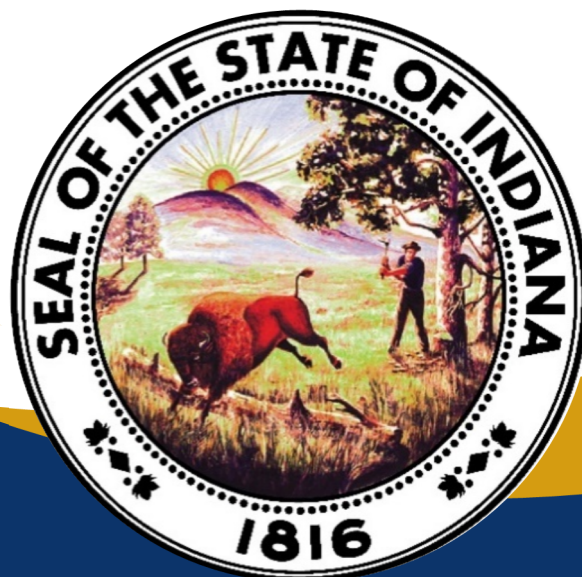


**STATE BOARD OF ACCOUNTS  
302 West Washington Street  
Room E418  
INDIANAPOLIS, INDIANA 46204-2769**

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

FINANCIAL STATEMENT AND  
FEDERAL COMPLIANCE AUDIT REPORT  
OF

COWAN COMMUNITY SCHOOL CORPORATION  
DELAWARE COUNTY, INDIANA  
July 1, 2022 to June 30, 2024



**FILED**  
04/02/2025



Paul D. Joyce, CPA  
State Examiner

# INDIANA STATE BOARD OF ACCOUNTS

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April 2, 2025

To: The Officials of Cowan Community School Corporation  
Cowan Community School Corporation  
Delaware County, Indiana

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

We call your attention to the finding included in the report on pages 34 and 35. Please see the Schedule of Findings and Questioned Costs for complete details related to the finding. Management's Corrective Action Plan appears on page 36.

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

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

Tammy R. White, CPA  
Deputy State Examiner

**COWAN COMMUNITY SCHOOL CORPORATION**  
Delaware County, Indiana

**FINANCIAL STATEMENT**  
As of June 30, 2024, and for the  
period of July 1, 2022 through June 30, 2024

COWAN COMMUNITY SCHOOL CORPORATION  
Delaware County, Indiana

FINANCIAL STATEMENT  
As of June 30, 2024, and for the  
period of July 1, 2022 through June 30, 2024

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COWAN COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF OFFICIALS (Unaudited)  
For the period of July 1, 2022 through June 30, 2024

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<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Janet McIntosh	07-01-22 to 06-30-24
Superintendent of Schools	Timothy Brown	07-01-22 to 06-30-24
President of the School Board	Rick Jones Paul Hansard	01-01-22 to 12-31-22 01-02-23 to 12-31-24

## INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

***Basis for Opinion***

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

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

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

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(Continued)

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

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

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

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

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

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

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

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

### ***Supplementary Information***

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

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(Continued)

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

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2025, our consideration of the School Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

  
Crowe LLP

Indianapolis, Indiana  
March 20, 2025

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

<u>Fund</u>	<u>Cash and Investments 07-01-2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2023</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2024</u>
Education	\$ 2,009,962	\$ 6,190,638	\$ 5,259,328	\$ (674,215)	\$ 2,267,057	\$ 6,434,210	\$ 5,600,377	\$ (702,009)	\$ 2,398,881
Debt Service	283,053	559,321	583,524	-	258,850	715,739	725,467	-	249,122
Operations	1,143,980	1,300,640	1,806,737	584,000	1,221,883	1,583,314	1,957,570	589,000	1,436,627
Local Rainy Day	711,418	52,448	105,850	100,000	758,016	94,837	145,429	125,000	832,424
Retirement/Severance Bond	64,129	-	1,114	-	63,015	-	-	-	63,015
Construction	-	-	-	-	-	31,380	486,145	995,000	540,235
School Lunch	204,958	683,882	632,179	-	256,661	584,748	733,993	-	107,416
Curricular Materials Rental	111,170	87,083	43,624	-	154,629	126,074	113,087	-	167,616
Section 125 Balance	233	-	474	-	(241)	564	(242)	-	565
Chromebook Repairs	15,676	8,730	1,893	-	22,513	10,097	8,280	-	24,330
School Nutrition Foundation Grant	714	-	-	-	714	-	-	-	714
Juul Settlement	-	-	-	-	-	6,834	-	-	6,834
Educational License Plates	3,611	75	656	-	3,030	38	949	-	2,119
Comprehensive Counseling Grant Round Iii	18,808	-	18,808	-	-	-	-	-	-
Elem/Hs Donation Pto S	32,379	59,721	43,136	-	48,964	36,906	47,622	-	38,248
Community Foundation	13,664	-	3,741	-	9,923	-	1,517	-	8,406
Scholarships	29,413	3,786	5,200	-	27,999	6,907	4,500	-	30,406
Formative Assessment	-	10,155	5,930	-	4,225	9,660	13,885	-	-
Student Learning Recovery Grant	(1,107)	24,326	23,219	-	-	-	-	-	-
Early Literacy Achievement Grant 2023-20	-	-	-	-	-	3,970	3,970	-	-
Computer Consortium/Ed Tech Ad	-	24,716	24,716	-	-	-	-	-	-
Medicaid State Reimbursement 2023-2024	-	-	-	-	-	13,294	-	(11,991)	1,303
Secured Schools Safety Grant	(4,803)	31,862	31,951	-	(4,892)	36,467	36,871	-	(5,296)
Early Intervention Grant 2021-2022	1,346	-	1,346	-	-	-	-	-	-
Early Intervention Grant 2022-2023	-	2,063	-	-	2,063	-	2,063	-	-
Career And Technical Performance Grant	6,928	183	1,296	-	5,815	316	4,095	-	2,036
Teacher Appreciation Grant	-	29,738	29,738	-	-	29,486	29,486	-	-
High Ability Students	-	22,724	22,294	-	430	28,674	28,104	-	1,000
State Connectivity Grant	11,727	8,255	9,361	-	10,621	4,128	3,420	-	11,329
Title I 2021-2022	(2,502)	16,361	13,859	-	-	-	-	-	-
Title I 2022-2023	-	44,657	56,333	10,000	(1,676)	16,826	15,150	-	-
Title I 2023-2024	-	-	-	-	-	37,669	48,942	10,005	(1,268)

