



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

April 12, 2023

To: The Officials of the Fremont Community Schools
Fremont Community Schools
1100 W Toledo Street, PO Box 665
Fremont, IN 46737

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

We call your attention to the findings included in the report on pages 39 through 43. Please see the Schedule of Findings and Questioned Costs for complete details related to the finding. Management's Corrective Action Plan appears on pages 44.

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

In addition to the report presented herein, a Supplemental Report for Fremont Community Schools was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

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

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

Tammy R. White, CPA
Deputy State Examiner

FREMONT COMMUNITY SCHOOLS
Steuben County, Indiana

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

FREMONT COMMUNITY SCHOOLS
Steuben County, Indiana

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

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

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Shayne Tresenriter	01-01-18 to 12-31-20
	Shelby Miller	01-01-21 to 06-30-22
Superintendent of Schools	Dr. William Stitt	07-01-20 to 06-30-22
President of the School Board	Gary Baker	01-01-18 to 12-31-20
	Laura McLatcher	01-01-21 to 12-31-21
	Kimberly Bennett	01-01-22 to 12-31-22

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
Fremont Community Schools
Steuben County, Indiana

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

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

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement presents fairly, in all material respects, the cash and investment balances of the School Corporation as of June 30, 2022, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2020 to June 30, 2022 in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the School Corporation as of June 30, 2022, or changes in net position for the period of July 1, 2020 to June 30, 2022.

Basis for Opinions

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

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

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

(Continued)

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

Responsibilities of Management for the Financial Statement

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

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

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

Supplementary Information

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

(Continued)

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

Other Information

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

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

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 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

Indianapolis, Indiana
March 23, 2023

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

Fund	Cash and Investments		Other Financing		Cash and Investments		Other Financing		Cash and Investments	
	07-01-2020	Receipts	Disbursements	Sources (Uses)	06-30-2021	Receipts	Disbursements	Sources (Uses)	06-30-2022	
Education	\$ 3,831,635	\$ 6,456,379	\$ 5,851,191	\$ 5,943	\$ 4,442,766	\$ 7,065,180	\$ 6,103,443	\$ 19,201	\$ 5,423,704	
Operating Referendum Tax Levy	3,058,909	2,607,735	1,964,663	-	3,701,981	2,592,524	1,948,153	-	4,346,352	
Debt Service	141,112	1,851,742	1,373,059	-	619,795	1,593,138	1,700,858	27,405	539,480	
Retirement/Severance Bond Debt Service	6,023	(1)	-	-	6,022	-	-	-	6,022	
Operations	4,177,322	3,864,561	3,325,879	14,928	4,730,932	4,021,599	3,153,658	(16,767)	5,582,106	
Local Rainy Day	843,438	1	352,649	-	490,790	-	215,193	-	275,597	
2017 Go Bond	11,867	1	11,243	-	625	-	-	-	625	
2019 Bond	999,505	-	-	-	999,505	-	999,505	-	-	
School Lunch	76,177	491,333	430,021	-	137,489	512,923	462,362	(4,842)	183,208	
Curricular Materials Rental	244,665	98,119	65,031	-	277,753	95,930	114,083	-	259,600	
Educational License Plates	394	56	-	-	450	113	-	-	563	
School Library Printed Material	5,293	-	-	-	5,293	-	-	-	5,293	
Extra-Curricular Activities	42,200	15,900	18,994	-	39,106	25,855	9,624	5,857	61,194	
Formative Assessment	2,040	-	-	-	2,040	11,190	3,308	(8,096)	1,826	
Secured Schools Safety Grant	(7,407)	44,999	47,595	-	(10,003)	15,735	19,407	-	(13,675)	
Non-English Speaking Program	5,029	-	-	-	5,029	-	-	-	5,029	
Career And Technical Performance Grant	3,256	-	-	-	3,256	-	-	-	3,256	
Teacher Apprec Grant 2017	36,069	36,107	-	-	72,176	(46)	-	(72,130)	-	
Teacher Appreciation Grant	-	-	-	-	-	36,887	36,887	-	-	
High Ability Students	-	23,795	24,524	-	(729)	24,495	25,432	-	(1,666)	
State Connectivity Grant	-	5,760	-	-	5,760	5,760	5,760	-	5,760	
Other State	-	1,775	2,081	-	(306)	3,407	3,101	-	-	
Title I 2020-2021	-	71,377	99,323	-	(27,946)	41,132	11,890	(1,296)	-	
Title I 2021-2022	-	-	-	-	-	95,250	107,287	-	(12,037)	
Title I 2017-2018	6,068	-	-	(6,068)	-	-	-	-	-	
Title I 2018-2019	(7,847)	(1)	-	7,848	-	-	-	-	-	
Title I 2019-2020	(7,783)	26,417	11,087	(7,547)	-	-	-	-	-	
Title IV 2019-2020	(9,012)	-	984	-	(9,996)	9,996	-	-	-	
Title IV Yap 2019-2020	-	25,420	25,420	-	-	-	-	-	-	
Head Start Food Service	(10,294)	67,109	79,307	15,811	(6,681)	111,832	131,225	29,181	3,107	
Head Start Cares Act Grant	-	32,376	78,986	-	(46,610)	131,961	85,351	-	-	
Head Start Crrsa	-	-	-	-	-	56,281	56,281	-	-	
Head Start American Rescue Pla	-	-	-	-	-	6,198	12,362	-	(6,164)	
Head Start 19/20	(119,926)	952,412	816,675	(15,811)	-	-	-	-	-	
Head Start 2020/2021	-	977,266	1,114,972	-	(137,706)	898,652	731,130	(29,816)	-	
Head Start 2021-2022	-	-	-	-	-	982,609	1,096,883	(12,181)	(126,455)	
Head Start 2015/2016	(455)	-	-	455	-	-	-	-	-	
Title IV A 2018-2019	(9,936)	9,936	-	-	-	-	-	-	-	
Title II/Pt.A/10-11	30,294	-	-	-	30,294	-	-	(21,589)	8,705	
Title IIA Ffy14 2014-16	28,829	-	-	-	28,829	-	-	(28,829)	-	
Title IIA	(53,701)	32,082	34,982	-	(56,601)	47,576	12,594	21,619	-	

