I and Title II grants. Errors in non-financial information reported on the SEFA could have a material impact on the major program determination during the audit process.

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

Effect: Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA could go undetected.

Identification as a repeat finding: No

Recommendation: We recommended that the School Corporation's management establish a formal review over the SEFA to ensure amounts reported are accurate. This review should include a detailed tie out to federal receipts recorded within the funds ledger and non-financial information reported on the SEFA including Assistance Listing Numbers, Pass-Through Entity, and Pass-Through Numbers

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

(Continued)

HAMILTON COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the period of July 1, 2020 through June 30, 2022

Section II – Financial Statement Findings (continued)

FINDING 2022-002

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

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

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

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

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

- Accurate and timely recording of transactions..."

2 CFR 200.508 states in part:

"The auditee must: . . .

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

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

Cause: Management had not established a system of internal control that would have ensured proper reporting of the AFR. For fiscal year 2021, it was the first year the AFR was required to be prepared directly by the School Corporation instead of from semi-annual findings with Indiana Department of Education. There was not an appropriate review of the activity posted on the AFR.

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 not reviewed prior to submission. Without a secondary review in place, material misstatements of the financial statement may not be detected or corrected.

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

(Continued)

HAMILTON COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the period of July 1, 2020 through June 30, 2022

Section II – Financial Statement Findings (Continued)

FINDING 2022-002 (Continued)

Effect: Without a proper system of internal control in place that operated effectively, material misstatements of the financial statement could remain undetected.

Identification as a repeat finding: 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 funds ledgers. The School Corporation should establish a documented, secondary review to ensure the amounts reported on the financial statements agree to the supporting ledger fund detail.

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 2022-003

Subject: Special Education Cluster - Earmarking

Federal Agency: Department of Education

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

Assistance Listings Numbers: 84.027, 84.173

Federal Award Number and Year (or Other Identifying Numbers): 19611-042-PN01, 20611-042-PN01, 21611-042-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Matching, Level of Effort, Earmarking

Audit Finding: Significant Deficiency

Criteria: 2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.403 states in part:

"Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards: ...

(g) Be adequately documented.... "

2 CFR 200.208(b) states in part:

(Continued)

HAMILTON COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the period of July 1, 2020 through June 30, 2022

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

FINDING 2022-003 (continued)

"The Federal awarding agency or pass-through entity may adjust specific Federal award conditions as needed . . ."

511 IAC 7-34-7(b) states:

"The public agency, in providing special education and related services to students in nonpublic schools must expend at least an amount that is the same proportion of the public agency total subgrant under 20 U.S.C. 1411(f) as the number of nonpublic school students with disabilities, who are enrolled by their parents in nonpublic schools within its boundaries, is to the total number of students with disabilities of the same age range."

Condition: The School Corporation is a member of the Northeast Indiana Special Education Cooperative (Cooperative). The School Corporation did not have adequate internal controls in place to ensure that the Cooperative complied with the earmarking requirements.

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 earmarking requirements of the Matching, Level of Effort, Earmarking compliance requirement.

Effect: The failure to establish an effective internal control system, as well as adequately document costs of federal awards, prevented the determination of the School Corporation's compliance with the earmarking requirements of the Matching, Level of Effort, Earmarking compliance requirement.

Questioned Costs: There were no questioned costs identified.

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

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

The Non-Public Proportionate Share expenditures for 19611-042-PN01 and 20611-042-PN01 grant awards could not be verified for the individual schools to verify the minimum amount per the grant awards was expended and properly reported to IDOE as required. The School Corporation's minimum earmarking requirements for the 19611-042-PN01 and 20611-042-PN01 grant awards were \$1,095 and \$1,791, respectively.

The lack of internal controls and noncompliance were isolated to the 19611-042-PN01 and 20611-042-PN01, grant awards.

(Continued)

HAMILTON COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the period of July 1, 2020 through June 30, 2022

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

FINDING 2022-003 (continued)

Identification of repeat finding: No

Recommendation: We recommended that the School Corporation's management establish a system of internal controls, as well as appropriately document and identify federal award expenditures to ensure compliance with the Matching, Level of Effort, Earmarking compliance requirement.

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

Hamilton Community Schools

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CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

June 30, 2022

FINDING 2022-001

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. The SEFA was not reviewed prior to submission. Without a secondary review in place, material misstatements of the SEFA may not be detected or corrected.

Additionally, we noted the SEFA contained the errors related to the Assistance Listing Number and Pass-Through Entity (or Other) Identifying Number for Title I and Title II grants. Errors in non-financial information reported on the SEFA could have a material impact on the major program determination during the audit process.

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

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Hamilton Community Schools will have a second employee in the Business Office review the SEFA for errors before submission in the future.

Responsible Party and Timeline for Completion:

Brittany Taylor, Business Manager
Completion Date: 6/30/2023

FINDING 2022-001

Subject: Annual Financial Report
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 Annual Financial Report (AFR).

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 not reviewed prior to submission. Without a secondary review in place, material misstatements of the financial statement may not be detected or corrected.

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

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Hamilton Community Schools will have a second employee in the Business Office review the AFR for errors before submission in the future.

Responsible Party and Timeline for Completion:

Brittany Taylor, Business Manager
Completion Date: 6/30/2023

FINDING 2022-003

Subject: Special Education Cluster - Earmarking
Audit Finding: Significant Deficiency

Condition: The School Corporation is a member of the Northeast Indiana Special Education Cooperative (Cooperative). The School Corporation did not have adequate internal controls in place to ensure that the Cooperative complied with the earmarking requirements.

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

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

The Non-Public Proportionate Share expenditures for 19611-042-PN01 and 20611-042-PN01 grant awards could not be verified for the individual schools to verify the minimum amount per the grant awards was expended and properly reported to IDOE as required. The School Corporation's minimum earmarking requirements for the 19611-042-PN01 and 20611-042-PN01 grant awards were \$1,095 and \$1,791, respectively.

The lack of internal controls and noncompliance were isolated to the 19611-042-PN01 and 20611-042-PN01 grant awards.

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Hamilton Community Schools will work with the Northeast Indiana Special Education Cooperative to ensure proper oversight and internal controls are maintained of awarded monies.

Responsible Party and Timeline for Completion:

Brittany Taylor, Business Manager
Completion Date: 6/30/2023