(Continued)

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

Fund	Cash and Investments 07-01-2022	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2023	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2024
Special Ed Part B 2023-2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 124,122	\$ 169,173	\$ -	\$ (45,051)
Part B 2021-2022	(29,261)	64,105	34,844	-	-	-	-	-	-
Part B Special Ed 2022-2023	-	131,932	163,448	-	(31,516)	59,197	27,681	-	-
Title IV Part A 2020-2021	-	-	-	-	-	10,005	-	(10,005)	-
Title IV Part A 2019-2020	-	10,000	-	(10,000)	-	-	-	-	-
Medicaid Reimbursement - Federal	29,830	39,161	7,161	(9,785)	52,045	29,606	9,321	-	72,330
Title II Part A 2023-2024	-	-	-	-	-	6,935	7,468	-	(533)
Title II Part A 2021-2022	(1,062)	1,062	-	-	-	-	-	-	-
Title II Part A 2022-2023	-	7,439	8,059	-	(620)	4,959	4,339	-	-
Arp Plan	(6,166)	28,059	32,275	-	(10,382)	14,161	3,779	-	-
ESSER III	(5,460)	96,511	97,476	-	(6,425)	225,859	268,650	-	(49,216)
ESSER II	-	6,856	6,856	-	-	-	-	-	-
Coronavirus Relief (Crf)	-	38,299	23,659	-	14,640	56,528	71,168	-	-
GEER I	-	452	452	-	-	-	-	-	-
Petty Cash	-	-	400	-	(400)	-	-	-	(400)
Prepaid School Lunch Accounts	7,345	204,220	204,757	-	6,808	218,756	217,886	-	7,678
Investment	-	-	-	-	-	-	-	-	-
Federal Tax	-	316,748	316,748	-	-	365,387	365,387	-	-
Social Security	-	346,018	346,018	-	-	367,955	367,955	-	-
Indiana State Taxes	-	141,807	141,807	-	-	146,145	146,145	-	-
County Adjusted Gross Income	-	68,977	68,977	-	-	75,190	75,190	-	-
Teacher Retirement	-	85,687	85,687	-	-	91,467	91,467	-	-
Nonteaching Retirement (Perf)	-	29,299	29,299	-	-	26,445	26,445	-	-
Group Insurance	19,387	315,560	324,253	-	10,694	370,073	368,120	-	12,647
Garnishments	-	9,708	9,708	-	-	3,770	3,770	-	-
Section 125	-	4,030	4,030	-	-	7,427	7,427	-	-
Deductions For Textbook Rental	-	2,259	2,259	-	-	-	-	-	-
Criminal History Check	-	20	20	-	-	25	25	-	-
<b>Totals</b>	<b>\$ 4,669,370</b>	<b>\$ 11,109,573</b>	<b>\$ 10,634,500</b>	<b>\$ -</b>	<b>\$ 5,144,443</b>	<b>\$ 12,016,150</b>	<b>\$ 12,242,076</b>	<b>\$ 995,000</b>	<b>\$ 5,913,517</b>

See notes to financial statement.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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(Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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(Continued)

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

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

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

**NOTE 2 - BUDGETS**

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

**NOTE 3 - PROPERTY TAXES**

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

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

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(Continued)

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

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

The School Corporation holds an investment account within the TrustIndiana Local Government Investment Pool. The purpose of TrustIndiana is to allow local units of government (e.g. counties, municipalities, school corporations, townships, and other units of local government) as well as the State of Indiana to invest in a common pool of investment assets that preserves the principal of the public's funds, remains highly liquid, and maximizes return on investment. TrustIndiana was authorized by the Indiana General Assembly's passage of Indiana Code § 5-13-9-11. At June 30, 2024, the School Corporation's investment account within the TrustIndiana Local Government Investment Pool was valued at \$4,959,088.