(Continued)

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

Fund	Cash and Investments 07-01-2020	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2021	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2022
ESSER III	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 248,466	\$ 351,789	\$ -	\$ (103,323)
ESSER II	-	122,507	145,901	-	(23,394)	172,615	329,556	-	(180,335)
Covid Paycheck Protection Program	-	73,946	89,127	-	(15,181)	29,590	14,409	-	-
Prepaid School Lunch Accounts	12,476	31,821	28,261	-	16,036	15,287	18,768	4,194	16,749
Federal Withholding Tax	-	535,738	535,738	-	-	537,844	537,844	-	-
Fica/Medi	(59)	513,302	513,330	-	(87)	536,696	536,669	-	(60)
State Tax	4,967	212,181	209,216	-	7,932	221,469	220,704	-	8,697
Cagit	3,251	114,486	112,818	-	4,919	119,442	119,005	-	5,356
TRF	7,474	15,464	15,464	-	7,474	15,199	15,199	-	7,474
Perf	(9)	68,342	68,342	-	(9)	71,703	71,703	-	(9)
Insurance-After Tax	(2,838)	-	-	-	(2,838)	-	-	-	(2,838)
Insurance-Pre Tax 125	(27,768)	604,149	705,650	-	(129,269)	643,199	675,555	124,632	(36,993)
Section 125	9,816	49,132	49,132	-	9,816	54,746	54,698	-	9,864
Ltd	44,439	8,524	-	-	52,963	9,418	-	-	62,381
Afa Insurance	279	30,952	30,933	-	298	39,549	39,515	-	332
Texas Life	1,289	8,097	8,213	-	1,173	13,357	13,391	-	1,139
Annuities	1,687	139,072	139,072	-	1,687	130,315	130,315	-	1,687
Neisic Critical Care Insurance	170	-	-	-	170	-	-	-	170
Insurance Paid By Employee	1,211	-	-	-	1,211	-	-	-	1,211
Child Support/Garn	(5,582)	8,944	8,944	-	(5,582)	8,944	8,944	-	(5,582)
Garnishment Loan	-	5,827	5,676	-	151	9,361	9,512	-	-
Misc Pr Adjustments	(278)	-	-	-	(278)	-	-	-	(278)
Steuben County United Way	-	130	130	-	-	130	130	-	-
Life Insurance	2,048	-	-	-	2,048	-	-	-	2,048
Fringe Benefit	-	1,449	1,449	-	-	1,684	1,684	-	-
Totals	\$ 13,376,337	\$ 20,236,719	\$ 18,396,062	\$ 15,559	\$ 15,232,553	\$ 21,265,191	\$ 20,195,167	\$ 36,543	\$ 16,339,120

See notes to financial statement.

FREMONT COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022, and the Period
of July 1, 2020 to June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

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

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.

(Continued)

FREMONT COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022, and the Period
of July 1, 2020 to June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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:

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

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

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

(Continued)

FREMONT COMMUNITY SCHOOLS
 NOTES TO FINANCIAL STATEMENT
 As of June 30, 2022, and the Period
 of July 1, 2020 to June 30, 2022

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 – RECLASSIFICATION

Certain prior year balances have been reclassified to conform to the current fiscal year presentation. The reclassifications had no effect on total opening cash balances. The payroll clearing fund which was previously reported in the aggregate amount of \$40,097 at June 30, 2020, has been reclassified to the following individual fund balances at July 1, 2020 to reflect the nature of the clearing fund activity as follows:

	Amount
Fica/Medi	\$ (59)
State Tax	4,967
Cagit	3,251
TRF	7,474
Perf	(9)
Insurance-After Tax	(2,838)
Insurance-Pre Tax 125	(27,768)
Section 125	9,816
Ltd	44,439
Afa Insurance	279
Texas Life	1,289
Annuities	1,687
Neisic Critical Care Insurance	170
Insurance Paid By Employee	1,211
Child Support/Garn	(5,582)
Misc Pr Adjustments	(278)
Life Insurance	2,048
	\$ 40,097

NOTE 3 - 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.

(Continued)

FREMONT COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022, and the Period
of July 1, 2020 to June 30, 2022

NOTE 4 - 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 5 - DEPOSITS AND INVESTMENTS

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

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

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

NOTE 6 - 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 7 - CASH BALANCE DEFICITS

The financial statement contains some funds with deficits in cash. This is a result of certain funds being set up for reimbursable grants, but for which reimbursement was not yet received by June 30, 2021, and 2022. Deficits in other fund balances, including the Perf, FICA/Medicare, Insurance-After Tax, Insurance-Pre-Tax, Child Support/Garnishment, and Misc PR Adjustments clearing funds, were the result of disbursements exceeding receipts due to under-estimating current requirements. These deficits are to be prepaid from future receipts.

(Continued)

FREMONT COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022, and the Period
of July 1, 2020 to June 30, 2022

NOTE 8 - HOLDING CORPORATION

The School Corporation has entered into a series of capital leases with the Fremont School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments for the period July 1, 2020 to June 30, 2021 totaled \$248,000. Lease payments for the period July 1, 2021 to June 30, 2022 totaled \$332,000.

NOTE 9 - 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.

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.

