

**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
MILAN COMMUNITY SCHOOLS
RIPLEY COUNTY, INDIANA
July 1, 2022 to June 30, 2024



FILED

04/02/2025



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

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April 2, 2025

To: The Officials of the Milan Community Schools
Milan Community Schools
Ripley County, Indiana

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of the Milan Community Schools. 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 statement referred to above 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 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 43 through 49. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 50 through 53.

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 the Milan Community Schools was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

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

Tammy R. White, CPA
Deputy State Examiner

MILAN COMMUNITY SCHOOLS
Ripley County, Indiana

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

MILAN COMMUNITY SCHOOLS
Ripley 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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MILAN COMMUNITY SCHOOLS
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	Gretchen Berger	07-01-22 to 06-30-24
Superintendent of Schools	Jane Rogers	07-01-22 to 06-30-23
	Pat Murphy	07-01-23 to 06-30-24
President of the School Board	Edward Amberger	01-01-22 to 12-31-22
	Gregory Lewis	01-01-23 to 12-31-23
	Tim Tuttle	01-01-24 to 12-31-24

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
Milan Community Schools
Ripley 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 Milan Community Schools (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 March 25, 2025, our consideration of the School Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.


Crowe LLP

Indianapolis, Indiana
March 25, 2025

MILAN COMMUNITY SCHOOLS
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			Other Financing		Cash and Investments			Other Financing		Cash and Investments
	07-01-2022	Receipts	Disbursements	Sources (Uses)		06-30-2023	Receipts	Disbursements	Sources (Uses)	06-30-2024	
Education	\$ 865,713	\$ 7,964,230	\$ 6,527,052	\$ (1,050,600)	\$	1,252,291	\$ 8,715,638	\$ 7,089,720	\$ (1,121,220)	\$ 1,756,989	
Debt Service	635,398	1,347,663	1,340,580	-		642,481	1,405,550	1,386,076	(27,992)	633,963	
Operations	3,004,745	2,453,097	3,634,608	850,600		2,673,834	2,655,980	4,287,381	921,220	1,963,653	
Rainy Day Fund	719,892	-	14,253	200,000		905,639	-	429,853	200,000	675,786	
MES Construction	225,848	-	12,326	-		213,522	-	-	-	213,522	
MHS Construction	(726,004)	-	-	-		(726,004)	-	-	726,004	-	
MMS Construction	2,401,337	-	518,008	-		1,883,329	-	288,094	(1,595,235)	-	
MHS Construction 2022	2,305,816	-	2,748,934	-		(443,118)	-	464,527	907,645	-	
MHS Construction 2023	-	-	65,874	2,457,586		2,391,712	-	1,842,843	(38,414)	510,455	
Cafeteria	165,260	831,657	678,400	-		318,517	726,143	771,677	-	272,983	
Textbook Rental	173,450	48,466	118,781	-		103,135	169,747	44,446	27,992	256,428	
Levy Excess Fund	53	-	-	-		53	-	-	-	53	
Rod Local	(18,151)	679,899	711,112	-		(49,364)	530,400	680,776	-	(199,740)	
Rod Grant	(10,412)	15,931	10,625	-		(5,106)	-	-	-	(5,106)	
Cares Central Bs	-	44,675	915	-		43,760	57,157	4,951	-	95,966	
Rc Interact For Health	-	-	-	-		-	60,000	750	-	59,250	
Mes Duke Grant	16,204	-	3,453	-		12,751	-	-	-	12,751	
Mes Duke Brenda	14,897	-	-	-		14,897	-	-	-	14,897	
Mhs Duke Athletics	1,000	-	-	-		1,000	-	-	-	1,000	
Mhs Remc	1,000	500	500	-		1,000	-	-	-	1,000	
Mhs Dc Grant	(2,923)	-	-	-		(2,923)	-	-	-	(2,923)	
Rccf Mes	6,693	500	505	-		6,688	-	-	-	6,688	
Rccf Backsacks	2,418	2,700	7,440	-		(2,322)	9,710	10,120	-	(2,732)	
Rccf Mms	2,037	-	-	-		2,037	-	-	-	2,037	
Rccf Mhs	-	1,000	-	-		1,000	-	-	-	1,000	
Rc Coalition Grant	1,005	803	817	-		991	-	-	-	991	
Ripley Co Aware	150	-	-	-		150	1,896	2,046	-	-	
Leader In Me Mms	20,410	-	-	-		20,410	-	-	-	20,410	
Oxbow Grant	270	-	-	-		270	-	270	-	-	
Cr Baylor Foundation	41	-	-	-		41	10,000	10,041	-	-	
Rising Sun Mes	5,683	-	-	-		5,683	-	-	-	5,683	

(Continued)

MILAN COMMUNITY SCHOOLS
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		Other Financing		Cash and Investments		Other Financing		Cash and Investments	
	07-01-2022	Receipts	Disbursements	Sources (Uses)	06-30-2023	Receipts	Disbursements	Sources (Uses)	06-30-2024	
Rising Sun Mhs	\$ 1,433	\$ -	\$ -	\$ -	\$ 1,433	\$ -	\$ 1,433	\$ -	\$ -	
Rising Sun Class Locks	1,850	-	1,850	-	-	-	-	-	-	
Rising Sun Stem Class	-	-	-	-	-	20,000	12,489	-	7,511	
Rising Sun Safesecure	4,190	-	4,190	-	-	-	-	-	-	
Rising Sun Houze	5,000	-	5,000	-	-	-	-	-	-	
Nonprogram	28,177	-	-	-	28,177	-	11,435	-	16,742	
Education License Plates	5,325	94	-	-	5,419	94	-	-	5,513	
MES Donations	338	-	-	-	338	-	4,030	-	(3,692)	
MES	(190)	6,185	-	-	5,995	6,808	8,399	-	4,404	
MHS	8,610	30,680	49,280	-	(9,990)	124,712	132,513	-	(17,791)	
Armg Grant	3,000	-	-	-	3,000	-	-	-	3,000	
Robotics	13,624	33,834	20,061	-	27,397	6,895	13,019	-	21,273	
Formative Assessment	(2,620)	12,600	794	-	9,186	14,318	16,185	-	7,319	
Early Literacy Ach Grant	-	-	-	-	-	13,946	13,602	-	344	
School Safety Grant	(17,846)	21,616	24,999	-	(21,229)	33,554	26,500	-	(14,175)	
K12 Robotics Grant	-	-	-	-	-	-	11,036	-	(11,036)	
Stem Grant	(56,536)	-	12,525	-	(69,061)	25,000	5,795	-	(49,856)	
Digital Learn Grant	(10,233)	-	-	-	(10,233)	50,000	36,000	-	3,767	
Dlg 64037	-	-	13,228	-	(13,228)	-	11,936	-	(25,164)	
Early Intervention	132	2,921	-	-	3,053	-	-	-	3,053	
Career Tech Grant	11,776	-	-	-	11,776	-	-	-	11,776	
Teacher Appreciate Grant	1	37,888	37,675	-	214	38,878	38,878	-	214	
High Ability Grant	2,642	24,820	21,017	-	6,445	31,066	27,151	-	10,360	
State Connectivity	35,707	6,185	-	-	41,892	3,816	-	-	45,708	
PLTW	483	950	1,011	-	422	-	422	-	-	
Title I	(13,795)	-	103,427	-	(117,222)	149,085	115,224	-	(83,361)	
BSCA Grant	-	-	-	-	-	-	16,955	-	(16,955)	
Mckinney Vento Grant	(66,418)	-	(3,884)	-	(62,534)	24,990	-	-	(37,544)	
Rod Federal Grant	-	-	-	-	-	72,762	-	-	72,762	
Title IV	-	10,000	10,000	-	-	10,000	10,000	-	-	
Medicaid Reimbursement	21,925	52,295	-	-	74,220	15,756	-	-	89,976	

