



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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April 11, 2023

To: The Officials of the River Forest Community School Corporation
River Forest Community School Corporation
3250 Michigan St.
Hobart, IN 46342

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of River Forest Community School Corporation. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period July 1, 2019 to June 30, 2021. Per the *Independent Auditor's Report*, the financial statement referred to above present fairly, in all material respects, the cash and investment balances of the School Corporation as of June 30, 2021, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2019 to June 30, 2021 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 31 through 43. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 44 through 47.

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

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

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

RIVER FOREST COMMUNITY SCHOOL CORPORATION
Lake County, Indiana

FINANCIAL STATEMENT
As of June 30, 2021, and for the
period of July 1, 2019 to June 30, 2021

RIVER FOREST COMMUNITY SCHOOL CORPORATION
Lake County, Indiana

FINANCIAL STATEMENT
As of June 30, 2021, and for the
period of July 1, 2019 to June 30, 2021

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RIVER FOREST COMMUNITY SCHOOL CORPORATION
SCHEDULE OF OFFICIALS (Unaudited)
For the period July 1, 2019 to June 30, 2021

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Lynne M. Styx	07-01-19 to 02-18-21
	Candace Pick	02-19-21 to 05-23-21
	Samantha Berrier	05-24-21 to 06-30-21
Superintendent of Schools	Dr. Steven C. Disney Jr.	07-01-19 to 06-30-21
President of the School Board	Michelle Martin	07-01-19 to 12-31-20
	Steven Kissel	01-01-21 to 06-30-21

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
River Forest Community School Corporation
Lake County, Indiana

Report on the Financial Statement

We have audited the accompanying statement of receipts, disbursements, other financing sources (uses) and cash and investment balances of the River Forest Community School Corporation (the School Corporation) as of June 30, 2021 and for the period of July 1, 2019 to June 30, 2021, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this 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 Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

(Continued)

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

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 do 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, 2021, or changes in net position for the period of July 1, 2019 to June 30, 2021.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above present fairly, in all material respects, the cash and investment balances of the School Corporation as of June 30, 2021, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2019 to June 30, 2021 in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. 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*, Schedule of Officials, Supplementary Information Schedules, and State Reporting Information are 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. Such 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.

The Schedule of Officials, Supplementary Information Schedules, and State Reporting Information, marked as unaudited on the table of contents, have not been subjected to the auditing procedures applied in the audit of the financial statement, and accordingly, we do not express an opinion or provide any assurance on them

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 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 14, 2023

RIVER FOREST COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
As of June 30, 2021 and for the period July 1, 2019 through June 30, 2021

Fund	Cash and Investments		Other Financing Sources (Uses)		Cash and Investments		Other Financing Sources (Uses)		Cash and Investments	
	07-01-2019	Receipts	Disbursements		06-30-2020	Receipts	Disbursements		06-30-2021	
School Education	\$ 628,995	\$ 12,068,800	\$ 9,864,347	\$ (1,133,902)	\$ 1,699,546	\$ 12,234,496	\$ 10,023,778	\$ (1,368,500)	\$ 2,541,764	
Referendum	517,901	2,326,389	1,144,016	-	1,700,274	2,183,103	1,627,414	(1,000,000)	1,255,963	
Debt Service Fund	255,173	938,243	971,773	(647,820)	(426,177)	1,490,472	1,601,014	-	(536,719)	
Exempt Debt Service	535,163	626,922	568,707	(593,378)	-	-	-	-	-	
School Operations	275,302	1,407,595	3,508,531	2,375,100	549,466	1,375,227	3,711,324	2,369,252	582,621	
Local Rainy Day Fund	360,470	-	-	-	360,470	-	-	-	360,470	
Construction Fund	-	-	310,888	908,066	597,178	29,768	474,823	-	152,123	
Hob Township Building Fund	-	-	-	831	831	-	-	-	831	
School Lunch Fund	(703)	874,797	932,264	-	(58,170)	664,533	770,218	-	(163,855)	
Textbook Rental Fund	97,069	132,250	121,189	-	108,130	112,411	55,923	-	164,618	
River Forest Cost Plus Ins. Fun	307,836	-	3,360	-	304,476	-	-	-	304,476	
Levy Excess Fund	326	-	-	-	326	-	-	-	326	
Educational License Plates	263	207	-	-	470	169	-	-	639	
Early Intervention Grant	1,840	5,806	8,794	-	(1,148)	4,348	3,042	-	158	
Donations Gifts And Trusts	6,944	(97)	-	1,047	7,894	4,800	-	-	12,694	
Scholarship And Awards Fund	-	-	-	-	-	4,000	-	-	4,000	
Dollar General Literacy Grant	-	-	-	97	97	-	-	-	97	
Donations Evans Courtyard	831	-	-	(831)	-	-	-	-	-	
Miscellaneous Programs	-	3,236	2,189	(1,047)	-	-	-	-	-	
Donations Gifts Bequests	-	97	-	(97)	-	-	-	-	-	
Formative Assessment	-	19,469	14,729	-	4,740	15,716	21,658	-	(1,202)	
Education Technology	-	-	-	-	-	160,069	240,286	-	(80,217)	
Medicaid Reimbursement	-	215	-	-	215	1,586	-	-	1,801	
Secured Sch Safety Grant	-	-	-	-	-	37,500	110,142	-	(72,642)	
Science Technology Engineering And Ma	-	-	44,444	-	(44,444)	44,140	-	-	(304)	
Non-English Speaking Program	35,773	47,268	57,067	-	25,974	37,526	25,976	-	37,524	
School Technology Fund	-	-	76,130	-	(76,130)	-	(76,130)	-	-	
Performance Based Awards	548	58,366	58,366	-	548	58,617	58,617	-	548	
High Ability	-	30,977	10,348	-	20,629	25,469	23,348	-	22,750	
Technology Planning Grant	-	3,694	-	-	3,694	3,955	3,694	-	3,955	
Miscellaneous Programs	18,229	(336)	17,893	-	-	-	-	-	-	
Innovation Planning Grant	(53,934)	72,886	18,952	-	-	-	-	-	-	
Other State Funds	-	2,069	-	-	2,069	-	-	-	2,069	
Title I	(30,929)	352,537	524,632	-	(203,024)	574,721	510,443	-	(138,746)	
Drug Free Schools	(7,357)	8,391	13,617	-	(12,583)	-	11,223	-	(23,806)	
Perkins 2020-21	-	-	-	-	-	2,475	2,475	-	-	
Carl Perkins Voc Ed	(296)	4,617	773	-	3,548	-	-	-	3,548	
Medicaid Reimbursement - Federal	-	554	102	-	452	4,081	4,663	-	(130)	
Improv Teach Quality Nclb Title Ii	(13,191)	51,841	115,124	-	(76,474)	101,305	38,532	-	(13,701)	
Title Iii Language Instruction	(13,126)	17,498	13,392	-	(9,020)	9,166	9,594	-	(9,448)	

(Continued)

RIVER FOREST COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
As of June 30, 2021 and for the period July 1, 2019 through June 30, 2021

<u>Fund</u>	<u>Cash and Investments 07-01-2019</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2020</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2021</u>
ESSER II	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,557	\$ -	\$ (45,557)
Governor's Emergency Education Relief (GEER)	-	-	-	-	-	-	49,500	-	(49,500)
ESSER I	-	-	-	-	-	-	224,133	-	(224,133)
Clearing	25,932	2,705,527	2,739,081	-	(7,622)	2,661,267	2,583,131	-	70,514
Prepaid Food	24,139	82,212	93,816	-	12,535	6,086	10,682	-	7,939
Totals	<u>\$ 2,973,198</u>	<u>\$ 21,842,030</u>	<u>\$ 21,234,524</u>	<u>\$ 908,066</u>	<u>\$ 4,488,770</u>	<u>\$ 21,847,006</u>	<u>\$ 22,165,060</u>	<u>\$ 752</u>	<u>\$ 4,171,468</u>

See notes to financial statement.

