

**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

BROWN COUNTY SCHOOLS
BROWN COUNTY, INDIANA
July 1, 2022 to June 30, 2024



FILED

02/12/2025



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

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February 12, 2025

To: The Officials of the Brown County Schools
Brown County Schools
Brown County, Indiana

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Brown County 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 present fairly, in all material respects, the cash and investment balances of the School Corporation as of June 30, 2024, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2022 to June 30, 2024 in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

We call your attention to the findings included in the report on pages 38 through 45. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 46 through 49.

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 Brown County 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

BROWN COUNTY SCHOOLS
Brown 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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BROWN COUNTY SCHOOLS
SCHEDULE OF OFFICIALS (Unaudited)
For the period July 1, 2022 through June 30, 2024

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Dawn Ray	07-01-22 to 06-30-24
Superintendent of Schools	Emily Tracy	07-01-22 to 06-30-24
President of the School Board	Carol Bowden	07-01-22 to 12-31-22
	Amy Huffman Olver	01-01-23 to 12-31-23
	Carol Bowden	01-01-24 to 06-30-24

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
Brown County Schools
Brown 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 Brown County 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 January 30, 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
January 30, 2025

BROWN COUNTY 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

<u>Fund</u>	<u>Cash and Investments 07-01-2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2023</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2024</u>
Education	\$ 2,818,785	\$ 12,829,334	\$ 11,315,649	\$ (1,399,832)	\$ 2,932,638	\$ 12,788,235	\$ 10,838,859	\$ (750,000)	\$ 4,132,014
Referendum	979,890	1,454,797	655,198	(153,661)	1,625,828	661,358	1,825,549	(90,052)	371,585
Debt Service	934,249	3,853,140	3,888,311	-	899,078	4,733,064	4,576,305	(12,021)	1,043,816
Operations	2,348,725	6,349,357	6,169,419	1,420,220	3,948,883	7,201,778	6,543,816	750,000	5,356,845
Local Rainy Day	1,861,337	-	1	-	1,861,336	-	264,055	-	1,597,281
GO Bonds 2023	-	-	-	-	-	-	938,628	6,104,805	5,166,177
School Lunch	42,450	1,317,903	1,148,470	-	211,883	1,062,669	1,183,709	-	90,843
Textbook Rental	132,714	129,383	135,196	-	126,901	240,043	363,484	12,021	15,481
Self Insurance	2,105,997	2,742,356	2,639,545	-	2,208,808	2,469,162	3,542,529	-	1,135,441
Child Care Program	-	60,000	20,365	-	39,635	-	39,635	-	-
Ed Plate Fee Distribution	1,594	-	-	-	1,594	-	-	-	1,594
Alternative Education	4,480	-	-	-	4,480	-	-	-	4,480
Lilly Implementation Grant	1	-	-	-	1	-	-	-	1
Donations	2,173	3,400	4,400	-	1,173	-	-	-	1,173
Thank A Teacher	1,918	-	-	-	1,918	3,719	1,774	-	3,863
BCMS-We The People-Donations	-	900	-	-	900	46,635	-	-	47,535
Bryan Pitcher Estate Interest	224	-	-	-	224	-	-	-	224
Eagle Manufacturing Expansion	-	2,056,357	2,022,266	-	34,091	266,486	39,928	-	260,649
Ted Ed/X Donations	-	-	-	-	-	91,620	39,079	-	52,541
Psi Iota Xi	296	-	-	-	296	-	-	-	296
Drug Prevention Grant	195	-	-	-	195	-	-	-	195
Helms/ Thelma Fleener Interest	137	-	-	-	137	-	-	-	137
Summer Interns - Eagle Manuf.	(7,946)	5,010	15,980	-	(18,916)	-	-	-	(18,916)
Patricia Blocker Trst-Sprunica	-	-	-	-	-	4,027	-	-	4,027
Patricia Blocker Trst-Hs Drama	-	-	-	-	-	2,014	-	-	2,014
BCCF Pk Scholarship	3,288	39,375	-	-	42,663	71,208	-	-	113,871
BCCF Pre-K Grant	-	-	-	-	-	20,100	-	-	20,100
Preschool Certification	24,633	12,843	28,921	-	8,555	5,375	3,578	-	10,352
Cummins Foundation	-	-	-	-	-	15,231	-	-	15,231

(Continued)

BROWN COUNTY 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

<u>Fund</u>	<u>Cash and Investments 07-01-2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2023</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2024</u>
Superintendent	\$ 106	\$ -	\$ -	\$ -	\$ 106	\$ -	\$ -	\$ -	\$ 106
Career Resource Center	563,488	241,586	124,169	153,661	834,566	292,610	177,769	90,052	1,039,459
BCMS Extra-Curricular Act.	(1,285)	948	1,793	-	(2,130)	-	1,330	-	(3,460)
BCHS Extra Curricular Act.	(1,148)	5,861	5,749	-	(1,036)	-	7,620	-	(8,656)
In Che Grant	2,500	-	-	-	2,500	-	-	-	2,500
BCHS Scholarships	-	-	-	-	-	250	-	-	250
Haas Grant	-	30,650	-	-	30,650	-	6,842	-	23,808
Conexus Grant	-	13,000	-	-	13,000	-	13,000	-	-
Uplands Pathways Initiative	173	-	-	-	173	-	-	-	173
Formative Assessment Grant	13,784	18,015	16,644	-	15,155	22,017	16,935	-	20,237
Student Learning Recovery Grnt	(10,520)	19,233	77,612	-	(68,899)	117,660	107,086	-	(58,325)
Early Lit Achievement Grant	-	-	-	-	-	22,693	22,693	-	-
Medicaid Reimbursement	940	-	-	-	940	-	-	-	940
Secured Schools Safety Grant	(16,461)	17,402	19,795	-	(18,854)	78,803	59,950	-	(1)
Early Intervention 21.22	1,872	-	1,872	-	-	-	-	-	-
Early Int 22-23	-	3,841	3,772	-	69	-	69	-	-
NESP 21.22	8	-	-	-	8	-	8	-	-
NESP 22.23	-	937	1,032	-	(95)	95	-	-	-
Technology -Usac E-Rate	(9,667)	15,786	1,834	-	4,285	5,693	-	-	9,978
CTE Career & Technology	-	110	-	-	110	96	-	-	206
Tag Grant	-	58,020	58,020	-	-	56,314	56,314	-	-
High Ability Grant	8,613	25,919	25,803	-	8,729	33,585	19,902	-	22,412
State Connectivity Grant	3,643	-	-	-	3,643	-	-	-	3,643
Title I 21-22	(64,550)	150,169	85,619	-	-	-	-	-	-
Title I 22-23	-	153,292	188,749	-	(35,457)	158,330	122,873	-	-
Title I 23-24	-	-	-	-	-	164,718	244,058	-	(79,340)
Sp Ed IDEA 21-2	(113,682)	165,236	57,840	-	(6,286)	6,286	-	-	-
Sp Ed IDEA 22-23	-	-	344,410	-	(344,410)	469,499	125,089	-	-
Sp Ed IDEA 23-24	-	-	-	-	-	203,516	301,734	-	(98,218)

