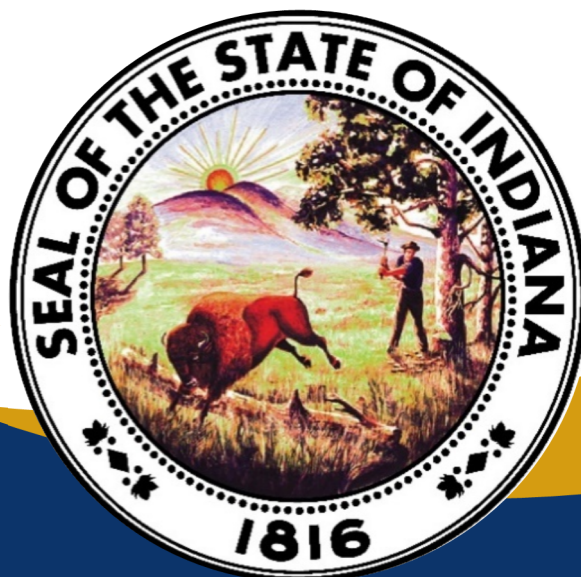


**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

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

FINANCIAL STATEMENT AND
FEDERAL COMPLIANCE AUDIT REPORT
OF

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION
HENRY COUNTY, INDIANA
July 1, 2022 to June 30, 2024



FILED

03/26/2025





Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

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March 26, 2025

To: The Officials of Charles A. Beard Memorial School Corporation
Charles A. Beard Memorial School Corporation
Henry County, Indiana

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Charles A. Beard Memorial 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 findings included in the report on pages 34 through 37. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 38 and 39.

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 of Charles A. Beard Memorial 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

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION
Henry County, Indiana

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

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION
Henry 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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CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION
SCHEDULE OF OFFICIALS (Unaudited)
For the period of July 1, 2022 through June 30, 2024

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Bryce Welsh Stephanie Madison	07-01-22 to 02-29-24 03-01-24 to 06-30-24
Superintendent of Schools	Jediah T. Behny	07-01-22 to 06-30-24
President of the School Board	Wade Beatty	01-01-20 to 12-31-24

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
Charles A. Beard Memorial School Corporation
Henry 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 Charles A. Beard Memorial 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.

(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.

(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 February 27 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
February 27, 2025

CHARLES A. BEARD MEMORIAL 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 Fund	\$ 708,236	\$ 8,209,278	\$ 7,352,683	\$ (1,220,000)	\$ 344,831	\$ 8,943,931	\$ 8,069,249	\$ (1,180,672)	\$ 38,841
Debt Service	815,928	2,528,651	2,467,831	-	876,748	3,119,040	3,563,099	-	432,689
Operations Fund	334,931	2,112,570	3,420,543	1,160,000	186,958	2,399,542	3,644,212	1,087,500	29,788
Rainy Day	319,276	-	-	60,000	379,276	-	-	-	379,276
Common School Fund (Const.)	23	-	-	-	23	-	-	-	23
2019 Go Bond	285,765	286	311,127	17,278	(7,798)	-	-	7,798	-
2022 Bonds	-	96,063	763,795	4,885,462	4,217,730	63,134	1,545,121	(7,798)	2,727,945
2023 Bond	-	-	-	-	-	8,199	276,089	1,100,000	832,110
Food Service Fund	138,608	719,991	676,367	-	182,232	697,764	800,745	-	79,251
Textbook Rental	79,729	41,338	175,224	-	(54,157)	89,216	45,812	-	(10,753)
Levy Excess	2,188	-	-	-	2,188	-	-	-	2,188
HCCF FAACS Grant	4	-	-	-	4	-	-	-	4
Music Grant	1,057	-	600	-	457	-	-	-	457
Stacy's Closet	4,633	-	1,047	-	3,586	-	-	-	3,586
FFA Garden Grant	-	3,000	2,412	-	588	-	-	-	588
Educational License Plate Fee	413	-	-	-	413	19	-	-	432
2017 Lilly Comp Counseling Ini	-	1,232	-	-	1,232	-	-	-	1,232
Preschool Grant	4,379	-	-	-	4,379	-	-	-	4,379
Scripps Howard Spanish Grant	1,196	-	1,196	-	-	1,242	882	-	360
Negative Lunch Account Donations	1,347	1,071	3,870	2,496	1,044	-	-	-	1,044
Van Hoy Scholarship Fund	-	2,000	-	-	2,000	2,000	4,000	-	-
Geo Group Foundation Scholarship	-	4,000	-	-	4,000	-	-	-	4,000
Gifts Donations	5,323	-	-	-	5,323	-	-	-	5,323
HCCF Canine Grant	242	-	-	-	242	1,000	-	-	1,242
United Way Summer Learning Grant	3,633	-	-	-	3,633	-	-	-	3,633
General Donations	-	8,200	5,000	-	3,200	-	-	-	3,200
Golf Outing Fund	4,054	9,527	3,999	(2,496)	7,086	6,526	8,155	-	5,457
Scholarships And Awards	2,458	10,125	-	-	12,583	11,750	14,232	-	10,101
Pioneer Case Scholarship	10,456	1,000	1,000	-	10,456	-	3,000	-	7,456