RIVER FOREST COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2021 and the Period of
As of June 30, 2021, and for the period July 1, 2019 to June 30, 2021

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)

RIVER FOREST COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2021 and the Period of
As of June 30, 2021, and for the period July 1, 2019 to June 30, 2021

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.

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

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

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

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

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

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

(Continued)

RIVER FOREST COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2021 and the Period of
As of June 30, 2021, and for the period July 1, 2019 to June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

NOTE 2 - BUDGETS

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

NOTE 3 - PROPERTY TAXES

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

The School Corporation held cash deposits and certificates of deposit with financial institutions that maintained FDIC and PDIF coverages, as applicable. The School Corporation did not hold investments for the period under audit.

(Continued)

RIVER FOREST COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2021 and the Period of
As of June 30, 2021, and for the period July 1, 2019 to June 30, 2021

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, 2020, and 2021. Deficits in other fund balances, including the School Lunch fund, Debt Service fund, and the Clearing fund, 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 - HOLDING CORPORATION

The School Corporation has entered into a series of capital leases with the Meister School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments for the period July 1, 2019 to June 30, 2020 totaled \$272,500. Lease payments for the period July 1, 2020 to June 30, 2021 totaled \$273,000.

NOTE 8 - PENSION PLANS

Public Employees' Retirement Fund

Plan Description

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

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

(Continued)

RIVER FOREST COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2021 and the Period of
As of June 30, 2021, and for the period July 1, 2019 to June 30, 2021

NOTE 8 - PENSION PLANS (Continued)

Financial Report

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

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

Contributions

Members' contributions are set by state statute at 3 percent of compensation for the defined contribution component of PERF Hybrid. The employer may elect to make the contribution on behalf of the member of the defined contribution component of PERF Hybrid.

Teachers' Retirement Fund

Plan Descriptions

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

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

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

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

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

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

(Continued)

RIVER FOREST COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2021 and the Period of
As of June 30, 2021, and for the period July 1, 2019 to June 30, 2021

NOTE 8 - 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.

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS

The School Corporation provides to eligible retirees the following benefits: health insurance at the current single rate until the age of 65. No employees will be eligible for these benefits after 2017. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding these benefits can be obtained by contacting the School Corporation.

SUPPLEMENTARY INFORMATION

RIVER FOREST COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2019 through June 30, 2020

	School Education	Referendum	Debt Service Fund	Exempt Debt Service	School Operations	Local Rainy Day Fund	Construction Fund	Hob Township Building Fund	School Lunch Fund	Textbook Rental Fund	River Forest Cost Plus Ins. Fun
Cash and investments - beginning	\$ 628,995	\$ 517,901	\$ 255,173	\$ 535,163	\$ 275,302	\$ 360,470	\$ -	\$ -	\$ (703)	\$ 97,069	\$ 307,836
Receipts:											
Local sources	70,968	1,418,238	817,958	626,922	1,020,592	-	-	-	102,703	8,885	-
Intermediate sources	125,068	-	-	-	128,171	-	-	-	-	-	-
State sources	11,872,764	110,965	-	-	-	-	-	-	3,393	99,675	-
Federal sources	-	-	-	-	-	-	-	-	768,701	-	-
Temporary loans	-	327,675	120,285	-	258,832	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	469,511	-	-	-	-	-	-	-	23,690	-
Total receipts	12,068,800	2,326,389	938,243	626,922	1,407,595	-	-	-	874,797	132,250	-
Disbursements:											
Instruction	7,154,578	474,274	-	-	-	-	-	-	-	-	-
Support services	2,252,993	419,433	-	-	3,533,948	-	3,113	-	1,714	121,189	3,360
Noninstructional services	456,776	40,726	-	-	(971)	-	-	-	930,550	-	-
Facilities acquisition and construction	-	209,583	-	-	(24,446)	-	307,775	-	-	-	-
Debt services	-	-	971,773	568,707	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	9,864,347	1,144,016	971,773	568,707	3,508,531	-	310,888	-	932,264	121,189	3,360
Excess (deficiency) of receipts over disbursements	2,204,453	1,182,373	(33,530)	58,215	(2,100,936)	-	(310,888)	-	(57,467)	11,061	(3,360)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	908,066	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	1,241,198	-	593,378	-	2,375,100	-	-	831	-	-	-
Transfers out	(2,375,100)	-	(1,241,198)	(593,378)	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,133,902)	-	(647,820)	(593,378)	2,375,100	-	908,066	831	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,070,551	1,182,373	(681,350)	(535,163)	274,164	-	597,178	831	(57,467)	11,061	(3,360)
Cash and investments - ending	\$ 1,699,546	\$ 1,700,274	\$ (426,177)	\$ -	\$ 549,466	\$ 360,470	\$ 597,178	\$ 831	\$ (58,170)	\$ 108,130	\$ 304,476

(Continued)

RIVER FOREST COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2019 through June 30, 2020

	Levy Excess Fund	Educational License Plates	Early Intervention Grant	Donations Gifts And Trusts	Dollar General Literacy Grant	Donations Evans Courtyard	Miscellaneous Programs	Donations Gifts Bequests	Formative Assessment	Medicaid Reimbursement
Cash and investments - beginning	\$ 326	\$ 263	\$ 1,840	\$ 6,944	\$ -	\$ 831	\$ -	\$ -	\$ -	\$ -
Receipts:										
Local sources	-	94	-	-	-	-	3,236	-	-	-
Intermediate sources	-	113	-	(97)	-	-	-	97	-	-
State sources	-	-	5,806	-	-	-	-	-	19,469	215
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	207	5,806	(97)	-	-	3,236	97	19,469	215
Disbursements:										
Instruction	-	-	8,794	-	-	-	1,490	-	-	-
Support services	-	-	-	-	-	-	699	-	14,729	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	8,794	-	-	-	2,189	-	14,729	-
Excess (deficiency) of receipts over disbursements	-	207	(2,988)	(97)	-	-	1,047	97	4,740	215
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	1,047	97	-	-	-	-	-
Transfers out	-	-	-	-	-	(831)	(1,047)	(97)	-	-
Total other financing sources (uses)	-	-	-	1,047	97	(831)	(1,047)	(97)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	207	(2,988)	950	97	(831)	-	-	4,740	215
Cash and investments - ending	\$ 326	\$ 470	\$ (1,148)	\$ 7,894	\$ 97	\$ -	\$ -	\$ -	\$ 4,740	\$ 215

(Continued)

RIVER FOREST COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2019 through June 30, 2020