(Continued)

MILAN COMMUNITY SCHOOLS
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		Other Financing		Cash and Investments		Other Financing		Cash and Investments	
	07-01-2022	Receipts	Disbursements	Sources (Uses)	06-30-2023	Receipts	Disbursements	Sources (Uses)	06-30-2024	
Title IIA	\$ -	\$ 28,302	\$ 28,302	\$ -	\$ -	\$ 28,047	\$ 56,488	\$ -	\$ (28,441)	
Reach ARP ESSER	(98,328)	-	342,399	-	(440,727)	584,758	217,258	-	(73,227)	
FSSA Grant	-	-	-	-	-	-	17,538	-	(17,538)	
Emergency Connectivity	(120,000)	120,000	98,176	-	(98,176)	96,206	-	-	(1,970)	
ESSER III	(490,934)	418,071	400,473	-	(473,336)	379,313	226,675	-	(320,698)	
Employability Grant	1	-	202,324	-	(202,323)	633,378	431,055	-	-	
GEER Grant	(38,575)	113,152	80,495	-	(5,918)	-	(5,918)	-	-	
Esser II	-	-	361	-	(361)	-	(361)	-	-	
Project Aware Grant	(45,391)	65,000	65,437	-	(45,828)	60,000	14,172	-	-	
Stop School Violence	(3,243)	-	9,254	-	(12,497)	-	-	-	(12,497)	
Prepaid Meals	13,105	249,463	248,557	-	14,011	263,542	261,507	-	16,046	
Federal Tax	-	483,956	483,956	-	-	498,819	498,819	-	-	
FICA	-	509,653	509,653	-	-	545,475	545,445	-	30	
State Tax	-	208,157	208,157	-	-	216,405	216,405	-	-	
County Tax	-	94,571	94,571	-	-	121,171	121,171	-	-	
ISTRF	-	7,420	7,420	-	-	7,682	7,682	-	-	
PERF	-	1,250	1,250	-	-	4,364	4,364	-	-	
Anthem	-	292,788	292,788	-	-	342,983	342,983	-	-	
Annuities	-	281,324	281,324	-	-	270,020	270,012	-	8	
Axa Loans	-	-	-	-	-	5,078	4,062	-	1,016	
FSA	-	9,633	7,413	-	2,220	6,600	10,542	-	(1,722)	
Aflac	-	26,805	25,465	-	1,340	27,801	27,350	-	1,791	
Garnishment	-	-	-	-	-	3,896	2,459	-	1,437	
Ameritas	(391)	7,923	7,900	-	(368)	6,230	5,927	-	(65)	
Totals	\$ 9,004,649	\$ 16,548,657	\$ 20,091,031	\$ 2,457,586	\$ 7,919,861	\$ 19,085,669	\$ 21,102,208	\$ -	\$ 5,903,322	

See notes to financial statement.

MILAN COMMUNITY SCHOOLS
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)

MILAN COMMUNITY SCHOOLS
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)

MILAN COMMUNITY SCHOOLS
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 Depositary 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. At June 30, 2024, the School Corporation held four certificates of deposit totaling \$2,628,518.

(Continued)

MILAN COMMUNITY SCHOOLS
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 FSA and Ameritas funds are the result of disbursements exceeding receipts due to under-estimating current requirements for those funds. These deficits will be paid from future receipts.

NOTE 7 - HOLDING CORPORATIONS

The School Corporation has entered into capital leases with the Milan 21st Century 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 \$447,500. Lease payments for the period July 1, 2023 through June 30, 2024 totaled \$539,000.

NOTE 8 - PENSION PLANS

Public Employees Retirement Fund

Plan Description

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

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

(Continued)

MILAN COMMUNITY SCHOOLS
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)

MILAN COMMUNITY SCHOOLS
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.

OTHER INFORMATION (Unaudited)

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

	Education	Debt Service	Operations	Rainy Day Fund	MES Construction	MHS Construction	MMS Construction	MHS Construction 2022	MHS Construction 2023	Cafeteria	Textbook Rental	Levy Excess Fund
Cash and investments - beginning	\$ 865,713	\$ 635,398	\$ 3,004,745	\$ 719,892	\$ 225,848	\$ (726,004)	\$ 2,401,337	\$ 2,305,816	\$ -	\$ 165,260	\$ 173,450	\$ 53
Receipts:												
Local sources	19,608	1,347,663	2,453,097	-	-	-	-	-	-	255,784	8,241	-
Intermediate sources	80	-	-	-	-	-	-	-	-	-	-	-
State sources	7,944,542	-	-	-	-	-	-	-	-	5,176	40,225	-
Federal sources	-	-	-	-	-	-	-	-	-	570,697	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	7,964,230	1,347,663	2,453,097	-	-	-	-	-	-	831,657	48,466	-
Disbursements:												
Instruction	5,101,943	-	-	-	-	-	-	-	-	-	-	-
Support services	1,293,175	-	3,180,829	-	-	-	-	1,000	17,107	-	118,781	-
Noninstructional services	131,934	-	67,070	-	-	-	-	-	-	678,400	-	-
Facilities acquisition and construction	-	-	386,709	14,253	12,326	-	518,008	2,747,934	48,767	-	-	-
Debt services	-	1,340,580	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	6,527,052	1,340,580	3,634,608	14,253	12,326	-	518,008	2,748,934	65,874	678,400	118,781	-
Excess (deficiency) of receipts over disbursements	1,437,178	7,083	(1,181,511)	(14,253)	(12,326)	-	(518,008)	(2,748,934)	(65,874)	153,257	(70,315)	-
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	2,457,586	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	1,050,600	200,000	-	-	-	-	-	-	-	-
Transfers out	(1,050,600)	-	(200,000)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,050,600)	-	850,600	200,000	-	-	-	-	2,457,586	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	386,578	7,083	(330,911)	185,747	(12,326)	-	(518,008)	(2,748,934)	2,391,712	153,257	(70,315)	-
Cash and investments - ending	\$ 1,252,291	\$ 642,481	\$ 2,673,834	\$ 905,639	\$ 213,522	\$ (726,004)	\$ 1,883,329	\$ (443,118)	\$ 2,391,712	\$ 318,517	\$ 103,135	\$ 53

(Continued)

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

	Rod Local	Rod Grant	Cares Central Bs	Mes Duke Grant	Mes Duke Brenda	Mhs Duke Athletics	Mhs Remc	Mhs Dc Grant	Rccf Mes	Rccf Backsacks	Rccf Mms
Cash and investments - beginning	\$ (18,151)	\$ (10,412)	\$ -	\$ 16,204	\$ 14,897	\$ 1,000	\$ 1,000	\$ (2,923)	\$ 6,693	\$ 2,418	\$ 2,037
Receipts:											
Local sources	679,899	15,931	44,675	-	-	-	500	-	500	2,700	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	679,899	15,931	44,675	-	-	-	500	-	500	2,700	-
Disbursements:											
Instruction	711,112	10,625	-	3,453	-	-	500	-	505	7,440	-
Support services	-	-	915	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	711,112	10,625	915	3,453	-	-	500	-	505	7,440	-
Excess (deficiency) of receipts over disbursements	(31,213)	5,306	43,760	(3,453)	-	-	-	-	(5)	(4,740)	-
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	(31,213)	5,306	43,760	(3,453)	-	-	-	-	(5)	(4,740)	-
Cash and investments - ending	\$ (49,364)	\$ (5,106)	\$ 43,760	\$ 12,751	\$ 14,897	\$ 1,000	\$ 1,000	\$ (2,923)	\$ 6,688	\$ (2,322)	\$ 2,037

(Continued)