(Continued)

CHARLES A. BEARD MEMORIAL 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
Formative Assessment Fund	\$ 2,787	\$ 458	\$ 12,813	\$ -	\$ (9,568)	\$ -	\$ 13,138	\$ 12,126	\$ (10,580)
Early Literacy Achievement Grant	-	-	-	-	-	-	14,801	14,801	-
Robotics Grant	-	-	-	-	-	16,024	13,139	-	2,885
Career & Tech Innovation & Adv	12,126	-	-	-	12,126	-	-	(12,126)	-
Performance Based Awards 13/14	604	38,747	37,672	-	1,679	38,434	37,872	-	2,241
High Ability	1,753	24,699	11,670	-	14,782	33,307	30,454	(11,839)	5,796
State Connectivity Grant	34,914	7,320	12,769	-	29,465	24,780	7,175	(1,629)	45,441
Title I 2018-2019	(48,035)	176,889	181,669	-	(52,815)	234,292	272,569	9,923	(81,169)
Title I 17/18	(1,916)	-	-	-	(1,916)	-	-	1,916	-
Title IV	(14,887)	-	-	-	(14,887)	-	27,437	-	(42,324)
Title II FY16	-	-	-	-	-	-	(52)	-	52
Title II	(37,366)	46,872	36,117	-	(26,611)	52,684	47,502	-	(21,429)
Education Excellence Grant	-	255,000	316,475	-	(61,475)	244,999	189,751	-	(6,227)
CARES Act	-	10,210	10,325	-	(115)	-	-	-	(115)
ESSER II	(20,865)	33,504	52,961	-	(40,322)	11,464	4,900	-	(33,758)
ESSER III	(122,658)	384,975	757,651	-	(495,334)	260,354	48,032	80,000	(203,012)
Prepaid Lunch Fund	5,144	(3,238)	2,053	-	(147)	6,666	10,573	-	(4,054)
Payroll Clearing Funds	159,090	2,023,985	1,970,389	-	212,686	2,053,768	2,187,334	-	79,120
Totals	\$ 2,694,570	\$ 16,747,753	\$ 18,589,258	\$ 4,902,740	\$ 5,755,805	\$ 18,320,135	\$ 20,879,221	\$ 1,100,000	\$ 4,296,719

See notes to financial statement.

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2024, and for the period of
July 1, 2022 through June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

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

(Continued)

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2024, and for the period of
July 1, 2022 through June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Continued)

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2024, and for the period of
July 1, 2022 through June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

NOTE 2 - BUDGETS

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

NOTE 3 - PROPERTY TAXES

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

(Continued)

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2024, and for the period of
July 1, 2022 through June 30, 2024

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 deficits in the Textbook Rental and Prepaid Lunch funds are 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 - HOLDING CORPORATIONS

The School Corporation has entered into a series of capital leases with the Knightstown High 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, 2022 through June 30, 2023 totaled \$763,500. Lease payments for the period July 1, 2023 through June 30, 2024 totaled \$1,360,500.

NOTE 8 - PENSION PLANS

Public Employees Retirement Fund

Plan Description

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

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

(Continued)

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2024, and for the period of
July 1, 2022 through June 30, 2024

NOTE 8 - 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.

(Continued)

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2024, and for the period of
July 1, 2022 through June 30, 2024

NOTE 8 - 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 9 - SUBSEQUENT EVENT

In October 2024, the School Corporation issued General Obligation Bonds in the amount of \$2,025,000 to finance capital improvements to school facilities and bus purchases.

OTHER INFORMATION (Unaudited)

CHARLES A. BEARD MEMORIAL 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 Fund	Debt Service	Operations Fund	Rainy Day	Common School Fund (Const.)	2019 Go Bond	2022 Bonds	2023 Bond	Food Service Fund	Textbook Rental	Levy Excess	HCCF FAACS Grant
Cash and investments - beginning	\$ 708,236	\$ 815,928	\$ 334,931	\$ 319,276	\$ 23	\$ 285,765	\$ -	\$ -	\$ 138,608	\$ 79,729	\$ 2,188	\$ 4
Receipts:												
Local sources	2,111	2,528,651	2,051,924	-	-	286	96,063	-	168,298	1,200	-	-
Intermediate sources	51	-	-	-	-	-	-	-	-	-	-	-
State sources	8,020,775	-	-	-	-	-	-	-	5,114	40,066	-	-
Federal sources	-	-	-	-	-	-	-	-	512,372	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	186,341	-	60,646	-	-	-	-	-	34,207	72	-	-
Total receipts	8,209,278	2,528,651	2,112,570	-	-	286	96,063	-	719,991	41,338	-	-
Disbursements:												
Instruction	5,514,212	-	-	-	-	-	-	-	-	-	-	-
Support services	1,441,450	-	3,225,956	-	-	-	145,372	-	-	175,224	-	-
Noninstructional services	397,021	-	61,653	-	-	-	-	-	676,367	-	-	-
Facilities acquisition and construction	-	-	132,934	-	-	311,127	618,423	-	-	-	-	-
Debt services	-	2,467,831	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	7,352,683	2,467,831	3,420,543	-	-	311,127	763,795	-	676,367	175,224	-	-
Excess (deficiency) of receipts over disbursements	856,595	60,820	(1,307,973)	-	-	(310,841)	(667,732)	-	43,624	(133,886)	-	-
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	4,902,740	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	100,000	-	1,260,000	120,000	-	17,278	-	-	-	-	-	-
Transfers out	(1,320,000)	-	(100,000)	(60,000)	-	-	(17,278)	-	-	-	-	-
Total other financing sources (uses)	(1,220,000)	-	1,160,000	60,000	-	17,278	4,885,462	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(363,405)	60,820	(147,973)	60,000	-	(293,563)	4,217,730	-	43,624	(133,886)	-	-
Cash and investments - ending	\$ 344,831	\$ 876,748	\$ 186,958	\$ 379,276	\$ 23	\$ (7,798)	\$ 4,217,730	\$ -	\$ 182,232	\$ (54,157)	\$ 2,188	\$ 4