	Science Technology Engineering And Ma	Non-English Speaking Program	School Technology Fund	Performance Based Awards	High Ability	Technology Planning Grant	Miscellaneous Programs	Innovation Planning Grant	Other State Funds	Title I
Cash and investments - beginning	\$ -	\$ 35,773	\$ -	\$ 548	\$ -	\$ -	\$ 18,229	\$ (53,934)	\$ -	\$ (30,929)
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	47,268	-	58,366	30,977	3,694	(336)	72,886	2,069	-
Federal sources	-	-	-	-	-	-	-	-	-	352,537
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	47,268	-	58,366	30,977	3,694	(336)	72,886	2,069	352,537
Disbursements:										
Instruction	18,844	55,904	-	58,366	9,636	-	15,893	18,952	-	428,671
Support services	25,600	-	-	-	712	-	2,000	-	-	87,018
Noninstructional services	-	1,163	-	-	-	-	-	-	-	8,943
Facilities acquisition and construction	-	-	76,130	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	44,444	57,067	76,130	58,366	10,348	-	17,893	18,952	-	524,632
Excess (deficiency) of receipts over disbursements	(44,444)	(9,799)	(76,130)	-	20,629	3,694	(18,229)	53,934	2,069	(172,095)
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	(44,444)	(9,799)	(76,130)	-	20,629	3,694	(18,229)	53,934	2,069	(172,095)
Cash and investments - ending	\$ (44,444)	\$ 25,974	\$ (76,130)	\$ 548	\$ 20,629	\$ 3,694	\$ -	\$ -	\$ 2,069	\$ (203,024)

(Continued)

RIVER FOREST COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2019 through June 30, 2020

	Drug Free Schools	Carl Perkins Voc Ed	Medicaid Reimbursement - Federal	Improv Teach Quality Nclb Title li	Title Iii Language Instruction	Clearing	Prepaid Food	Totals
Cash and investments - beginning	\$ (7,357)	\$ (296)	\$ -	\$ (13,191)	\$ (13,126)	\$ 25,932	\$ 24,139	\$ 2,973,198
Receipts:								
Local sources	-	4,617	-	-	-	-	-	4,074,213
Intermediate sources	-	-	-	-	-	-	-	253,352
State sources	-	-	-	-	-	-	-	12,327,211
Federal sources	8,391	-	554	51,841	17,498	-	-	1,199,522
Temporary loans	-	-	-	-	-	-	-	706,792
Interfund loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	2,705,527	82,212	3,280,940
Total receipts	8,391	4,617	554	51,841	17,498	2,705,527	82,212	21,842,030
Disbursements:								
Instruction	2,633	773	-	115,124	3,355	-	-	8,367,287
Support services	10,984	-	102	-	1,452	2,739,081	93,816	9,311,943
Noninstructional services	-	-	-	-	8,585	-	-	1,445,772
Facilities acquisition and construction	-	-	-	-	-	-	-	569,042
Debt services	-	-	-	-	-	-	-	1,540,480
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	13,617	773	102	115,124	13,392	2,739,081	93,816	21,234,524
Excess (deficiency) of receipts over disbursements	(5,226)	3,844	452	(63,283)	4,106	(33,554)	(11,604)	607,506
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	908,066
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	4,211,651
Transfers out	-	-	-	-	-	-	-	(4,211,651)
Total other financing sources (uses)	-	-	-	-	-	-	-	908,066
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,226)	3,844	452	(63,283)	4,106	(33,554)	(11,604)	1,515,572
Cash and investments - ending	\$ (12,583)	\$ 3,548	\$ 452	\$ (76,474)	\$ (9,020)	\$ (7,622)	\$ 12,535	\$ 4,488,770

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

	School Education	Referendum	Debt Service Fund	Exempt Debt Service	School Operations	Local Rainy Day Fund	Construction Fund	Hob Township Building Fund	School Lunch Fund	Textbook Rental Fund	River Forest Cost Plus Ins. Fun
Cash and investments - beginning	\$ 1,699,546	\$ 1,700,274	\$ (426,177)	\$ -	\$ 549,466	\$ 360,470	\$ 597,178	\$ 831	\$ (58,170)	\$ 108,130	\$ 304,476
Receipts:											
Local sources	18,518	2,183,103	1,490,472	-	1,116,033	-	29,768	-	16,674	12,976	-
Intermediate sources	3	-	-	-	259,194	-	-	-	-	-	-
State sources	12,215,975	-	-	-	-	-	-	-	3,422	99,435	-
Federal sources	-	-	-	-	-	-	-	-	644,437	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	12,234,496	2,183,103	1,490,472	-	1,375,227	-	29,768	-	664,533	112,411	-
Disbursements:											
Instruction	7,437,234	275,763	-	-	-	-	-	-	-	1,624	-
Support services	2,134,367	578,871	-	-	3,380,034	-	-	-	138	54,299	-
Noninstructional services	452,177	4,240	-	-	35,334	-	-	-	770,080	-	-
Facilities acquisition and construction	-	440,865	-	-	37,124	-	474,823	-	-	-	-
Debt services	-	327,675	1,601,014	-	258,832	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	10,023,778	1,627,414	1,601,014	-	3,711,324	-	474,823	-	770,218	55,923	-
Excess (deficiency) of receipts over disbursements	2,210,718	555,689	(110,542)	-	(2,336,097)	-	(445,055)	-	(105,685)	56,488	-
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	752	-	-	-	-	-	-
Transfers in	400,000	-	-	-	2,368,500	-	-	-	-	-	-
Transfers out	(1,768,500)	(1,000,000)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,368,500)	(1,000,000)	-	-	2,369,252	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	842,218	(444,311)	(110,542)	-	33,155	-	(445,055)	-	(105,685)	56,488	-
Cash and investments - ending	\$ 2,541,764	\$ 1,255,963	\$ (536,719)	\$ -	\$ 582,621	\$ 360,470	\$ 152,123	\$ 831	\$ (163,855)	\$ 164,618	\$ 304,476

(Continued)

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

	Levy Excess Fund	Educational License Plates	Early Intervention Grant	Donations Gifts And Trusts	Scholarship And Awards Fund	Dollar General Literacy Grant	Formative Assessment	Education Technology	Medicaid Reimbursement	Secured Sch Safety Grant	Science Technology Engineering And Ma
Cash and investments - beginning	\$ 326	\$ 470	\$ (1,148)	\$ 7,894	\$ -	\$ 97	\$ 4,740	\$ -	\$ 215	\$ -	\$ (44,444)
Receipts:											
Local sources	-	169	-	4,800	4,000	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	4,348	-	-	-	15,716	160,069	1,586	37,500	44,140
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	169	4,348	4,800	4,000	-	15,716	160,069	1,586	37,500	44,140
Disbursements:											
Instruction	-	-	3,042	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	21,658	158,457	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	110,142	-
Facilities acquisition and construction	-	-	-	-	-	-	-	81,829	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	3,042	-	-	-	21,658	240,286	-	110,142	-
Excess (deficiency) of receipts over disbursements	-	169	1,306	4,800	4,000	-	(5,942)	(80,217)	1,586	(72,642)	44,140
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	169	1,306	4,800	4,000	-	(5,942)	(80,217)	1,586	(72,642)	44,140
Cash and investments - ending	\$ 326	\$ 639	\$ 158	\$ 12,694	\$ 4,000	\$ 97	\$ (1,202)	\$ (80,217)	\$ 1,801	\$ (72,642)	\$ (304)

(Continued)