(Continued)

BROWN COUNTY 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 07-01-2022	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2023	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2024
Sp Ed Preschool 22-23	\$ -	\$ -	\$ 9,177	\$ -	\$ (9,177)	\$ 15,644	\$ 6,467	\$ -	\$ -
Sp Ed Preschool 23-24	-	-	-	-	-	5,547	7,753	-	(2,206)
Title IV 21.22	-	19,193	19,193	-	-	2,141	2,141	-	-
Title IV 22.23	-	-	17,971	-	(17,971)	21,324	3,352	-	1
Title IV Drug Free Sch Ffy23	-	-	-	-	-	-	8,655	-	(8,655)
Title IIA 21.22	(23,951)	24,344	13,313	-	(12,920)	12,920	-	-	-
Title IIA 2022.2023	-	-	44,787	-	(44,787)	60,603	15,815	-	1
Title IIA 2023.2024	-	-	-	-	-	-	20,908	-	(20,908)
3E Grant	-	185,883	191,855	-	(5,972)	169,671	290,280	-	(126,581)
Homeless Arp	-	-	-	-	-	10,925	10,925	-	-
ARP 611 IDEA	-	21,570	21,870	-	(300)	71,976	71,313	-	363
ARP 619 IDEA	-	6,419	6,419	-	-	564	564	-	-
ARPA Readi 1.0	-	-	-	-	-	114,520	114,520	-	-
ESSER III	(499,353)	687,753	287,065	-	(98,665)	582,757	550,631	-	(66,539)
Childcare Development Block Gr	875,161	-	498,381	-	376,780	-	375,501	-	1,279
ESSER II	(51,032)	254,158	412,324	-	(209,198)	449,512	240,317	-	(3)
Niet Tsl Grant	(256,522)	652,428	386,201	-	9,705	-	1,044	-	8,661
Foodservice Pre Pay	44,900	323,607	342,647	-	25,860	-	-	-	25,860
Payroll Accrual	(15,290)	9,646,650	9,666,708	-	(35,348)	9,813,198	9,849,676	-	(71,826)
Totals	\$ 11,706,867	\$ 43,596,165	\$ 40,976,345	\$ 20,388	\$ 14,347,075	\$ 42,646,191	\$ 43,054,062	\$ 6,104,805	\$ 20,044,009

See notes to financial statement.

BROWN COUNTY 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)

BROWN COUNTY 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)

BROWN COUNTY 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 Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the School Corporation to invest in securities including, but not limited to, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units. The School Corporation held cash deposits with financial institutions that maintained FDIC and PDIF coverages, as applicable.

(Continued)

BROWN COUNTY SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2024, and for the period of
July 1, 2022 through June 30, 2024

NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

The School Corporation holds an investment account within the TrustIndiana Local Government Investment Pool. The purpose of TrustIndiana is to allow local units of government (e.g. counties, municipalities, school corporations, townships, and other units of local government) as well as the State of Indiana to invest in a common pool of investment assets that preserves the principal of the public's funds, remains highly liquid, and maximizes return on investment. TrustIndiana was authorized by the Indiana General Assembly's passage of Indiana Code § 5-13-9-11. At June 30, 2024, the School Corporation's investment account within the TrustIndiana Local Government Investment Pool was valued at \$4,605,678.

NOTE 5 - RISK MANAGEMENT

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

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

NOTE 6 - CASH BALANCE DEFICITS

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

NOTE 7 - HOLDING CORPORATIONS

The School Corporation has entered into a capital lease with the Brown County School MultiSchool 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 \$2,074,500. Lease payments for the period July 1, 2023 through June 30, 2024 totaled \$2,130,500.

(Continued)

BROWN COUNTY 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

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.

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.

(Continued)

BROWN COUNTY 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)

Teachers' Retirement Fund

Plan Descriptions

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

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

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

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

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

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

Financial Report

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

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

(Continued)

BROWN COUNTY 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)

Contributions

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

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

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

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS

The School Corporation provides life insurance benefits to the former Superintendent of Schools. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding these benefits can be obtained by contacting the School Corporation.

OTHER INFORMATION (Unaudited)

BROWN COUNTY 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	Referendum	Debt Service	Operations	Local Rainy Day	School Lunch	Textbook Rental	Self Insurance	Child Care Program	Ed Plate Fee Distribution	Alternative Education	Lilly Implementation Grant	Donations	Thank A Teacher	BCMS-We The People-Donations	Bryan Pitcher Estate Interest
Cash and investments - beginning	\$ 2,818,785	\$ 979,890	\$ 934,249	\$ 2,348,725	\$ 1,861,337	\$ 42,450	\$ 132,714	\$ 2,105,997	\$ -	\$ 1,594	\$ 4,480	\$ 1	\$ 2,173	\$ 1,918	\$ -	\$ 224
Receipts:																
Local sources	623,385	1,454,797	3,853,140	6,339,186	-	354,573	69,125	2,742,356	60,000	-	-	-	-	-	900	-
Intermediate sources	161	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	12,205,638	-	-	-	-	60,761	60,258	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	902,569	-	-	-	-	-	-	3,400	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	150	-	-	10,171	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	12,829,334	1,454,797	3,853,140	6,349,357	-	1,317,903	129,383	2,742,356	60,000	-	-	-	3,400	-	900	-
Disbursements:																
Instruction	8,790,981	381,940	-	-	1	-	-	-	20,365	-	-	-	4,400	-	-	-
Support services	2,288,387	273,258	-	6,084,431	-	644	135,196	-	-	-	-	-	-	-	-	-
Noninstructional services	236,281	-	-	-	-	1,147,826	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	84,988	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	3,888,311	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	2,639,545	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	11,315,649	655,198	3,888,311	6,169,419	1	1,148,470	135,196	2,639,545	20,365	-	-	-	4,400	-	-	-
Excess (deficiency) of receipts over disbursements	1,513,685	799,599	(35,171)	179,938	(1)	169,433	(5,813)	102,811	39,635	-	-	-	(1,000)	-	900	-
Other financing sources (uses):																
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	20,388	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	1,400,000	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	(1,399,832)	(153,661)	-	(168)	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,399,832)	(153,661)	-	1,420,220	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	113,853	645,938	(35,171)	1,600,158	(1)	169,433	(5,813)	102,811	39,635	-	-	-	(1,000)	-	900	-
Cash and investments - ending	\$ 2,932,638	\$ 1,625,828	\$ 899,078	\$ 3,948,883	\$ 1,861,336	\$ 211,883	\$ 126,901	\$ 2,208,808	\$ 39,635	\$ 1,594	\$ 4,480	\$ 1	\$ 1,173	\$ 1,918	\$ 900	\$ 224