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

	Rccf Mhs	Rc Coalition Grant	Ripley Co Aware	Leader In Me Mms	Oxbow Grant	Cr Baylor Foundation	Rising Sun Mes	Rising Sun Mhs	Rising Sun Class Locks	Rising Sun Safesecure	Rising Sun Houze
Cash and investments - beginning	\$ -	\$ 1,005	\$ 150	\$ 20,410	\$ 270	\$ 41	\$ 5,683	\$ 1,433	\$ 1,850	\$ 4,190	\$ 5,000
Receipts:											
Local sources	1,000	803	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	1,000	803	-	-	-	-	-	-	-	-	-
Disbursements:											
Instruction	-	817	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	1,850	4,190	5,000
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	817	-	-	-	-	-	-	1,850	4,190	5,000
Excess (deficiency) of receipts over disbursements	1,000	(14)	-	-	-	-	-	-	(1,850)	(4,190)	(5,000)
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	1,000	(14)	-	-	-	-	-	-	(1,850)	(4,190)	(5,000)
Cash and investments - ending	\$ 1,000	\$ 991	\$ 150	\$ 20,410	\$ 270	\$ 41	\$ 5,683	\$ 1,433	\$ -	\$ -	\$ -

(Continued)

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

	Nonprogram	Education License Plates	MES Donations	MES	MHS	Arng Grant	Robotics	Formative Assessment	School Safety Grant	Stem Grant	Digital Learn Grant
Cash and investments - beginning	\$ 28,177	\$ 5,325	\$ 338	\$ (190)	\$ 8,610	\$ 3,000	\$ 13,624	\$ (2,620)	\$ (17,846)	\$ (56,536)	\$ (10,233)
Receipts:											
Local sources	-	-	-	6,185	30,680	-	33,834	180	-	-	-
Intermediate sources	-	94	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	12,420	21,616	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	94	-	6,185	30,680	-	33,834	12,600	21,616	-	-
Disbursements:											
Instruction	-	-	-	-	-	-	20,061	-	-	12,525	-
Support services	-	-	-	-	49,280	-	-	794	24,999	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	49,280	-	20,061	794	24,999	12,525	-
Excess (deficiency) of receipts over disbursements	-	94	-	6,185	(18,600)	-	13,773	11,806	(3,383)	(12,525)	-
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	-	94	-	6,185	(18,600)	-	13,773	11,806	(3,383)	(12,525)	-
Cash and investments - ending	\$ 28,177	\$ 5,419	\$ 338	\$ 5,995	\$ (9,990)	\$ 3,000	\$ 27,397	\$ 9,186	\$ (21,229)	\$ (69,061)	\$ (10,233)

(Continued)

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

	Dlg 64037	Early Intervention	Career Tech Grant	Teacher Appreciate Grant	High Ability Grant	State Connectivity	PLTW	Title I	Mckinney Vento Grant	Title IV	Medicaid Reimbursement
Cash and investments - beginning	\$ -	\$ 132	\$ 11,776	\$ 1	\$ 2,642	\$ 35,707	\$ 483	\$ (13,795)	\$ (66,418)	\$ -	\$ 21,925
Receipts:											
Local sources	-	-	-	-	-	-	950	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	2,921	-	37,888	24,820	6,185	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	10,000	52,295
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	2,921	-	37,888	24,820	6,185	950	-	-	10,000	52,295
Disbursements:											
Instruction	-	-	-	37,675	21,017	-	1,011	103,427	-	-	-
Support services	13,228	-	-	-	-	-	-	-	(3,884)	10,000	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	13,228	-	-	37,675	21,017	-	1,011	103,427	(3,884)	10,000	-
Excess (deficiency) of receipts over disbursements	(13,228)	2,921	-	213	3,803	6,185	(61)	(103,427)	3,884	-	52,295
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	(13,228)	2,921	-	213	3,803	6,185	(61)	(103,427)	3,884	-	52,295
Cash and investments - ending	\$ (13,228)	\$ 3,053	\$ 11,776	\$ 214	\$ 6,445	\$ 41,892	\$ 422	\$ (117,222)	\$ (62,534)	\$ -	\$ 74,220

(Continued)

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

	Title IIA	Reach ARP ESSER	Emergency Connectivity	ESSER III	Employability Grant	GEER Grant	Esser II	Project Aware Grant	Stop School Violence	Prepaid Meals	Federal Tax
Cash and investments - beginning	\$ -	\$ (98,328)	\$ (120,000)	\$ (490,934)	\$ 1	\$ (38,575)	\$ -	\$ (45,391)	\$ (3,243)	\$ 13,105	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	65,000	-	249,463	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	28,302	-	120,000	418,071	-	113,152	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	483,956
Total receipts	28,302	-	120,000	418,071	-	113,152	-	65,000	-	249,463	483,956
Disbursements:											
Instruction	28,302	128,073	-	354,194	143,478	80,495	361	-	9,254	-	-
Support services	-	211,897	98,176	46,279	58,846	-	-	65,437	-	59	-
Noninstructional services	-	2,429	-	-	-	-	-	-	-	248,498	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	483,956
Total disbursements	28,302	342,399	98,176	400,473	202,324	80,495	361	65,437	9,254	248,557	483,956
Excess (deficiency) of receipts over disbursements	-	(342,399)	21,824	17,598	(202,324)	32,657	(361)	(437)	(9,254)	906	-
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	-	(342,399)	21,824	17,598	(202,324)	32,657	(361)	(437)	(9,254)	906	-
Cash and investments - ending	\$ -	\$ (440,727)	\$ (98,176)	\$ (473,336)	\$ (202,323)	\$ (5,918)	\$ (361)	\$ (45,828)	\$ (12,497)	\$ 14,011	\$ -

(Continued)

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

	FICA	State Tax	County Tax	ISTRF	PERF	Anthem	Annuities	FSA	Aflac	Ameritas	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (391)	\$ 9,004,649
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	5,216,693
Intermediate sources	-	-	-	-	-	-	-	-	-	-	174
State sources	-	-	-	-	-	-	-	-	-	-	8,095,793
Federal sources	-	-	-	-	-	-	-	-	-	-	1,312,517
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	509,653	208,157	94,571	7,420	1,250	292,788	281,324	9,633	26,805	7,923	1,923,480
Total receipts	509,653	208,157	94,571	7,420	1,250	292,788	281,324	9,633	26,805	7,923	16,548,657
Disbursements:											
Instruction	-	-	-	-	-	-	-	-	-	-	6,776,268
Support services	-	-	-	-	-	-	-	-	-	-	5,197,958
Noninstructional services	-	-	-	-	-	-	-	-	-	-	1,128,331
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	3,727,997
Debt services	-	-	-	-	-	-	-	-	-	-	1,340,580
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	509,653	208,157	94,571	7,420	1,250	292,788	281,324	7,413	25,465	7,900	1,919,897
Total disbursements	509,653	208,157	94,571	7,420	1,250	292,788	281,324	7,413	25,465	7,900	20,091,031
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-	2,220	1,340	23	(3,542,374)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	2,457,586
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	1,250,600
Transfers out	-	-	-	-	-	-	-	-	-	-	(1,250,600)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	2,457,586
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	-	-	2,220	1,340	23	(1,084,788)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,220	\$ 1,340	\$ (368)	\$ 7,919,861

