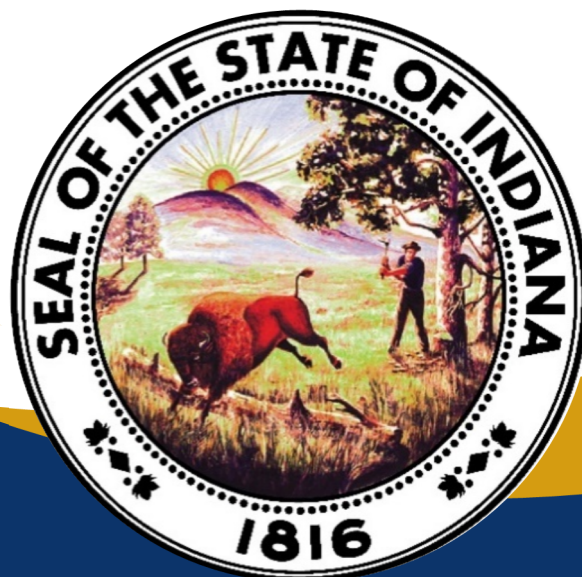


**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

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

FINANCIAL STATEMENT AND
FEDERAL COMPLIANCE AUDIT REPORT
OF

BAUGO COMMUNITY SCHOOLS
ELKHART 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 Baugo Community Schools
Baugo Community Schools
Elkhart County, Indiana

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

We call your attention to the findings included in the report on pages 39 through 43. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 44 and 45.

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

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

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

Tammy R. White, CPA
Deputy State Examiner

BAUGO COMMUNITY SCHOOLS
Elkhart 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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BAUGO COMMUNITY 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	Nancy Winnicki	07-01-22 to 01-04-24
	Wyatt Schmicker	01-05-24 to 06-30-24
Superintendent of Schools	Byron Sanders	07-01-22 to 06-30-24
President of the School Board	Kris Seymore	01-01-22 to 12-31-22
	Chris Carithers	01-01-23 to 12-31-23
	Eric Ott	01-01-24 to 12-31-24



INDEPENDENT AUDITOR'S REPORT

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

Unmodified Opinion on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinion

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

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

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

(Continued)

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

Responsibilities of Management for the Financial Statement

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

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

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

Supplementary Information

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

(Continued)

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report January 23, 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 23, 2025

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

<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	\$ 886,753	\$ 13,231,414	\$ 12,681,983	\$ (233,332)	\$ 1,202,852	\$ 14,459,153	\$ 13,243,765	\$ (796,238)	\$ 1,622,002
Debt Service	2,680,988	5,256,148	4,964,593	-	2,972,543	5,897,114	7,599,869	-	1,269,788
Retirement/Severance Bond Debt Service	4,393	-	-	-	4,393	-	-	-	4,393
Operations	1,528,370	4,285,697	5,149,169	1,061,664	1,726,562	4,617,210	5,588,226	814,101	1,569,647
Local Rainy Day	605,419	-	-	(250,000)	355,419	-	-	2,758	358,177
Retirement/Severance Bond	11,248	-	-	-	11,248	-	-	-	11,248
Construction - 2018	116,782	-	39,319	-	77,463	-	77,463	-	-
General Obligation Gob 2019	-	-	-	-	-	-	-	-	-
Construction - 2020	14,052	-	14,052	-	-	-	-	-	-
General Obligation Gob 2021	1,009,176	-	686,858	-	322,318	-	57,830	-	264,488
General Obligation Gob 2022	-	28,200	608,960	2,846,914	2,266,154	-	1,620,282	-	645,872
General Obligation Gob 2023	-	-	-	-	-	-	386,375	3,091,894	2,705,519
School Lunch	160,191	1,109,472	982,379	-	287,284	1,119,276	1,137,093	-	269,467
Curricular Materials Rental	287,998	282,078	325,080	-	244,996	337,209	167,814	-	414,391
Self-Insurance	446,126	3,855,979	3,006,028	-	1,296,077	3,687,520	4,048,051	-	935,546
Hope Squad	908	-	908	-	-	-	-	-	-
Educational License Plates	3,683	38	-	-	3,721	56	-	-	3,777
Donation	85,780	51,970	37,422	-	100,328	16,898	8,447	-	108,779
Baugo Promise Indiana	12,601	2,110	3,438	-	11,273	1,609	5,059	-	7,823
Jimtown Community Center	343,757	341,100	479,215	-	205,642	1,650	84,926	-	122,366
Business Scholarship	2,050	3,000	3,000	-	2,050	7,000	2,000	-	7,050
Formative Assessment	-	18,525	18,525	-	-	20,885	16,823	-	4,062
Literacy Achievement Grant 2023	-	-	-	-	-	8,322	8,322	-	-
Medicaid Reimbursement-State	12,009	14,420	19,380	-	7,049	21,153	3,401	-	24,801
Secured Schools Safety Grant	-	7,418	37,706	-	(30,288)	30,288	-	-	-
Eig Early Intervention Grant 2022-2023	-	4,997	3,813	-	1,184	-	1,184	-	-
Nesp Non-English Speaking Sy 2021-2022	1,591	39,683	41,274	-	-	-	-	-	-
Career And Technical Performance Grant	-	678	678	-	-	563	563	-	-

(Continued)