(Continued)

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

	Eagle Manufacturing Expansion	Psi Iota Xi	Drug Prevention Grant	Helms/ Thelma Fleener Interest	Summer Interns - Eagle Manuf.	BCCF Pk Scholarship	BCCF Pre- K Grant	Preschool Certification	Superintendent	Career Resource Center	BCMS Extra- Curricular Act.	BCHS Extra Curricular Act.	In Che Grant	Haas Grant	Conexus Grant	Uplands Pathways Initiative
Cash and investments - beginning	\$ -	\$ 296	\$ 195	\$ 137	\$ (7,946)	\$ 3,288	\$ -	\$ 24,633	\$ 106	\$ 563,488	\$ (1,285)	\$ (1,148)	\$ 2,500	\$ -	\$ -	\$ 173
Receipts:																
Local sources	2,056,357	-	-	-	5,010	39,375	-	12,843	-	153,778	948	5,861	-	30,650	13,000	-
Intermediate sources	-	-	-	-	-	-	-	-	-	87,808	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	2,056,357	-	-	-	5,010	39,375	-	12,843	-	241,586	948	5,861	-	30,650	13,000	-
Disbursements:																
Instruction	-	-	-	-	15,980	-	-	-	-	123,659	-	-	-	-	-	-
Support services	623,349	-	-	-	-	-	-	28,921	-	510	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	1,793	5,749	-	-	-	-
Facilities acquisition and construction	1,398,917	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	2,022,266	-	-	-	15,980	-	-	28,921	-	124,169	1,793	5,749	-	-	-	-
Excess (deficiency) of receipts over disbursements	34,091	-	-	-	(10,970)	39,375	-	(16,078)	-	117,417	(845)	112	-	30,650	13,000	-
Other financing sources (uses):																
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	153,661	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	153,661	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	34,091	-	-	-	(10,970)	39,375	-	(16,078)	-	271,078	(845)	112	-	30,650	13,000	-
Cash and investments - ending	\$ 34,091	\$ 296	\$ 195	\$ 137	\$ (18,916)	\$ 42,663	\$ -	\$ 8,555	\$ 106	\$ 834,566	\$ (2,130)	\$ (1,036)	\$ 2,500	\$ 30,650	\$ 13,000	\$ 173

(Continued)

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

	Formative Assessment Grant	Student Learning Recovery Gmt	Medicaid Reimbursement	Secured Schools Safety Grant	Early Intervention 21.22	Early Int 22-23	NESP 21.22	NESP 22.23	Technology - Usac E-Rate	CTE Career & Technology Tag Grant	High Ability Grant	State Connectivity Grant	Title I 21- 22	Title I 22- 23	Sp Ed IDEA 21-2	
Cash and investments - beginning	\$ 13,784	\$ (10,520)	\$ 940	\$ (16,461)	\$ 1,872	\$ -	\$ 8	\$ -	\$ (9,667)	\$ -	\$ -	\$ 8,613	\$ 3,643	\$ (64,550)	\$ -	\$ (113,682)
Receipts:																
Local sources	-	19,233	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	18,015	-	-	17,402	-	3,841	-	937	-	110	58,020	25,919	-	-	-	
Federal sources	-	-	-	-	-	-	-	-	15,786	-	-	-	150,169	153,292	165,236	
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total receipts	18,015	19,233	-	17,402	-	3,841	-	937	15,786	110	58,020	25,919	-	150,169	153,292	165,236
Disbursements:																
Instruction	16,644	34,530	-	-	1,872	3,772	-	1,024	-	-	58,020	25,803	-	-	418	57,840
Support services	-	43,082	-	19,795	-	-	-	8	1,834	-	-	-	85,619	188,331	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	16,644	77,612	-	19,795	1,872	3,772	-	1,032	1,834	-	58,020	25,803	-	85,619	188,749	57,840
Excess (deficiency) of receipts over disbursements	1,371	(58,379)	-	(2,393)	(1,872)	69	-	(95)	13,952	110	-	116	-	64,550	(35,457)	107,396
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	1,371	(58,379)	-	(2,393)	(1,872)	69	-	(95)	13,952	110	-	116	-	64,550	(35,457)	107,396
Cash and investments - ending	\$ 15,155	\$ (68,899)	\$ 940	\$ (18,854)	\$ -	\$ 69	\$ 8	\$ (95)	\$ 4,285	\$ 110	\$ -	\$ 8,729	\$ 3,643	\$ -	\$ (35,457)	\$ (6,286)

(Continued)