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

	Education	Debt Service	Operations	Rainy Day Fund	MES Construction	MHS Construction	MMS Construction	MHS Construction 2022	MHS Construction 2023	Cafeteria	Textbook Rental	Levy Excess Fund
Cash and investments - beginning	\$ 1,252,291	\$ 642,481	\$ 2,673,834	\$ 905,639	\$ 213,522	\$ (726,004)	\$ 1,883,329	\$ (443,118)	\$ 2,391,712	\$ 318,517	\$ 103,135	\$ 53
Receipts:												
Local sources	184,749	1,405,550	2,655,980	-	-	-	-	-	-	266,714	5,362	-
Intermediate sources	52	-	-	-	-	-	-	-	-	-	-	-
State sources	8,530,837	-	-	-	-	-	-	-	-	6,129	164,385	-
Federal sources	-	-	-	-	-	-	-	-	-	453,300	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	8,715,638	1,405,550	2,655,980	-	-	-	-	-	-	726,143	169,747	-
Disbursements:												
Instruction	5,785,578	-	-	-	-	-	-	-	-	-	-	-
Support services	1,151,358	-	3,566,313	-	-	-	-	-	41,500	-	44,446	-
Noninstructional services	152,784	-	71,577	-	-	-	-	-	-	733,416	-	-
Facilities acquisition and construction	-	-	649,491	429,853	-	-	288,094	464,527	1,801,343	38,261	-	-
Debt services	-	1,386,076	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	7,089,720	1,386,076	4,287,381	429,853	-	-	288,094	464,527	1,842,843	771,677	44,446	-
Excess (deficiency) of receipts over disbursements	1,625,918	19,474	(1,631,401)	(429,853)	-	-	(288,094)	(464,527)	(1,842,843)	(45,534)	125,301	-
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	1,121,220	200,000	-	726,004	18,057	907,645	-	-	27,992	-
Transfers out	(1,121,220)	(27,992)	(200,000)	-	-	-	(1,613,292)	-	(38,414)	-	-	-
Total other financing sources (uses)	(1,121,220)	(27,992)	921,220	200,000	-	726,004	(1,595,235)	907,645	(38,414)	-	27,992	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	504,698	(8,518)	(710,181)	(229,853)	-	726,004	(1,883,329)	443,118	(1,881,257)	(45,534)	153,293	-
Cash and investments - ending	\$ 1,756,989	\$ 633,963	\$ 1,963,653	\$ 675,786	\$ 213,522	\$ -	\$ -	\$ -	\$ 510,455	\$ 272,983	\$ 256,428	\$ 53

(Continued)

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

	Rod Local	Rod Grant	Cares Central Bs	Rc Interact For Health	Mes Duke Grant	Mes Duke Brenda	Mhs Duke Athletics	Mhs Remc	Mhs Dc Grant	Rccf Mes	Rccf Backsacks	Rccf Mms
Cash and investments - beginning	\$ (49,364)	\$ (5,106)	\$ 43,760	\$ -	\$ 12,751	\$ 14,897	\$ 1,000	\$ 1,000	\$ (2,923)	\$ 6,688	\$ (2,322)	\$ 2,037
Receipts:												
Local sources	530,400	-	57,157	60,000	-	-	-	-	-	-	9,710	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	530,400	-	57,157	60,000	-	-	-	-	-	-	9,710	-
Disbursements:												
Instruction	680,776	-	-	-	-	-	-	-	-	-	10,120	-
Support services	-	-	4,951	750	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	680,776	-	4,951	750	-	-	-	-	-	-	10,120	-
Excess (deficiency) of receipts over disbursements	(150,376)	-	52,206	59,250	-	-	-	-	-	-	(410)	-
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	(150,376)	-	52,206	59,250	-	-	-	-	-	-	(410)	-
Cash and investments - ending	\$ (199,740)	\$ (5,106)	\$ 95,966	\$ 59,250	\$ 12,751	\$ 14,897	\$ 1,000	\$ 1,000	\$ (2,923)	\$ 6,688	\$ (2,732)	\$ 2,037

(Continued)

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

	Rccf Mhs	Rc Coalition Grant	Ripley Co Aware	Leader In Me Mms	Oxbow Grant	Cr Baylor Foundation	Rising Sun Mes	Rising Sun Mhs	Rising Sun Stem Class	Nonprogram	Education License Plates	MES Donations
Cash and investments - beginning	\$ 1,000	\$ 991	\$ 150	\$ 20,410	\$ 270	\$ 41	\$ 5,683	\$ 1,433	\$ -	\$ 28,177	\$ 5,419	\$ 338
Receipts:												
Local sources	-	-	1,896	-	-	10,000	-	-	20,000	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	94	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	1,896	-	-	10,000	-	-	20,000	-	94	-
Disbursements:												
Instruction	-	-	2,046	-	270	10,041	-	1,433	12,489	-	-	4,030
Support services	-	-	-	-	-	-	-	-	-	11,435	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	2,046	-	270	10,041	-	1,433	12,489	11,435	-	4,030
Excess (deficiency) of receipts over disbursements	-	-	(150)	-	(270)	(41)	-	(1,433)	7,511	(11,435)	94	(4,030)
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	-	-	(150)	-	(270)	(41)	-	(1,433)	7,511	(11,435)	94	(4,030)
Cash and investments - ending	\$ 1,000	\$ 991	\$ -	\$ 20,410	\$ -	\$ -	\$ 5,683	\$ -	\$ 7,511	\$ 16,742	\$ 5,513	\$ (3,692)

(Continued)

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

	MES	MHS	Arng Grant	Robotics	Formative Assessment	Early Literacy Ach Grant	School Safety Grant	K12 Robotics Grant	Stem Grant	Digital Learn Grant	Dlg 64037	Early Intervention
Cash and investments - beginning	\$ 5,995	\$ (9,990)	\$ 3,000	\$ 27,397	\$ 9,186	\$ -	\$ (21,229)	\$ -	\$ (69,061)	\$ (10,233)	\$ (13,228)	\$ 3,053
Receipts:												
Local sources	6,808	124,712	-	6,895	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	14,318	13,946	33,554	-	25,000	50,000	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	6,808	124,712	-	6,895	14,318	13,946	33,554	-	25,000	50,000	-	-
Disbursements:												
Instruction	-	-	-	13,019	-	13,602	-	11,036	5,795	-	-	-
Support services	8,399	132,513	-	-	16,185	-	26,500	-	-	36,000	11,936	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	8,399	132,513	-	13,019	16,185	13,602	26,500	11,036	5,795	36,000	11,936	-
Excess (deficiency) of receipts over disbursements	(1,591)	(7,801)	-	(6,124)	(1,867)	344	7,054	(11,036)	19,205	14,000	(11,936)	-
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,591)	(7,801)	-	(6,124)	(1,867)	344	7,054	(11,036)	19,205	14,000	(11,936)	-
Cash and investments - ending	\$ 4,404	\$ (17,791)	\$ 3,000	\$ 21,273	\$ 7,319	\$ 344	\$ (14,175)	\$ (11,036)	\$ (49,856)	\$ 3,767	\$ (25,164)	\$ 3,053

(Continued)

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

	Career Tech Grant	Teacher Appreciate Grant	High Ability Grant	State Connectivity	PLTW	Title I	BSCA Grant	Mckinney Vento Grant	Rod Federal Grant	Title IV	Medicaid Reimbursement	Title IIA
Cash and investments - beginning	\$ 11,776	\$ 214	\$ 6,445	\$ 41,892	\$ 422	\$ (117,222)	\$ -	\$ (62,534)	\$ -	\$ -	\$ 74,220	\$ -
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	38,878	31,066	3,816	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	149,085	-	24,990	72,762	10,000	15,756	28,047
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	38,878	31,066	3,816	-	149,085	-	24,990	72,762	10,000	15,756	28,047
Disbursements:												
Instruction	-	38,878	27,151	-	422	115,224	7,475	-	-	-	-	56,488
Support services	-	-	-	-	-	-	9,320	-	-	10,000	-	-
Noninstructional services	-	-	-	-	-	-	160	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	38,878	27,151	-	422	115,224	16,955	-	-	10,000	-	56,488
Excess (deficiency) of receipts over disbursements	-	-	3,915	3,816	(422)	33,861	(16,955)	24,990	72,762	-	15,756	(28,441)
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	3,915	3,816	(422)	33,861	(16,955)	24,990	72,762	-	15,756	(28,441)
Cash and investments - ending	\$ 11,776	\$ 214	\$ 10,360	\$ 45,708	\$ -	\$ (83,361)	\$ (16,955)	\$ (37,544)	\$ 72,762	\$ -	\$ 89,976	\$ (28,441)