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

<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>
Teacher Appreciation Grant	\$ -	\$ 66,986	\$ 66,986	\$ -	\$ -	\$ 68,027	\$ 68,030	\$ -	\$ (3)
High Ability Students	13,363	28,674	28,401	-	13,636	36,602	35,629	-	14,609
State Connectivity Grant	17,038	7,008	2,700	-	21,346	7,008	810	-	27,544
Title I SY 2021-2022	(44,232)	50,427	6,195	-	-	-	-	-	-
Title I SY 2022-2023	-	155,507	170,680	-	(15,173)	21,949	6,776	-	-
4134 Title I SY 2023-2024	-	-	-	-	-	194,605	207,218	-	(12,613)
Special Education FY22	(88,491)	221,190	132,699	-	-	1,581	1,581	-	-
Special Education FY23	-	96,035	219,357	-	(123,322)	306,194	182,872	-	-
Special Education FY24	-	-	-	-	-	135,849	261,545	-	(125,696)
Preschool Part B 619 FY 2022	-	-	-	-	-	855	855	-	-
Preschool Part B 619 FY 2023	-	18,412	18,412	-	-	3,067	3,067	-	-
Preschool Part B 619 FY 2024	-	-	-	-	-	16,336	21,954	-	(5,618)
Title IV FY21	(9,062)	11,447	3,317	-	(932)	1,227	295	-	-
Title Iv Fy22	-	-	-	-	-	2,000	2,185	-	(185)
Title Iv Fy23	-	-	-	-	-	-	194	-	(194)
Medicaid Reimbursement-Federal	78,345	55,950	22,463	-	111,832	70,550	92,969	-	89,413
Title II FFY 2020	(776)	4,576	3,800	-	-	-	-	-	-
Title II FFY 2021	(7,249)	29,287	22,038	-	-	11,090	11,090	-	-
Title II FFY 2022	-	20,000	20,000	-	-	11,069	17,263	-	(6,194)
Title II FFY 2023	-	-	-	-	-	9,445	9,603	-	(158)
Title III SY 2020-2021	(1,694)	9,673	7,979	-	-	207	207	-	-
Title III SY 2021-2023	-	1,200	2,800	-	(1,600)	9,704	8,104	-	-
Title lii Sy 2022-2024	-	-	-	-	-	8,912	8,916	-	(4)
ARP HCY II	-	-	-	-	-	4,500	5,848	-	(1,348)
ARPA SpEd 611	-	37,500	47,279	-	(9,779)	62,683	52,904	-	-
ARPA SpEd Preschool 619	-	-	-	-	-	7,478	7,478	-	-
Emergency Connectivity ECF	-	80,000	80,000	-	-	-	-	-	-
ESSR III Elementary And Secondary School Emergency	(43,542)	234,822	206,030	-	(14,750)	460,264	825,144	-	(379,630)

(Continued)

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

Fund	Cash and Investments 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
ESSER II Elementary And Secondary School Emergency	\$ (24,498)	\$ 60,342	\$ 39,055	\$ -	\$ (3,211)	\$ 41,967	\$ 38,756	\$ -	\$ -
Federal Stimulus - 18003 Educ. Stab Reli	(12,442)	28,846	16,404	-	-	-	-	-	-
FEMA Covid Relief	-	137,639	137,639	-	-	-	-	-	-
Prepaid School Lunch Accounts	17,920	157,785	151,122	(1,275)	23,308	(1,231)	1,641	-	20,436
CI-Federal Withholding Tax	-	687,737	687,737	-	-	719,568	719,568	-	-
CI-FICA	-	745,557	745,557	-	-	791,510	791,510	-	-
CI-State Withholding Tax	-	301,227	301,227	-	-	314,238	314,238	-	-
CI-Local Withholding Tax	-	184,281	184,281	-	-	195,669	195,669	-	-
CI-Teachers Retirement Withhdg	-	45,659	45,659	-	-	56,626	56,486	-	140
CI-PERF	-	94,289	94,274	-	15	101,575	101,590	-	-
CI-Pr Misc	-	45,279	45,279	-	-	23,230	861	-	22,369
CI-Annuity Withholdings	-	82,933	82,933	-	-	89,594	89,594	-	-
CI-Section 125	76	643,220	643,296	-	-	694,245	698,895	-	(4,650)
CI-Benefits	-	(306)	(306)	-	-	(198)	(198)	-	-
CI-Credit Union & Bank Ded	-	-	-	-	-	-	-	-	-
CI-Non-S-125	573	23,714	23,168	-	1,119	20,981	21,229	-	871
CI-Employee Deductions	-	77,530	77,530	-	-	92,753	92,753	-	-
Wellness Phase Ii	2,758	-	-	-	2,758	-	-	(2,758)	-
Other/Miscellaneous	(1,000)	(138,853)	(138,853)	-	(1,000)	15,203	17,020	-	(2,817)
CI Misc	(173,748)	367,352	261,112	-	(67,508)	225,799	184,546	-	(26,255)
CI Donations	17,000	(17,000)	-	-	-	-	-	-	-
Totals	\$ 7,954,214	\$ 33,188,852	\$ 33,562,030	\$ 3,423,971	\$ 11,005,007	\$ 35,058,637	\$ 39,214,188	\$ 3,109,757	\$ 9,959,213

See notes to financial statement.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

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

(Continued)

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Continued)

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

NOTE 2 - BUDGETS

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

NOTE 3 - PROPERTY TAXES

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

(Continued)

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

NOTE 5 - RISK MANAGEMENT

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

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

NOTE 6 - CASH BALANCE DEFICITS

The financial statement contains some funds with deficits in cash. This is a result of certain funds being set up for reimbursable grants, but for which reimbursement was not yet received by June 30, 2023, and 2024. The deficit in the Section 125, Other/Miscellaneous, and CI Misc funds are the result of disbursements exceeding receipts due to under-estimating current requirements for those funds. These deficits will be repaid from future receipts.

NOTE 7 - HOLDING CORPORATION

The School Corporation has entered into a capital lease with the Baugo School Building Corporation (the lessor). The lessor was organized as not-for-profit corporations 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 \$3,336,500. Lease payments for the period July 1, 2023 through June 30, 2024 totaled \$3,511,000.

NOTE 8 - PENSION PLANS

Public Employees Retirement Fund

Plan Description

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

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

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.

(Continued)

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

NOTE 8 - PENSION PLANS (Continued)

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

Financial Report

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

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

Contributions

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

Teachers' Retirement Fund

Plan Descriptions

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

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

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

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

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.

(Continued)

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

NOTE 8 - PENSION PLANS (Continued)

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

Financial Report

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

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

Contributions

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

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

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

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS

The School Corporation provides to eligible retirees and their spouses the following benefits: Administrators receive health, dental, vision, and life insurance coverage, and a Medicare supplement plan if applicable. Others receive health, dental, and vision coverage at School Corporation group rates. 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.

(Continued)

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

NOTE 10 - SUBSEQUENT EVENT

In December 2024, the School Corporation entered into a capital lease with Baugo School Building Corporation to finance various renovations and improvements to school facilities. The lease arrangement requires annual lease payments totaling approximately \$1,800,000 beginning July 1, 2025 through December 31, 2036.

