

**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
PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
LAGRANGE COUNTY, INDIANA
July 1, 2022 to June 30, 2024



FILED

03/31/2025



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769
Telephone: (317) 232-2513
Fax: (317) 232-4711
www.in.gov/sboa

March 31, 2025

To: The Officials of the Prairie Heights Community School Corporation
Prairie Heights Community School Corporation
LaGrange County, Indiana

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Prairie Heights Community School Corporation. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period July 1, 2022 to June 30, 2024. Per the *Independent Auditor's Report*, the financial 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 finding included in the report on pages 34 through 37. Please see the Schedule of Findings and Questioned Costs for complete details related to the finding. Management's Corrective Action Plan appears on page 38.

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

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

Tammy R. White, CPA
Deputy State Examiner

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
LaGrange County, Indiana

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

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

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Christine Orr	07-01-22 to 06-30-24
Superintendent of Schools	Jeff Reed	07-01-22 to 06-30-24
President of the School Board	Brook German Todd Perkins	01-01-21 to 12-31-22 01-01-23 to 12-31-26



INDEPENDENT AUDITOR'S REPORT

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

Unmodified Opinion on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinion

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

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

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

(Continued)

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

Responsibilities of Management for the Financial Statement

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

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

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

Supplementary Information

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

(Continued)

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report March 14, 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
Crowe LLP

Indianapolis, Indiana
March 14, 2025

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

<u>Fund</u>	<u>Cash and Investments 07-01-2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2023</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2024</u>
Education	\$ 1,469,432	\$ 10,747,326	\$ 9,666,985	\$ (860,000)	\$ 1,689,773	\$ 12,046,059	\$ 10,964,944	\$ (341,601)	\$ 2,429,287
Operating Referendum Tax Levy	5,103,548	2,285,580	574,210	-	6,814,918	2,450,297	1,452,519	(1,000,000)	6,812,696
Debt Service	266,494	849,560	913,054	-	203,000	830,551	833,377	-	200,174
Operations	1,939,813	4,876,869	4,346,769	(138,784)	2,331,129	5,101,265	4,583,226	(649,576)	2,199,592
Local Rainy Day	4,700,000	-	-	1,000,000	5,700,000	-	-	2,000,000	7,700,000
School Lunch	489,312	979,348	915,170	-	553,490	817,927	1,082,499	-	288,918
Curricular Materials Rental	255,764	235,993	186,629	-	305,128	227,694	488,092	-	44,730
Milford Programming Agreement	-	150,000	75,000	-	75,000	-	75,000	-	-
Damage Reimbursement	-	11,420	-	-	11,420	-	11,420	-	-
Wellness Fund	7,367	10,000	11,323	-	6,044	5,075	6,827	-	4,292
UST Financial Requirement	30,000	-	-	-	30,000	-	-	-	30,000
Educational License Plates	75	113	113	-	75	56	94	-	37
School Library Print Material	-	137	-	-	137	146	165	-	118
Donations And Trusts	68,229	15,683	1,986	-	81,926	3,000	16,915	-	68,011
Donations Gifts And Trusts	-	34,226	6,727	-	27,499	20,288	42,788	-	4,999
Dekko Grant	-	30,000	-	-	30,000	-	30,000	-	-
Extra-Curricular Activities	22	23,560	23,582	-	-	20,671	20,627	(44)	-
Scholarship And Awards	14,100	2,000	4,095	-	12,005	500	6,958	-	5,547
Formative Assessment	-	14,025	14,025	-	-	13,498	13,498	-	-
Medicaid Reimbursement	-	174	-	-	174	9,810	-	(8,399)	1,585
Secured Schools Safety Grant	-	53,555	53,555	-	-	59,814	75,556	-	(15,742)
Early Intervention Grant 21-22	1,025	-	1,025	-	-	-	-	-	-
Non-English Speaking 2022-2023	-	10,139	10,139	-	-	-	-	-	-
Career And Technical Performance Grant	-	953	-	-	953	1,029	-	-	1,982
Teacher Appreciaion Grant	-	49,614	49,614	-	-	50,216	50,216	-	-
High Ability Students	14,019	25,837	35,746	-	4,110	33,661	21,712	-	16,059
State Connectivity Grant	7,920	5,400	7,920	-	5,400	5,400	5,400	-	5,400
Title I 2021-2022	(34,420)	47,552	13,132	-	-	-	-	-	-
Title I 2022-2023	-	164,405	182,903	-	(18,498)	57,472	38,974	-	-