(Continued)

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

	Reach ARP ESSER	FSSA Grant	Emergency Connectivity	ESSER III	Employability Grant	GEER Grant	Esser II	Project Aware Grant	Stop School Violence	Prepaid Meals	Federal Tax	FICA
Cash and investments - beginning	\$ (440,727)	\$ -	\$ (98,176)	\$ (473,336)	\$ (202,323)	\$ (5,918)	\$ (361)	\$ (45,828)	\$ (12,497)	\$ 14,011	\$ -	\$ -
Receipts:												
Local sources	-	-	-	-	-	-	-	60,000	-	263,542	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	584,758	-	96,206	379,313	633,378	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	498,819	545,475
Total receipts	584,758	-	96,206	379,313	633,378	-	-	60,000	-	263,542	498,819	545,475
Disbursements:												
Instruction	94,384	-	-	178,198	350,794	(5,918)	(361)	-	-	-	-	-
Support services	118,569	17,538	-	48,477	80,261	-	-	14,172	-	135	-	-
Noninstructional services	4,305	-	-	-	-	-	-	-	-	261,372	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	498,819	545,445
Total disbursements	217,258	17,538	-	226,675	431,055	(5,918)	(361)	14,172	-	261,507	498,819	545,445
Excess (deficiency) of receipts over disbursements	367,500	(17,538)	96,206	152,638	202,323	5,918	361	45,828	-	2,035	-	30
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	367,500	(17,538)	96,206	152,638	202,323	5,918	361	45,828	-	2,035	-	30
Cash and investments - ending	\$ (73,227)	\$ (17,538)	\$ (1,970)	\$ (320,698)	\$ -	\$ -	\$ -	\$ -	\$ (12,497)	\$ 16,046	\$ -	\$ 30

(Continued)

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

	State Tax	County Tax	ISTRF	PERF	Anthem	Annuities	Axa Loans	FSA	Aflac	Garnishment	Ameritas	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,220	\$ 1,340	\$ -	\$ (368)	\$ 7,919,861
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	5,669,475
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	146
State sources	-	-	-	-	-	-	-	-	-	-	-	8,911,929
Federal sources	-	-	-	-	-	-	-	-	-	-	-	2,447,595
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	216,405	121,171	7,682	4,364	342,983	270,020	5,078	6,600	27,801	3,896	6,230	2,056,524
Total receipts	216,405	121,171	7,682	4,364	342,983	270,020	5,078	6,600	27,801	3,896	6,230	19,085,669
Disbursements:												
Instruction	-	-	-	-	-	-	-	-	-	-	-	7,412,970
Support services	-	-	-	-	-	-	-	-	-	-	-	5,350,758
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	1,223,614
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	3,671,569
Debt services	-	-	-	-	-	-	-	-	-	-	-	1,386,076
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	216,405	121,171	7,682	4,364	342,983	270,012	4,062	10,542	27,350	2,459	5,927	2,057,221
Total disbursements	216,405	121,171	7,682	4,364	342,983	270,012	4,062	10,542	27,350	2,459	5,927	21,102,208
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	8	1,016	(3,942)	451	1,437	303	(2,016,539)
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	3,000,918
Transfers out	-	-	-	-	-	-	-	-	-	-	-	(3,000,918)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	8	1,016	(3,942)	451	1,437	303	(2,016,539)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8	\$ 1,016	\$ (1,722)	\$ 1,791	\$ 1,437	\$ (65)	\$ 5,903,322

MILAN COMMUNITY SCHOOLS
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2024

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ <u>229,532</u>	\$ <u>924,446</u>

MILAN COMMUNITY SCHOOLS
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:				
Milan 21st Century School Building Corporation (2015)	Improvements and renovations to MHS, MMS, and MES	\$ 348,000	10/30/2015	12/31/2025
Milan 21st Century School Building Corporation (2021A)	Elementary School Renovations	52,000	5/20/2021	12/31/2038
Milan 21st Century School Building Corporation (2021B)	High School Renovations	80,000	5/20/2021	12/31/2038
Milan 21st Century School Building Corporation (2021C)	Middle School Renovations	80,000	5/20/2021	12/31/2038
Milan 21st Century School Building Corporation (2022)	High School Gymnasium Expansion	82,000	4/28/2022	6/30/2039
Milan 21st Century School Building Corporation (2023)	Milan High School Weight Room Project	<u>120,450</u>	5/18/2023	6/30/2034
Total of annual lease payments		<u>\$ 762,450</u>		

<u>Type</u>	<u>Description of Debt</u>	<u>Purpose</u>	<u>Ending Principal Balance</u>	<u>Principal Due Within One Year</u>
Governmental activities:				
Qualified Zone Academy Bonds (QZAB) 2011	Milan Elementary School		\$ 435,000	\$ 140,000
Common School Loan B0056	Technology		11,185	11,185
Common School Loan A0466			1,200,000	400,000
Common School Loan C0007	Construction		190,200	29,262
Common School Loan B0151	Technology		31,650	21,100
Common School Loan B0266	Technology		47,450	18,980
Common School Loan B0234	Technology		37,950	25,300
Common School Loan B0188	Technology		44,330	29,553
Common School Loan C0018	Cafeteria Renovation		<u>318,750</u>	<u>42,500</u>
Totals			<u>\$ 2,316,515</u>	<u>\$ 717,880</u>

MILAN COMMUNITY SCHOOLS
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	\$ 768,651
Buildings	53,221,700
Improvements other than buildings	1,172,353
Machinery, equipment, and vehicles	<u>2,984,043</u>
Total governmental activities	<u>58,146,747</u>
Total capital assets	<u>\$ 58,146,747</u>

MILAN COMMUNITY SCHOOLS
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.

MILAN COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period of July 1, 2022 through June 30, 2024

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 06-30-24	Total Federal Awards Expended 07-01-22 to 06-30-24
<u>Department of Agriculture</u>						
Child Nutrition Cluster	Indiana Department of Education					
School Breakfast Program		10.553	FY22-23, FY23-24	\$ 92,373	\$ 74,674	\$ 167,047
National School Lunch Program		10.555	FY22-23, FY23-24	417,357	306,598	723,955
Supply Chain Assistance		10.555	FY22-23, FY23-24	59,774	37,487	97,261
Commodities		10.555	FY22-23, FY23-24	51,841	59,754	111,595
Summer Food Service Program for Children		10.559	FY22-23, FY23-24	566	4,540	5,106
Total - Child Nutrition Cluster				<u>621,911</u>	<u>483,053</u>	<u>1,104,964</u>
Child Nutrition Discretionary Grants Limited Availability Equipment Assistance Grants	Indiana Department of Education	10.579	FY23-24	-	30,000	30,000
State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant	Indiana Department of Education	10.649	FY22-23	628	-	628
Total - Department of Agriculture				<u>622,539</u>	<u>513,053</u>	<u>1,135,592</u>
<u>Federal Communications Commission</u>						
Emergency Connectivity Fund Program Emergency Connectivity Grant	Direct Grant	32.009	130379	98,176	-	98,176
Total - Federal Communications Commission				<u>98,176</u>	<u>-</u>	<u>98,176</u>
<u>Department of Education</u>						
Special Education Cluster (IDEA)						
Special Education Grants to States	Indiana Department of Education					
COVID-19 - Supplemental Funding - IDEA, Part B		84.027X	22611-048-ARP	55,149	540	55,689
IDEA, Part B		84.027	23611-048-PN01	340,292	-	340,292
IDEA, Part B		84.027	24611-048-PN01	-	232,185	232,185
IDEA, Part B		84.027	24611-048-CEIS	-	10,204	10,204
Total - Special Education Grants to States				<u>395,441</u>	<u>242,929</u>	<u>638,370</u>
Total - Special Education Cluster (IDEA)				<u>395,441</u>	<u>242,929</u>	<u>638,370</u>