**NOTE 5 - RISK MANAGEMENT**

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

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

**NOTE 6 - CASH BALANCE DEFICITS**

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

**NOTE 7 - 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.

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(Continued)

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

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**NOTE 7 - PENSION PLANS** (Continued)

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

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

*Financial Report*

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

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

*Contributions*

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

**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.

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(Continued)

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

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**NOTE 7 - PENSION PLANS** (Continued)

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

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

*Financial Report*

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

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

*Contributions*

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

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

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

**NOTE 8 - SUBSEQUENT EVENTS**

In November 2024, the School Corporation signed a new lease agreement with the Cowan Community Schools Building Corporation. The lease payments total \$13,752,000 with the final payment scheduled for December 31, 2043.

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**OTHER INFORMATION (Unaudited)**

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

	Education	Debt Service	Operations	Local Rainy Day	Retirement/Severance Bond	School Lunch	Curricular Materials Rental	Section 125 Balance	Chromebook Repairs	School Nutrition Foundation Grant	Educational License Plates	Comprehensive Counseling Grant Round Iii	Elem/Hs Donation Pto S
Cash and investments - beginning	\$ 2,009,962	\$ 283,053	\$ 1,143,980	\$ 711,418	\$ 64,129	\$ 204,958	\$ 111,170	\$ 233	\$ 15,676	\$ 714	\$ 3,611	\$ 18,808	\$ 32,379
Receipts:													
Local sources	3	559,321	1,300,640	-	-	204,545	54,841	-	8,730	-	-	-	59,721
Intermediate sources	-	-	-	-	-	-	-	-	-	-	75	-	-
State sources	6,190,635	-	-	-	-	4,221	32,242	-	-	-	-	-	-
Federal sources	-	-	-	-	-	475,116	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	52,448	-	-	-	-	-	-	-	-	-
Total receipts	6,190,638	559,321	1,300,640	52,448	-	683,882	87,083	-	8,730	-	75	-	59,721
Disbursements:													
Instruction	3,765,700	-	-	568	-	-	-	474	-	-	656	-	35,979
Support services	1,388,193	7,852	1,723,471	23,239	1,114	1,379	43,624	-	1,893	-	-	18,808	7,157
Noninstructional services	105,435	-	33,203	-	-	630,800	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	50,063	82,043	-	-	-	-	-	-	-	-	-
Debt services	-	575,672	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	5,259,328	583,524	1,806,737	105,850	1,114	632,179	43,624	474	1,893	-	656	18,808	43,136
Excess (deficiency) of receipts over disbursements	931,310	(24,203)	(506,097)	(53,402)	(1,114)	51,703	43,459	(474)	6,837	-	(581)	(18,808)	16,585
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	9,785	-	684,000	100,000	-	-	-	-	-	-	-	-	-
Transfers out	(684,000)	-	(100,000)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(674,215)	-	584,000	100,000	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	257,095	(24,203)	77,903	46,598	(1,114)	51,703	43,459	(474)	6,837	-	(581)	(18,808)	16,585
Cash and investments - ending	\$ 2,267,057	\$ 258,850	\$ 1,221,883	\$ 758,016	\$ 63,015	\$ 256,661	\$ 154,629	\$ (241)	\$ 22,513	\$ 714	\$ 3,030	\$ -	\$ 48,964

(Continued)

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

	Community Foundation	Scholarships	Formative Assessment	Student Learning Recovery Grant	Computer Consortium/Ed Tech Ad	Secured Schools Safety Grant	Early Intervention Grant 2021- 2022	Early Intervention Grant 2022- 2023	Career And Technical Performance Grant	Teacher Appreciation Grant	High Ability Students	State Connectivity Grant	Title I 2021- 2022
Cash and investments - beginning	\$ 13,664	\$ 29,413	\$ -	\$ (1,107)	\$ -	\$ (4,803)	\$ 1,346	\$ -	\$ 6,928	\$ -	\$ -	\$ 11,727	\$ (2,502)
Receipts:													
Local sources	-	3,786	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	10,155	24,326	24,716	31,862	-	2,063	183	29,738	22,724	8,255	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	16,361
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	3,786	10,155	24,326	24,716	31,862	-	2,063	183	29,738	22,724	8,255	16,361
Disbursements:													
Instruction	-	-	-	13,989	-	-	1,346	-	1,296	29,738	22,294	-	10,264
Support services	3,741	-	5,930	9,230	24,716	31,951	-	-	-	-	-	9,361	3,595
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	5,200	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	3,741	5,200	5,930	23,219	24,716	31,951	1,346	-	1,296	29,738	22,294	9,361	13,859
Excess (deficiency) of receipts over disbursements	(3,741)	(1,414)	4,225	1,107	-	(89)	(1,346)	2,063	(1,113)	-	430	(1,106)	2,502
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	(3,741)	(1,414)	4,225	1,107	-	(89)	(1,346)	2,063	(1,113)	-	430	(1,106)	2,502
Cash and investments - ending	\$ 9,923	\$ 27,999	\$ 4,225	\$ -	\$ -	\$ (4,892)	\$ -	\$ 2,063	\$ 5,815	\$ -	\$ 430	\$ 10,621	\$ -