OTHER INFORMATION (Unaudited)

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

	Education	Debt Service	Retirement/ Severance Bond Debt Service	Operations	Local Rainy Day	Retirement/ Severance Bond	Construction - 2018	Construction - 2020	General Obligation Gob 2021	General Obligation Gob 2022	School Lunch	Curricular Materials Rental	Self-Insurance
Cash and investments - beginning	\$ 886,753	\$ 2,680,988	\$ 4,393	\$ 1,528,370	\$ 605,419	\$ 11,248	\$ 116,782	\$ 14,052	\$ 1,009,176	\$ -	\$ 160,191	\$ 287,998	\$ 446,126
Receipts:													
Local sources	113,394	5,256,148	-	4,285,697	-	-	-	-	-	28,200	320,021	170,451	3,855,979
Intermediate sources	16	-	-	-	-	-	-	-	-	-	-	-	-
State sources	13,118,004	-	-	-	-	-	-	-	-	-	8,354	115,881	-
Federal sources	-	-	-	-	-	-	-	-	-	-	782,341	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	(1,244)	(4,254)	-
Total receipts	13,231,414	5,256,148	-	4,285,697	-	-	-	-	-	28,200	1,109,472	282,078	3,855,979
Disbursements:													
Instruction	9,544,265	-	-	-	-	-	-	-	-	-	-	-	-
Support services	2,923,613	55,779	-	4,848,382	-	-	-	-	-	221,748	18,479	325,080	-
Noninstructional services	214,105	-	-	14,484	-	-	-	-	-	-	963,900	-	-
Facilities acquisition and construction	-	-	-	33,920	-	-	39,319	14,052	686,858	359,012	-	-	-
Debt services	-	4,908,814	-	252,383	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	28,200	-	-	3,006,028
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	12,681,983	4,964,593	-	5,149,169	-	-	39,319	14,052	686,858	608,960	982,379	325,080	3,006,028
Excess (deficiency) of receipts over disbursements	549,431	291,555	-	(863,472)	-	-	(39,319)	(14,052)	(686,858)	(580,760)	127,093	(43,002)	849,951
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	577,573	-	-	-	-	-	2,846,914	-	-	-
Sale of capital assets	-	-	-	759	-	-	-	-	-	-	-	-	-
Transfers in	416,668	-	-	733,332	-	-	-	-	-	-	-	-	-
Transfers out	(650,000)	-	-	(250,000)	(250,000)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(233,332)	-	-	1,061,664	(250,000)	-	-	-	-	2,846,914	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	316,099	291,555	-	198,192	(250,000)	-	(39,319)	(14,052)	(686,858)	2,266,154	127,093	(43,002)	849,951
Cash and investments - ending	\$ 1,202,852	\$ 2,972,543	\$ 4,393	\$ 1,726,562	\$ 355,419	\$ 11,248	\$ 77,463	\$ -	\$ 322,318	\$ 2,266,154	\$ 287,284	\$ 244,996	\$ 1,296,077

(Continued)

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

	Hope Squad	Educational License Plates	Donation	Baugo Promise Indiana	Jimtown Community Center	Business Scholarship	Formative Assessment	Literacy Achievement Grant 2023	Medicaid Reimbursement-State	Secured Schools Safety Grant	Eig Early Intervention Grant 2022-2023	Nesp Non-English Speaking Sy 2021-2022	Career And Technical Performance Grant
Cash and investments - beginning	\$ 908	\$ 3,683	\$ 85,780	\$ 12,601	\$ 343,757	\$ 2,050	\$ -	\$ -	\$ 12,009	\$ -	\$ -	\$ 1,591	\$ -
Receipts:													
Local sources	-	-	51,970	2,110	341,100	3,000	-	-	-	-	-	-	-
Intermediate sources	-	38	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	18,525	-	14,420	7,418	4,997	39,683	678
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	38	51,970	2,110	341,100	3,000	18,525	-	14,420	7,418	4,997	39,683	678
Disbursements:													
Instruction	908	-	31,599	-	-	-	18,525	-	19,380	-	3,813	41,274	678
Support services	-	-	603	3,438	-	-	-	-	-	37,706	-	-	-
Noninstructional services	-	-	5,220	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	429,215	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	50,000	3,000	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	908	-	37,422	3,438	479,215	3,000	18,525	-	19,380	37,706	3,813	41,274	678
Excess (deficiency) of receipts over disbursements	(908)	38	14,548	(1,328)	(138,115)	-	-	-	(4,960)	(30,288)	1,184	(1,591)	-
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	(908)	38	14,548	(1,328)	(138,115)	-	-	-	(4,960)	(30,288)	1,184	(1,591)	-
Cash and investments - ending	\$ -	\$ 3,721	\$ 100,328	\$ 11,273	\$ 205,642	\$ 2,050	\$ -	\$ -	\$ 7,049	\$ (30,288)	\$ 1,184	\$ -	\$ -

(Continued)

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

	Teacher Appreciation Grant	High Ability Students	State Connectivity Grant	Title I SY 2021-2022	Title I SY 2022-2023	Special Education FY22	Special Education FY23	Preschool Part B 619 FY 2023	Title IV FY21	Medicaid Reimbursement- Federal	Title II FFY 2020	Title II FFY 2021	Title II FFY 2022
Cash and investments - beginning	\$ -	\$ 13,363	\$ 17,038	\$ (44,232)	\$ -	\$ (88,491)	\$ -	\$ -	\$ (9,062)	\$ 78,345	\$ (776)	\$ (7,249)	\$ -
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	66,986	28,674	7,008	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	50,427	155,507	221,190	96,035	18,412	11,447	55,950	4,576	29,287	20,000
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	66,986	28,674	7,008	50,427	155,507	221,190	96,035	18,412	11,447	55,950	4,576	29,287	20,000
Disbursements:													
Instruction	66,986	28,401	-	4,586	167,571	132,699	219,357	18,412	-	22,463	-	2,584	-
Support services	-	-	2,700	373	2,500	-	-	-	3,317	-	3,800	19,454	20,000
Noninstructional services	-	-	-	1,236	609	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	66,986	28,401	2,700	6,195	170,680	132,699	219,357	18,412	3,317	22,463	3,800	22,038	20,000
Excess (deficiency) of receipts over disbursements	-	273	4,308	44,232	(15,173)	88,491	(123,322)	-	8,130	33,487	776	7,249	-
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	-	273	4,308	44,232	(15,173)	88,491	(123,322)	-	8,130	33,487	776	7,249	-
Cash and investments - ending	\$ -	\$ 13,636	\$ 21,346	\$ -	\$ (15,173)	\$ -	\$ (123,322)	\$ -	\$ (932)	\$ 111,832	\$ -	\$ -	\$ -

(Continued)