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

	Sp Ed IDEA 22-23	Sp Ed Preschool 22-23	Title IV 21.22	Title IV 22.23	Title IIA 21.22	Title IIA 2022.2023	3E Grant	ARP 611 IDEA	ARP 619 IDEA	ESSER III	Childcare Development Block Gr	ESSER II	Niet Tsl Grant	Foodservice Pre Pay	Payroll Accrual	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ (23,951)	\$ -	\$ -	\$ -	\$ -	\$ (499,353)	\$ 875,161	\$ (51,032)	\$ (256,522)	\$ 44,900	\$ (15,290)	\$ 11,706,867
Receipts:																
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-	323,607	-	18,158,124
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	87,969
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,450,901
Federal sources	-	-	19,193	-	24,344	-	185,883	21,570	6,419	687,753	-	254,158	651,659	-	-	3,241,431
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	769	-	9,646,650	9,657,740
Total receipts	-	-	19,193	-	24,344	-	185,883	21,570	6,419	687,753	-	254,158	652,428	323,607	9,646,650	43,596,165
Disbursements:																
Instruction	344,410	9,177	-	9,316	-	-	191,855	21,870	-	36,266	-	127,657	375,241	-	-	10,653,041
Support services	-	-	19,193	8,655	13,313	44,787	-	-	6,419	124,132	-	244,757	10,960	-	-	10,245,581
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,391,649
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	126,667	498,381	39,910	-	-	-	2,148,863
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,888,311
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-	342,647	9,666,708	12,648,900
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	344,410	9,177	19,193	17,971	13,313	44,787	191,855	21,870	6,419	287,065	498,381	412,324	386,201	342,647	9,666,708	40,976,345
Excess (deficiency) of receipts over disbursements	(344,410)	(9,177)	-	(17,971)	11,031	(44,787)	(5,972)	(300)	-	400,688	(498,381)	(158,166)	266,227	(19,040)	(20,058)	2,619,820
Other financing sources (uses):																
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,388
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,553,661
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,553,661)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,388
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(344,410)	(9,177)	-	(17,971)	11,031	(44,787)	(5,972)	(300)	-	400,688	(498,381)	(158,166)	266,227	(19,040)	(20,058)	2,640,208
Cash and investments - ending	<u>\$ (344,410)</u>	<u>\$ (9,177)</u>	<u>\$ -</u>	<u>\$ (17,971)</u>	<u>\$ (12,920)</u>	<u>\$ (44,787)</u>	<u>\$ (5,972)</u>	<u>\$ (300)</u>	<u>\$ -</u>	<u>\$ (98,665)</u>	<u>\$ 376,780</u>	<u>\$ (209,198)</u>	<u>\$ 9,705</u>	<u>\$ 25,860</u>	<u>\$ (35,348)</u>	<u>\$ 14,347,075</u>

BROWN COUNTY 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	Referendum	Debt Service	Operations	Local Rainy Day	GO Bonds 2023	School Lunch	Textbook Rental	Self Insurance	Child Care Program	Ed Plate Fee Distribution	Alternative Education	Lilly Implementation Grant	Donations	Thank A Teacher
Cash and investments - beginning	\$ 2,932,638	\$ 1,625,828	\$ 899,078	\$ 3,948,883	\$ 1,861,336	\$ -	\$ 211,883	\$ 126,901	\$ 2,208,808	\$ 39,635	\$ 1,594	\$ 4,480	\$ 1	\$ 1,173	\$ 1,918
Receipts:															
Local sources	713,546	661,358	4,733,064	7,091,084	-	-	326,145	1,933	2,469,162	-	-	-	-	-	3,719
Intermediate sources	160	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	12,071,710	-	-	-	-	-	8,311	238,110	-	-	-	-	-	-	-
Federal sources	2,819	-	-	-	-	-	727,463	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	110,694	-	-	750	-	-	-	-	-	-	-	-
Total receipts	12,788,235	661,358	4,733,064	7,201,778	-	-	1,062,669	240,043	2,469,162	-	-	-	-	-	3,719
Disbursements:															
Instruction	8,384,785	1,114,062	-	-	225,770	-	-	-	-	39,635	-	-	-	-	1,774
Support services	2,233,222	705,397	-	6,475,650	38,285	-	1,222	363,484	-	-	-	-	-	-	-
Noninstructional services	220,852	6,090	-	5,813	-	-	1,182,487	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	62,353	-	809,311	-	-	752	-	-	-	-	-	-
Debt services	-	-	4,576,305	-	-	129,317	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	3,541,777	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	10,838,859	1,825,549	4,576,305	6,543,816	264,055	938,628	1,183,709	363,484	3,542,529	39,635	-	-	-	-	1,774
Excess (deficiency) of receipts over disbursements	1,949,376	(1,164,191)	156,759	657,962	(264,055)	(938,628)	(121,040)	(123,441)	(1,073,367)	(39,635)	-	-	-	-	1,945
Other financing sources (uses):															
Proceeds of long-term debt	-	-	-	-	-	6,104,805	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	750,000	-	-	-	12,021	-	-	-	-	-	-	-
Transfers out	(750,000)	(90,052)	(12,021)	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(750,000)	(90,052)	(12,021)	750,000	-	6,104,805	-	12,021	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,199,376	(1,254,243)	144,738	1,407,962	(264,055)	5,166,177	(121,040)	(111,420)	(1,073,367)	(39,635)	-	-	-	-	1,945
Cash and investments - ending	\$ 4,132,014	\$ 371,585	\$ 1,043,816	\$ 5,356,845	\$ 1,597,281	\$ 5,166,177	\$ 90,843	\$ 15,481	\$ 1,135,441	\$ -	\$ 1,594	\$ 4,480	\$ 1	\$ 1,173	\$ 3,863

(Continued)

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

	BCMS-We The People- Donations	Bryan Pitcher Estate Interest	Eagle Manufacturing Expansion	Ted Ed/X Donations	Psi Iota Xi	Drug Prevention Grant	Helms/ Thelma Fleener Interest	Summer Interns - Eagle Manuf.	Patricia Blocker Trst- Sprunica	Patricia Blocker Trst-Hs Drama	BCCF Pk Scholarship	BCCF Pre- K Grant	Preschool Certification	Cummins Foundation	Superintendent
Cash and investments - beginning	\$ 900	\$ 224	\$ 34,091	\$ -	\$ 296	\$ 195	\$ 137	\$ (18,916)	\$ -	\$ -	\$ 42,663	\$ -	\$ 8,555	\$ -	\$ 106
Receipts:															
Local sources	46,635	-	266,486	91,620	-	-	-	-	4,027	2,014	71,208	20,100	5,375	15,231	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	46,635	-	266,486	91,620	-	-	-	-	4,027	2,014	71,208	20,100	5,375	15,231	-
Disbursements:															
Instruction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Support services	-	-	39,928	37,079	-	-	-	-	-	-	-	-	3,578	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	2,000	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	39,928	39,079	-	-	-	-	-	-	-	-	3,578	-	-
Excess (deficiency) of receipts over disbursements	46,635	-	226,558	52,541	-	-	-	-	4,027	2,014	71,208	20,100	1,797	15,231	-
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	46,635	-	226,558	52,541	-	-	-	-	4,027	2,014	71,208	20,100	1,797	15,231	-
Cash and investments - ending	\$ 47,535	\$ 224	\$ 260,649	\$ 52,541	\$ 296	\$ 195	\$ 137	\$ (18,916)	\$ 4,027	\$ 2,014	\$ 113,871	\$ 20,100	\$ 10,352	\$ 15,231	\$ 106

(Continued)