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

	Non-English Speaking Program	School Technology Fund	Performance Based Awards	High Ability	Technology Planning Grant	Other State Funds	Title I	Drug Free Schools	Perkins 2020-21	Carl Perkins Voc Ed	Medicaid Reimbursement - Federal
Cash and investments - beginning	\$ 25,974	\$ (76,130)	\$ 548	\$ 20,629	\$ 3,694	\$ 2,069	\$ (203,024)	\$ (12,583)	\$ -	\$ 3,548	\$ 452
Receipts:											
Local sources	-	-	-	-	-	-	-	-	2,475	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	37,526	-	58,617	-	3,955	-	-	-	-	-	-
Federal sources	-	-	-	25,469	-	-	574,721	-	-	-	4,081
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	37,526	-	58,617	25,469	3,955	-	574,721	-	2,475	-	4,081
Disbursements:											
Instruction	26,382	-	58,617	23,489	-	-	419,249	9,843	2,475	-	3,719
Support services	-	-	-	(141)	3,694	-	89,059	1,380	-	-	944
Noninstructional services	(406)	-	-	-	-	-	2,135	-	-	-	-
Facilities acquisition and construction	-	(76,130)	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	25,976	(76,130)	58,617	23,348	3,694	-	510,443	11,223	2,475	-	4,663
Excess (deficiency) of receipts over disbursements	11,550	76,130	-	2,121	261	-	64,278	(11,223)	-	-	(582)
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	11,550	76,130	-	2,121	261	-	64,278	(11,223)	-	-	(582)
Cash and investments - ending	\$ 37,524	\$ -	\$ 548	\$ 22,750	\$ 3,955	\$ 2,069	\$ (138,746)	\$ (23,806)	\$ -	\$ 3,548	\$ (130)

(Continued)

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

	Improv Teach Quality Nclb Title li	Title lii Language Instruction	ESSER II	Governor's Emergency Education Relief (GEER)	ESSER I	Clearing	Prepaid Food	Totals
Cash and investments - beginning	\$ (76,474)	\$ (9,020)	\$ -	\$ -	\$ -	\$ (7,622)	\$ 12,535	\$ 4,488,770
Receipts:								
Local sources	-	-	-	-	-	-	-	4,878,988
Intermediate sources	-	-	-	-	-	-	-	259,197
State sources	-	-	-	-	-	-	-	12,682,289
Federal sources	101,305	9,166	-	-	-	-	-	1,359,179
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	2,661,267	6,086	2,667,353
Total receipts	101,305	9,166	-	-	-	2,661,267	6,086	21,847,006
Disbursements:								
Instruction	38,532	7,899	-	-	47,118	-	-	8,354,986
Support services	-	145	45,557	49,500	142,700	2,583,131	10,682	9,254,475
Noninstructional services	-	1,550	-	-	16,924	-	-	1,392,176
Facilities acquisition and construction	-	-	-	-	17,391	-	-	975,902
Debt services	-	-	-	-	-	-	-	2,187,521
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	38,532	9,594	45,557	49,500	224,133	2,583,131	10,682	22,165,060
Excess (deficiency) of receipts over disbursements	62,773	(428)	(45,557)	(49,500)	(224,133)	78,136	(4,596)	(318,054)
Other financing sources (uses)								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	752
Transfers in	-	-	-	-	-	-	-	2,768,500
Transfers out	-	-	-	-	-	-	-	(2,768,500)
Total other financing sources (uses)	-	-	-	-	-	-	-	752
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	62,773	(428)	(45,557)	(49,500)	(224,133)	78,136	(4,596)	(317,302)
Cash and investments - ending	\$ (13,701)	\$ (9,448)	\$ (45,557)	\$ (49,500)	\$ (224,133)	\$ 70,514	\$ 7,939	\$ 4,171,468

RIVER FOREST COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF LEASES AND DEBT
 June 30, 2021

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
Mesiter School Building Corporation	Renovations	\$ 272,000	7/15/2017	1/15/2025
Total of annual lease payments		<u>\$ 272,000</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	Renovations and Repairs	\$ 895,000	\$ 949,277
Totals		<u>\$ 895,000</u>	<u>\$ 949,277</u>

RIVER FOREST COMMUNITY SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2021

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	\$ 10
Infrastructure	10
Buildings	73,980,290
Improvements other than buildings	2,131,735
Machinery, equipment, and vehicles	<u>7,178,068</u>
Total governmental activities	<u>83,290,113</u>
Total capital assets	<u>\$ 83,290,113</u>

RIVER FOREST COMMUNITY SCHOOL CORPORATION
STATE REPORTING INFORMATION
July 1, 2019 - June 30, 2021

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.

RIVER FOREST COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period July 1, 2019 through June 30, 2021

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 06-30-20	Total Federal Awards Expended 06-30-21	Total Federal Awards Expended 07-01-2019 to 06-30-21
<u>Department of Agriculture</u>						
Child Nutrition Cluster						
Food & Nutrition Service/ School Breakfast Program	Indiana Department of Education	10.553	FY2020, FY2021	\$ 124,608	\$ -	\$ 124,608
School Breakfast Program		10.555	FY2020, FY2021	500,071	-	500,071
National School Lunch Program		10.555	FY2020, FY2021	61,691	74,293	135,984
Commodities		10.559	FY2020, FY2021	172,946	644,437	817,383
Summer Food Services						
Total - Child Nutrition Cluster				<u>859,316</u>	<u>718,730</u>	<u>1,578,046</u>
Total - Department of Agriculture				<u>859,316</u>	<u>718,730</u>	<u>1,578,046</u>
<u>Department of the Treasury</u>						
COVID-19 Coronavirus Relief Fund	Direct	21.019	FY2021, FY2022	-	5,786	5,786
Coronavirus Relief Fund						
Total - COVID-19 Coronavirus Relief Fund				<u>-</u>	<u>5,786</u>	<u>5,786</u>
Total - Department of the Treasury				<u>-</u>	<u>5,786</u>	<u>5,786</u>
<u>Department of Education</u>						
Special Education Cluster(IDEA)						
Special Education Grants to States	Indiana Department of Education	84.027	18611-045-PN01	3,590	-	3,590
Special Ed-Part B		84.027	19611-045-PN01	74,890	1,012	75,902
Special Education Grants to States		84.027	20611-045-PN01	300,931	84,950	385,881
Special Education Grants to States		84.027	21611-043-PN01	-	29,654	29,654
Total - Special Education Grants to States				<u>379,411</u>	<u>115,616</u>	<u>495,027</u>
Special Ed Preschool						
Special Ed Preschool	Indiana Department of Education	84.173	18619-045-PN01	10,225	-	10,225
Special Ed Preschool		84.173	19619-045-PN01	6,971	-	6,971
Special Ed Preschool		84.173	20619-045-PN01	-	3,493	3,493
Special Ed Preschool		84.173	21619-043-PN01	-	9,627	9,627
Total - Special Education Preschool Grants				<u>17,196</u>	<u>13,120</u>	<u>30,316</u>
Total - Special Education Cluster(IDEA)				<u>396,607</u>	<u>128,736</u>	<u>525,343</u>

(Continued)

RIVER FOREST COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period July 1, 2019 through June 30, 2021