(Continued)

FREMONT COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022, and the Period
of July 1, 2020 to June 30, 2022

NOTE 9 - PENSION PLANS (Continued)

Teachers' Retirement Fund

Plan Descriptions

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

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

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

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

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

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

Financial Report

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

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

(Continued)

FREMONT COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022, and the Period
of July 1, 2020 to June 30, 2022

NOTE 9 - PENSION PLANS (Continued)

Contributions

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

Contributions for the defined contribution component of TRF Hybrid are determined by statute and the INPRS Board at 3 percent of covered payroll. The employer may choose to make these contributions on behalf of the member. Under certain limitations, voluntary contributions up to 10 percent can be made solely by the member.

My Choice plan is funded with employer contributions and member contributions. The employer contributions must equal the contribution rate for monthly employer-funded defined benefit components of TRF Hybrid. The amount deposited into the employer contribution subaccount for the member is the normal cost of participation. The variable rate contribution can be no less than 3 percent. Member contributions are determined by statute and the Board at 3 percent of covered payroll. The employer must make these contributions on behalf of the member. Under certain limitations, voluntary contributions up to 10 percent can be made solely by the member.

SUPPLEMENTARY INFORMATION

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

	Education	Operating Referendum Tax Levy	Debt Service	Retirement/Sever ance Bond Debt Service	Operations	Local Rainy Day	2017 Go Bond	2019 Bond	School Lunch	Curricular Materials Rental	Educational License Plates
Cash and investments - beginning	\$ 3,831,635	\$ 3,058,909	\$ 141,112	\$ 6,023	\$ 4,177,322	\$ 843,438	\$ 11,867	\$ 999,505	\$ 76,177	\$ 244,665	\$ 394
Receipts:											
Local sources	38,213	2,607,735	1,851,742	(1)	3,864,393	1	1	-	54,704	66,892	-
Intermediate sources	84	-	-	-	-	-	-	-	-	-	56
State sources	6,418,082	-	-	-	-	-	-	-	165,038	31,227	-
Federal sources	-	-	-	-	-	-	-	-	271,583	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	168	-	-	-	8	-	-
Total receipts	6,456,379	2,607,735	1,851,742	(1)	3,864,561	1	1	-	491,333	98,119	56
Disbursements:											
Instruction	4,404,400	1,522,085	-	-	-	-	-	-	-	-	-
Support services	1,304,365	442,578	(88,749)	-	2,028,638	352,649	11,243	-	-	65,031	-
Noninstructional services	142,426	-	-	-	-	-	-	-	427,888	-	-
Facilities acquisition and construction	-	-	-	-	1,297,241	-	-	-	2,133	-	-
Debt services	-	-	1,461,808	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	5,851,191	1,964,663	1,373,059	-	3,325,879	352,649	11,243	-	430,021	65,031	-
Excess (deficiency) of receipts over disbursements	605,188	643,072	478,683	(1)	538,682	(352,648)	(11,242)	-	61,312	33,088	56
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	176	-	-	-	14,928	-	-	-	-	-	-
Transfers in	13,615	-	-	-	-	-	-	-	-	-	-
Transfers out	(7,848)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	5,943	-	-	-	14,928	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	611,131	643,072	478,683	(1)	553,610	(352,648)	(11,242)	-	61,312	33,088	56
Cash and investments - ending	\$ 4,442,766	\$ 3,701,981	\$ 619,795	\$ 6,022	\$ 4,730,932	\$ 490,790	\$ 625	\$ 999,505	\$ 137,489	\$ 277,753	\$ 450

(Continued)

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

	School Library Printed Material	Extra-Curricular Activities	Formative Assessment	Secured Schools Safety Grant	Non-English Speaking Program	Career And Technical Performance Grant	Teacher Apprec Grant 2017	Teacher Appreciation Grant	High Ability Students	State Connectivity Grant	Other State
Cash and investments - beginning	\$ 5,293	\$ 42,200	\$ 2,040	\$ (7,407)	\$ 5,029	\$ 3,256	\$ 36,069	\$ -	\$ -	\$ -	\$ -
Receipts:											
Local sources	-	15,900	-	-	-	-	-	-	-	-	1,775
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	44,999	-	-	36,107	-	23,795	5,760	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	15,900	-	44,999	-	-	36,107	-	23,795	5,760	1,775
Disbursements:											
Instruction	-	11,562	-	47,595	-	-	-	-	24,524	-	2,081
Support services	-	7,157	-	-	-	-	-	-	-	-	-
Noninstructional services	-	275	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	18,994	-	47,595	-	-	-	-	24,524	-	2,081
Excess (deficiency) of receipts over disbursements	-	(3,094)	-	(2,596)	-	-	36,107	-	(729)	5,760	(306)
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	-	(3,094)	-	(2,596)	-	-	36,107	-	(729)	5,760	(306)
Cash and investments - ending	\$ 5,293	\$ 39,106	\$ 2,040	\$ (10,003)	\$ 5,029	\$ 3,256	\$ 72,176	\$ -	\$ (729)	\$ 5,760	\$ (306)

(Continued)

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

	Title I 2020-2021	Title I 2021-2022	Title I 2017-2018	Title I 2018-2019	Title I 2019-2020	Title IV 2019-2020	Title IV Yap 2019-2020	Head Start Food Service	Head Start Cares Act Grant	Head Start Crrsa	Head Start American Rescue Pla
Cash and investments - beginning	\$ -	\$ -	\$ 6,068	\$ (7,847)	\$ (7,783)	\$ (9,012)	\$ -	\$ (10,294)	\$ -	\$ -	\$ -
Receipts:											
Local sources	-	-	-	(1)	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	71,377	-	-	-	26,417	-	25,420	67,109	32,376	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	71,377	-	-	(1)	26,417	-	25,420	67,109	32,376	-	-
Disbursements:											
Instruction	96,423	-	-	-	11,087	984	25,420	79,307	78,986	-	-
Support services	2,900	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	99,323	-	-	-	11,087	984	25,420	79,307	78,986	-	-
Excess (deficiency) of receipts over disbursements	(27,946)	-	-	(1)	15,330	(984)	-	(12,198)	(46,610)	-	-
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	7,848	-	-	-	15,811	-	-	-
Transfers out	-	-	(6,068)	-	(7,547)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(6,068)	7,848	(7,547)	-	-	15,811	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(27,946)	-	(6,068)	7,847	7,783	(984)	-	3,613	(46,610)	-	-
Cash and investments - ending	\$ (27,946)	\$ -	\$ -	\$ -	\$ -	\$ (9,996)	\$ -	\$ (6,681)	\$ (46,610)	\$ -	\$ -