BROWN COUNTY 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 Resource Center	BCMS Extra- Curricular Act.	BCHS Extra Curricular Act.	In Che Grant	BCHS Scholarships	Haas Grant	Conexus Grant	Uplands Pathways Initiative	Formative Assessment Grant	Student Learning Recovery Grnt	Early Lit Achievement Grant	Medicaid Reimbursement	Secured Schools Safety Grant	Early Int 22-23	NESP 21.22
Cash and investments - beginning	\$ 834,566	\$ (2,130)	\$ (1,036)	\$ 2,500	\$ -	\$ 30,650	\$ 13,000	\$ 173	\$ 15,155	\$ (68,899)	\$ -	\$ 940	\$ (18,854)	\$ 69	\$ 8
Receipts:															
Local sources	146,904	-	-	-	250	-	-	-	-	117,660	-	-	-	-	-
Intermediate sources	145,706	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	22,017	-	-	-	78,803	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	22,693	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	292,610	-	-	-	250	-	-	-	22,017	117,660	22,693	-	78,803	-	-
Disbursements:															
Instruction	177,416	-	-	-	-	-	13,000	-	16,935	70,635	22,693	-	-	69	8
Support services	353	-	-	-	-	-	-	-	-	36,451	-	-	59,950	-	-
Noninstructional services	-	1,330	7,620	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	6,842	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	177,769	1,330	7,620	-	-	6,842	13,000	-	16,935	107,086	22,693	-	59,950	69	8
Excess (deficiency) of receipts over disbursements	114,841	(1,330)	(7,620)	-	250	(6,842)	(13,000)	-	5,082	10,574	-	-	18,853	(69)	(8)
Other financing sources (uses):															
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	90,052	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	90,052	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	204,893	(1,330)	(7,620)	-	250	(6,842)	(13,000)	-	5,082	10,574	-	-	18,853	(69)	(8)
Cash and investments - ending	\$ 1,039,459	\$ (3,460)	\$ (8,656)	\$ 2,500	\$ 250	\$ 23,808	\$ -	\$ 173	\$ 20,237	\$ (58,325)	\$ -	\$ 940	\$ (1)	\$ -	\$ -

(Continued)

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

	NESP 22.23	Technology - Usac E-Rate	CTE Career & Technology	Tag Grant	High Ability Grant	State Connectivity Grant	Title I 22- 23	Title I 23- 24	Sp Ed IDEA 21-2	Sp Ed IDEA 22-23	Sp Ed IDEA 23- 24	Sp Ed Preschool 22- 23	Sp Ed Preschool 23-24	Title IV 21.22	Title IV 22.23	Title IV Drug Free Sch Ffy23
Cash and investments - beginning	\$ (95)	\$ 4,285	\$ 110	\$ -	\$ 8,729	\$ 3,643	\$ (35,457)	\$ -	\$ (6,286)	\$ (344,410)	\$ -	\$ (9,177)	\$ -	\$ -	\$ (17,971)	\$ -
Receipts:																
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	96	56,314	33,585	-	-	-	-	-	-	-	-	-	-	-
Federal sources	95	5,693	-	-	-	-	158,330	164,718	6,286	469,499	203,516	15,644	5,547	2,141	21,324	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	95	5,693	96	56,314	33,585	-	158,330	164,718	6,286	469,499	203,516	15,644	5,547	2,141	21,324	-
Disbursements:																
Instruction	-	-	-	56,314	19,902	-	38,433	2,945	-	125,089	257,799	6,467	-	-	-	-
Support services	-	-	-	-	-	-	84,440	241,113	-	-	43,935	-	7,753	2,141	3,352	8,655
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	56,314	19,902	-	122,873	244,058	-	125,089	301,734	6,467	7,753	2,141	3,352	8,655
Excess (deficiency) of receipts over disbursements	95	5,693	96	-	13,683	-	35,457	(79,340)	6,286	344,410	(98,218)	9,177	(2,206)	-	17,972	(8,655)
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	95	5,693	96	-	13,683	-	35,457	(79,340)	6,286	344,410	(98,218)	9,177	(2,206)	-	17,972	(8,655)
Cash and investments - ending	\$ -	\$ 9,978	\$ 206	\$ -	\$ 22,412	\$ 3,643	\$ -	\$ (79,340)	\$ -	\$ -	\$ (98,218)	\$ -	\$ (2,206)	\$ -	\$ 1	\$ (8,655)

(Continued)

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

	Title IIA 21.22	Title IIA 2022.2023	Title IIA 2023.2024	3E Grant	Homeless Arp	ARP 611 IDEA	ARP 619 IDEA	ARPA Readiness 1.0	ESSER III	Childcare Development Block Gr	ESSER II	Niet Tsl Grant	Foodservice Pre Pay	Payroll Accrual	Totals
Cash and investments - beginning	\$ (12,920)	\$ (44,787)	\$ -	\$ (5,972)	\$ -	\$ (300)	\$ -	\$ -	\$ (98,665)	\$ 376,780	\$ (209,198)	\$ 9,705	\$ 25,860	\$ (35,348)	\$ 14,347,075
Receipts:															
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,787,521
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	145,866
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,508,946
Federal sources	12,920	60,603	-	169,671	10,925	71,976	564	114,520	582,757	-	449,512	-	-	-	3,279,216
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	9,813,198	9,924,642
Total receipts	12,920	60,603	-	169,671	10,925	71,976	564	114,520	582,757	-	449,512	-	-	9,813,198	42,646,191
Disbursements:															
Instruction	-	-	-	290,028	10,925	68,721	-	-	197,327	-	210,277	1,044	-	-	11,352,053
Support services	-	15,815	20,908	252	-	2,592	564	-	325,488	-	22,136	-	-	-	10,773,743
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,424,192
Facilities acquisition and construction	-	-	-	-	-	-	-	114,520	27,816	375,501	7,904	-	-	-	1,398,157
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,705,622
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-	9,849,676	13,400,295
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	15,815	20,908	290,280	10,925	71,313	564	114,520	550,631	375,501	240,317	1,044	-	9,849,676	43,054,062
Excess (deficiency) of receipts over disbursements	12,920	44,788	(20,908)	(120,609)	-	663	-	-	32,126	(375,501)	209,195	(1,044)	-	(36,478)	(407,871)
Other financing sources (uses):															
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,104,805
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-	-	852,073
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(852,073)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,104,805
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	12,920	44,788	(20,908)	(120,609)	-	663	-	-	32,126	(375,501)	209,195	(1,044)	-	(36,478)	5,696,934
Cash and investments - ending	\$ -	\$ 1	\$ (20,908)	\$ (126,581)	\$ -	\$ 363	\$ -	\$ -	\$ (66,539)	\$ 1,279	\$ (3)	\$ 8,661	\$ 25,860	\$ (71,826)	\$ 20,044,009