(Continued)

CHARLES A. BEARD MEMORIAL 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

	Music Grant	Stacy's Closet	FFA Garden Grant	Educational License Plate Fee	2017 Lilly Comp Counseling Ini	Preschool Grant	Scripps Howard Spanish Grant	Negative Lunch Account Donations	Van Hoy Scholarship Fund	Geo Group Foundation Scholarship	Gifts Donations	HCCF Canine Grant
Cash and investments - beginning	\$ 1,057	\$ 4,633	\$ -	\$ 413	\$ -	\$ 4,379	\$ 1,196	\$ 1,347	\$ -	\$ -	\$ 5,323	\$ 242
Receipts:												
Local sources	-	-	3,000	-	1,232	-	-	1,071	2,000	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	4,000	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	3,000	-	1,232	-	-	1,071	2,000	4,000	-	-
Disbursements:												
Instruction	600	-	2,412	-	-	-	1,196	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	1,047	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	3,870	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	600	1,047	2,412	-	-	-	1,196	3,870	-	-	-	-
Excess (deficiency) of receipts over disbursements	(600)	(1,047)	588	-	1,232	-	(1,196)	(2,799)	2,000	4,000	-	-
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	3,870	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(1,374)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	2,496	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(600)	(1,047)	588	-	1,232	-	(1,196)	(303)	2,000	4,000	-	-
Cash and investments - ending	\$ 457	\$ 3,586	\$ 588	\$ 413	\$ 1,232	\$ 4,379	\$ -	\$ 1,044	\$ 2,000	\$ 4,000	\$ 5,323	\$ 242

(Continued)

CHARLES A. BEARD MEMORIAL 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

	United Way Summer Learning Grant	General Donations	Golf Outing Fund	Scholarships And Awards	Pioneer Case Scholarship	Formative Assessment Fund	Early Literacy Achievement Grant	Robotics Grant	Career & Tech Innovation & Adv	Performance Based Awards 13/14	High Ability	State Connectivity Grant
Cash and investments - beginning	\$ 3,633	\$ -	\$ 4,054	\$ 2,458	\$ 10,456	\$ 2,787	\$ -	\$ -	\$ 12,126	\$ 604	\$ 1,753	\$ 34,914
Receipts:												
Local sources	-	-	-	10,125	1,000	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	8,200	-	-	-	458	-	-	-	38,747	24,699	7,320
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	9,527	-	-	-	-	-	-	-	-	-
Total receipts	-	8,200	9,527	10,125	1,000	458	-	-	-	38,747	24,699	7,320
Disbursements:												
Instruction	-	-	-	-	-	-	-	-	-	37,672	11,670	-
Support services	-	-	-	-	-	12,813	-	-	-	-	-	12,769
Noninstructional services	-	5,000	3,999	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	1,000	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	5,000	3,999	-	1,000	12,813	-	-	-	37,672	11,670	12,769
Excess (deficiency) of receipts over disbursements	-	3,200	5,528	10,125	-	(12,355)	-	-	-	1,075	13,029	(5,449)
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(2,496)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(2,496)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	3,200	3,032	10,125	-	(12,355)	-	-	-	1,075	13,029	(5,449)
Cash and investments - ending	\$ 3,633	\$ 3,200	\$ 7,086	\$ 12,583	\$ 10,456	\$ (9,568)	\$ -	\$ -	\$ 12,126	\$ 1,679	\$ 14,782	\$ 29,465