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

	Title III SY 2020-2021	Title III SY 2021-2023	ARPA SpEd 611	Emergency Connectivity ECF	ESSR III Elementary And Secondary School Emergency	ESSER II Elementary And Secondary School Emergency	Federal Stimulus - 18003 Educ. Stab Reli	FEMA Covid Relief	Prepaid School Lunch Accounts	CI-Federal Withholding Tax	CI-FICA	CI-State Withholding Tax	CI-Local Withholding Tax
Cash and investments - beginning	\$ (1,694)	\$ -	\$ -	\$ -	\$ (43,542)	\$ (24,498)	\$ (12,442)	\$ -	\$ 17,920	\$ -	\$ -	\$ -	\$ -
Receipts:													
Local sources	-	-	-	-	-	-	-	-	157,785	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	9,673	1,200	37,500	80,000	234,822	60,342	28,846	137,639	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	687,737	745,557	301,227	184,281
Total receipts	9,673	1,200	37,500	80,000	234,822	60,342	28,846	137,639	157,785	687,737	745,557	301,227	184,281
Disbursements:													
Instruction	-	2,800	47,279	-	44,829	21,400	9,824	-	-	-	-	-	-
Support services	7,173	-	-	80,000	8,000	17,655	6,580	137,639	-	-	-	-	-
Noninstructional services	806	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	144,870	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	8,331	-	-	-	151,122	687,737	745,557	301,227	184,281
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	7,979	2,800	47,279	80,000	206,030	39,055	16,404	137,639	151,122	687,737	745,557	301,227	184,281
Excess (deficiency) of receipts over disbursements	1,694	(1,600)	(9,779)	-	28,792	21,287	12,442	-	6,663	-	-	-	-
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	(1,275)	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	(1,275)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,694	(1,600)	(9,779)	-	28,792	21,287	12,442	-	5,388	-	-	-	-
Cash and investments - ending	\$ -	\$ (1,600)	\$ (9,779)	\$ -	\$ (14,750)	\$ (3,211)	\$ -	\$ -	\$ 23,308	\$ -	\$ -	\$ -	\$ -

(Continued)

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

	CI-Teachers Retirement Withhdg	CI-PERF	CI-Pr Misc	CI-Annuity Withholdings	CI-Section 125	CI-Benefits	CI-Non-S-125	CI-Employee Deductions	Wellness Phase li	Other/ Miscellaneous	CI Misc	CI Donations	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 76	\$ -	\$ 573	\$ -	\$ 2,758	\$ (1,000)	\$ (173,748)	\$ 17,000	\$ 7,954,214
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	14,585,855
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	54
State sources	-	-	-	-	-	-	-	-	-	-	-	-	13,430,628
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	2,035,194
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	45,659	94,289	45,279	82,933	643,220	(306)	23,714	77,530	-	(138,853)	367,352	(17,000)	3,137,121
Total receipts	45,659	94,289	45,279	82,933	643,220	(306)	23,714	77,530	-	(138,853)	367,352	(17,000)	33,188,852
Disbursements:													
Instruction	-	-	-	-	-	-	-	-	-	-	-	-	10,449,633
Support services	-	-	-	-	-	-	-	-	-	-	-	-	8,744,019
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	1,200,360
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	1,707,246
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	5,161,197
Nonprogrammed charges	45,659	94,274	45,279	82,933	643,296	(306)	23,168	77,530	-	(138,853)	261,112	-	6,299,575
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	45,659	94,274	45,279	82,933	643,296	(306)	23,168	77,530	-	(138,853)	261,112	-	33,562,030
Excess (deficiency) of receipts over disbursements	-	15	-	-	(76)	-	546	-	-	-	106,240	(17,000)	(373,178)
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	3,424,487
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	(516)
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	1,150,000
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	(1,150,000)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	3,423,971
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	15	-	-	(76)	-	546	-	-	-	106,240	(17,000)	3,050,793
Cash and investments - ending	\$ -	\$ 15	\$ -	\$ -	\$ -	\$ -	\$ 1,119	\$ -	\$ 2,758	\$ (1,000)	\$ (67,508)	\$ -	\$ 11,005,007

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

	Education	Debt Service	Severance Bond Debt Service	Operations	Local Rainy Day	Retirement/ Severance Bond	Construction - 2018	General Obligation Gob 2021	General Obligation Gob 2022	General Obligation Gob 2023	School Lunch	Curricular Materials Rental	Self-Insurance
Cash and investments - beginning	\$ 1,202,852	\$ 2,972,543	\$ 4,393	\$ 1,726,562	\$ 355,419	\$ 11,248	\$ 77,463	\$ 322,318	\$ 2,266,154	\$ -	\$ 287,284	\$ 244,996	\$ 1,296,077
Receipts:													
Local sources	124,860	5,897,114	-	4,609,073	-	-	-	-	-	-	317,360	49,672	3,687,520
Intermediate sources	16	-	-	-	-	-	-	-	-	-	-	-	-
State sources	14,334,277	-	-	-	-	-	-	-	-	-	-	287,634	-
Federal sources	-	-	-	-	-	-	-	-	-	-	800,454	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	8,137	-	-	-	-	-	-	1,462	(97)	-
Total receipts	14,459,153	5,897,114	-	4,617,210	-	-	-	-	-	-	1,119,276	337,209	3,687,520
Disbursements:													
Instruction	10,275,603	-	-	-	-	-	-	-	-	-	-	-	-
Support services	2,757,516	-	-	4,977,696	-	-	-	57,830	1,079,596	-	52,932	167,814	-
Noninstructional services	210,646	-	-	24,353	-	-	-	-	-	-	1,084,161	-	-
Facilities acquisition and construction	-	-	-	8,604	-	-	77,463	-	540,686	355,625	-	-	-
Debt services	-	7,599,869	-	577,573	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	30,750	-	-	4,048,051
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	13,243,765	7,599,869	-	5,588,226	-	-	77,463	57,830	1,620,282	386,375	1,137,093	167,814	4,048,051
Excess (deficiency) of receipts over disbursements	1,215,388	(1,702,755)	-	(971,016)	-	-	(77,463)	(57,830)	(1,620,282)	(386,375)	(17,817)	169,395	(360,531)
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	3,091,894	-	-	-
Sale of capital assets	-	-	-	17,863	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	796,238	2,758	-	-	-	-	-	-	-	-
Transfers out	(796,238)	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(796,238)	-	-	814,101	2,758	-	-	-	-	3,091,894	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	419,150	(1,702,755)	-	(156,915)	2,758	-	(77,463)	(57,830)	(1,620,282)	2,705,519	(17,817)	169,395	(360,531)
Cash and investments - ending	\$ 1,622,002	\$ 1,269,788	\$ 4,393	\$ 1,569,647	\$ 358,177	\$ 11,248	\$ -	\$ 264,488	\$ 645,872	\$ 2,705,519	\$ 269,467	\$ 414,391	\$ 935,546