(Continued)

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

	Head Start 19/20	Head Start 2020/2021	Head Start 2021- 2022	Head Start 2015/2016	Title IV A 2018- 2019	Title II/Pt.A/10- 11	Title IIA Ffy14 2014-16	Title IIA	ESSER III	ESSER II	Covid Paycheck Protection Program
Cash and investments - beginning	\$ (119,926)	\$ -	\$ -	\$ (455)	\$ (9,936)	\$ 30,294	\$ 28,829	\$ (53,701)	\$ -	\$ -	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	952,412	977,266	-	-	9,936	-	-	32,082	-	122,507	73,946
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	952,412	977,266	-	-	9,936	-	-	32,082	-	122,507	73,946
Disbursements:											
Instruction	801,094	1,084,650	-	-	-	-	-	34,982	-	125,674	57,234
Support services	14,569	28,527	-	-	-	-	-	-	-	16,028	31,893
Noninstructional services	1,012	1,795	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	4,199	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	816,675	1,114,972	-	-	-	-	-	34,982	-	145,901	89,127
Excess (deficiency) of receipts over disbursements	135,737	(137,706)	-	-	9,936	-	-	(2,900)	-	(23,394)	(15,181)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	455	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	(15,811)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(15,811)	-	-	455	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	119,926	(137,706)	-	455	9,936	-	-	(2,900)	-	(23,394)	(15,181)
Cash and investments - ending	\$ -	\$ (137,706)	\$ -	\$ -	\$ -	\$ 30,294	\$ 28,829	\$ (56,601)	\$ -	\$ (23,394)	\$ (15,181)

(Continued)

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

	Prepaid School Lunch Accounts	Federal Withholding Tax	Fica/Medi	State Tax	Cagit	TRF	Perf	Insurance-After Tax	Insurance-Pre Tax 125	Section 125	Ltd
Cash and investments - beginning	\$ 12,476	\$ -	\$ (59)	\$ 4,967	\$ 3,251	\$ 7,474	\$ (9)	\$ (2,838)	\$ (27,768)	\$ 9,816	\$ 44,439
Receipts:											
Local sources	154	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	31,667	535,738	513,302	212,181	114,486	15,464	68,342	-	604,149	49,132	8,524
Total receipts	31,821	535,738	513,302	212,181	114,486	15,464	68,342	-	604,149	49,132	8,524
Disbursements:											
Instruction	-	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	28,261	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	535,738	513,330	209,216	112,818	15,464	68,342	-	705,650	49,132	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	28,261	535,738	513,330	209,216	112,818	15,464	68,342	-	705,650	49,132	-
Excess (deficiency) of receipts over disbursements	3,560	-	(28)	2,965	1,668	-	-	-	(101,501)	-	8,524
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	3,560	-	(28)	2,965	1,668	-	-	-	(101,501)	-	8,524
Cash and investments - ending	\$ 16,036	\$ -	\$ (87)	\$ 7,932	\$ 4,919	\$ 7,474	\$ (9)	\$ (2,838)	\$ (129,269)	\$ 9,816	\$ 52,963

(Continued)

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

	Afa Insurance	Texas Life	Annuities	Neisic Critical Care Insurance	Insurance Paid By Employee	Child Support/Garn	Garnishment Loan	Misc Pr Adjustments	Steuben County United Way	Life Insurance	Fringe Benefit	Totals
Cash and investments - beginning	\$ 279	\$ 1,289	\$ 1,687	\$ 170	\$ 1,211	\$ (5,582)	\$ -	\$ (278)	\$ -	\$ 2,048	\$ -	\$ 13,376,337
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	8,501,508
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	140
State sources	-	-	-	-	-	-	-	-	-	-	-	6,725,008
Federal sources	-	-	-	-	-	-	-	-	-	-	-	2,662,431
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	30,952	8,097	139,072	-	-	8,944	5,827	-	130	-	1,449	2,347,632
Total receipts	30,952	8,097	139,072	-	-	8,944	5,827	-	130	-	1,449	20,236,719
Disbursements:												
Instruction	-	-	-	-	-	-	-	-	-	-	-	8,408,088
Support services	-	-	-	-	-	-	-	-	-	-	-	4,216,829
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	601,657
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	1,299,374
Debt services	-	-	-	-	-	-	-	-	-	-	-	1,461,808
Nonprogrammed charges	30,933	8,213	139,072	-	-	8,944	5,676	-	130	-	1,449	2,408,306
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	30,933	8,213	139,072	-	-	8,944	5,676	-	130	-	1,449	18,396,062
Excess (deficiency) of receipts over disbursements	19	(116)	-	-	-	-	151	-	-	-	-	1,840,657
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	15,559
Transfers in	-	-	-	-	-	-	-	-	-	-	-	37,274
Transfers out	-	-	-	-	-	-	-	-	-	-	-	(37,274)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	15,559
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	19	(116)	-	-	-	-	151	-	-	-	-	1,856,216
Cash and investments - ending	\$ 298	\$ 1,173	\$ 1,687	\$ 170	\$ 1,211	\$ (5,582)	\$ 151	\$ (278)	\$ -	\$ 2,048	\$ -	\$ 15,232,553