(Continued)

MILAN COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period of July 1, 2022 through June 30, 2024

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 06-30-24	Total Federal Awards Expended 07-01-22 to 06-30-24
Title I Grants to Local Educational Agencies Title I, Part A	Indiana Department of Education	84.010A	S010A22014	\$ -	\$ 149,085	\$ 149,085
Total - Title I Grants to Local Educational Agencies				-	149,085	149,085
Education for Homeless Children and Youths McKinney-Vento Homeless Assistance Act	Indiana Department of Education	84.196A	S196A220015	-	24,990	24,990
Total - Education for Homeless Children and Youths				-	24,990	24,990
Supporting Effective Instruction State Grants Title II, Part A Title II, Part A	Indiana Department of Education	84.367A 84.367A	S367A210013 S367A220013	28,302 -	- 28,047	28,302 28,047
Total - Supporting Effective Instruction State Grants				28,302	28,047	56,349
Student Support and Academic Enrichment Program Title IV, Part A Title IV, Part A	Indiana Department of Education	84.424A 84.424A	S424A210015 S424A220015	10,000 -	- 10,000	10,000 10,000
Total - Student Support and Academic Enrichment Program				10,000	10,000	20,000
COVID-19 - Education Stabilization Fund Governor's Emergency Education Relief (GEER) Fund Elementary and Secondary School Emergency Relief (ESSER II) Fund Employability Skills Innovation and Implementation Grant American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund (ESSER III) Re-Imagining Enrichment, Academics, and Community Health (R.E.A.C.H.)	Indiana Department of Education	84.425C 84.425D 84.425D 84.425U 84.425U	S425C200018 S425D210013 S425D210013 S425U210013 S425U210013	29,035 418,071 - - -	- - 633,378 379,313 584,758	29,035 418,071 633,378 379,313 584,758
Total - COVID-19 - Education Stabilization Fund				447,106	1,597,449	2,044,555
Total - Department of Education				880,849	2,052,500	2,933,349

(Continued)

MILAN COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period of July 1, 2022 through June 30, 2024

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 06-30-24	Total Federal Awards Expended 07-01-22 to 06-30-24
<u>Department of Health and Human Services</u>						
Medicaid Cluster						
Medical Assistance Program	Family and Social Services Administration					
IEP Services		93.778	FY22-23, FY23-24	\$ 31,531	\$ 4,268	\$ 35,799
Indiana MAC		93.778	FY22-23, FY23-24	<u>8,303</u>	<u>9,382</u>	<u>17,685</u>
Total - Medicaid Cluster				<u>39,834</u>	<u>13,650</u>	<u>53,484</u>
Substance Abuse and Mental Health Services Projects of Regional and National Significance						
Project Advancing Wellness and Resiliency in Education (AWARE)	Indiana Department of Education					
		93.243	FY22-23, FY23-24	<u>65,000</u>	<u>60,000</u>	<u>125,000</u>
Total - Department of Health and Human Services				<u>104,834</u>	<u>73,650</u>	<u>178,484</u>
Total federal awards expended				<u>\$ 1,706,398</u>	<u>\$ 2,639,203</u>	<u>\$ 4,345,601</u>

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

MILAN COMMUNITY SCHOOLS
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 \$111,595 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 - RIPLEY-OHIO-DEARBORN (ROD) SPECIAL EDUCATION COOPERATIVE

The School Corporation is a member of the Ripley-Ohio-Dearborn (ROD) Special Education Cooperative (Cooperative). 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. This activity is presented in the financial statement of the Cooperative's fiscal agent.

(Continued)

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

NOTE 6 - GEER I FISCAL AGENT

The School Corporation was a participant in a joint application with other Local Education Agencies (LEAs) to receive GEER I funding from the Education Stabilization Fund through the Indiana Department of Education (IDOE). The School Corporation serves as the fiscal agent for the grant. As a result, some of the activity for the GEER award that is presented as receipts and disbursements on the financial statement is not presented as federal awards expended on the SEFA for the School Corporation. This activity is reported on the SEFAs of each participating LEA as appropriate.

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
Milan Community Schools
Ripley 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 Milan Community Schools ("School Corporation"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School Corporation as of June 30, 2024 and for the period July 1, 2022 through June 30, 2024 and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement, and have issued our report thereon dated March 25, 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 Finding

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 statement and, accordingly, we express no opinion on the response.

Purpose of this Report

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


Crowe LLP

Indianapolis, Indiana
March 25, 2025

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

Those Charged with Governance
Milan Community Schools
Ripley County, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Milan Community Schools' (School Corporation) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on 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.

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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2024-003. Our opinion on each major federal program is not modified with respect to these matters.

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

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.

(Continued)

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-002, 2024-003, and 2024-004 to be material weaknesses.

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

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

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

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


Crowe LLP

Indianapolis, Indiana
March 25, 2025

MILAN COMMUNITY SCHOOLS
 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, 10.559	Child Nutrition Cluster
84.425C, 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)

MILAN COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

Section II – Financial Statement Findings

FINDING 2024-001

Subject: Financial Transactions and 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. . . ."

Condition: The School Corporation did not have an effective 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. There was not an appropriate review of the activity posted on the AFR.

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

- 1) Cash and investment balances as of July 1, 2022 did not agree to the prior period audit report resulting in adjustments totaling \$5,694 to reduce beginning balances.
- 2) For the period of July 1, 2022 to June 30, 2023, adjustments were posted to the financial statement to record payroll clearing fund activity. The result of these adjustments was an increase to receipts of \$1,923,480, an increase to disbursements of \$1,919,897, and an increase to ending cash balances of \$3,583 as of June 30, 2023.
- 3) For the period of July 1, 2023 to June 30, 2024, adjustments were posted to the financial statement to record payroll clearing fund activity. The result of these adjustments was an increase to receipts of \$2,056,524, an increase to disbursements of \$2,057,221, and a decrease to ending cash balances of \$697 as of June 30, 2024.

(Continued)

MILAN COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

Section II – Financial Statement Findings (Continued)

FINDING 2024-001 (Continued)

- 4) For the period July 1, 2022 to June 30, 2023, adjustments were posted to the financial statement to record receipts in the period in which cash was received. The result of these adjustments was an increase to receipts of \$210,058 and an increase to end cash balances as of June 30, 2023 of \$210,058. The adjustment was the result of management not recording transactions on a timely basis and in the period in which the transaction occurred.
- 5) For the period July 1, 2023 to June 30, 2024, and adjustment was posted to the financial statement to record receipts in the period in which cash was received. The result of the adjustment was a decrease to receipts of \$90,058 and a decrease to ending cash balances as of June 30, 2024 of \$90,058. The adjustment was the result of management not recording transactions on a timely basis and in the period in which the transaction occurred.

Adjustments were proposed and accepted by the School Corporation and are reflected in the financial statement.

Effect: Without a proper system of internal control in place over the reconciliation process, material variances compared to the AFR remained undetected.

Identification as a repeat finding, if applicable: Yes. See finding 2022-001.