(Continued)

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

	Educational License Plates	Donation	Baugo Promise Indiana	Jimtown Community Center	Business Scholarship	Formative Assessment	Literacy Achievement Grant 2023	Medicaid Reimbursement-State	Secured Schools Safety Grant	Intervention Grant 2022-2023	Technical Performance Grant	Teacher Appreciation Grant	High Ability Students
Cash and investments - beginning	\$ 3,721	\$ 100,328	\$ 11,273	\$ 205,642	\$ 2,050	\$ -	\$ -	\$ 7,049	\$ (30,288)	\$ 1,184	\$ -	\$ -	\$ 13,636
Receipts:													
Local sources	-	16,898	1,609	1,650	7,000	-	-	-	-	-	-	-	-
Intermediate sources	56	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	20,885	8,322	21,153	30,288	-	563	68,027	36,602
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	56	16,898	1,609	1,650	7,000	20,885	8,322	21,153	30,288	-	563	68,027	36,602
Disbursements:													
Instruction	-	8,171	-	-	-	16,823	8,322	3,401	-	1,184	563	68,030	35,629
Support services	-	276	5,059	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	84,926	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	2,000	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	8,447	5,059	84,926	2,000	16,823	8,322	3,401	-	1,184	563	68,030	35,629
Excess (deficiency) of receipts over disbursements	56	8,451	(3,450)	(83,276)	5,000	4,062	-	17,752	30,288	(1,184)	-	(3)	973
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	56	8,451	(3,450)	(83,276)	5,000	4,062	-	17,752	30,288	(1,184)	-	(3)	973
Cash and investments - ending	\$ 3,777	\$ 108,779	\$ 7,823	\$ 122,366	\$ 7,050	\$ 4,062	\$ -	\$ 24,801	\$ -	\$ -	\$ -	\$ (3)	\$ 14,609

(Continued)

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

	State Connectivity Grant	Title I SY 2022- 2023	4134 Title I SY 2023-2024	Special Education FY22	Special Education FY23	Special Education FY24	Preschool Part B 619 FY 2022	Preschool Part B 619 FY 2023	Preschool Part B 619 FY 2024	Title IV FY21	Title Iv Fy22	Title Iv Fy23	Medicaid Reimbursement- Federal
Cash and investments - beginning	\$ 21,346	\$ (15,173)	\$ -	\$ -	\$ (123,322)	\$ -	\$ -	\$ -	\$ -	\$ (932)	\$ -	\$ -	\$ 111,832
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	7,008	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	21,949	194,605	1,581	306,194	135,849	855	3,067	16,336	1,227	2,000	-	70,550
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	7,008	21,949	194,605	1,581	306,194	135,849	855	3,067	16,336	1,227	2,000	-	70,550
Disbursements:													
Instruction	-	5,517	205,707	1,581	182,872	261,545	855	3,067	21,954	-	2,185	194	92,969
Support services	810	553	210	-	-	-	-	-	-	295	-	-	-
Noninstructional services	-	706	1,301	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	810	6,776	207,218	1,581	182,872	261,545	855	3,067	21,954	295	2,185	194	92,969
Excess (deficiency) of receipts over disbursements	6,198	15,173	(12,613)	-	123,322	(125,696)	-	-	(5,618)	932	(185)	(194)	(22,419)
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	6,198	15,173	(12,613)	-	123,322	(125,696)	-	-	(5,618)	932	(185)	(194)	(22,419)
Cash and investments - ending	\$ 27,544	\$ -	\$ (12,613)	\$ -	\$ -	\$ (125,696)	\$ -	\$ -	\$ (5,618)	\$ -	\$ (185)	\$ (194)	\$ 89,413

(Continued)

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

	Title II FFY 2021	Title II FFY 2022	Title II FFY 2023	Title III SY 2020-2021	Title III SY 2021-2023	Title Iii Sy 2022- 2024	ARP HCY II	ARPA SpEd 611	ARPA SpEd Preschool 619	Elementary And Secondary School	Elementary And Secondary School	Prepaid School Lunch Accounts	CI-Federal Withholding Tax	CI-FICA
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ (1,600)	\$ -	\$ -	\$ (9,779)	\$ -	\$ (14,750)	\$ (3,211)	\$ 23,308	\$ -	\$ -
Receipts:														
Local sources	-	-	-	-	-	-	-	-	-	-	-	(65)	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	11,090	11,069	9,445	207	9,704	8,912	4,500	62,683	7,478	460,264	41,967	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	(1,166)	719,568	791,510
Total receipts	11,090	11,069	9,445	207	9,704	8,912	4,500	62,683	7,478	460,264	41,967	(1,231)	719,568	791,510
Disbursements:														
Instruction	6,350	3,485	-	-	(896)	-	-	52,904	7,478	129,169	10,814	-	-	-
Support services	4,740	13,778	9,603	207	6,000	8,916	5,848	-	-	80,489	19,173	-	-	-
Noninstructional services	-	-	-	-	3,000	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	615,486	8,769	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	1,641	719,568	791,510
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	11,090	17,263	9,603	207	8,104	8,916	5,848	52,904	7,478	825,144	38,756	1,641	719,568	791,510
Excess (deficiency) of receipts over disbursements	-	(6,194)	(158)	-	1,600	(4)	(1,348)	9,779	-	(364,880)	3,211	(2,872)	-	-
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	-	(6,194)	(158)	-	1,600	(4)	(1,348)	9,779	-	(364,880)	3,211	(2,872)	-	-
Cash and investments - ending	\$ -	\$ (6,194)	\$ (158)	\$ -	\$ -	\$ (4)	\$ (1,348)	\$ -	\$ -	\$ (379,630)	\$ -	\$ 20,436	\$ -	\$ -

(Continued)