BROWN COUNTY SCHOOLS
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2024

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 599,798	\$ 472,888

BROWN COUNTY 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:				
Brown County School Multischool Building Corp	BCHS and all BCS general maintenance 2021	\$ 1,692,000	10/21/2021	12/31/2026
Brown County School Multischool Building Corp	BCHS and Nashville Elementary Leases 2014	<u>507,000</u>	1/1/2013	1/15/2035
Total governmental activities		<u>2,199,000</u>		
Total of annual lease payments		<u>\$ 2,199,000</u>		

<u>Description of Debt</u>		<u>Ending Principal Balance</u>	<u>Principal Due Within One Year</u>
<u>Type</u>	<u>Purpose</u>		
Governmental activities:			
General Obligation Bonds	2014 GO BOND	\$ 135,000	\$ 135,000
General Obligation Bonds	2023 GO BOND	4,840,000	1,765,000
General Obligation Bonds	QSCB BOND	<u>160,000</u>	<u>160,000</u>
Total governmental activities		<u>5,000,000</u>	<u>2,060,000</u>
Totals		<u>\$ 5,000,000</u>	<u>\$ 2,060,000</u>

BROWN COUNTY 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	\$ 658,100
Infrastructure	82,923
Buildings	83,108,249
Improvements other than buildings	1,287,474
Machinery, equipment, and vehicles	6,136,446
Construction in progress	4,698,674
Books and other	<u>25,913</u>
 Total governmental activities	 <u>95,997,779</u>
 Total capital assets	 <u>\$ 95,997,779</u>

BROWN COUNTY 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.

BROWN COUNTY 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	FY2023, FY2024	\$ 186,560	\$ 177,844	\$ 364,404
National School Lunch Program		10.555	FY2023, FY2024	761,308	542,133	1,303,441
Commodities		10.555	FY2023, FY2024	90,577	123,308	213,885
Summer Food Service Program for Children		10.559	FY2023, FY2024	3,419	6,722	10,141
Total - Child Nutrition Cluster				<u>1,041,864</u>	<u>850,007</u>	<u>1,891,871</u>
Total - Department of Agriculture				<u>1,041,864</u>	<u>850,007</u>	<u>1,891,871</u>
<u>Department of the Treasury</u>						
Coronavirus State and Local Fiscal Recovery Funds ARPA Readi 1.0	Indiana Economic Development Corporation	21.027	FY2024	-	114,520	114,520
Total - Department of the Treasury				<u>-</u>	<u>114,520</u>	<u>114,520</u>
<u>Department of Education</u>						
Special Education Cluster (IDEA)						
Special Education Grants to States	Indiana Department of Education					
IDEA, Part B		84.027	21611-088-PN01	165,236	-	165,236
IDEA, Part B		84.027	22611-088-PN01	-	469,499	469,499
IDEA, Part B		84.027	23611-088-PN01	-	203,516	203,516
IDEA, ARP 611		84.027X	23611-088-ARP	21,570	71,976	93,546
Total - Special Education Grants to States				<u>186,806</u>	<u>744,991</u>	<u>931,797</u>
Special Education Preschool Grants	Indiana Department of Education					
IDEA, Preschool		84.173	22619-088-PN01	-	15,644	15,644
IDEA, Preschool		84.173	23619-088-PN01	-	5,547	5,547
IDEA, ARP 619		84.173X	22619-088-ARP	6,419	564	6,983
Total - Special Education Preschool Grants				<u>6,419</u>	<u>21,755</u>	<u>28,174</u>
Total - Special Education Cluster (IDEA)				<u>193,225</u>	<u>766,746</u>	<u>959,971</u>

(Continued)

BROWN COUNTY 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
Adult Education - Basic Grants to States	Monroe County Community School Corporation					
CRC Adult Ed Program Fund 2293		84.002	V002a190014	\$ 87,808	\$ -	\$ 87,808
CRC Adult Ed Program Fund 2293		84.002	V002a190014	<u>-</u>	<u>145,706</u>	<u>145,706</u>
Total - Adult Education - Basic Grants to States				<u>87,808</u>	<u>145,706</u>	<u>233,514</u>
Title I Grants to Local Educational Agencies	Indiana Department of Education					
Title I, Part A		84.010A	S010A210014	150,169	-	150,169
Title I, Part A		84.010A	S010A220014	153,292	158,330	311,622
Title I, Part A		84.010A	S010A230014	<u>-</u>	<u>164,718</u>	<u>164,718</u>
Total - Title I Grants to Local Educational Agencies				<u>303,461</u>	<u>323,048</u>	<u>626,509</u>
Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II, Part A		84.367A	S367A210013	24,344	12,520	36,864
Title II, Part A		84.367A	S367A220013	<u>-</u>	<u>60,603</u>	<u>60,603</u>
Total - Supporting Effective Instruction State Grants				<u>24,344</u>	<u>73,123</u>	<u>97,467</u>
Teacher and School Leader Incentive Grants	National Institute for Excellence in Teaching					
NIET Grant		84.374	U374A190013	<u>652,429</u>	<u>1,044</u>	<u>653,473</u>
Total - Teacher and School Leader Incentive Grants				<u>652,429</u>	<u>1,044</u>	<u>653,473</u>
Student Support and Academic Enrichment Program	Indiana Department of Education					
Title IV, Part A		84.424	S424A210015	19,193	2,141	21,334
Title IV, Part A		84.424	S424A220015	<u>-</u>	<u>21,324</u>	<u>21,324</u>
Total - Student Support and Academic Enrichment Program				<u>19,193</u>	<u>23,465</u>	<u>42,658</u>
COVID-19 - Education Stabilization Fund	Indiana Department of Education					
Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D	S425D210013	254,158	449,512	703,670
American Rescue Plan Elementary and Secondary School						
ARP ESSER - Attract, Prepare, and Retain Grant (ESSER III)		84.425U	S425U210013	687,753	582,757	1,270,510
American Rescue Plan Elementary and Secondary School						
Explore, Engage, Experience (3E) Grant, InvestIndiana		84.425U	7000S425U210013	185,883	169,671	355,554
Emergency Relief (ARP HCY II) Homeless Children and Youth Grant		84.425W	7000S425W210015	<u>-</u>	<u>10,925</u>	<u>10,925</u>
Total - COVID-19 - Education Stabilization Fund				<u>1,127,794</u>	<u>1,212,865</u>	<u>2,340,659</u>
Total - Department of Education				<u>2,408,254</u>	<u>2,545,997</u>	<u>4,954,251</u>

(Continued)

BROWN COUNTY 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>						
CCDF Cluster						
Child Care and Development Block Grant	Indiana Department of Education					
Child Care and Development Block Grant		93.575	2101INCSC6	\$ 498,381	\$ 375,501	\$ 873,882
Total - Department of Health and Human Services				<u>498,381</u>	<u>375,501</u>	<u>873,882</u>
Total federal awards expended				<u>\$ 3,948,499</u>	<u>\$ 3,886,025</u>	<u>\$ 7,834,524</u>

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

BROWN COUNTY 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 \$213,885 are valued based on the USDA's donated commodity price list. These are shown as part of the National School Lunch Program (10.555).