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CHARLES A. BEARD MEMORIAL 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 2018- 2019	Title I 17/18	Title IV	Title II FY16	Title II	Education Excellence Grant	CARES Act	ESSER II	ESSER III	Prepaid Lunch Fund	Payroll Clearing Funds	Totals
Cash and investments - beginning	\$ (48,035)	\$ (1,916)	\$ (14,887)	\$ -	\$ (37,366)	\$ -	\$ -	\$ (20,865)	\$ (122,658)	\$ 5,144	\$ 159,090	\$ 2,694,570
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	4,866,961
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	51
State sources	-	-	-	-	-	-	-	-	-	-	-	8,149,379
Federal sources	176,889	-	-	-	46,872	255,000	10,210	33,504	384,975	-	-	1,419,822
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	(3,238)	2,023,985	2,311,540
Total receipts	176,889	-	-	-	46,872	255,000	10,210	33,504	384,975	(3,238)	2,023,985	16,747,753
Disbursements:												
Instruction	176,551	-	-	-	-	243,000	10,325	-	344,901	-	-	6,342,539
Support services	4,000	-	-	-	36,117	73,475	-	26,425	358,944	-	-	5,512,545
Noninstructional services	1,118	-	-	-	-	-	-	-	-	-	-	1,146,205
Facilities acquisition and construction	-	-	-	-	-	-	-	26,536	53,806	-	-	1,142,826
Debt services	-	-	-	-	-	-	-	-	-	-	-	2,467,831
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	4,870
Interfund loans	-	-	-	-	-	-	-	-	-	2,053	1,970,389	1,972,442
Total disbursements	181,669	-	-	-	36,117	316,475	10,325	52,961	757,651	2,053	1,970,389	18,589,258
Excess (deficiency) of receipts over disbursements	(4,780)	-	-	-	10,755	(61,475)	(115)	(19,457)	(372,676)	(5,291)	53,596	(1,841,505)
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	4,902,740
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	190,363	-	-	-	-	-	-	-	-	-	-	1,691,511
Transfers out	(190,363)	-	-	-	-	-	-	-	-	-	-	(1,691,511)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	4,902,740
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,780)	-	-	-	10,755	(61,475)	(115)	(19,457)	(372,676)	(5,291)	53,596	3,061,235
Cash and investments - ending	\$ (52,815)	\$ (1,916)	\$ (14,887)	\$ -	\$ (26,611)	\$ (61,475)	\$ (115)	\$ (40,322)	\$ (495,334)	\$ (147)	\$ 212,686	\$ 5,755,805

CHARLES A. BEARD MEMORIAL 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 Fund	Debt Service	Operations Fund	Rainy Day	Common School Fund (Const.)	2019 Go Bond	2022 Bonds	2023 Bond	Food Service Fund	Textbook Rental	Levy Excess	HCCF FAACS Grant
Cash and investments - beginning	\$ 344,831	\$ 876,748	\$ 186,958	\$ 379,276	\$ 23	\$ (7,798)	\$ 4,217,730	\$ -	\$ 182,232	\$ (54,157)	\$ 2,188	\$ 4
Receipts:												
Local sources	12,616	3,119,040	2,265,804	-	-	-	63,134	8,199	12,317	636	-	-
Intermediate sources	101	-	-	-	-	-	-	-	-	-	-	-
State sources	8,594,847	-	-	-	-	-	-	-	-	88,580	-	-
Federal sources	-	-	-	-	-	-	-	-	668,199	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	336,367	-	133,738	-	-	-	-	-	17,248	-	-	-
Total receipts	8,943,931	3,119,040	2,399,542	-	-	-	63,134	8,199	697,764	89,216	-	-
Disbursements:												
Instruction	5,980,995	-	-	-	-	-	-	-	-	-	-	-
Support services	1,638,284	-	3,422,515	-	-	-	323,100	-	-	45,812	-	-
Noninstructional services	449,970	-	60,132	-	-	-	-	-	800,745	-	-	-
Facilities acquisition and construction	-	-	63,555	-	-	-	1,222,021	276,089	-	-	-	-
Debt services	-	3,563,099	98,010	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	8,069,249	3,563,099	3,644,212	-	-	-	1,545,121	276,089	800,745	45,812	-	-
Excess (deficiency) of receipts over disbursements	874,682	(444,059)	(1,244,670)	-	-	-	(1,481,987)	(267,890)	(102,981)	43,404	-	-
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	1,100,000	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	1,629	-	1,165,500	-	-	7,798	-	-	-	-	-	-
Transfers out	(1,182,301)	-	(78,000)	-	-	-	(7,798)	-	-	-	-	-
Total other financing sources (uses)	(1,180,672)	-	1,087,500	-	-	7,798	(7,798)	1,100,000	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(305,990)	(444,059)	(157,170)	-	-	7,798	(1,489,785)	832,110	(102,981)	43,404	-	-
Cash and investments - ending	\$ 38,841	\$ 432,689	\$ 29,788	\$ 379,276	\$ 23	\$ -	\$ 2,727,945	\$ 832,110	\$ 79,251	\$ (10,753)	\$ 2,188	\$ 4

(Continued)