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

	CI-State Withholding Tax	CI-Local Withholding Tax	CI-Teachers Retirement Withhdg	CI-PERF	CI-Pr Misc	CI-Annuity Withholdings	CI-Section 125	CI-Benefits	CI-Non-S- 125	CI-Employee Deductions	Wellness Phase li	Other/ Miscellaneous	CI Misc	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 15	\$ -	\$ -	\$ -	\$ -	\$ 1,119	\$ -	\$ 2,758	\$ (1,000)	\$ (67,508)	\$ 11,005,007
Receipts:														
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-	14,712,691
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	72
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-	14,814,759
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	2,181,986
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	314,238	195,669	56,626	101,575	23,230	89,594	694,245	(198)	20,981	92,753	-	15,203	225,799	3,349,129
Total receipts	314,238	195,669	56,626	101,575	23,230	89,594	694,245	(198)	20,981	92,753	-	15,203	225,799	35,058,637
Disbursements:														
Instruction	-	-	-	-	-	-	-	-	-	-	-	-	-	11,405,476
Support services	-	-	-	-	-	-	-	-	-	-	-	-	-	9,249,341
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-	1,324,167
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	1,691,559
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	8,177,442
Nonprogrammed charges	314,238	195,669	56,486	101,590	861	89,594	698,895	(198)	21,229	92,753	-	17,020	184,546	7,366,203
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	314,238	195,669	56,486	101,590	861	89,594	698,895	(198)	21,229	92,753	-	17,020	184,546	39,214,188
Excess (deficiency) of receipts over disbursements	-	-	140	(15)	22,369	-	(4,650)	-	(248)	-	-	(1,817)	41,253	(4,155,551)
Other financing sources (uses):														
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	3,091,894
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	17,863
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-	798,996
Transfers out	-	-	-	-	-	-	-	-	-	-	(2,758)	-	-	(798,996)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	(2,758)	-	-	3,109,757
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	140	(15)	22,369	-	(4,650)	-	(248)	-	(2,758)	(1,817)	41,253	(1,045,794)
Cash and investments - ending	\$ -	\$ -	\$ 140	\$ -	\$ 22,369	\$ -	\$ (4,650)	\$ -	\$ 871	\$ -	\$ -	\$ (2,817)	\$ (26,255)	\$ 9,959,213

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

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ <u>394,348</u>	\$ <u>531,644</u>

BAUGO COMMUNITY SCHOOLS
SCHEDULE OF LEASES AND DEBT
June 30, 2024

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
Baugo School Building Corporation	New School Building Project and Renovations 2015	\$ 2,857,000	6/15/2015	12/31/2024
Baugo School Building Corporation	New School Building Project and Renovations 2018	1,322,500	11/7/2018	12/31/2026
Baugo School Building Corporation	New School Building Project and Renovations 2020	<u>465,000</u>	11/12/2020	12/31/2027
Total governmental activities		<u>4,644,500</u>		
Total of annual lease payments		<u>\$ 4,644,500</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	2022 Facility Repairs Equipment Purchases	\$ 735,000	\$ 735,000
General Obligation Bonds	2023 Facility Repairs Equipment Purchases	<u>3,075,000</u>	<u>1,565,000</u>
Total governmental activities		<u>3,810,000</u>	<u>2,300,000</u>
Totals		<u>\$ 3,810,000</u>	<u>\$ 2,300,000</u>

BAUGO COMMUNITY SCHOOLS
SCHEDULE OF CAPITAL ASSETS
June 30, 2024

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 1,019,923
Buildings	46,732,280
Improvements other than buildings	3,211,748
Machinery, equipment, and vehicles	<u>5,129,801</u>
Total governmental activities	<u>56,093,752</u>
Total capital assets	<u>\$ 56,093,752</u>

BAUGO COMMUNITY SCHOOLS
STATE REPORTING INFORMATION
July 1, 2022 - June 30, 2024

Financial Statement and Accompanying Notes:

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

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

Indiana Department of Education Reporting:

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

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

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

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 06-30-24	Total Federal Awards Expended 07-01-22 to 06-30-24
<u>Department of Agriculture</u>						
Child Nutrition Cluster	Indiana Department of Education					
School Breakfast Program		10.553	FY 22-23, FY 23-24	\$ 132,858	\$ 162,076	\$ 294,934
National School Lunch Program		10.555	FY 22-23, FY 23-24	551,100	540,195	1,091,295
Supply Chain Assistance Funds		10.555	FY 22-23, FY 23-24	95,143	58,850	153,993
Commodities		10.555	FY 22-23, FY 23-24	<u>74,218</u>	<u>84,259</u>	<u>158,477</u>
Total - Child Nutrition Cluster				<u>853,319</u>	<u>845,380</u>	<u>1,698,699</u>
Child Nutrition Discretionary Grants Limited Availability School Meals Equipment	Indiana Department of Education	10.579	76260	<u>-</u>	<u>30,000</u>	<u>30,000</u>
State Pandemic EBT Administrative Costs Grant PEBT	Indiana Department of Education	10.649	FY 22-23	<u>628</u>	<u>-</u>	<u>628</u>
Total - Department of Agriculture				<u>853,947</u>	<u>875,380</u>	<u>1,729,327</u>
<u>Federal Communications Commission</u>						
Emergency Connectivity Fund Program Emergency Connectivity ARP	Universal Service Administrative Co.	32.009	EDF202109228	<u>80,000</u>	<u>-</u>	<u>80,000</u>
Total - Federal Communications Commission				<u>80,000</u>	<u>-</u>	<u>80,000</u>
<u>Department of Education</u>						
Special Education Cluster (IDEA)						
Special Education Grants to States	Indiana Department of Education					
IDEA, Part B		84.027	22611-014-PN01	221,191	1,581	222,772
IDEA, Part B		84.027	23611-014-PN01	96,035	306,194	402,229
IDEA, Part B		84.027	24611-014-PN01	-	135,849	135,849
COVID-19 - Supplemental Funding - IDEA, Part B		84.027X	22611-014-ARP	<u>37,500</u>	<u>62,683</u>	<u>100,183</u>
Total - Special Education Grants to States				<u>354,726</u>	<u>506,307</u>	<u>861,033</u>
Special Education Preschool Grants	Indiana Department of Education					
IDEA, Preschool		84.173	23619-14-PN01	18,412	3,067	21,479
IDEA, Preschool		84.173	22619-14-PN01	-	855	855
COVID-19 - Supplemental Funding - IDEA, Preschool		84.173X	22619-14-ARP	-	7,478	7,478
IDEA, Preschool		84.173	24619-14-PN01	<u>-</u>	<u>16,336</u>	<u>16,336</u>
Total - Special Education Preschool Grants				<u>18,412</u>	<u>27,736</u>	<u>46,148</u>
Total - Special Education Cluster (IDEA)				<u>373,138</u>	<u>534,043</u>	<u>907,181</u>

(Continued)