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

	Education	Operating Referendum Tax Levy	Debt Service	Retirement/Sever ance Bond Debt Service	Operations	Local Rainy Day	2017 Go Bond	2019 Bond	School Lunch	Curricular Materials Rental	Educational License Plates
Cash and investments - beginning	\$ 4,442,766	\$ 3,701,981	\$ 619,795	\$ 6,022	\$ 4,730,932	\$ 490,790	\$ 625	\$ 999,505	\$ 137,489	\$ 277,753	\$ 450
Receipts:											
Local sources	34,780	2,592,524	1,593,138	-	4,021,534	-	-	-	74,239	66,093	-
Intermediate sources	79	-	-	-	-	-	-	-	-	-	113
State sources	7,030,271	-	-	-	-	-	-	-	-	29,837	-
Federal sources	-	-	-	-	-	-	-	-	438,684	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	50	-	-	-	65	-	-	-	-	-	-
Total receipts	7,065,180	2,592,524	1,593,138	-	4,021,599	-	-	-	512,923	95,930	113
Disbursements:											
Instruction	4,646,521	1,399,024	-	-	-	-	-	-	-	-	-
Support services	1,315,947	549,129	-	-	2,137,091	215,193	-	-	-	114,083	-
Noninstructional services	140,975	-	-	-	-	-	-	-	462,362	-	-
Facilities acquisition and construction	-	-	-	-	1,016,567	-	-	999,505	-	-	-
Debt services	-	-	1,700,858	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	6,103,443	1,948,153	1,700,858	-	3,153,658	215,193	-	999,505	462,362	114,083	-
Excess (deficiency) of receipts over disbursements	961,737	644,371	(107,720)	-	867,941	(215,193)	-	(999,505)	50,561	(18,153)	113
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	5,792	-	-	-	24,894	-	-	-	-	-	-
Transfers in	109,055	-	27,405	-	-	-	-	-	-	-	-
Transfers out	(95,646)	-	-	-	(41,661)	-	-	-	(4,842)	-	-
Total other financing sources (uses)	19,201	-	27,405	-	(16,767)	-	-	-	(4,842)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	980,938	644,371	(80,315)	-	851,174	(215,193)	-	(999,505)	45,719	(18,153)	113
Cash and investments - ending	\$ 5,423,704	\$ 4,346,352	\$ 539,480	\$ 6,022	\$ 5,582,106	\$ 275,597	\$ 625	\$ -	\$ 183,208	\$ 259,600	\$ 563

(Continued)

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

	School Library Printed Material	Extra-Curricular Activities	Formative Assessment	Secured Schools Safety Grant	Non-English Speaking Program	Career And Technical Performance Grant	Teacher Apprec Grant 2017	Teacher Appreciation Grant	High Ability Students	State Connectivity Grant	Other State
Cash and investments - beginning	\$ 5,293	\$ 39,106	\$ 2,040	\$ (10,003)	\$ 5,029	\$ 3,256	\$ 72,176	\$ -	\$ (729)	\$ 5,760	\$ (306)
Receipts:											
Local sources	-	25,855	-	-	-	-	(46)	-	-	-	3,407
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	11,190	15,735	-	-	-	36,887	24,495	5,760	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	25,855	11,190	15,735	-	-	(46)	36,887	24,495	5,760	3,407
Disbursements:											
Instruction	-	8,599	-	19,407	-	-	-	36,887	25,432	-	3,101
Support services	-	1,025	3,308	-	-	-	-	-	-	5,760	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	9,624	3,308	19,407	-	-	-	36,887	25,432	5,760	3,101
Excess (deficiency) of receipts over disbursements	-	16,231	7,882	(3,672)	-	-	(46)	-	(937)	-	306
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	5,857	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(8,096)	-	-	-	(72,130)	-	-	-	-
Total other financing sources (uses)	-	5,857	(8,096)	-	-	-	(72,130)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	22,088	(214)	(3,672)	-	-	(72,176)	-	(937)	-	306
Cash and investments - ending	\$ 5,293	\$ 61,194	\$ 1,826	\$ (13,675)	\$ 5,029	\$ 3,256	\$ -	\$ -	\$ (1,666)	\$ 5,760	\$ -

(Continued)

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

	Title I 2020-2021	Title I 2021-2022	Title I 2017-2018	Title I 2018-2019	Title I 2019-2020	Title IV 2019-2020	Title IV Yap 2019-2020	Head Start Food Service	Head Start Cares Act Grant	Head Start Crrsa	Head Start American Rescue Pla
Cash and investments - beginning	\$ (27,946)	\$ -	\$ -	\$ -	\$ -	\$ (9,996)	\$ -	\$ (6,681)	\$ (46,610)	\$ -	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	41,132	95,250	-	-	-	9,996	-	111,832	131,961	56,281	6,198
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	41,132	95,250	-	-	-	9,996	-	111,832	131,961	56,281	6,198
Disbursements:											
Instruction	11,890	104,287	-	-	-	-	-	131,225	85,351	56,281	12,362
Support services	-	3,000	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	11,890	107,287	-	-	-	-	-	131,225	85,351	56,281	12,362
Excess (deficiency) of receipts over disbursements	29,242	(12,037)	-	-	-	9,996	-	(19,393)	46,610	-	(6,164)
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	29,181	-	-	-
Transfers out	(1,296)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,296)	-	-	-	-	-	-	29,181	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	27,946	(12,037)	-	-	-	9,996	-	9,788	46,610	-	(6,164)
Cash and investments - ending	\$ -	\$ (12,037)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,107	\$ -	\$ -	\$ (6,164)

(Continued)