(Continued)

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

	Title I 2022-2023	Part B 2021-2022	Part B Special Ed 2022-2023	Title IV Part A 2019-2020	Medicaid Reimbursement - Federal	Title II Part A 2021-2022	Title II Part A 2022-2023	Arp Plan	ESSER III	ESSER II	Coronavirus Relief (Crf)	GEER I	Petty Cash
Cash and investments - beginning	\$ -	\$ (29,261)	\$ -	\$ -	\$ 29,830	\$ (1,062)	\$ -	\$ (6,166)	\$ (5,460)	\$ -	\$ -	\$ -	\$ -
Receipts:													
Local sources	-	-	-	-	-	-	-	-	929	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	44,657	64,105	131,932	10,000	39,161	1,062	7,439	28,059	95,582	6,856	38,299	452	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	44,657	64,105	131,932	10,000	39,161	1,062	7,439	28,059	96,511	6,856	38,299	452	-
Disbursements:													
Instruction	39,095	34,844	163,448	-	5,617	-	-	32,275	50,464	6,856	-	-	-
Support services	15,938	-	-	-	1,544	-	8,059	-	43,187	-	23,659	452	-
Noninstructional services	1,300	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	3,825	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	400
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	56,333	34,844	163,448	-	7,161	-	8,059	32,275	97,476	6,856	23,659	452	400
Excess (deficiency) of receipts over disbursements	(11,676)	29,261	(31,516)	10,000	32,000	1,062	(620)	(4,216)	(965)	-	14,640	-	(400)
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	10,000	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(10,000)	(9,785)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	10,000	-	-	(10,000)	(9,785)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,676)	29,261	(31,516)	-	22,215	1,062	(620)	(4,216)	(965)	-	14,640	-	(400)
Cash and investments - ending	\$ (1,676)	\$ -	\$ (31,516)	\$ -	\$ 52,045	\$ -	\$ (620)	\$ (10,382)	\$ (6,425)	\$ -	\$ 14,640	\$ -	\$ (400)

(Continued)

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

	Prepaid School Lunch Accounts	Federal Tax	Social Security	Indiana State Taxes	County Adjusted Gross Income	Teacher Retirement	Nonteaching Retirement (Perf)	Group Insurance	Garnishments	Section 125	Deductions For Textbook Rental	Criminal History Check	Totals
Cash and investments - beginning	\$ 7,345	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,387	\$ -	\$ -	\$ -	\$ -	\$ 4,669,370
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	2,192,516
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	75
State sources	-	-	-	-	-	-	-	-	-	-	-	-	6,381,120
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	959,081
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	204,220	316,748	346,018	141,807	68,977	85,687	29,299	315,560	9,708	4,030	2,259	20	1,576,781
Total receipts	204,220	316,748	346,018	141,807	68,977	85,687	29,299	315,560	9,708	4,030	2,259	20	11,109,573
Disbursements:													
Instruction	-	-	-	-	-	-	-	-	-	-	-	-	4,214,903
Support services	-	-	-	-	-	-	-	-	-	-	-	-	3,398,093
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	770,738
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	135,931
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	575,672
Nonprogrammed charges	204,757	316,748	346,018	141,807	68,977	85,687	29,299	324,253	9,708	4,030	2,259	20	1,539,163
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	204,757	316,748	346,018	141,807	68,977	85,687	29,299	324,253	9,708	4,030	2,259	20	10,634,500
Excess (deficiency) of receipts over disbursements	(537)	-	-	-	-	-	-	(8,693)	-	-	-	-	475,073
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	803,785
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	(803,785)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(537)	-	-	-	-	-	-	(8,693)	-	-	-	-	475,073
Cash and investments - ending	\$ 6,808	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,694	\$ -	\$ -	\$ -	\$ -	\$ 5,144,443