Recommendation: We recommend that the School Corporation's management establish a formal review over the AFR submission to ensure data uploaded to the Indiana Gateway Portal is complete and accurate and is supported by underlying fund ledger detail. We also recommend management establish a month-end checklist that is completed within 45 days of month-end to ensure financial transactions are recorded timely and to the proper period. This will ensure and facilitate timely reporting of monthly funds ledger and bank reconciliations to the Indiana Gateway Portal.

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

Section III – Federal Award Findings and Questioned Costs

FINDING 2024-002

Information on the federal program:

Subject: Child Nutrition Cluster - Internal Controls over Procurement and Suspension and Debarment
Federal Agency: Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program,
Supply Chain Assistance Program, Summer Food Service Program
Assistance Listing Number: 10.553, 10.555, 10.559
Federal Award Numbers and Years (or Other Identifying Numbers): FY 22-23, FY 23-24
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Finding: Material Weakness

(Continued)

MILAN COMMUNITY SCHOOLS
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)

Criteria: 2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award 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 200.318(a) states: "The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part."

2 CFR 200.320 states in part:

"The non-Federal Entity must use one of the following methods of procurement. . . .

- (b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. . . ."

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

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

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

Questioned Costs: There were no questioned costs identified.

(Continued)

MILAN COMMUNITY SCHOOLS
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:

Procurement

The School Corporation participates in Unified Purchasing Cooperative of the Ohio River Valley (the “Cooperative”), which procures vendors for food purchases and other supplies on behalf of its members. During the audit period, the School Corporation also purchased food and supplies from vendors not procured by the Cooperative. One vendor with aggregate annual purchases of \$38,261 for fiscal year 2024 exceeded the small purchase threshold (\$10,000 - \$150,000). The School Corporation could not provide documentation showing the bids received from other vendors that were used to compare pricing.

Suspension and Debarment

For the small purchase vendor noted above that was not procured by the Cooperative and had aggregate annual disbursements exceeding the federal suspension and debarment threshold of \$25,000, the School Corporation did not provide documentation confirming that the vendor was not suspended or debarred before disbursing federal funds during fiscal year 2024.

Identification as a repeat finding, if applicable: Yes, see finding 2022-003.

Recommendation: We recommended that the School Corporation's management establish a system of internal controls related to ensure that the School Corporation's procurement policy is adhered to and quotes are obtained from an adequate number of qualified sources as required for small purchase method procurements.

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

FINDING 2024-003

Information on the federal program:

Subject: COVID-19 – Education Stabilization Fund – Activities Allowed or Unallowed/Allowable Costs
Federal Agency: Department of Education
Federal Program: COVID-19 – Education Stabilization Fund
Assistance Listing Number: 84.425C, 84.425D, 84.425U
Federal Award Numbers and Years (or Other Identifying Numbers): S425C200018, S425D210013, S425U210013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Activities Allowed or Unallowed, Allowable Costs/Cost Principles
Audit Finding: Material Weakness, Other Matters

(Continued)

MILAN COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

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

FINDING 2024-003 (Continued)

Criteria: 2 CFR 200.403 establishes principles and standards for determining costs for federal awards carried out through grants, cost reimbursement contracts, and other agreements with state and local governments. To be allowable, under federal awards, cost must meet certain criteria:

- a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
- b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.
- c) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity.
- d) Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- e) Be determined in accordance with generally accepted accounting principles (GAAP), except, for state and local governments and Indian tribes only, as otherwise provided for in this part.
- f) Not be included as a cost or used to meet cost sharing or matching requirements of any other federally financed program in either the current or a prior period.
- g) Be adequately documented.
- h) Cost must be incurred during the approved budget period.

Additionally, 2 CFR 200.303 indicates that non-Federal Entities receiving Federal awards must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations and terms and conditions of the Federal award.

Condition: An effective internal control system was not in place at the School District to ensure compliance with requirements related to the Education Stabilization Fund and Activities Allowed or Unallowed.

Cause: The School District's management had not developed a system of internal controls that would have ensured compliance with the Activities Allowed or Unallowed compliance requirement.

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

Questioned Costs: \$5,651 (Known questioned costs).

Context: During the testing of vendor and payroll disbursements charged to Education Stabilization Fund grant awards during the audit period, the following exceptions were noted:

- Management was unable to provide an approved accounts payable voucher and supporting invoice for one vendor disbursement in a sample of 12 vendor disbursements.
- For one salaried employee selected out of a sample of 40 payroll disbursements, the employee was charged to Education Stabilization Fund grants for 50% of their time worked in a pay period. The School Corporation did not maintain any time-and-effort logs to support the employee's partial allocation to Education Stabilization Fund grants.

(Continued)

MILAN COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

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

FINDING 2024-003 (Continued)

Identification as a repeat finding, if applicable: No.

Recommendation: We recommended that the School District maintain supporting documentation for vendor and payroll disbursements to support costs charged to the federal grant awards. For payroll disbursements charged to Federal awards, management should maintain time and effort records to support payroll costs allocated to Education Stabilization Grant funds to verify they are allowable and supported by documentation for work performed under the award.

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

FINDING 2024-004

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): 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."

(Continued)

MILAN COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

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

FINDING 2024-004 (Continued)

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 Corporation's management implemented a review control over the annual data reports; however, it was not sufficient enough to detect and prevent errors in annual data reports submitted to the Indiana Department of Education.

Effect: Annual data reports submitted during the audit period to the Indiana Department of Education contained material errors compared to underlying transaction detail for the period reported.

Questioned Costs: There were no questioned costs identified.

Context: The School Corporation was required to submit Annual Data Reports to the Indiana Department of Education (IDOE) during the audit period to meet federal reporting requirements for ESSER grant awards. We noted that the following exceptions in data reporting submissions:

- ESSER I Year 4, ESSER II Year 3, and ESSER III Year 3 expenditures for the period of July 1, 2021 through June 30, 2022 (\$0, \$360,404, and \$12,974, respectively) did not agree to underlying expenditure records (\$60,937, \$477,914, and \$0, respectively).
- ESSER II Year 4 and ESSER III Year 4 expenditures for the period of July 1, 2022 through June 30, 2023 (\$57,667 and \$363,486, respectively) did not agree to underlying expenditure records (\$361 and \$400,473, respectively).

Identification as a repeat finding: No.

Recommendation: We recommend management review internal controls over the review of annual data reports to ensure the data to be submitted agrees to underlying transaction detail or other supporting documentation prior to the submission of the annual data report.

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



MILAN COMMUNITY SCHOOLS

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Patrick C. Murphy
Superintendent

CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

June 30, 2024

FINDING 2024-001

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

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

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

- 1) Cash and investment balances as of July 1, 2022 did not agree to the prior period audit report resulting in adjustments totaling \$5,694 to reduce beginning balances.
- 2) For the period of July 1, 2022 to June 30, 2023, adjustments were posted to the financial statement to record payroll clearing fund activity. The result of these adjustments was an increase to receipts of \$1,923,480, an increase to disbursements of \$1,919,897, and an increase to ending cash balances of \$3,583 as of June 30, 2023.
- 3) For the period of July 1, 2023 to June 30, 2024, adjustments were posted to the financial statement to record payroll clearing fund activity. The result of these adjustments was an increase to receipts of \$2,056,524, an increase to disbursements of \$2,057,221, and a decrease to ending cash balances of \$697 as of June 30, 2024.
- 4) For the period July 1, 2022 to June 30, 2023, adjustments were posted to the financial statement to record receipts in the period in which cash was received. The result of these adjustments was an increase to receipts of \$210,058 and an increase to end cash balances as of June 30, 2023 of \$210,058. The adjustment was the result of management not recording transactions on a timely basis and in the period in which the transaction occurred.
- 5) For the period July 1, 2023 to June 30, 2024, and adjustment was posted to the financial statement to record receipts in the period in which cash was received. The result of the adjustment was a decrease to receipts of \$90,058 and a decrease to ending cash balances as of June 30, 2024 of \$90,058. The adjustment was the result of management not recording transactions on a timely basis and in the period in which the transaction occurred.