CHARLES A. BEARD MEMORIAL 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

	Music Grant	Stacy's Closet	FFA Garden Grant	Educational License Plate Fee	2017 Lilly Comp Counseling Ini	Preschool Grant	Scripps Howard Spanish Grant	Negative Lunch Account Donations	Van Hoy Scholarship Fund	Geo Group Foundation Scholarship	Gifts Donations	HCCF Canine Grant
Cash and investments - beginning	\$ 457	\$ 3,586	\$ 588	\$ 413	\$ 1,232	\$ 4,379	\$ -	\$ 1,044	\$ 2,000	\$ 4,000	\$ 5,323	\$ 242
Receipts:												
Local sources	-	-	-	-	-	-	1,242	-	2,000	-	-	1,000
Intermediate sources	-	-	-	19	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	19	-	-	1,242	-	2,000	-	-	1,000
Disbursements:												
Instruction	-	-	-	-	-	-	882	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	4,000	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	-	882	-	4,000	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	19	-	-	360	-	(2,000)	-	-	1,000
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	-	-	-	19	-	-	360	-	(2,000)	-	-	1,000
Cash and investments - ending	\$ 457	\$ 3,586	\$ 588	\$ 432	\$ 1,232	\$ 4,379	\$ 360	\$ 1,044	\$ -	\$ 4,000	\$ 5,323	\$ 1,242

(Continued)

CHARLES A. BEARD MEMORIAL 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

	United Way Summer Learning Grant	General Donations	Golf Outing Fund	Scholarships And Awards	Pioneer Case Scholarship	Formative Assessment Fund	Early Literacy Achievement Grant	Robotics Grant	Career & Tech Innovation & Adv	Performance Based Awards 13/14	High Ability	State Connectivity Grant
Cash and investments - beginning	\$ 3,633	\$ 3,200	\$ 7,086	\$ 12,583	\$ 10,456	\$ (9,568)	\$ -	\$ -	\$ 12,126	\$ 1,679	\$ 14,782	\$ 29,465
Receipts:												
Local sources	-	-	-	11,750	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	16,024	-	38,434	33,307	24,780
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	6,526	-	-	-	-	-	-	-	-	-
Total receipts	-	-	6,526	11,750	-	-	-	16,024	-	38,434	33,307	24,780
Disbursements:												
Instruction	-	-	-	-	-	-	14,728	13,139	-	37,872	30,454	-
Support services	-	-	-	-	-	13,138	73	-	-	-	-	7,175
Noninstructional services	-	-	8,155	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	14,232	3,000	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	8,155	14,232	3,000	13,138	14,801	13,139	-	37,872	30,454	7,175
Excess (deficiency) of receipts over disbursements	-	-	(1,629)	(2,482)	(3,000)	(13,138)	(14,801)	2,885	-	562	2,853	17,605
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	12,126	14,801	-	-	-	25,892	-
Transfers out	-	-	-	-	-	-	-	-	(12,126)	-	(37,731)	(1,629)
Total other financing sources (uses)	-	-	-	-	-	12,126	14,801	-	(12,126)	-	(11,839)	(1,629)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(1,629)	(2,482)	(3,000)	(1,012)	-	2,885	(12,126)	562	(8,986)	15,976
Cash and investments - ending	\$ 3,633	\$ 3,200	\$ 5,457	\$ 10,101	\$ 7,456	\$ (10,580)	\$ -	\$ 2,885	\$ -	\$ 2,241	\$ 5,796	\$ 45,441

(Continued)

CHARLES A. BEARD MEMORIAL 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 2018-2019	Title I 17/18	Title IV	Title II FY16	Title II	Education Excellence Grant	CARES Act	ESSER II	ESSER III	Prepaid Lunch Fund	Payroll Clearing Funds	Totals
Cash and investments - beginning	\$ (52,815)	\$ (1,916)	\$ (14,887)	\$ -	\$ (26,611)	\$ (61,475)	\$ (115)	\$ (40,322)	\$ (495,334)	\$ (147)	\$ 212,686	\$ 5,755,805
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	5,497,738
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	120
State sources	-	-	-	-	-	-	-	-	-	-	-	8,795,972
Federal sources	234,292	-	-	-	52,684	244,999	-	11,464	260,354	-	-	1,471,992
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	6,666	2,053,768	2,554,313
Total receipts	234,292	-	-	-	52,684	244,999	-	11,464	260,354	6,666	2,053,768	18,320,135
Disbursements:												
Instruction	257,929	-	27,437	-	-	69,000	-	-	135,760	-	-	6,568,196
Support services	10,000	-	-	(52)	47,502	120,751	-	4,900	(7,532)	-	-	5,625,666
Noninstructional services	4,640	-	-	-	-	-	-	-	-	-	-	1,323,642
Facilities acquisition and construction	-	-	-	-	-	-	-	-	(80,196)	-	-	1,481,469
Debt services	-	-	-	-	-	-	-	-	-	-	-	3,661,109
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	21,232
Interfund loans	-	-	-	-	-	-	-	-	-	10,573	2,187,334	2,197,907
Total disbursements	272,569	-	27,437	(52)	47,502	189,751	-	4,900	48,032	10,573	2,187,334	20,879,221
Excess (deficiency) of receipts over disbursements	(38,277)	-	(27,437)	52	5,182	55,248	-	6,564	212,322	(3,907)	(133,566)	(2,559,086)
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	1,100,000
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	55,286	1,916	-	-	22,678	-	-	-	80,000	-	-	1,387,626
Transfers out	(45,363)	-	-	-	(22,678)	-	-	-	-	-	-	(1,387,626)
Total other financing sources (uses)	9,923	1,916	-	-	-	-	-	-	80,000	-	-	1,100,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(28,354)	1,916	(27,437)	52	5,182	55,248	-	6,564	292,322	(3,907)	(133,566)	(1,459,086)
Cash and investments - ending	\$ (81,169)	\$ -	\$ (42,324)	\$ 52	\$ (21,429)	\$ (6,227)	\$ (115)	\$ (33,758)	\$ (203,012)	\$ (4,054)	\$ 79,120	\$ 4,296,719