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 06-30-20	Total Federal Awards Expended 06-30-21	Total Federal Awards Expended 07-01-2019 to 06-30-21
Title I Grants to Local Education Agencies						
Indiana Department of Education						
Title I, Part A		84.010	18-4590	\$ 240,185	\$ -	\$ 240,185
Title I, Part A		84.010	S010A180014	112,353	-	112,353
Title I, Part A		84.010	S010A190014	-	403,144	403,144
Title I, Part A		84.010	S010A200014	-	171,577	171,577
Total - Title I Grants to Local Educational Agencies				<u>352,538</u>	<u>574,721</u>	<u>927,259</u>
English Language Acquisition State Grants						
Indiana Department of Education						
Title III Part A		84.365	01119-047-PN01	-	9,166	9,166
Total - English Language Acquisition State Grants				<u>-</u>	<u>9,166</u>	<u>9,166</u>
Title II Supporting Effective Instruction State Grants						
Indiana Department of Education						
Title II, Part A		84.367	S367A180013	51,841	14,988	66,829
Title II, Part A		84.367	S367A190013	-	68,296	68,296
Title II, Part A		84.367	S367A200013	-	18,022	18,022
Total - Title II Supporting Effective Instruction State Grants				<u>51,841</u>	<u>101,306</u>	<u>153,147</u>
Title IV Student Support and Academic Enrichment Program						
Indiana Department of Education						
Title IV Part A		84.424	S424A180015	8,391	-	8,391
Total - Title IV Student Support and Academic Enrichment Program				<u>8,391</u>	<u>-</u>	<u>8,391</u>
Total - Department of Education				<u>809,377</u>	<u>813,929</u>	<u>1,623,306</u>
<u>Department of Health and Human Services</u>						
Indiana Department of Education						
Medicaid Cluster						
Medical Assistance Program		93.778	FY2021, FY2022	-	4,081	4,081
Total - Department of Health and Human Services				<u>-</u>	<u>4,081</u>	<u>4,081</u>
Total federal awards expended				<u>\$ 1,668,693</u>	<u>\$ 1,542,526</u>	<u>\$ 3,211,219</u>

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

RIVER FOREST COMMUNITY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period of July 1, 2019 to June 30, 2021

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, 2019 to June 30, 2021. 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 (ALN: 84.027, 84.173)

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

NOTE 4 - OTHER INFORMATION

The School Corporation did not have any subrecipient activity for the period July 1, 2019 to June 30, 2021.

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
River Forest Community School Corporation
Lake 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 River Forest Community School Corporation ("School Corporation"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School Corporation as of June 30, 2021 and for the period July 1, 2019 to June 30, 2021 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 14, 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 2021-001 and 2021-002 that we consider to be material weaknesses.

(Continued)

Compliance and Other Matters

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

School Corporation's Response to Findings

The School Corporation's response to the findings identified in our audit are 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 statements 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
Crowe LLP

Indianapolis, Indiana
March 14, 2023

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

Those Charged with Governance
River Forest Community School Corporation
Lake County, Indiana

Report on Compliance for Each Major Federal Program

We have audited River Forest Community School Corporation (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 the School Corporation's major federal programs for the period July 1, 2019 to June 30, 2021. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period July 1, 2019 to June 30, 2021.

(Continued)

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2021-004. Our opinion on each major federal program is not modified with respect to this matter.

The School Corporation's response to the noncompliance findings identified in our audit are 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 compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of School Corporation's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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 combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2021-003, 2021-004, 2021-005, and 2021-009 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2021-006, 2021-007, and 2021-008 to be significant deficiencies.

The School Corporation's response to the internal control over compliance findings identified in our audit are 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 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 14, 2023

RIVER FOREST COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 June 30, 2021

Section I – Summary of Auditor’s Results

Financial Statement

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

Federal Awards

Internal control over major programs			
Material weakness(es) identified?	<u> X </u>	Yes	_____ No
Significant deficiencies identified not considered to be material weaknesses?	<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

Identification of major programs

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.559	Child Nutrition Cluster
84.010	Title I Grants to Local Educational Agencies

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)

RIVER FOREST COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2021

Section II – Financial Statement Findings

Finding 2021-001

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

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

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

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

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

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

2 CFR 200.508 states in part:

"The auditee must: . . .

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

2 CFR 200.510(b) states:

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

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

(Continued)

RIVER FOREST COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2021

Section II – Financial Statement Findings (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. There was no documented, formal review of the FY20 SEFA before it was submitted to Gateway. The FY21 SEFA was formally reviewed before the submission to Gateway.

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

Identification as a repeat finding, if applicable: No.

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

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

FINDING 2021-002

Subject: Financial Transactions
Audit Findings: Material Weakness

Criteria

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

(Continued)

RIVER FOREST COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2021

Section II – Financial Statement Findings (Continued)

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

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

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

- Accurate and timely recording of transactions . . ."

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

Condition

There were several deficiencies in the internal control system of the School Corporation related to financial transactions. The School Corporation had not separated incompatible activities related to cash and investments, receipts, and payroll disbursements. Control activities should have been in place to reduce the risks of errors in financial reporting.

Cash and Investments

The School Corporation could not provide a bank reconciliation as of June 30, 2021, at the onset of the audit, as it was not yet completed. The internal control procedure in place for cash and investments was not effective, as the bank reconciliations were not completed timely.

Receipts

One employee posted receipts to the ledger, prepared deposits, took the deposits to the bank, reconciled the bank accounts, and was able to issue receipts. There was no segregation of duties, such as an oversight, review, or approval process. Furthermore, the posting of receipts to the proper fund was not reviewed with the bank reconciliation for the majority of the audit period. However, since the banks were not reconciled timely as of June 30, 2021, the posting of the receipts to the proper fund was not reviewed timely.

Payroll Disbursements

The School Board and Treasurer reviewed the payroll deductions and gross payroll, however, the report that was approved did not list the employees individually by fund. Therefore, it could not be determined that a control was in place to ensure that individual employees were paid the proper rates or from the proper funds.

Cause: Management had not established a fully designed and implemented system of internal control.

(Continued)

RIVER FOREST COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2021

Section II – Financial Statement Findings (Continued)

Context: During the audit period, there was a lack of internal controls in place over cash and investments, receipts, and payroll disbursements as noted in the condition section.

Identification as a repeat finding, if applicable: This is a repeat finding from the immediately prior audit. The prior audit finding number was 2019-001.

Recommendation: We recommend that the School Corporation establish a proper internal control system over cash and investments, receipts, and payroll disbursements.

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

(Continued)

RIVER FOREST COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2021

Section III – Federal Award Findings and Questioned Costs

Finding 2021-003

Information on the federal program:

Subject: Child Nutrition Cluster - Internal Controls
Federal Agency: Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program
Assistance Listing Number: 10.553, 10.555, 10.559
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Cash Management
Audit Finding: Material Weakness

Criteria: 2 CFR section 200.303 states in part: "The non-Federal entity must:

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

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

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

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

Questioned Costs: There were no questioned costs identified.

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

Identification as a repeat finding, if applicable: No.

Recommendation: We recommend that the School Corporation establish a documented, secondary review of the reimbursement claims before they are submitted.

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

(Continued)

RIVER FOREST COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2021

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

FINDING 2021-004

Information on the federal program:

Subject: Child Nutrition Cluster – Program Income
Federal Agency: Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program
Assistance Listing Number: 10.553, 10.555, 10.559
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Program Income
Audit Finding: Material Weakness, Other Matters, Noncompliance

Criteria: 2 CFR section 200.303 states in part: "The non-Federal entity must:

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

7 CFR 210.14(f)(3) states: "All revenue from the sale of nonprogram foods shall accrue to the nonprofit school food service account of a participating school food authority."

Clearing Account Number 8400 - Prepaid Food has been established to account for prepaid food. The collections are to be receipted to 8410 with 8420 representing the transfers out of the clearing account and recognition in the appropriate revenue classifications (1611 to 1614 series) in the School Lunch Fund. The transfer should be made periodically and at the end of each month to appropriately classify meals (breakfast, lunch, etc.) when known (charged by student). (The School Administrator and Uniform Compliance Guidelines, Volume 183)

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

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

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

Questioned Costs: There were no questioned costs identified.