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

	Education	Debt Service	Operations	Local Rainy Day	Retirement/Severance Bond	Construction	School Lunch	Curricular Materials Rental	Section 125 Balance	Chromebook Repairs	School Nutrition Foundation Grant	Juul Settlement	Educational License Plates
Cash and investments - beginning	\$ 2,267,057	\$ 258,850	\$ 1,221,883	\$ 758,016	\$ 63,015	\$ -	\$ 256,661	\$ 154,629	\$ (241)	\$ 22,513	\$ 714	\$ -	\$ 3,030
Receipts:													
Local sources	5,019	715,739	1,583,314	-	-	31,380	221,336	1,401	564	10,097	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	6,834	38
State sources	6,429,191	-	-	-	-	-	5,211	124,673	-	-	-	-	-
Federal sources	-	-	-	60,109	-	-	358,201	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	34,728	-	-	-	-	-	-	-	-	-
Total receipts	6,434,210	715,739	1,583,314	94,837	-	31,380	584,748	126,074	564	10,097	-	6,834	38
Disbursements:													
Instruction	4,019,175	-	-	60,109	-	-	-	-	(242)	-	-	-	949
Support services	1,473,302	-	1,852,401	56,740	-	-	7	113,087	-	8,280	-	-	-
Noninstructional services	107,900	-	32,155	-	-	-	733,986	-	-	-	-	-	-
Facilities acquisition and construction	-	-	73,014	28,580	-	486,145	-	-	-	-	-	-	-
Debt services	-	725,467	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	5,600,377	725,467	1,957,570	145,429	-	486,145	733,993	113,087	(242)	8,280	-	-	949
Excess (deficiency) of receipts over disbursements	833,833	(9,728)	(374,256)	(50,592)	-	(454,765)	(149,245)	12,987	806	1,817	-	6,834	(911)
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	995,000	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	11,991	-	714,000	125,000	-	-	-	-	-	-	-	-	-
Transfers out	(714,000)	-	(125,000)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(702,009)	-	589,000	125,000	-	995,000	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	131,824	(9,728)	214,744	74,408	-	540,235	(149,245)	12,987	806	1,817	-	6,834	(911)
Cash and investments - ending	\$ 2,398,881	\$ 249,122	\$ 1,436,627	\$ 832,424	\$ 63,015	\$ 540,235	\$ 107,416	\$ 167,616	\$ 565	\$ 24,330	\$ 714	\$ 6,834	\$ 2,119

(Continued)

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

	Elem/Hs Donation Pto S	Community Foundation	Scholarships	Formative Assessment	Early Literacy Achievement Grant 2023-20	Medicaid State Reimbursement 2023-2024	Secured Schools Safety Grant	Early Intervention Grant 2022- 2023	Career And Technical Performance Grant	Teacher Appreciation Grant	High Ability Students	State Connectivity Grant
Cash and investments - beginning	\$ 48,964	\$ 9,923	\$ 27,999	\$ 4,225	\$ -	\$ -	\$ (4,892)	\$ 2,063	\$ 5,815	\$ -	\$ 430	\$ 10,621
Receipts:												
Local sources	36,906	-	6,907	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	9,660	3,970	13,294	36,467	-	316	29,486	28,674	4,128
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	36,906	-	6,907	9,660	3,970	13,294	36,467	-	316	29,486	28,674	4,128
Disbursements:												
Instruction	40,707	-	-	10,085	3,970	-	-	1,404	4,095	29,486	28,104	-
Support services	6,915	1,517	-	3,800	-	-	36,871	659	-	-	-	3,420
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	4,500	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	47,622	1,517	4,500	13,885	3,970	-	36,871	2,063	4,095	29,486	28,104	3,420
Excess (deficiency) of receipts over disbursements	(10,716)	(1,517)	2,407	(4,225)	-	13,294	(404)	(2,063)	(3,779)	-	570	708
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(11,991)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	(11,991)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(10,716)	(1,517)	2,407	(4,225)	-	1,303	(404)	(2,063)	(3,779)	-	570	708
Cash and investments - ending	\$ 38,248	\$ 8,406	\$ 30,406	\$ -	\$ -	\$ 1,303	\$ (5,296)	\$ -	\$ 2,036	\$ -	\$ 1,000	\$ 11,329

(Continued)

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

	Title I 2022-2023	Title I 2023-2024	Special Ed Part B 2023-2024	Part B Special Ed 2022-2023	Title IV Part A 2020-2021	Medicaid Reimbursement - Federal	Title II Part A 2023-2024	Title II Part A 2022-2023	Arp Plan	ESSER III	ESSER II	Coronavirus Relief (Crf)	Petty Cash
Cash and investments - beginning	\$ (1,676)	\$ -	\$ -	\$ (31,516)	\$ -	\$ 52,045	\$ -	\$ (620)	\$ (10,382)	\$ (6,425)	\$ -	\$ 14,640	\$ (400)
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	16,826	37,669	124,122	59,197	10,005	29,606	6,935	4,959	14,161	225,859	-	56,528	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	16,826	37,669	124,122	59,197	10,005	29,606	6,935	4,959	14,161	225,859	-	56,528	-
Disbursements:													
Instruction	11,309	32,395	169,173	27,681	-	8,434	-	-	3,779	185,705	-	-	-
Support services	3,641	15,047	-	-	-	887	7,468	4,339	-	35,983	-	71,168	-
Noninstructional services	200	1,500	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	46,962	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	15,150	48,942	169,173	27,681	-	9,321	7,468	4,339	3,779	268,650	-	71,168	-
Excess (deficiency) of receipts over disbursements	1,676	(11,273)	(45,051)	31,516	10,005	20,285	(533)	620	10,382	(42,791)	-	(14,640)	-
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	10,005	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(10,005)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	10,005	-	-	(10,005)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,676	(1,268)	(45,051)	31,516	-	20,285	(533)	620	10,382	(42,791)	-	(14,640)	-
Cash and investments - ending	\$ -	\$ (1,268)	\$ (45,051)	\$ -	\$ -	\$ 72,330	\$ (533)	\$ -	\$ -	\$ (49,216)	\$ -	\$ -	\$ (400)