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
Brown County Schools
Brown 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 Brown County 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 January 30, 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 statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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


Crowe LLP

Indianapolis, Indiana
January 30, 2025

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

Those Charged with Governance
Brown County Schools
Brown County, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Brown County 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.

Qualified Opinion on the Education Stabilization Fund

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the School Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on *the Education Stabilization Fund* for the period of July 1, 2022 through June 30, 2024.

Unmodified Opinion on the Other Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its other major federal program identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the period of July 1, 2022 through June 30, 2024.

Basis for Qualified and Unmodified Opinions

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.

(Continued)

Matter Giving Rise to Qualified Opinion on the Education Stabilization Fund

As described in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding ALN 84.425U Education Stabilization Fund as described in finding number 2024-002 for Special Tests and Provisions. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with the requirements applicable to that program.

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.

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

(Continued)

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the 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 responses 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 responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The 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
January 30, 2025

BROWN COUNTY 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:	Education Stabilization Fund - Qualified Child Care and Development Block Grant - Unmodified
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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:

Assistance Listing Number	Name of Federal Program or Cluster
84.425D, 84.425U, 84.425W 93.575	COVID-19 - Education Stabilization Fund Child Care and Development Block Grant

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)

BROWN COUNTY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

Section II – Financial Statement Findings

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

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

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

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

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

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

2 CFR 200.508 states in part:

"The auditee must: . . .

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

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

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

(Continued)

BROWN COUNTY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

Section II – Financial Statement Findings (Continued)

FINDING 2024-001 (Continued)

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) For the period of July 1, 2022 to June 30, 2023, receipt amounts were understated by \$9,646,650 and the disbursement amounts were understated by \$9,666,708 resulting in an overstatement of the June 30, 2023 cash of \$20,058.

2) For the period of July 1, 2023 to June 30, 2024, receipt amounts were understated by \$9,813,198 and the disbursement amounts were understated by \$9,849,676 resulting in an overstatement of cash of \$36,478. Additionally, the beginning July 1, 2023 balance was overstated by \$20,058 resulting in a net impact on the ending June 30, 2024 cash balance of an overstatement of \$56,536.

Audit adjustments were proposed, accepted by the School Corporation, and made to the financial statement to correct the errors noted above.

The errors noted related to improperly excluding the activity from the payroll clearing fund on the AFR.

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

Identification as a repeat finding, if applicable: No.

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

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

(Continued)

BROWN COUNTY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

Section III – Federal Award Findings and Questioned Costs

FINDING 2024-002

Information on the federal program:

Subject: Education Stabilization Fund – Special Tests and Provisions - Wage Rate Requirements
Federal Agency: Department of Education
Federal Program: COVID-19 - Education Stabilization Fund
Assistance Listing Number: 84.425U
Federal Award Numbers and Years (or Other Identifying Numbers): S425U210013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Wage Rate Requirements
Audit Findings: Material Weakness, Material Noncompliance, Qualified Opinion

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). . . ."

29 CFR 5.5 states in part:

(1) Minimum wages.

- (i) All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project),

will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the

Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics...

(3)(ii)(A) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the (write in name of appropriate federal agency) if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant, sponsor, or owner, as the case may be, for transmission to the (write in name of agency).

2 CFR 200 Appendix II states in part:

(Continued)

BROWN COUNTY 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)

In addition to other provisions required by the Federal agency or non-Federal entity; all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable. . . .

(D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. . . .”

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 Special Tests and Provisions – Wage Rate Requirements compliance requirements.

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

Effect: The failure to design and implement an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the Special Tests and Provisions – Wage Rate Requirements compliance requirement could result in the loss of future federal funds to the School Corporation.

Questioned Costs: There were no questioned costs identified.

Context: For the one project sampled for Davis-Bacon requirements, the School Corporation did not obtain the weekly payroll reports certifications from the company that performed renovations on the School Corporation’s roof. Therefore, no review was performed to ensure that pay rates complied with the federal wage rate requirements. Additionally, the School Corporation did not have contracts with the companies that included the clauses for the federal wage rate requirements. The amount disbursed and reported on the SEFA during the audit period is \$467,094.

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

Recommendation: We recommend the School Corporation implement a formal process to ensure the required weekly payroll reports certifications are collected and reviewed to ensure compliance with the wage rate requirements.

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

(Continued)

BROWN COUNTY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

FINDING 2024-003

Information on the federal program:

Subject: Education Stabilization Fund (ESSER) – Internal Controls
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."

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 had not developed a system of internal controls to ensure compliance with the compliance requirements listed above.

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

(Continued)

BROWN COUNTY 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)

Questioned Costs: There were no questioned costs identified.

Context: The School Corporation was required to submit two 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 ESSER II and ESSER III amounts reported on the Year 3 report (\$397,392 and \$294,138, respectively) did not agree to the underlying expenditure records (\$498,259 and \$1,509,413, respectively, for the period of July 1, 2021 through June 30, 2022).

Additionally, we noted that the ESSER II and ESSER III amounts reported on the Year 4 report (\$400,501 and \$294,129, respectively) did not agree to the underlying expenditure records (\$412,324 and \$287,065, respectively, for the period of July 1, 2022 through June 30, 2023).

We noted that the 195 number of Full-time equivalent (FTE) positions on September 30, 2023 on the second report did not agree to the underlying records supporting number of 274 Full-time equivalent (FTE) positions on September 30, 2023.

Identification as a repeat finding: No.

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

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

(Continued)

BROWN COUNTY 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

Information on the federal program:

Subject: Education Stabilization Fund – Internal Controls
Federal Agency: Department of Education
Federal Program: COVID-19 – Education Stabilization Fund
Assistance Listing Number: 84.425U
Federal Award Numbers: S425U210013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Equipment and Real Property Management
Audit Findings: Material Weakness

Criteria: 2 CFR 200.313(d) states in part:

"Management requirements. Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, as a minimum, meet the following requirements:

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
- (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
- (4) Adequate maintenance procedures must be developed to keep the property in good condition.
..."