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2024

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ <u>228,645</u>	\$ <u>14,063</u>

CHARLES A. BEARD MEMORIAL 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:				
Knightstown High School Bldg Corp	High School 2009 QSCB	\$ 163,125	12/30/2009	1/1/2025
Knightstown High School Building Corp	2022 Bond Series	<u>1,096,000</u>	9/28/2022	1/10/2031
Total governmental activities		<u>1,259,125</u>		
Total of annual lease payments		<u>\$ 1,259,125</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	2019 General Obligation Bonds	\$ 645,000	\$ 645,000
General Obligation Bonds	2023 General Obligation Bonds	895,000	220,000
Notes and Loans Payable	CSF A0471	1,204,200	267,600
Notes and Loans Payable	CSF A0488	-	-
Notes and Loans Payable	CSF A0501	<u>-</u>	<u>-</u>
Total governmental activities		<u>2,744,200</u>	<u>1,132,600</u>
Totals		<u>\$ 2,744,200</u>	<u>\$ 1,132,600</u>

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2024

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	\$ 436,350
Infrastructure	929,926
Buildings	25,537,525
Improvements other than buildings	1,131,199
Machinery, equipment, and vehicles	3,590,381
Construction in progress	<u>266,000</u>
 Total governmental activities	 <u>31,891,381</u>
 Total capital assets	 <u>\$ 31,891,381</u>

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION
STATE REPORTING INFORMATION
July 1, 2022 - June 30, 2024

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.

CHARLES A. BEARD MEMORIAL 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 7-01-2022 to 06-30-24
<u>Department of Agriculture</u>						
Child Nutrition Cluster	Indiana Department of Education					
School Breakfast Program		10.553	FY2023, FY2024	\$ 101,699	\$ 133,686	\$ 235,385
National School Lunch Program		10.555	FY2023, FY2024	423,088	496,229	919,317
Commodities		10.555	FY2023, FY2024	42,287	52,006	94,293
Fresh Fruit and Vegetable Program		10.582	FY2024	-	36,804	36,804
				<u>567,074</u>	<u>718,725</u>	<u>1,285,799</u>
Total - Child Nutrition Cluster						
Pandemic EBT Administrative Costs	Indiana Department of Education					
P-EBT Administrative Cost Grant		10.649	FY2023	628	-	628
				<u>567,702</u>	<u>718,725</u>	<u>1,286,427</u>
Total - Department of Agriculture						
<u>Department of Education</u>						
Special Education Cluster (IDEA)						
Special Education Grants to States	Indiana Department of Education					
IDEA, Part B		84.027	22611-040-PN01	134,377	-	134,377
COVID-19 - Supplemental Funding - IDEA, Part B		84.027X	22611-040-ARP	27,539	10,053	37,592
IDEA, Part B		84.027	23611-040-PN01	132,794	187,553	320,347
IDEA, Part B		84.027	24611-040-PN01	-	124,567	124,567
				<u>294,710</u>	<u>322,173</u>	<u>616,883</u>
Total - Special Education Grants to States						
Special Education Preschool Grants	Indiana Department of Education					
IDEA, Preschool		84.173	22619-040-PN01	6,186	-	6,186
COVID-19 - Supplemental Funding - IDEA, Preschool		84.173X	22619-040-ARP	361	-	361
IDEA, Preschool		84.173	23619-040-PN01	10,689	9,075	19,764
IDEA, Preschool		84.173	24619-040-PN01	-	12,859	12,859
				<u>17,236</u>	<u>21,934</u>	<u>39,170</u>
Total - Special Education Preschool Grants						
Total - Special Education Cluster (IDEA)				<u>311,946</u>	<u>344,107</u>	<u>656,053</u>

(Continued)