Adjustments were proposed and accepted by the School Corporation and are reflected in the financial statement.

FINDING 2024-001 (Continued)

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Management will revise and implement a more thorough control process over the preparation and submission of the Annual Financial Report (AFR).

Responsible Party and Timeline for Completion: Gretchen Berger, Corp Treasurer – August 2025 AFR Report

FINDING 2024-002

Information on the federal program:

Subject: Child Nutrition Cluster - Internal Controls over Procurement and Suspension and Debarment

Federal Agency: Department of Agriculture

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

Supply Chain Assistance Program, Summer Food Service Program

Assistance Listing Number: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 22-23, FY 23-24

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Finding: Material Weakness

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

Context:

Procurement

The School Corporation participates in Unified Purchasing Cooperative of the Ohio River Valley (the "Cooperative"), which procures vendors for food purchases and other supplies on behalf of its members. During the audit period, the School Corporation also purchased food and supplies from vendors not procured by the Cooperative. One vendor with aggregate annual purchases of \$38,261 for fiscal year 2024 exceeded the small purchase threshold (\$10,000 - \$150,000). The School Corporation could not provide documentation showing the bids received from other vendors that were used to compare pricing.

Suspension and Debarment

For the small purchase vendor noted above that was not procured by the Cooperative and had aggregate annual disbursements exceeding the federal suspension and debarment threshold of \$25,000, the School Corporation did not provide documentation confirming that the vendor was not suspended or debarred before disbursing federal funds during fiscal year 2024.

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Management will implement a procurement checklist that is reviewed after the purchasing process has been completed to ensure compliance with purchasing requirements for federal awards. Sam.gov will be checked for each vendor with aggregate purchases above \$25,000.

Responsible Party and Timeline for Completion: Ginny Shannon, FSD and Gretchen Berger, Corp Treasurer - 6-1-2025

FINDING 2024-003

Information on the federal program:

Subject: COVID-19 – Education Stabilization Fund – Activities Allowed or Unallowed/Allowable Costs

Federal Agency: Department of Education

Federal Program: COVID-19 – Education Stabilization Fund

Assistance Listing Number: 84.425C, 84.425D, 84.425U

Federal Award Numbers and Years (or Other Identifying Numbers): S425C200018, S425D210013, S425U210013

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Activities Allowed or Unallowed, Allowable Costs/Cost Principles

Audit Finding: Material Weakness, Other Matters

Condition: An effective internal control system was not in place at the School District to ensure compliance with requirements related to the Education Stabilization Fund and Activities Allowed or Unallowed.

Context: During the testing of vendor and payroll disbursements charged to Education Stabilization Fund grant awards during the audit period, the following exceptions were noted:

- Management was unable to provide an approved accounts payable voucher and supporting invoice for one vendor disbursement in a sample of 12 vendor disbursements.
- For one salaried employee selected out of a sample of 40 payroll disbursements, the employee was charged to Education Stabilization Fund grants for 50% of their time worked in a pay period. The School Corporation did not maintain any time-and-effort logs to support the employee's partial allocation to Education Stabilization Fund grants.

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Management will implement control processes surrounding expenditures of federal funds to ensure documents are retained to support expenditures and their allocations to federal grants.

Responsible Party and Timeline for Completion: Gretchen Berger, Corp Treasurer - 6-1-2025

FINDING 2024-004

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): S425D210013, S425U210013

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting

Audit Finding: Material Weakness

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.

Context: The School Corporation was required to submit Annual Data Reports to the Indiana Department of Education (IDOE) during the audit period to meet federal reporting requirements for ESSER grant awards. We noted that the following exceptions in data reporting submissions:

- ESSER I Year 4, ESSER II Year 3, and ESSER III Year 3 expenditures for the period of July 1, 2021 through June 30, 2022 (\$0, \$360,404, and \$12,974, respectively) did not agree to underlying expenditure records (\$60,937, \$477,914, and \$0, respectively).
- ESSER II Year 4 and ESSER III Year 4 expenditures for the period of July 1, 2022 through June 30, 2023 (\$57,667 and \$363,486, respectively) did not agree to underlying expenditure records (\$361 and \$400,473, respectively).

Description of Corrective Action Plan: Management will implement control processes surrounding federal data reporting to ensure that expenditures reported to granting agencies are in agreement with underlying records maintained by the School.

Responsible Party and Timeline for Completion: Gretchen Berger, Corp Treasurer - 6-1-2025

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-001

Subject: Financial Transactions and Reporting
Audit Findings: Material Weakness, Noncompliance

Condition and Context: There were several deficiencies in the internal control system of the School Corporation related to financial transactions and reporting.

Receipts

The School Corporation had not separated incompatible activities related to receipts. The Treasurer issued receipts, posted receipts, and deposited collections without evidence of an oversight, review, or approval process to ensure that material misstatements would be prevented, or detected and corrected, in a timely manner.

Financial Close and Reporting

The School Corporation implemented internal controls over financial close and reporting, but they were not effective. The Treasurer input the School Corporation's financial information into the Annual Financial Report (AFR) in the Indiana Gateway for Government Units financial reporting system and the Superintendent of Schools reviewed and approved it prior to submission, but material errors were not identified and corrected. The Payroll Clearing fund was omitted from the AFR, resulting in receipts and disbursements being understated in the amounts of \$3,666,184 and \$3,668,846, respectively, for the audit period.

Monitoring of Controls

The School Corporation had no process to identify or communicate corrective actions to improve internal controls. Effective internal controls over financial reporting requires the School Corporation to monitor and assess the quality of the system of internal control. The lack of internal controls was a systemic issue throughout the audit period.

Status: Not resolved. See finding 2024-001.

FINDING 2022-002

Subject: Child Nutrition Cluster - Reporting

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, COVID-19 - School Breakfast Program, National School Lunch Program, COVID-19 - National School Lunch Program, COVID-19 - Summer Food Service for Children

Assistance Listings Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 20-21, FY 21-22

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting

Audit Finding: Material Weakness

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

The School Corporation did not implement internal controls to ensure that the monthly reimbursement requests were accurate and submitted timely. The Treasurer prepared the monthly reimbursement requests and submitted the requests without evidence of an oversight, review, or approval process to ensure the requests were accurate.

The lack of internal controls was systemic throughout the audit period.

Status: Resolved.

FINDING 2022-003

Subject: Child Nutrition Cluster - Procurement and Suspension and Debarment

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, COVID-19 - School Breakfast Program, National School Lunch Program, COVID-19 - National School Lunch Program, COVID-19 - Summer Food Service for Children

Assistance Listings Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 20-21, FY 21-22

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Other Matters

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

Procurement

The School Corporation did not properly design and implement internal controls to ensure that procurement requirements for purchases of food which exceeded the simplified acquisition threshold of \$150,000 were followed. The School Corporation did not have internal controls in place to ensure that price or rate quotes for purchases of milk, produce, or food exceeding \$10,000 from an adequate number of sources were obtained, which fell under the small purchase procedures.

Suspension and Debarment

There were no internal controls in place to ensure that vendors were not suspended or debarred from participation in federal programs. The School Corporation did not perform procedures to verify that vendors paid with federal grant monies were not suspended or debarred from participation in federal programs before entering into a covered transaction. As a result, one of the two vendors tested for FY 20-21, and two of the three vendors tested for FY 21-22, did not include evidence the School Corporation had verified that the vendors were not suspended or debarred. The lack of internal controls and noncompliance for suspension and debarment were systemic issues throughout the audit period.

Status: Not resolved. See finding 2024-002.