(Continued)

RIVER FOREST COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2021

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

Context: Program income for prepaid meals and a la carte meals sales are receipted in to the prepaid school lunch fund. On a monthly basis, the School Corporation is required to transfer the funds received for meals sold out of the prepaid accounts to the school lunch fund to recognize program income received. During the audit period, we noted the monthly transfer to recognized program income was not made between the months of March 2020 and November 2020. As of June 30, 2021, the missing transfers were not made. Additionally, the January and February 2021 transfers were not made until April 2021.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommend that the School Corporation establish a formal review process to ensure that the required monthly transfers are made to recognize program income. Additionally, we recommend the School Corporation make a transfer to recognize any program income that was not previously recognized.

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

FINDING 2021-005

Information on the federal program:

Subject: Child Nutrition Cluster - Internal Controls
Federal Agency: Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program
Assistance Listing Number: 10.553, 10.555, 10.559
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Activities Allowed or Unallowed, Allowable Costs/Cost Principles
Audit Finding: Material Weakness

Criteria: 2 CFR section 200.303 states in part: "The non-Federal entity must:

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

Condition: An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the activities allowed or unallowed and allowable costs/cost principle compliance requirements.

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

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

(Continued)

RIVER FOREST COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2021

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

Questioned Costs: There were no questioned costs identified.

Context: We noted that there was no secondary, documented review of the child nutrition cluster accounts payable vouchers. The vouchers were prepared by one individual without a documented review of the vouchers and underlying support.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommend that the School Corporation establish a documented, secondary review of all child nutrition cluster account payable claims before they are paid.

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

Finding 2021-006

Information on the federal program:

Subject: Title I Grants to Local Educational Agencies - Internal Controls
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
Assistance Listing Number: 84.010
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Finding: Significant Deficiency

Criteria: 2 CFR section 200.303 states in part: "The non-Federal entity must:

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

2 CFR 200.302(b) states in part:

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

2 CFR 200.302(b) states in part:

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

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

34 CFR 76.722 states:

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

(Continued)

RIVER FOREST COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2021

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

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

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

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

Questioned Costs: There were no questioned costs identified.

Context: During the audit period, there were two final expenditures reports required to be submitted. For the 2019-2020 final expenditure report selected for testing, there was no documented, secondary review of the report.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommend that the School Corporation establish a documented, secondary review of the final expenditure reports before they are submitted.

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

Finding 2021-007

Information on the federal program:

Subject: Title I Grants to Local Educational Agencies - Internal Controls
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
Assistance Listing Number: 84.010
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Earmarking
Audit Finding: Significant Deficiency

Criteria: 2 CFR section 200.303 states in part: "The non-Federal entity must:

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

(Continued)

RIVER FOREST COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2021

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

20 USC 6318(a)(3) states in part:

"(A) In general - Each local educational agency shall reserve at least 1 percent of its allocation under subpart 2 to assist schools to carry out the activities described in this section, except that this subparagraph shall not apply if 1 percent of such agency's allocation under subpart 2 for the fiscal year for which the determination is made is \$5,000 or less. Nothing in this subparagraph shall be construed to limit local educational agencies from reserving more than 1 percent of its allocation under subpart 2 to assist schools to carry out activities described in this section. . . .

(D) Use of Funds - Funds reserved under subparagraph (A) by a local educational agency shall be used to carry out activities and strategies consistent with the local educational agency's parent and family engagement policy, including not less than 1 of the following:

(i) Supporting schools and nonprofit organizations in providing professional development for local educational agency and school personnel regarding parent and family engagement strategies, which may be provided jointly to teachers, principals, other school leaders, specialized instructional support personnel, paraprofessionals, early childhood educators, and parents and family members.

(ii) Supporting programs that reach parents and family members at home, in the community, and at school.

(iii) Disseminating information on best practices focused on parent and family engagement, especially best practices for increasing the engagement of economically disadvantaged parents and family members.

(iv) Collaborating, or providing subgrants to schools to enable such schools to collaborate, with community-based or other organizations or employers with a record of success in improving and increasing parent and family engagement.

(v) Engaging in any other activities and strategies that the local educational agency determines are appropriate and consistent with such agency's parent and family engagement policy."

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

Cause: The School Corporation's management had not developed a system of internal controls to ensure compliance with the compliance requirements listed above. The School Corporation had no process in place to monitor the progress of the earmarking requirement.

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

Questioned Costs: There were no questioned costs identified.

Context: During the audit period, the earmarking requirement for Parental Involvement was not met for the fiscal year 2019-2020 Title I grant, which ended during the audit period. There was \$2,122 disbursed for parental involvement for the 2019-2020 grant. However, per the Title I application, the School Corporation was required to disburse \$6,011 for parental involvement for 2019-2020 grant. The earmarking requirement was properly met for the 2018-2019 Title I grant which ended during the audit period.

(Continued)

RIVER FOREST COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2021

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

Identification as a repeat finding, if applicable: This is a repeat finding from the immediately prior audit. The prior finding number was 2019-009.

Recommendation: We recommend that the School Corporation establish a formal process to ensure the School Corporation meets the earmarking requirement.

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

FINDING 2021-008

Information on the federal program:

Subject: Title I Grants to Local Educational Agencies - Special Tests and Provisions - Assessment System Security
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
Assistance Listing Number: 84.010
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Assessment System Security
Audit Finding: Significant Deficiency

Criteria: 2 CFR section 200.303 states in part: "The non-Federal entity must:

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

Condition: An effective internal control system, which would include segregation of duties, was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Assessment system Security compliance requirement.

Cause: The School Corporation's management had not developed a system of internal controls that segregated key functions related to the Special Tests and Provisions - Assessment System Security compliance requirement.

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

Questioned Costs: There were no questioned costs identified.

Context: The Corporation Test Coordinator did not have a control in place to ensure that all School Corporation staff that were required to take the training had done so. The lack of controls was isolated to the 2019-2020 school year.

(Continued)

RIVER FOREST COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2021

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

Identification as a repeat finding, if applicable: This is a repeat finding from the immediately prior audit. The prior finding number was 2019-010.

Recommendation: We recommended that the School Corporation's management establish a system of internal controls, including segregation of duties, related to the grant agreement and the Special Tests and Provisions - Assessment System Security compliance requirement.

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

FINDING 2021-009

Information on the federal program:

Subject: Title I Grants to Local Educational Agencies - Internal Controls
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
Assistance Listing Number: 84.010
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Activities Allowed or Unallowed, Allowable Costs/Cost Principles
Audit Finding: Material Weakness

Criteria: 2 CFR section 200.303 states in part: "The non-Federal entity must:

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

Condition: An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the activities allowed or unallowed and allowable costs/cost principle compliance requirements.

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

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

Questioned Costs: There were no questioned costs identified.

Context: We noted that there was no secondary, documented review of the Title I Grants to Local Educational Agencies accounts payable vouchers. The vouchers were prepared by one individual without a documented review of the vouchers and underlying support.

(Continued)

RIVER FOREST COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2021

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

Identification as a repeat finding, if applicable: No.

Recommendation: We recommend that the School Corporation establish a documented, secondary review of all child nutrition cluster account payable claims before they are paid.