CHARLES A. BEARD MEMORIAL 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 7-01-2022 to 06-30-24
Title I Grants to Local Educational Agencies	Indiana Department of Education					
Title I, Part A		84.010A	S010A210014	\$ 97,159	\$ -	\$ 97,159
Title I, Part A		84.010A	S010A220014	79,731	101,908	181,639
Title I, Part A		84.010A	S010A230014	-	132,384	132,384
				<u>176,890</u>	<u>234,292</u>	<u>411,182</u>
Total - Title I Grants to Local Educational Agencies						
Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II, Part A		84.367A	S367A220013	-	4,422	4,422
Title II, Part A		84.367A	S367A190013	24,344	-	24,344
Title II, Part A		84.367A	S367A210013	22,528	11,795	34,323
Title II, Part A		84.367A	S367A200013	-	36,467	36,467
				<u>46,872</u>	<u>52,684</u>	<u>99,556</u>
Total - Supporting Effective Instruction State Grants						
COVID-19 - Education Stabilization Fund	Indiana Department of Education					
Elementary and Secondary School Emergency Relief (ESSER I) Fund		84.425D	S425D200013	10,210	-	10,210
Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D	S425D210013	33,504	11,464	44,968
American Rescue Plan Elementary and Secondary School Elementary Relief (ARP ESSER) Fund		84.425U	S425U210013	376,898	260,354	637,252
Educational Excellence		84.425U	S425U210013	255,000	244,999	499,999
				<u>675,612</u>	<u>516,817</u>	<u>1,192,429</u>
Total - COVID-19 - Education Stabilization Fund						
Total - Department of Education				<u>1,211,320</u>	<u>1,147,900</u>	<u>2,359,220</u>
Total federal awards expended				<u>\$ 1,779,022</u>	<u>\$ 1,866,625</u>	<u>\$ 3,645,647</u>

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

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period of July 1, 2022 through June 30, 2024

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 \$94,293 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

The School Corporation is a member of the New Castle Area Special Services (Cooperative), which operates the special education program for the School Corporation. As a result, some of the 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. That 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
Charles A. Beard Memorial School Corporation
Henry 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 Charles A. Beard Memorial 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 February 27, 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 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 2024-001 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*.

School Corporation's Response to Findings

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

Crowe LLP

Indianapolis, Indiana
February 27, 2025

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

Those Charged with Governance
Charles A. Beard Memorial School Corporation
Henry County, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Charles A. Beard Memorial 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 each of the School Corporation's major federal programs for the period of July 1, 2022 through June 30, 2024. 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, 2022 through June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

(Continued)

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 2024-002 to be a material weakness.

(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 finding identified in our audit described in the accompanying schedule of findings and questioned costs. The School Corporation's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The School Corporation is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The School Corporation's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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


Crowe LLP

Indianapolis, Indiana
February 27, 2025

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 July 1, 2022 through June 30, 2024

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

Type of auditor’s report issued on compliance for major programs: 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>
10.553, 10.555, 10.582	Child Nutrition Cluster
84.425D, 84.425U	COVID-19 - Education Stabilization Fund

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

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

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

Section II – Financial Statement Findings

FINDING 2024-001

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

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

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

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

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

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

2 CFR 200.508 states in part:

"The auditee must: . . .

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

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

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

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

(Continued)

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

Section II – Financial Statement Findings (Continued)

FINDING 2024-001 (Continued)

For the period of July 1, 2022 to June 30, 2023, the receipt and disbursement, amounts were understated by \$2,020,774 and \$1,976,312 respectively. The beginning July 1, 2022 balance was understated by \$164,234. The net impact on the ending June 30, 2023 cash balance was an understatement of \$44,462.

For the period of July 1, 2023 to June 30, 2024, the receipt and disbursement, amounts were understated by \$2,060,434 and \$2,197,907 respectively. The beginning July 1, 2023 balance was understated by \$44,462. The net impact on the ending June 30, 2024 cash balance was an overstatement of \$93,011.

The adjustments were related to the Prepaid Lunch Fund and Payroll Clearing funds which were improperly excluded from the AFR. Audit adjustments were proposed, accepted by the School Corporation, and made to the financial statement to correct the issues noted above.

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

Identification as a repeat finding, if applicable: No.

Recommendation: We recommended that the School Corporation's management establish a formal review over the AFR financial statement submission to ensure amounts reported are accurate and agree to underlying fund ledgers. The School Corporation should establish a documented, secondary review to ensure the amounts reported on the financial statement agree to the supporting fund ledger detail.

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

(Continued)

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

Section III – Federal Award Findings and Questioned Costs

FINDING 2024-002

Information on the federal program:

Subject: COVID-19 – Education Stabilization Fund – Reporting
Federal Agency: Department of Education
Federal Program: COVID-19 – Education Stabilization Fund
Assistance Listing Number: 84.425D, 84.425U
Federal Award Numbers and Years (or Other Identifying Numbers): S425D200013, S425D210013, S425U210013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Finding: Material Weakness

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.302(b) states in part:

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

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

34 CFR 76.722 states:

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

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

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

Effect: The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. Internal controls were not adequate to detect and prevent errors in annual data submitted to the Indiana Department of Education.

Questioned Costs: There were no questioned costs identified.

(Continued)

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

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

FINDING 2024-002 (Continued)

Context: The School Corporation had not designed nor implemented a system of internal control to ensure that the annual Elementary and Secondary School Emergency Relief (ESSER) annual Data Collection reports (Reports) were complete and accurately submitted. The reports were prepared and submitted in JotForm, the online application used by the Indiana Department of Education to collect information, without an oversight or secondary review process in place to prevent or detect and correct errors.