(Continued)

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

	Prepaid School Lunch Accounts	Federal Tax	Social Security	Indiana State Taxes	County Adjusted Gross Income	Teacher Retirement	Nonteaching Retirement (Perf)	Group Insurance	Garnishments	Section 125	Criminal History Check	Totals
Cash and investments - beginning	\$ 6,808	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,694	\$ -	\$ -	\$ -	\$ 5,144,443
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	2,612,663
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	6,872
State sources	-	-	-	-	-	-	-	-	-	-	-	6,685,070
Federal sources	-	-	-	-	-	-	-	-	-	-	-	1,004,177
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	218,756	365,387	367,955	146,145	75,190	91,467	26,445	370,073	3,770	7,427	25	1,707,368
Total receipts	218,756	365,387	367,955	146,145	75,190	91,467	26,445	370,073	3,770	7,427	25	12,016,150
Disbursements:												
Instruction	-	-	-	-	-	-	-	-	-	-	-	4,636,318
Support services	-	-	-	-	-	-	-	-	-	-	-	3,695,532
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	875,741
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	634,701
Debt services	-	-	-	-	-	-	-	-	-	-	-	725,467
Nonprogrammed charges	217,886	365,387	367,955	146,145	75,190	91,467	26,445	368,120	3,770	7,427	25	1,674,317
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	217,886	365,387	367,955	146,145	75,190	91,467	26,445	368,120	3,770	7,427	25	12,242,076
Excess (deficiency) of receipts over disbursements	870	-	-	-	-	-	-	1,953	-	-	-	(225,926)
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	995,000
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	860,996
Transfers out	-	-	-	-	-	-	-	-	-	-	-	(860,996)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	995,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	870	-	-	-	-	-	-	1,953	-	-	-	769,074
Cash and investments - ending	\$ 7,678	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,647	\$ -	\$ -	\$ -	\$ 5,913,517

COWAN COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF PAYABLES AND RECEIVABLES  
June 30, 2024

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<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ <u>342,840</u>	\$ <u>47,340</u>

COWAN COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF LEASES AND DEBT  
June 30, 2024

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
Toshiba Financial Services	Rental of Five Copiers and Two Printers	\$ 11,142	10/1/2023	9/30/2028
Total of annual lease payments		<u>\$ 11,142</u>		

<u>Description of Debt</u>		<u>Ending Principal Balance</u>	<u>Principal Due Within One Year</u>
<u>Type</u>	<u>Purpose</u>		
Governmental activities:			
General Obligation Bonds	General Obligation Bonds of 2023	\$ 850,000	\$ 205,000
Other	Common School Loan # A0518	297,091	297,091
Other	Common School Loan #C0011	474,831	135,666
Total governmental activities		<u>1,621,922</u>	<u>637,757</u>
Totals		<u>\$ 1,621,922</u>	<u>\$ 637,757</u>

COWAN COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF CAPITAL ASSETS  
June 30, 2024

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 499,178
Buildings	6,904,208
Improvements other than buildings	1,060,254
Machinery, equipment, and vehicles	<u>2,413,417</u>
 Total governmental activities	 <u>10,877,057</u>
 Total capital assets	 <u>\$ 10,877,057</u>

COWAN COMMUNITY SCHOOL CORPORATION  
STATE REPORTING INFORMATION  
July 1, 2022 - June 30, 2024

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*Financial Statement and Accompanying Notes:*

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

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

*Indiana Department of Education Reporting:*

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

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

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

COWAN COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the period of July 1, 2022 through June 30, 2024