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

	Head Start 19/20	Head Start 2020/2021	Head Start 2021- 2022	Head Start 2015/2016	Title IV A 2018- 2019	Title II/Pt.A/10- 11	Title IIA Ffy14 2014-16	Title IIA	ESSER III	ESSER II	Covid Paycheck Protection Program
Cash and investments - beginning	\$ -	\$ (137,706)	\$ -	\$ -	\$ -	\$ 30,294	\$ 28,829	\$ (56,601)	\$ -	\$ (23,394)	\$ (15,181)
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	898,652	982,609	-	-	-	-	47,576	248,466	172,615	29,590
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	898,652	982,609	-	-	-	-	47,576	248,466	172,615	29,590
Disbursements:											
Instruction	-	714,781	1,067,331	-	-	-	-	12,594	130,634	84,607	11,302
Support services	-	15,361	27,734	-	-	-	-	-	141,329	244,949	3,107
Noninstructional services	-	988	1,818	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	79,826	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	731,130	1,096,883	-	-	-	-	12,594	351,789	329,556	14,409
Excess (deficiency) of receipts over disbursements	-	167,522	(114,274)	-	-	-	-	34,982	(103,323)	(156,941)	15,181
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	21,619	-	-	-
Transfers out	-	(29,816)	(12,181)	-	-	(21,589)	(28,829)	-	-	-	-
Total other financing sources (uses)	-	(29,816)	(12,181)	-	-	(21,589)	(28,829)	21,619	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	137,706	(126,455)	-	-	(21,589)	(28,829)	56,601	(103,323)	(156,941)	15,181
Cash and investments - ending	\$ -	\$ -	\$ (126,455)	\$ -	\$ -	\$ 8,705	\$ -	\$ -	\$ (103,323)	\$ (180,335)	\$ -

(Continued)

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

	Prepaid School Lunch Accounts	Federal Withholding Tax	Fica/Medi	State Tax	Cagit	TRF	Perf	Insurance-After Tax	Insurance-Pre Tax 125	Section 125	Ltd
Cash and investments - beginning	\$ 16,036	\$ -	\$ (87)	\$ 7,932	\$ 4,919	\$ 7,474	\$ (9)	\$ (2,838)	\$ (129,269)	\$ 9,816	\$ 52,963
Receipts:											
Local sources	15,287	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	537,844	536,696	221,469	119,442	15,199	71,703	-	643,199	54,746	9,418
Total receipts	15,287	537,844	536,696	221,469	119,442	15,199	71,703	-	643,199	54,746	9,418
Disbursements:											
Instruction	-	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	18,768	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	537,844	536,669	220,704	119,005	15,199	71,703	-	675,555	54,698	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	18,768	537,844	536,669	220,704	119,005	15,199	71,703	-	675,555	54,698	-
Excess (deficiency) of receipts over disbursements	(3,481)	-	27	765	437	-	-	-	(32,356)	48	9,418
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	4,194	-	-	-	-	-	-	-	124,632	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	4,194	-	-	-	-	-	-	-	124,632	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	713	-	27	765	437	-	-	-	92,276	48	9,418
Cash and investments - ending	\$ 16,749	\$ -	\$ (60)	\$ 8,697	\$ 5,356	\$ 7,474	\$ (9)	\$ (2,838)	\$ (36,993)	\$ 9,864	\$ 62,381

(Continued)

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

	Afa Insurance	Texas Life	Annuities	Neisic Critical Care Insurance	Insurance Paid By Employee	Child Support/Garn	Garnishment Loan	Misc Pr Adjustments	Steuben County United Way	Life Insurance	Fringe Benefit	Totals
Cash and investments - beginning	\$ 298	\$ 1,173	\$ 1,687	\$ 170	\$ 1,211	\$ (5,582)	\$ 151	\$ (278)	\$ -	\$ 2,048	\$ -	\$ 15,232,553
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	8,426,811
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	192
State sources	-	-	-	-	-	-	-	-	-	-	-	7,154,175
Federal sources	-	-	-	-	-	-	-	-	-	-	-	3,270,842
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	39,549	13,357	130,315	-	-	8,944	9,361	-	130	-	1,684	2,413,171
Total receipts	39,549	13,357	130,315	-	-	8,944	9,361	-	130	-	1,684	21,265,191
Disbursements:												
Instruction	-	-	-	-	-	-	-	-	-	-	-	8,561,616
Support services	-	-	-	-	-	-	-	-	-	-	-	4,777,016
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	624,911
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	2,095,898
Debt services	-	-	-	-	-	-	-	-	-	-	-	1,700,858
Nonprogrammed charges	39,515	13,391	130,315	-	-	8,944	9,512	-	130	-	1,684	2,434,868
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	39,515	13,391	130,315	-	-	8,944	9,512	-	130	-	1,684	20,195,167
Excess (deficiency) of receipts over disbursements	34	(34)	-	-	-	-	(151)	-	-	-	-	1,070,024
Other financing sources (uses)												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	36,543
Transfers in	-	-	-	-	-	-	-	-	-	-	-	316,086
Transfers out	-	-	-	-	-	-	-	-	-	-	-	(316,086)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	36,543
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	34	(34)	-	-	-	-	(151)	-	-	-	-	1,106,567
Cash and investments - ending	\$ 332	\$ 1,139	\$ 1,687	\$ 170	\$ 1,211	\$ (5,582)	\$ -	\$ (278)	\$ -	\$ 2,048	\$ -	\$ 16,339,120

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

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 512,163	\$ 297,358

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

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
De Lage Landen Public Finance	Copier Lease	\$ 342	8/30/2017	8/30/2022
Sterling National Bank	Solar Field Lease Payment	287,228	4/5/2017	4/1/2037
US Bank - Fremont School Building Corp	FES & FHS Improvements	288,000	1/1/2019	1/15/2031
US Bank - Fremont School Building Corp	FMS Improvements	<u>326,400</u>	5/25/2016	1/15/2026
Total governmental activities		<u>901,970</u>		
Total of annual lease payments		<u>\$ 901,970</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	GO Bond 2014 B General Renovation Projects	\$ 715,000 \$ 275,000
General Obligation Bonds	GO Bond 2017 General Renovation Projects	510,000 400,000
General Obligation Bonds	GO Bond 2018 General Renovation Projects	<u>535,000</u> <u>170,000</u>
Total governmental activities		<u>1,760,000</u> <u>845,000</u>
Totals		<u>\$ 1,760,000</u> <u>\$ 845,000</u>