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 06-30-24	Total Federal Awards Expended 07-01-22 to 06-30-24
Title I Grants to Local Educational Agencies	Indiana Department of Education					
Title I, Part A		84.010A	S010A210014	\$ 50,427	\$ -	\$ 50,427
Title I, Part A		84.010A	S010A220014	155,507	21,949	177,456
Title I, Part A		84.010A	S010A230014	-	194,605	194,605
Total - Title I Grants to Local Educational Agencies				<u>205,934</u>	<u>216,554</u>	<u>422,488</u>
English Language Acquisition State Grants	Indiana Department of Education					
Title III, Part A		84.365	S365A190014	9,673	207	9,880
Title III, Part A		84.365	S365A210014	1,200	9,704	10,904
Title III, Part A		84.365	S365A220014	3,520	8,912	12,432
Total - English Language Acquisition State Grants				<u>14,393</u>	<u>18,823</u>	<u>33,216</u>
Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II, Part A		84.367A	S367A200013	4,576	-	4,576
Title II, Part A		84.367A	S367A210013	29,287	11,089	40,376
Title II, Part A		84.367A	S367A230013	-	9,445	9,445
Title II, Part A		84.367A	S367A220013	20,000	11,069	31,069
Total - Supporting Effective Instruction State Grants				<u>53,863</u>	<u>31,603</u>	<u>85,466</u>
Student Support and Academic Enrichment Program	Indiana Department of Education					
Title IV, Part A		84.424	S424A210015	11,447	1,227	12,674
Title IV, Part A		84.424	S424A220015	10,000	2,000	12,000
Total - Student Support and Academic Enrichment Program				<u>21,447</u>	<u>3,227</u>	<u>24,674</u>
COVID-19 - Education Stabilization Fund	Indiana Department of Education					
Elementary and Secondary School Emergency Relief (ESSER I) Fund		84.425D	S425D200013	28,847	-	28,847
Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D	S425D200013	60,342	41,967	102,309
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund		84.425U	S425U210013	234,822	405,378	640,200
American Rescue Plan - Homeless Children and Youth		84.425W	SA425W210015	-	4,500	4,500
Total - COVID-19 - Education Stabilization Fund				<u>324,011</u>	<u>451,845</u>	<u>775,856</u>
Total - Department of Education				<u>992,786</u>	<u>1,256,095</u>	<u>2,248,881</u>

(Continued)

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 06-30-24	Total Federal Awards Expended 07-01-22 to 06-30-24
<u>Department of Health and Human Services</u>						
Medicaid Cluster	Indiana Department of Education					
Medical Assistance Program		93.778	FY 22-23, FY 23-24	\$ 55,950	\$ 70,550	\$ 126,500
Total - Medicaid Cluster				<u>55,950</u>	<u>70,550</u>	<u>126,500</u>
Total - Department of Health and Human Services				<u>55,950</u>	<u>70,550</u>	<u>126,500</u>
<u>Department of Homeland Security</u>						
Federal Emergency Management Agency	Indiana Department of Homeland Security					
Disaster Grants - Public Assistance (Presidentially Declared Disasters)		97.036	DR4515IN145769	137,639	-	137,639
Total - Department of Homeland Security				<u>137,639</u>	<u>-</u>	<u>137,639</u>
Total federal awards expended				<u>\$ 2,120,322</u>	<u>\$ 2,202,025</u>	<u>\$ 4,322,347</u>

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

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

NOTE 1 - BASIS OF PRESENTATION

A. Basis of Presentation

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

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

B. Other Significant Accounting Policies

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

NOTE 2 - INDIRECT COST RATE

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

NOTE 3 - OTHER INFORMATION

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

NOTE 4 - NON-CASH PROGRAMS (COMMODITIES)

Commodities donated to the School Corporation by the U.S. Department of Agriculture (USDA) of \$158,477 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
Baugo Community Schools
Elkhart 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 Baugo Community Schools ("School Corporation"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School Corporation as of June 30, 2024 and for the period July 1, 2022 through June 30, 2024 and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement, and have issued our report thereon dated January 23, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a material weakness.

(Continued)

Report on Compliance and Other Matters

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

School Corporation's Response to Finding

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

Purpose of this Report

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


Crowe LLP

Indianapolis, Indiana
January 23, 2025

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

Those Charged with Governance
Baugo Community Schools
Elkhart County, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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 and 2024-003 to be material weaknesses.

(Continued)

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

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

Government Auditing Standards requires the auditor to perform limited procedures on the School Corporation's 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 23, 2025

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

Section I – Summary of Auditor’s Results

Financial Statement

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

Internal control over financial reporting:

Material weakness(es) identified? X Yes No

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

Noncompliance material to financial statement noted? Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? X Yes No

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

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

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)? X Yes No

Identification of major programs

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555	Child Nutrition Cluster
84.425D, 84.425U, 84.425W	COVID-19 - Education Stabilization Fund

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

Auditee qualified as low-risk auditee? Yes X No

(Continued)

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

Section II – Financial Statement Findings

FINDING 2024-001

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

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

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

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

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

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

Condition: The School Corporation's Annual Financial Report (AFR) was materially misstated due to not recognizing debt service payments paid prior to June 30, 2024.

Cause: Management recognized the debt service payment in July 2024 when the debt service payments were due and not when the disbursement occurred resulting in an overstatement of cash balances reported on the AFR at June 30, 2024.

Context: The School Corporation processed debt service payments in June 2024 for amounts due on General Obligation Bonds in July 2024. The payments cleared the School Corporation's bank in June 2024, however, the School Corporation recognized the disbursements in July 2024 resulting in an understatement of disbursements and overstatement of cash balances as of June 30, 2024. An audit adjustment was posted to the AFR to recognize the debt service payments totaling \$1,644,092 in June 2024 and adjust cash and investments balances at June 30, 2024 by the same amount to agree to underlying cash balances.

Also, it was noted three grant reimbursement funds, Fund 5805 (Title IV FY22), Fund 5806 (Title IV FY23), and Fund 6883 (Title III SY2022-2024), were improperly excluded from the AFR for fiscal year 2024. Adjustments were made to the AFR to include these funds resulting in an increase in total receipts of \$10,912, an increase of total disbursements of \$11,295, and a decrease in ending cash balance of \$383 for the period of July 1, 2023 through June 30, 2024.

Effect: Financial transactions not being recorded in the period incurred and in a timely manner resulted in material error in the ending cash balance reported on the AFR compared to underlying cash balances.

(Continued)

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

Section II – Financial Statement Findings (Continued)

FINDING 2024-001 (Continued)

Identification as a repeat finding, if applicable: No.

Recommendation: We recommended that the School Corporation recognize debt service disbursements in month paid regardless of due date and establish a formal review over the AFR to ensure all funds and related activities are reflected on the AFR.