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 06-30-24	Total Federal Awards Expended 07-01-22 to 06-30-24
<u>Department of Agriculture</u>						
Child Nutrition Cluster	Indiana Department of Education					
School Breakfast Program		10.553	FY2023, FY2024	\$ 74,534	\$ 51,714	\$ 126,248
National School Lunch Program		10.555	FY2023, FY2024	349,341	277,775	627,116
Supply Chain Assistance Funds		10.555	FY2023, FY2024	50,613	28,712	79,325
Commodities		10.555	FY2023, FY2024	39,096	45,086	84,182
Total - Child Nutrition Cluster				<u>513,584</u>	<u>403,287</u>	<u>916,871</u>
Total - Department of Agriculture				<u>513,584</u>	<u>403,287</u>	<u>916,871</u>
<u>Department of Education</u>						
Special Education Cluster(IDEA)	Indiana Department of Education					
Special Education Grants to States						
COVID-19 - Supplemental Funding - IDEA, Part B		84.027X	22611-008-ARP	35,784	5,607	41,391
IDEA, Part B		84.027	22611-008-PN01	47,079	-	47,079
IDEA, Part B		84.027	23611-008-PN01	147,812	43,317	191,129
IDEA, Part B		84.027	24611-008-PN01	-	154,156	154,156
Total - Special Education Grants to States				<u>230,675</u>	<u>203,080</u>	<u>433,755</u>
Special Education Preschool Grants	Indiana Department of Education					
COVID-19 - Supplemental Funding - IDEA, Part Preschool		84.173X	22619-008-ARP	2,070	1,249	3,319
IDEA, Preschool		84.173	21619-008-PN01	316	-	316
IDEA, Preschool		84.173	22619-008-PN01	3,459	1,936	5,394
IDEA, Preschool		84.173	23619-008-PN01	2,301	2,862	5,163
IDEA, Preschool		84.173	24619-008-PN01	-	1,085	1,085
Total - Special Education Preschool Grants				<u>8,145</u>	<u>7,131</u>	<u>15,277</u>
Total - Special Education Cluster(IDEA)				<u>238,820</u>	<u>210,212</u>	<u>449,032</u>
Title I Grants to Local Educational Agencies	Indiana Department of Education					
Title I, Part A		84.010A	S010A210014	16,361	-	16,361
Title I, Part A		84.010A	S010A220014	44,657	16,826	61,483
Title I, Part A		84.010A	S010A230014	-	37,669	37,669
Total - Title I Grants to Local Educational Agencies				<u>61,018</u>	<u>54,495</u>	<u>115,513</u>

(Continued)

COWAN COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the period of July 1, 2022 through June 30, 2024

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 06-30-24	Total Federal Awards Expended 07-01-22 to 06-30-24
Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II, Part A		84.367A	S367A210013	\$ 1,062	\$ -	\$ 1,062
Title II, Part A		84.367A	S367A220013	7,439	4,959	12,398
Title II, Part A		84.367A	S367A230013	-	6,935	6,935
Total - Supporting Effective Instruction State Grants				<u>8,501</u>	<u>11,894</u>	<u>20,395</u>
Student Support and Academic Enrichment Program	Indiana Department of Education					
Title IV, Part A		84.424A	S424A220015	10,000	-	10,000
Title IV, Part A		84.424A	S424A230015	-	10,005	10,005
Total - Student Support and Academic Enrichment Program				<u>10,000</u>	<u>10,005</u>	<u>20,005</u>
COVID-19 - Education Stabilization Fund	Indiana Department of Education					
Governor's Emergency Education Relief Fund (GEER)		84.425C	S425C200018	452	-	452
Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D	S425D210013	6,856	-	6,856
American Rescue Plan Elementary and Secondary School Elementary and Secondary School Emergency Relief (ESSER III) Fund		84.425U	S425U210013	95,582	225,859	321,441
Total - COVID-19 - Education Stabilization Fund				<u>102,890</u>	<u>225,859</u>	<u>328,749</u>
Total - Department of Education				<u>421,229</u>	<u>512,465</u>	<u>933,694</u>
<u>Department of Health and Human Services</u>						
Medicaid Cluster						
Medical Assistance Program	Family and Social Services Administration					
Medicaid Reimbursement		93.778	FY2023, FY2024	39,161	29,606	68,767
Total - Medicaid Cluster				<u>39,161</u>	<u>29,606</u>	<u>68,767</u>
Public Health Emergency Response	Indiana Department of Health					
Coop Agreement for Emergency Response		93.354	N/A	38,299	56,528	94,827
Total - Public Health Emergency Response				<u>38,299</u>	<u>56,528</u>	<u>94,827</u>
Total - Department of Health and Human Services				<u>77,460</u>	<u>86,134</u>	<u>163,594</u>
Total federal awards expended				<u>\$ 1,012,274</u>	<u>\$ 1,001,886</u>	<u>\$ 2,014,159</u>

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

COWAN COMMUNITY SCHOOL CORPORATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the period of July 1, 2022 through June 30, 2024

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**NOTE 1 - BASIS OF PRESENTATION**

*A. Basis of Presentation*

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

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

*B. Other Significant Accounting Policies*

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

**NOTE 2 - INDIRECT COST RATE**

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

**NOTE 3 - OTHER INFORMATION**

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

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

Commodities donated to the School Corporation by the U.S. Department of Agriculture (USDA) of \$84,182 are valued based on the USDA's donated commodity price list. These are shown as part of the National School Lunch Program (10.555).

**NOTE 5 - SPECIAL EDUCATION COOPERATIVE (ALN: 84.027, 84.027X, 84.173, 84.173X)**

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

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

Those Charged with Governance  
Cowan Community School Corporation  
Delaware County, Indiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the Cowan Community School Corporation ("School Corporation"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School Corporation as of June 30, 2024 and for the period July 1, 2022 through June 30, 2024 and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement, and have issued our report thereon dated March 20, 2025.

#### **Report on Internal Control Over Financial Reporting**

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

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

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

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(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*.