FREMONT COMMUNITY SCHOOLS
SCHEDULE OF CAPITAL ASSETS
June 30, 2022

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 380,775
Infrastructure	31,855,954
Buildings	32,894,129
Improvements other than buildings	5,366,136
Machinery, equipment, and vehicles	4,683,517
Construction in progress	594,171
Books and other	<u>1,034,145</u>
 Total governmental activities	 <u>76,808,827</u>
 Total capital assets	 <u>\$ 76,808,827</u>

FREMONT COMMUNITY SCHOOLS
STATE REPORTING INFORMATION
As of June 30, 2022, and the Period
of July 1, 2020 to June 30, 2022

Financial Statement and Accompanying Notes:

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

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

Indiana Department of Education Reporting:

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

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

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

FREMONT COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period July 1, 2020 through June 30, 2022

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-21	Total Federal Awards Expended 06-30-22	Total Federal Awards Expended 07-01-2020 to 06-30-22
<u>Department of Agriculture</u>						
Child Nutrition Cluster	Indiana Department of Education					
School Breakfast Program		10.553	FY2021, FY2022	\$ 279	\$ -	\$ 279
National School Lunch Program		10.555	FY2021, FY2022	219,470	74,240	293,710
Commodities		10.555	FY2021, FY2022	40,696	50,720	91,416
Summer Food Services		10.559	FY2021, FY2022	271,041	449,556	720,597
Total - Child Nutrition Cluster				<u>531,486</u>	<u>574,516</u>	<u>1,106,002</u>
Child and Adult Care Food Program Supper Program	Indiana Department of Education	10.558	FY2021, FY2022	<u>2,537</u>	<u>17,965</u>	<u>20,502</u>
Child and Adult Care Food Program Head Start Food Service	Direct Award	10.558	FY2021, FY2022	<u>82,920</u>	<u>141,013</u>	<u>223,933</u>
Total - Child and Adult Care Food Program				<u>85,457</u>	<u>158,978</u>	<u>244,435</u>
Pandemic EBT Administrative Costs Pandemic EBT Administrative Costs	Indiana Department of Education	10.649	FY2022	<u>-</u>	<u>614</u>	<u>614</u>
Total - Pandemic EBT Administrative Costs				<u>-</u>	<u>614</u>	<u>614</u>
Total - Department of Agriculture				<u>616,943</u>	<u>734,108</u>	<u>1,351,051</u>
<u>Federal Communications Commission</u>						
Universal Service Fund - Schools and Libraries Universal Service - E-Rate	Direct Award	32.004	FY2021, FY2022	<u>-</u>	<u>46,752</u>	<u>46,752</u>
Total - Federal Communications Commission				<u>-</u>	<u>46,752</u>	<u>46,752</u>
<u>Department of Education</u>						
Special Education Cluster (IDEA) Special Education Grants to States	Indiana Department of Education					
IDEA, Part B		84.027	20611-042-PN01	20,688	-	20,688
IDEA, Part B		84.027	21611-042-PN01	253,161	5,144	258,305
IDEA, Part B		84.027	22611-042-PN01	<u>-</u>	<u>244,375</u>	<u>244,375</u>
Total - Special Education Grants to States				<u>273,849</u>	<u>249,519</u>	<u>523,368</u>

(Continued)

FREMONT COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period July 1, 2020 through June 30, 2022

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-21	Total Federal Awards Expended 06-30-22	Total Federal Awards Expended 07-01-2020 to 06-30-22
Special Education Preschool Grants	Indiana Department of Education					
IDEA, Preschool		84.173	21619-042-PN01	\$ 12,099	\$ -	\$ 12,099
IDEA, Preschool		84.173	22619-042-PN01	-	12,211	12,211
Total - Special Education Preschool Grants				12,099	12,211	24,310
Total - Special Education Cluster (IDEA)				285,948	261,730	547,678
Title I Grants to Local Education Agencies	Indiana Department of Education					
Title I, Part A		84.010	S010A210014	26,418	-	26,418
Title I, Part A		84.010	S010A210014	71,377	41,133	112,510
Title I, Part A		84.010	S010A210014	-	95,250	95,250
Total - Title I Grants to Local Educational Agencies				97,795	136,383	234,178
Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II, Part A		84.367	S367A210013	32,082	47,576	79,658
Student Support and Academic Enrichment Program	Indiana Department of Education					
Title IV, Part A		84.424	S424A200015	35,356	9,995	45,351
COVID-19 - Education Stabilization Fund	Indiana Department of Education					
Elementary and Secondary School Emergency Relief (ESSER I) Fund		84.425D	S425D200013	73,946	29,589	103,535
Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D	S425D210013	122,507	172,615	295,122
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund		84.425U	S425U210013	-	248,466	248,466
Total - COVID-19 - Education Stabilization Fund				196,453	450,670	647,123
Total - Department of Education				647,634	906,354	1,553,988
<u>Department of Health and Human Services</u>						
Head Start Cluster	Direct Award					
Head Start FY21		93.600	05CH010700-03-01	-	1,109,062	1,109,062
Head Start CARES ACT		93.600	05CH010700-03-04	32,376	131,961	164,337
Head Start FY2020		93.600	05CH010700-02-02	1,929,678	834,678	2,764,356
Total - Head Start Cluster				1,962,054	2,075,701	4,037,755
Department of Homeland Security	Indiana Department of Education					
Disaster Grants - Public Assistance (Presidentially Declared Disasters) SLD DHHS COVID-19		93.575	FY2022	-	4,344	4,344
Total - Department of Health and Human Services				1,962,054	2,080,045	4,042,099
Total federal awards expended				\$ 3,226,631	\$ 3,767,259	\$ 6,993,890

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

FREMONT COMMUNITY SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
As of June 30, 2022, and the Period of
July 1, 2020 to June 30, 2022

NOTE 1 - BASIS OF PRESENTATION

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the period of July 1, 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 - OTHER INFORMATION

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

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

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

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

Those Charged with Governance
Fremont Community Schools
Steuben County, Indiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of Fremont Community Schools ("School Corporation"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School Corporation as of June 30, 2022 and for the period July 1, 2020 to June 30, 2022 and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement, and have issued our report thereon dated March 23, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a material weakness.