During the testing of the annual data reports, variances were noted in the amounts expended reported on the Year 4 annual data report for the ESSER I and the Year 3 annual data reports for ESSER II and ESSER III grant awards when compared to underlying disbursement detail for the grant funds covering the period of July 1, 2022 through June 30, 2023. The amounts reported as expended in the annual data reports were underreported by \$504,240 compared to underlying funds ledger detail.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommend someone other than the preparer of the report perform a documented, secondary review of the report information prior to submission to validate the accuracy and completeness of the data submitted.

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

Charles A. Beard Memorial School Corporation

8139 W US Hwy 40
Knightstown, Indiana 46148

School Board

Wade Beatty, President
Tom Schaetzle, Vice President
Melissa Toth, Secretary
Gerald Leonard
Cynthia Neal
Graham Richardson
Monica Van Hoy



Jediah Behny
Superintendent

Voice: 765-345-5101
Fax: 765-345-5103

CORRECTIVE ACTION PLAN

FINDING 2024-001

Contact Person Responsible for Corrective Action: Stephanie Madison
Contact Phone Number: 765-345-5101

Views of Responsible Official:
We concur with the finding.

Description of Corrective Action Plan:

The Treasurer will prepare the Annual Financial report, and provide the draft report along with all supporting documentation to the Superintendent for review and approval. His/her approval will be documented before submission of the report.

Anticipated Completion Date: 2/21/2025

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Superintendent

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CORRECTIVE ACTION PLAN

FINDING 2024-002

Contact Person Responsible for Corrective Action: Stephanie Madison
Contact Phone Number: 765-345-5101

Views of Responsible Official:
We concur with the finding.

Description of Corrective Action Plan:

This is isolated to FY23 reporting. Internal controls over ESSER reporting were not implemented by previous business office personnel. Corrective action involves the Treasurer preparing the reporting, reviewing the reports with the Superintendent, and confirming accuracy before submitting to the Department of Education. The approval is documented. This was implemented for Year 4 reporting submitted April 23, 2024.

Completion Date: 4/23/2024

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SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

FINDING 2022-001

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

Condition: The School Corporation had not established effective internal controls over the federal award information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the School Corporation's Schedule of Expenditures of Federal Awards (SEFA).

Context: The School Corporation failed to properly review the federal grant information prepared and submitted in Gateway. 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 included the following errors:

1. The Title I Grants to Local Educational Agencies expenditures were overstated by \$11,716 for fiscal year 2020-2021, and understated by \$123,850 for 2021-2022.
2. The National School Lunch Program commodities were overstated by \$15,160 for 2020-2021 and omitted for 2021-2022, which understated expenditures by \$63,165.
3. The School Breakfast Program expenditures were understated by \$7,944 and \$121,307 for 2020-2021 and 2021-2022, respectively.
4. The National School Lunch Program expenditures were overstated by \$347,849, and the Summer Food Service Program for Children expenditures were understated by \$347,849 due to reporting the incorrect program. In addition, the National School Lunch Program expenditures were understated by \$50,452 for 2020-2021, and overstated by \$88,538 for 2021-2022.
5. The Special Education Grants to States expenditures were understated by \$167,593 and \$127,108 for 2020-2021 and 2021-2022, respectively.
6. The Special Education Preschool Grants expenditures were overstated by \$167,597 and \$127,108 for 2020-2021 and 2021-2022, respectively.
7. The Supporting Effective Instruction State Grants expenditures were overstated by \$2,726 and \$10,128 for 2020-2021 and 2021-2022, respectively.
8. The COVID-19 - Educational Stabilization Fund expenditures were overstated by \$512,108 for 2020-2021, and understated by \$512,000 for 2021-2022.
9. Other errors included incorrect program names and award numbers. Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA presented in this report.

Status: Resolved.

FINDING 2022-002

Subject: Child Nutrition Cluster - Procurement and Suspension and Debarment

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program, COVID-19 - National School Lunch Program

Assistance Listings Numbers: 10.553, 10.555

Federal Award Number and Year (or Other Identifying Number): FY 21-22

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Modified Opinion

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

Federal regulations allow for informal procurement methods when the value of the procurement for property or services does not exceed the simplified acquisition threshold, which is set at \$250,000. However, Indiana Code 5-22-8 has a more restrictive threshold of \$150,000. This informal process allows for methods other than the formal bid process. The informal process is divided between two methods based on thresholds. Micro-purchases, typically for those purchases \$10,000 or under, and small purchase procedures for those purchases above the micro-purchase threshold, but below the simplified acquisition threshold. Micro-purchases may be awarded without soliciting competitive price rate quotations. If small purchase procedures are used, then price or rate quotations must be obtained from an adequate number of qualified sources.

Context: The School Corporation did not properly procure one of seven vendors tested that were less than the simplified acquisition threshold of \$150,000, but exceeded the \$10,000 micro-purchase threshold. The vendor was paid \$72,780; however, a contract was not awarded as specified by Indiana code. As such, the School Corporation did not verify that the vendor was not excluded or disqualified from participation in federal assistance programs or activities. The lack of effective internal controls and noncompliance were isolated to the vendor noted above during fiscal year 2021-2022.

Status: Resolved.