### 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 20, 2025

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

Those Charged with Governance  
Cowan Community School Corporation  
Delaware County, Indiana

**Report on Compliance for Major Federal Program**

***Opinion on Major Federal Program***

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

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

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

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

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

***Responsibilities of Management for Compliance***

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

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

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

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

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(Continued)

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

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

*Government Auditing Standards* requires the auditor to perform limited procedures on the School Corporation's 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 20, 2025

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

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

***Financial Statement***

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

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ Yes \_\_\_\_\_ X No

Significant deficiencies identified not considered to be material weaknesses? \_\_\_\_\_ Yes \_\_\_\_\_ X None Reported

Noncompliance material to financial statement noted? \_\_\_\_\_ Yes \_\_\_\_\_ X No

***Federal Awards***

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ X Yes \_\_\_\_\_ No

Significant deficiencies identified not considered to be material weaknesses? \_\_\_\_\_ Yes \_\_\_\_\_ X 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)? \_\_\_\_\_ X Yes \_\_\_\_\_ No

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555	Child Nutrition Cluster

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

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes \_\_\_\_\_ X No

**Section II – Financial Statement Findings**

None noted.

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(Continued)

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

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

**FINDING 2024-001**

**Information on the federal program:**

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

**Criteria:** 2 CFR 180.300 states:

“When you enter into a covered transaction with another person as the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:

- (a) Checking SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person.”

**Condition:** An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the Child Nutrition Program and Procurement compliance requirements.

**Cause:** The School Corporation's management had not developed a system of internal controls that would have ensured compliance with the Procurement and Suspension and Debarment compliance requirement.

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

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

**Context:** During the audit period, the School Corporation had purchases between \$10,000 and \$150,000 from two vendors which fall under the small purchase method for federal and state procurement regulations and were charged to Fund 0800 – School Lunch Fund. For one vendor selected for testing, documentation was not presented to verify the School Corporation had performed checks to assure the vendor was not suspended or debarred prior to entering into the transaction in order to satisfy the suspended and debarment requirements.

**Identification as a repeat finding, if applicable:** This is a repeat finding from the immediately prior audit. The finding number was 2022-001.

**Recommendation:** We recommend the School Corporation perform and document suspension and debarment procedures over all vendors with annual aggregate disbursements over \$25,000 threshold that are charged to Fund 0800.

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

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

**FINDING 2024-001** (Continued)

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



# Cowan Community School Corporation

Christopher J. Conley – Superintendent

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## CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

June 30, 2024

### Finding 2024-001

Subject: Child Nutrition Cluster – Internal Controls

Federal Agency: Department of Agriculture

Federal Program: School Breakfast Program, National School Lunch Program

Assistance Listing Number: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY2023, FY2024

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement

Audit Finding: Material Weakness

**Context:** During the audit period, the School Corporation had purchases between \$10,000 and \$150,000 from two vendors which fall under the small purchase method for federal and state procurement regulations and were charged to Fund 0800 – School Lunch Fund. For one vendor selected for testing, documentation was not presented to verify the School Corporation had performed checks to assure the vendor was not suspended or debarred prior to entering into the transaction in order to satisfy the suspended and debarment requirements

Contact Person Responsible for Corrective Action: Mr. Christopher J. Conley, Superintendent

Contact Phone Number: (765) 289-4866

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Internal Control: When a purchase is made with any vendor over the \$25,000 threshold from Fund #800, School Lunch, Fund, the superintendent along with the treasurer or deputy treasurer (minimum of two people) will require that any vendors selected are in compliance with the Procurement and Suspension and Debarment compliance requirements by completing one the of following quality checks with each vendor prior to purchase:

- a. Checking the federal System for Award Management (SAM) database at <https://sam.gov/content/exclusions> and maintain a screen shot of the search results
- b. Collect a certification from the vendor directly
- c. Add a clause or condition to the covered transaction with the vendor

Anticipated Completion Date: This corrective action will be implemented and completed immediately with any purchase made that meets the above threshold.

Signed: \_\_\_\_\_

*Christopher J. Conley*  
Christopher J. Conley, Superintendent

Date: March 20, 2025



# Cowan Community School Corporation

Christopher J. Conley – Superintendent

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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2022-001**

#### **Information on the federal program:**

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

**Context:** During the audit period, the School Corporation had purchases between \$10,000 and \$150,000 from two vendors which fall under the small purchase method for federal and state procurement regulations and were charged to Fund 0800 – School Lunch Fund. For one vendor selected for testing, documentation was not presented to verify the School Corporation had performed checks to assure the vendor was not suspended or debarred prior to entering into the transaction in order to satisfy the suspended and debarment requirements.

**Status:** *Not Resolved*, see finding 2024-001. For the period 2022-2024, we had three companies that needed to have compliance with Suspension and Debarment. We did this for the other two vendors but not for C and T. This was an oversight on our part because we thought it was not equipment. We did reach out to Mr. Timothy Brown, former Superintendent, but had no luck in finding this information.