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



River Forest Community School Corporation

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Business Office

CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

June 30, 2021

Finding 2021-001 – Preparation of the Schedule of Expenditures of Federal Awards

Contact Person Responsible for Corrective Action: Samantha Berrier
Contact Phone Number: 219.962.2909

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: A proper system of internal controls including oversight and segregation of duties will be established.

Anticipated Completion Date: July 1, 2021

Finding 2021-002 – Financial Transactions

Contact Person Responsible for Corrective Action: Samantha Berrier
Contact Phone Number: 219.962.2909

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

A proper system of internal controls including oversight and segregation of duties will be established for cash and investments, receipts and payroll disbursements. Bank reconciliations will be performed on a monthly basis.

Proper payroll disbursement reports that include employees individually and by fund will be generated and reviewed to ensure employees are paid the proper rate and from the proper fund.

Anticipated Completion Date: July 01, 2021

Finding 2021-003 – Child Nutrition Cluster – Cash Management

Contact Person Responsible for Corrective Action: Nicholas Alessandri
Contact Phone Number: 219.962.7551

Views of Responsible Official: We concur with the finding.



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Description of Corrective Action Plan: A proper system of internal controls including oversight and segregation of duties will be established. This system of internal controls will ensure that claims for reimbursement have a documented secondary review.

Anticipated Completion Date: July 1, 2021

Finding 2021-004 – Child Nutrition Cluster – Program Income

Contact Person Responsible for Corrective Action: Samantha Berrier

Contact Phone Number: 219.962.2909

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: A proper system of internal controls including oversight and segregation of duties will be established. This system of internal controls will ensure that transfers from the clearing account into the School Lunch Fund are made after the end of each month to appropriately classify income.

Anticipated Completion Date: July 1, 2021

Finding 2021-005 – Child Nutrition Cluster – Activities Allowed or Unallowed, Allowable Costs/Cost Principles

Contact Person Responsible for Corrective Action: Samantha Berrier

Contact Phone Number: 219.962.2909

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: A proper system of internal controls including oversight and segregation of duties will be established.

Anticipated Completion Date: July 1, 2021

Finding 2021-006 – Title I Grants to Local Educational Agencies - Reporting

Contact Person Responsible for Corrective Action: Samantha Berrier

Contact Phone Number: 219.962.2909

Views of Responsible Official: We concur with the finding.



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Description of Corrective Action Plan: A proper system of internal controls including oversight and segregation of duties will be established. Final expenditure reports will be reviewed by a second knowledgeable official other than the preparer of the report.

Anticipated Completion Date: July 1, 2021

Finding 2021-007 – Title I Grants to Local Educational Agencies – Earmarking

Contact Person Responsible for Corrective Action: Sandra Hillan
Contact Phone Number: 219.962.2909

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: A proper system of internal controls including oversight and segregation of duties will be established. This system of internal controls will ensure that parental involvement funds are disbursed along with all other earmarking requirements.

Anticipated Completion Date: June 30, 2019

Finding 2021-008 – Title I Grants to Local Educational Agencies – Special Tests and Provisions - Assessment System Security

Contact Person Responsible for Corrective Action: Ryan Pitcock
Contact Phone Number: 219.962.2909

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: A proper system of internal controls including oversight and segregation of duties will be established. This system will include a secondary review to ensure all staff training has been conducted.

Anticipated Completion Date: July 1, 2021

Finding 2021-009 – Title I Grants to Local Educational Agencies – Activities Allowed or Unallowed, Allowable Costs/Cost Principles

Contact Person Responsible for Corrective Action: Samantha Berrier
Contact Phone Number: 219.962.2909

Views of Responsible Official: We concur with the finding.



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Description of Corrective Action Plan: A proper system of internal controls including oversight and segregation of duties will be established.

Anticipated Completion Date: July 1, 2021



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Business Office

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2019-001

Subject: Financial Transactions

Audit Findings: Material Weakness, Noncompliance

Condition and Context

There were several deficiencies in the internal control system of the School Corporation related to financial transactions. The School Corporation had not separated incompatible activities related to cash and investments, receipts, and payroll disbursements. Control activities should have been in place to reduce the risks of errors in financial reporting.

Cash and Investments

The School Corporation could not provide a bank reconciliation as of June 30, 2019, at the onset of the audit, as it was not yet completed. The internal control procedure in place for cash and investments was not effective, as the bank reconciliations were not completed timely.

Receipts

One employee posted receipts to the ledger, prepared deposits, took the deposits to the bank, reconciled the bank accounts, and was able to issue receipts. There was no segregation of duties, such as an oversight, review, or approval process. Furthermore, the posting of receipts to the proper fund was reviewed with the bank reconciliation for the majority of the audit period. However, since the banks were not reconciled timely as of June 30, 2019, the posting of the receipts to the proper fund was not reviewed timely.

Payroll Disbursements

The School Board and Treasurer reviewed the payroll deductions and gross payroll, however, the report that was approved did not list the employees individually by fund. Therefore, it could not be determined that a control was in place to ensure that employees were paid the proper rates or from the proper funds.

Status: Not resolved, see finding 2021-002.

FINDING 2019-002

Subject: Preparation of the Schedule of Expenditures of Federal Awards

Audit Findings: Material Weakness, Noncompliance

Condition and Context

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

The School Corporation failed to properly review the federal grant information prepared and submitted in the Indiana Gateway for Government Units financial reporting system, which was the source of the SEFA.



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Business Office

An oversight or review process had been put in place; however, the control was not effective as evidenced by material errors noted in the SEFA.

Status: Not resolved, see finding 2021-001.

FINDING 2019-003

Subject: Child Nutrition Cluster - Allowable Costs/Cost Principles
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children
CFDA Numbers: 10.553, 10.555, 10.559
Federal Award Numbers and Years (or Other Identifying Numbers): FY 17-18, FY18-19
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Allowable Costs/Cost Principles
Audit Findings: Material Weakness, Other Matters

Condition and Context:

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

The Food Service Director reviewed and approved the food service employees' hours worked prior to the Deputy Treasurer processing payroll costs. However, a review or oversight process was not established to ensure that allowable costs principles were followed, and to ensure the accuracy of the amount charged to the School Lunch fund.

The School Corporation employed playground aides that supervised children in the lunchroom as well as the playground. In March of 2016, the School Corporation split the salary of the playground aides; 80 percent to the School Lunch fund and 20 percent charged to the General fund. There was no supporting documentation for how the School Corporation determined the percentages for these employees. The employees' timesheets did not indicate the actual time spent in the lunch room for 8 of 40 payroll disbursements tested. The School Corporation did not maintain supporting documentation for the rate of pay for the playground aides in 10 of the 40 payroll disbursements tested.

A custodian's time record did not properly support the amount of payroll paid from the School Lunch fund in 3 of the 40 payroll disbursements tested.

In addition, there was one instance in which an employee was paid the incorrect rate, which resulted in an underpayment to the employee.

These errors resulted in known questioned costs of \$3,741.

The lack of controls and the noncompliance were systemic issues throughout the audit period.

Status: Resolved, controls were implemented.

FINDING 2019-004

Subject: Child Nutrition Cluster - Internal Controls



River Forest Community School Corporation

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Business Office

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program,

Summer Food Service Program for Children

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 17-18, FY 18-19

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Activities Allowed or Unallowed, Cash Management, Special Tests and

Provisions - Verification of Free and Reduced Price Applications (NSLP),

Special Tests and Provisions - School Food Accounts

Audit Finding: Material Weakness

Condition and Context:

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

Activities Allowed or Unallowed:

The Food Service Director reviewed and approved the food service employees' hours worked prior to the Deputy Treasurer processing payroll costs. However, a review or oversight process was not established to ensure that only those food service employees' payroll approved by the Food Service Director were recorded in the School Lunch fund.