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 Equipment and Real Property Management Requirements compliance requirements.

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

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

Questioned Costs: There were no questioned costs identified.

(Continued)

BROWN COUNTY 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)

Context: For 1 of 2 sample items tested, we noted the School Corporation expended \$1,079,166 on roof renovations which was charged to the ESSER III (84.425U) grant award. It was noted these capital asset acquisitions were not reported on the capital asset listing for the School Corporation as of June 30, 2024.

Identification as a repeat finding: No.

Recommendation: We recommend the School Corporation update the capital asset listing at least annually to include all equipment and real property acquisitions and review for potential capital asset dispositions. The capital asset listing should include all required information to track capital asset acquisitions purchased with federal funding.

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



CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

June 30, 2024

Finding 2024-001 – Preparation of the Annual Financial Report

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) For the period of July 1, 2022 to June 30, 2023, receipt amounts were understated by \$9,646,650 and the disbursement amounts were understated by \$9,666,708 resulting in an overstatement of the June 30, 2023 cash of \$20,058.

2) For the period of July 1, 2023 to June 30, 2024, receipt amounts were understated by \$9,813,198 and the disbursement amounts were understated by \$9,849,676 resulting in an overstatement of cash of \$36,478. Additionally, the beginning July 1, 2023 balance was overstated by \$20,058 resulting in a net impact on the ending June 30, 2024 cash balance of an overstatement of \$56,536.

Audit adjustments were proposed, accepted by the School Corporation, and made to the financial statement to correct the errors noted above.

The errors noted related to improperly excluding the activity from the payroll clearing fund on the AFR.

Contact Person Responsible for Corrective Action: Dawn Ray

Contact Phone Number: 812.988.6601

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The liability reports for the payroll accrual fund will be pulled at the conclusion of each year. We will use the liability totals to insert those amounts in each AFR, thus showing the amounts passed through the fund. We will have someone other than the preparer of the report perform a documented review prior to submission to validate the accuracy and completeness of the data submitted.

Anticipated Completion Date: Immediately upon the completion of the audit.



FINDING 2024-002

Information on the federal program:

Subject: Education Stabilization Fund – Special Tests and Provisions - Wage Rate Requirements

Federal Agency: Department of Education

Federal Program: COVID-19 - Education Stabilization Fund

Assistance Listing Number: 84.425U

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

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Wage Rate Requirements

Audit Findings: Material Weakness, Material Noncompliance, Qualified Opinion

Context: For the one project sampled for Davis-Bacon requirements, the School Corporation did not obtain the weekly payroll reports certifications from the company that performed renovations on the School Corporation's roof. Therefore, no review was performed to ensure that pay rates complied with the federal wage rate requirements. Additionally, the School Corporation did not have contracts with the companies that included the clauses for the federal wage rate requirements. The amount disbursed and reported on the SEFA during the audit period is \$467,094.

Contact Person Responsible for Corrective Action: Dawn Ray

Contact Phone Number: 812.988.6601

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Brown County Schools will require notification of certified payroll reviews be sent to us with the monthly work updates after the contractor has reviewed them for accuracy and compliance with prevailing wage requirements.

Anticipated Completion Date: Immediately upon the completion of the audit.



FINDING 2024-003

Information on the federal program:

Subject: Education Stabilization Fund (ESSER) – Internal Controls

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

Context: The School Corporation was required to submit two 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 ESSER II and ESSER III amounts reported on the Year 3 report (\$397,392 and \$294,138, respectively) did not agree to the underlying expenditure records (\$498,259 and \$1,509,413, respectively, for the period of July 1, 2021 through June 30, 2022).

Additionally, we noted that the ESSER II and ESSER III amounts reported on the Year 4 report (\$400,501 and \$294,129, respectively) did not agree to the underlying expenditure records (\$412,324 and \$287,065, respectively, for the period of July 1, 2022 through June 30, 2023).

We noted that the 195 number of Full-time equivalent (FTE) positions on September 30, 2023 on the second report did not agree to the underlying records supporting number of 274 Full-time equivalent (FTE) positions on September 30, 2023.

Contact Person Responsible for Corrective Action: Dawn Ray

Contact Phone Number: 812.988.6601

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: We will have someone other than the preparer of the report perform a documented review prior to submission to validate the accuracy and completeness of the data submitted.

Anticipated Completion Date: Immediately upon the completion of the audit.



FINDING 2024-004

Information on the federal program:

Subject: Education Stabilization Fund – Internal Controls
Federal Agency: Department of Education
Federal Program: COVID-19 – Education Stabilization Fund
Assistance Listing Number: 84.425U
Federal Award Numbers: S425U210013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Equipment and Real Property Management
Audit Findings: Material Weakness

Context: For 1 of 2 sample items tested, we noted the School Corporation expended \$1,079,166 on roof renovations which was charged to the ESSER III (84.425U) grant award. It was noted these capital asset acquisitions were not reported on the capital asset listing for the School Corporation as of June 30, 2024.

Contact Person Responsible for Corrective Action: Dawn Ray
Contact Phone Number: 812.988.6601

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: We will have someone other than the preparer of the capital asset invoices perform a documented review prior to submission to the Capital Asset company to validate the accuracy and completeness of the items to be submitted.

Anticipated Completion Date: Immediately upon the completion of the audit.



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-001

Information on the federal program:

FINDING 2022-001

Subject: COVID-19 - Education Stabilization Fund - Special Tests and Provisions - Wage Rate Requirements

Federal Agency: Department of Education

Federal Program: COVID-19 - Education Stabilization Fund

Assistance Listings Number: 84.425U

Federal Award Number and Year (or Other Identifying Numbers): S425U210013

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Wage Rate Requirements

Audit Finding: Material Weakness

Condition and Context

An effective internal control system, which would include segregation of duties, was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Wage Rate Requirements compliance requirement. Certified contractor payrolls related to the construction project were obtained by the School Corporation with no documented review or oversight process in place to ensure their accuracy and compliance. The lack of internal controls was a systemic issue which occurred throughout the audit period.

Status: Not Resolved, see finding 2024-002. The finding was not resolved due to the timing of the prior audit and when the current activity occurred. To address the finding, Brown County Schools will require notification of certified payroll reviews be sent to us with the monthly work updates after the contractor has reviewed them for accuracy and compliance with prevailing wage requirements.