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

Section III – Federal Award Findings and Questioned Costs

FINDING 2024-002

Information on the federal program:

Subject: Education Stabilization Fund – Equipment and Real Property Management
Federal Agency: Department of Education
Federal Program: COVID-19 – Education Stabilization Fund
Assistance Listing Number: 84.425D, 84.425U
Federal Award Numbers: S425D200013, 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.
..."

(Continued)

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

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

FINDING 2024-002 (Continued)

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.

Context: The School Corporation expended \$419,545 on equipment acquisitions during the period under audit which was charged to the ESSER II (84.425D) and ESSER III (84.425U) grant awards. The School Corporation did not maintain a capital asset listing for the audit period to properly track federal equipment acquisitions. The School Corporation had also not performed a complete physical inventory of capital assets during the audit period as required by federal and state regulations.

Identification as a repeat finding: No.

Recommendation: We recommend the School Corporation maintain and 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 funds. We also recommend the School Corporation conduct a physical inventory of capital assets at least every two years and maintain documentation to support the process undertaken to comply with federal and state regulations.

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

(Continued)

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

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

Finding 2024-003

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: S425U210013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Wage Rate Requirements
Audit Findings: 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). . . ."

29 CFR 5.5 states in part:

a. The Agency head shall cause or require the contracting officer to insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a public building or public work, or building or work financed in whole or in part from Federal funds or in accordance with guarantees of a Federal agency or financed from funds obtained by pledge of any contract of a Federal agency to make a loan, grant or annual contribution (except where a different meaning is expressly indicated), and which is subject to the labor standards provisions of any of the acts listed in §5.1, the following clauses...

(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).

(Continued)

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

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

FINDING 2024-003 (Continued)

2 CFR 200 Appendix II states in part:

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. The School Corporation did not include Davis Bacon wage rate requirements in its contract with vendor which includes labor installation. The School Corporation did not obtain the weekly payroll reports certifications from vendor installing equipment.

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.

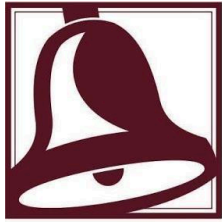
Context: The School Corporation had three projects during the audit period which included construction or labor installation which were charged to the ESSER III (84.425U) grant award. For one of two vendors selected for testing, the School Corporation did not include federal wage rate requirement clauses in the contract with the vendor and did not have an internal control designed to collect the weekly payroll reports certifications from vendors and its subcontractors, as applicable, to comply with Davis Bacon wage rate requirements. The amount disbursed for the project totaled \$50,000.

The lack of controls and noncompliance is isolated to the period of July 1, 2022 through June 30, 2023.

Identification as a repeat finding: No.

Recommendation: We recommend the School Corporation include Davis-Bacon wage requirements in vendor contracts which are federally funded and implement a formal process to ensure the required weekly payroll report certifications are collected and reviewed by management to ensure compliance with the federal wage rate requirements.

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

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

Condition: The School Corporation's Annual Financial Report (AFR) was materially misstated due to not recognizing debt service payments paid prior to June 30, 2024.

Context: The School Corporation processed debt service payments in June 2024 for amounts due on General Obligation Bonds in July 2024. The payments cleared the School Corporation's bank in June 2024, however, the School Corporation recognized the disbursements in July 2024 resulting in an understatement of disbursements and overstatement of cash balances as of June 30, 2024. An audit adjustment was posted to the AFR to recognize the debt service payments totaling \$1,644,092 in June 2024 and adjust cash and investments balances at June 30, 2024 by the same amount to agree to underlying cash balances.

Also, it was noted three grant reimbursement funds, Fund 5805 (Title IV FY22), Fund 5806 (Title IV FY23), and Fund 6883 (Title III SY2022-2024), were improperly excluded from the AFR for fiscal year 2024. Adjustments were made to the AFR to include these funds resulting in an increase in total receipts of \$10,912, an increase of total disbursements of \$11,295, and a decrease in ending cash balance of \$383 for the period of July 1, 2023 through June 30, 2024.

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Management will implement a formal secondary review of monthly bank reconciliations and the annual financial report data submission made to the Indiana Gateway portal.

Responsible Party and Timeline for Completion: Wyatt Schmicker, Director of Finance, and Danielle Brooks, Deputy Treasurer, will review monthly bank reconciliations each month before submitting to Gateway.

FINDING 2024-002

Subject: Education Stabilization Fund – Equipment and Real Property Management
Federal Agency: Department of Education
Federal Program: COVID-19 – Education Stabilization Fund
Assistance Listing Number: 84.425D, 84.425U
Federal Award Numbers: S425D200013, S425U210013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Equipment and Real Property Management
Audit Findings: Material Weakness

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

FINDING 2024-002 (Continued)

Context: The School Corporation expended \$419,545 on equipment acquisitions during the period under audit which was charged to the ESSER II (84.425D) and ESSER III (84.425U) grant awards. The School Corporation did not maintain a capital asset listing for the audit period to properly track federal equipment acquisitions. The School Corporation had also not performed a complete physical inventory of capital assets during the audit period as required by federal and state regulations.

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Management will consult Board approved policies for capital asset management and prepare a detailed asset listing and ensure a physical inventory is completed at least once every two years.

Responsible Party and Timeline for Completion: David Wolford, Director of Operations and Technology, will create a draft capital asset listing by July 1, 2025.

FINDING 2024-003

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: S425U210013

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Wage Rate Requirements

Audit Findings: Material Weakness

Condition: An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions – Wage Rate Requirements compliance requirements. The School Corporation did not include Davis Bacon wage rate requirements in its contract with vendor which includes labor installation. The School Corporation did not obtain the weekly payroll reports certifications from vendor installing equipment.

Context: The School Corporation had three projects during the audit period which included construction or labor installation which were charged to the ESSER III (84.425U) grant award. For one of two vendors selected for testing, the School Corporation did not include federal wage rate requirement clauses in the contract with the vendor and did not have an internal control designed to collect the weekly payroll reports certifications from vendors and its subcontractors, as applicable, to comply with Davis Bacon wage rate requirements. The amount disbursed for the project totaled \$50,000.

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Management will ensure all construction projects anticipated to incur labor costs greater than \$2,000 include a signed contract containing a Davis-Bacon wage rate provision and will monitor the vendor to ensure compliance with certified payroll reporting requirements.

Responsible Party and Timeline for Completion: David Wolford and Wyatt Schmicker will review wage rate provisions with vendors before initiating contracts when using federal funds.