Cash Management:

The School Corporation had not established procedures to monitor the School Lunch fund monthly cash balances to ensure that they were limited to three months average expenditures. A review process was not established to document the monitoring of the cash balances.

Special Tests and Provisions - Verification of Free and Reduced Applications (NSLP) (School Breakfast Program and National School Lunch Program only)

There was no documentation that an oversight or review process had been established to ensure accuracy of the verifications performed.

Special Tests and Provisions - School Food Accounts (School Breakfast Program and National School Lunch Program only)

A school food account had been established for the School Corporation; however, an oversight or review process of the amounts expended in the school food account had not been established.

The lack of controls was a systemic issue throughout the audit period for Activities Allowed or Unallowed, Cash Management, and Special Tests and Provisions - School Food Accounts. The lack of controls over Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) was isolated to fiscal year 2018-2019.

Status: Resolved, controls were implemented.

FINDING 2019-005:



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Subject: Child Nutrition Cluster - Procurement

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 17-18, FY 18-19

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Other Matters

Condition and Context:

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the procurement requirements of the Procurement and Suspension and Debarment compliance requirement.

The School Corporation did not always obtain price or rate quotes for purchases of goods or services exceeding the small purchase threshold from an adequate number of sources. The School Corporation also did not document the rationale for the method of procurement, especially when a noncompetitive proposal method was used.

The lack of controls and noncompliance were systemic issues throughout the audit period. Purchases from six of the seven vendors tested were not in compliance with the small purchase guidelines.

Status: Resolved, controls were implemented.

FINDING 2019-006

Subject: Title I Grants to Local Educational Agencies - Internal Controls

Federal Agency: Department of Education

Federal Program: Title I Grant to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): 17-4590, 18-4590, 19-4590,
S010A170014

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Activities Allowed or Unallowed, Reporting

Audit Finding: Material Weakness

Condition and Context:

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

Activities Allowed or Unallowed:

A proper system of oversight or review was not established to ensure that the payroll disbursements recorded in the grant funds were only for allowable activities.

Reporting:



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The Indiana Department of Education (State) used the Form 9 financial reports submitted by the School Corporation to determine if they met the required maintenance of effort and in the State's submission of the average State per pupil expenditure data submitted to the National Center for Education Statistics. These reports were comprised of the School Corporation's transactions recorded during the audit period.

Controls were not in place to ensure that expenditures were recorded properly by fund, account, and object code.

The lack of controls was a systemic issue throughout the audit period.

Status: Partially Resolved, controls were implemented over reporting. Activities Allowed or Unallowed was not resolved, see finding 2021-009.

FINDING 2019-007

Subject: Title I Grants to Local Educational Agencies - Allowable Costs/Cost Principles

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): 17-4590, 18-4590, 19-4590, S010A170014

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Other Matters

Condition and Context:

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

A proper system of oversight or review was not established to ensure that the payroll disbursements recorded in the grant funds were for allowable costs per the grant budget and agreement.

Disbursements were charged to the school improvement portion of the Title I Grants to Local Educational Agencies grant fund that were not in compliance with the Allowable Costs/Cost Principles compliance requirement. Stipends were paid out of the grant fund for personnel who attended training; however, these types of expenditures were not included in the school improvement grant budget submitted and approved by the pass-through agency. These disbursements totaled \$11,220 and were considered questioned costs.

The lack of controls was a systemic issue throughout the audit period. The noncompliance was isolated to the questioned costs described above.

Status: Resolved, controls were implemented.

FINDING 2019-008

Subject: Title I Grants to Local Educational Agencies - Eligibility

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010



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Federal Award Numbers and Years (or Other Identifying Numbers): 17-4590, 18-4590, 19-4590, S010A170014

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Eligibility

Audit Findings: Material Weakness, Other Matters

Condition and Context:

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

Eligibility for Title I was determined on the Eligible School Summary of the Title I application. The Indiana Department of Education prepopulated the School Corporation's enrollment and poverty numbers based upon Real Time (RT) data reports that are updated weekly by the School Corporation.

The RT reports for fiscal years 2016-2017 and 2017-2018 were tested to determine if the School Corporation's enrollment and poverty figures were accurate for 2017-2018 and 2018-2019 Title I applications, respectively. Testing determined that the poverty (socioeconomic) status was incorrectly reported for students in 2016-2017 and 2017-2018 based upon comparison to the School Corporation's school nutrition records. Four students were erroneously reported as paid and one student as reduced, but according to school nutrition records their poverty status was free. The School Corporation was not in compliance with the eligibility requirement.

The lack of controls and noncompliance were systemic issues throughout the audit period.

Status: Resolved, controls were implemented.

FINDING 2019-009

Subject: Title I Grants to Local Educational Agencies - Earmarking

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): 17-4590, 18-4590, 19-4590

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Matching, Level of Effort, Earmarking

Audit Findings: Material Weakness, Other Matters

Condition and Context:

The School Corporation had not established an effective internal control system related to the grant agreement and the level of effort and earmarking requirements of the Matching, Level of Effort, Earmarking compliance requirement.

Level of Effort - Maintenance of Effort and Reporting

The Indiana Department of Education (State) used the Form 9 financial reports submitted by the School Corporation to determine if they met the required maintenance of effort and in the State's submission of the average State per pupil expenditure data submitted to the National Center for Education Statistics. These reports were comprised of the School Corporation's transactions recorded during the audit period.



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Controls were not in place to ensure that expenditures were recorded properly by fund, account, and object code.

Earmarking

The School Corporation did not have internal controls in place to ensure that expenditures set aside for Parental Involvement as part of the grant application were disbursed.

Earmarking requirements for Parental Involvement were not met for the fiscal year 2016-2017 and 2017-2018 Title I grants, which ended during the audit period. There was \$538 and \$1,695 disbursed for 2016-2017 and 2017-2018 grants, respectively. However, per the Title I applications, the School Corporation was required to disburse \$5,294 for 2016-2017 grant and \$6,138 for 2017-2018 grant.

The lack of controls related to the level of effort and earmarking requirements and the noncompliance related to the earmarking requirements were systemic issues throughout the audit period.

Status: Not resolved, see finding 2021-007.

FINDING 2019-010

Subject: Title I Grants to Local Educational Agencies - Special Tests and Provisions - Assessment System Security

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): 17-4590, 18-4590, 19-4590, S010A170014

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Assessment System Security

Audit Findings: Material Weakness, Modified Opinion

Condition and Context:

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Assessment System Security compliance requirement.

The School Corporation's procedures related to oversight and review of the process of implementing required assessment system security was not effective. Supporting documentation was not consistently maintained for the test administrators who received the required education and the testing policies at the school building level. The sign in sheets for Meister Elementary School, River Forest Middle School, and River Forest High School were not maintained for fiscal year 2017-2018.

The School Corporation was required to properly implement policies and procedures regarding the security of tests. The School Corporation did not maintain the Indiana Testing Security and Integrity Agreements (Agreements) for Meister Elementary School for any individual who administered, handled, or had access to secure test materials at the school level for the audit period. Therefore, we were not able to determine whether the Agreements were reviewed and signed.



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Status: Not resolved, see finding 2021-008.