(Continued)

Report on Compliance and Other Matters

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

The School Corporation's Response to Finding

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

Purpose of this Report

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


Crowe LLP

Indianapolis, Indiana
March 23, 2023

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

Those Charged with Governance
Fremont Community Schools
Steuben County, Indiana

Report on Compliance for Major Federal Program

Opinion on Major Federal Programs

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

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

Basis for Opinion on Major Federal Programs

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

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

Responsibilities of Management for Compliance

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

(Continued)

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-002, to be a significant deficiency.

(Continued)

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

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

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

Crowe LLP
Crowe LLP

Indianapolis, Indiana
March 23, 2023

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

Section I – Summary of Auditor’s Results

Financial Statement

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

Internal control over financial reporting:

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

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

Internal control over major programs:

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

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

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

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
84.027, 84.173	Special Education Cluster
93.600	Head Start Program

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)

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

Section II – Financial Statement Findings

FINDING 2022-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit 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)

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

Section II – Financial Statement Findings (Continued)

FINDING 2022-001 (Continued)

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

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

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

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

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

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

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

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. The SEFA was reviewed prior to submission. However, it was not reviewed in enough detail to prevent the following errors that resulted in the understatement of the total federal awards expended on the SEFA by \$1,212,067 for the period July 1, 2020, through June 30, 2022:

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

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

Effect: Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Condition and Context*.

Identification as a repeat finding, if applicable: Yes. See Finding 2020-001.

(Continued)

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

Section II – Financial Statement Findings (Continued)

FINDING 2022-001 (Continued)

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

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

Section III – Federal Award Findings and Questioned Costs

FINDING 2022-002

Subject: Special Education Cluster - Earmarking

Federal Agency: Department of Education

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

Assistance Listings Numbers: 84.027, 84.173

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

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Matching, Level of Effort, Earmarking

Audit Finding: Significant Deficiency

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

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

2 CFR 200.403 states in part:

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

(g) Be adequately documented.... "

2 CFR 200.208(b) states in part:

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

(Continued)

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

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

FINDING 2022-002 (Continued)

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

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

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

Cause: The School Corporation's management had not developed an effective system of internal controls that would have ensured compliance with the grant agreement and the earmarking requirements of the Matching, Level of Effort, Earmarking compliance requirement.

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

Questioned Costs: There were no questioned costs identified.

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

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

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

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

(Continued)

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

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

FINDING 2022-002 (Continued)

Identification as a repeat finding: No.

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

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

Fremont Community Schools

Indiana Performance Qualified School District

Dr. William Stitt, Ed.D.

Superintendent

Shelby Miller

Corporation Treasurer

Stacey Harris

Corporation Accounts Payable

Caleb Frederick

Corporation Technology Director

Jacqui Mundy

Corporation Secretary

Board of School Trustees

Andrew Lies

Zachary Burnau

Brandi Berkhalter

Benjamin Roederer

James Burgoon

Jim Hauguel

Abby Probst

CORRECTIVE ACTION PLAN

FINDING 2022-001

Contact Person Responsible for Corrective Action: Dr. William Stitt, Superintendent, Shelby Miller, Treasurer.

Contact Phone Number: 260-495-5005

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding Fremont Community Schools will maintain a spreadsheet and comparison with the Fund Report, Expenditure Report, and Revenue Report to ensure adequate reporting of SEFA is maintained. This will be reviewed by the Superintendent and Treasurer prior to submitting in Gateway.

Anticipated Completion Date: Corrective action plan will be implemented by June 30, 2023.

FINDING 2022-002

Contact Person Responsible for Corrective Action: Dr. William Stitt, Superintendent

Contact Phone Number: 260-495-5005

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding. Fremont Community Schools will work with NEISEC to ensure proper oversight and internal controls are in maintained.

Anticipated Completion Date: Corrective action plan will be implemented by June 30, 2023.

Fremont Community Schools

Indiana Performance Qualified School District

Dr. William Stitt, Ed.D.

Superintendent

Shelby Miller

Corporation Treasurer

Stacey Harris

Corporation Accounts Payable

Caleb Frederick

Corporation Technology Director

Jacqui Mundy

Corporation Secretary

Board of School Trustees

Andrew Lies

Zachary Burnau

Brandi Berkhalter

Benjamin Roederer

James Burgoon

Jim Hauguel

Abby Probst

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2020-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards

Audit Findings: Material Weakness

Condition and Context: The School Corporation's internal control over the preparation of the Schedule of Expenditures of Federal Awards (SEFA) was ineffective. The federal grant information prepared and submitted into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the SEFA, contained errors. Although one employee prepared and entered the federal award information into Gateway, and another employee reviewed and approved the information entered, the internal control was not effective and did not detect and allow correction of errors prior to submission.

Due to the lack of effective internal controls, the SEFA presented for audit contained the following errors:

1. The Special Education Cluster (IDEA) grant expenditures were understated by \$280,144.
2. Several additional grants had individually immaterial errors that resulted in misstatements of expenditures of \$169,998, in total.
3. Other errors included incorrect program names and identifying numbers.

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA presented in this report.

The School Corporation should have proper internal controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards.

Status: Not resolved. See Finding 2022-001.