(Continued)

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

Fund	Cash and Investments 07-01-2022	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2023	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2024
Title I 2023-2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 129,563	\$ 184,570	\$ -	\$ (55,007)
Student Support Title IV 20/21	(2,856)	6,702	3,846	-	-	-	-	-	-
Title IV 2022-2023	-	-	365	-	(365)	1,485	2,772	-	(1,652)
Title IV 2023-2024	-	-	-	-	-	-	1,911	-	(1,911)
Title IV Part A 21-22	-	12,973	12,973	-	-	-	-	-	-
Medicaid Reimbursement - Federal	-	444	266	-	178	19,749	505	-	19,422
Title II Part A	-	47,225	47,225	-	-	42,726	42,726	-	-
Title III	24	2,866	2,890	-	-	-	-	-	-
ESSER III	(130,668)	838,928	738,731	-	(30,471)	274,515	376,504	-	(132,460)
ESSER II	(75,665)	203,329	127,664	-	-	-	-	-	-
Prepaid School Lunch Accounts	19,652	270,318	274,105	-	15,865	292,664	293,728	-	14,801
Bank Transfer	-	-	-	-	-	275	275	-	-
Payroll W/H Federal Income Tax	-	548,922	548,922	-	-	789,795	789,795	-	-
Payroll W/H Fica Tax	-	648,174	648,174	-	-	770,060	770,060	-	-
Payroll W/H State Income Tax	-	268,363	268,363	-	-	310,964	310,964	-	-
Payroll W/H County Income Tax	-	143,668	143,668	-	-	175,701	175,701	-	-
Payroll W/H Retirement	-	259,715	259,715	-	-	266,243	266,243	-	-
Payroll W/H Section 125	-	759,219	759,219	-	-	640,321	640,321	-	-
Payroll W/H Non Section 125	-	59,512	59,512	-	-	70,181	70,181	-	-
Payroll W/H Garnishment	-	12,718	12,718	-	-	24,399	24,399	-	-
Totals	\$ 14,143,187	\$ 24,706,545	\$ 21,002,058	\$ 1,216	\$ 17,848,890	\$ 25,563,070	\$ 23,771,462	\$ 380	\$ 19,640,878

See notes to financial statement.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

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

(Continued)

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Continued)

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

NOTE 2 - BUDGETS

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

NOTE 3 - PROPERTY TAXES

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

(Continued)

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

NOTE 5 - RISK MANAGEMENT

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

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

NOTE 6 - CASH BALANCE DEFICITS

The financial statement contains some funds with deficits in cash. This is a result of certain funds being set up for reimbursable grants, but for which reimbursement was not yet received by June 30, 2023, and 2024.

NOTE 7 - PENSION PLANS

Public Employees Retirement Fund

Plan Description

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

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

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

(Continued)

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

NOTE 7 - PENSION PLANS (Continued)

Contributions

Members' contributions are set by state statute at 3 percent of compensation for the defined contribution component of PERF Hybrid. The employer may elect to make the contribution on behalf of the member of the defined contribution component of PERF Hybrid.

Teachers' Retirement Fund

Plan Descriptions

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

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

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

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

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

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

Financial Report

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

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

(Continued)

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

NOTE 7 - PENSION PLANS (Continued)

Contributions

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

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

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

OTHER INFORMATION (Unaudited)

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

	Education	Operating Referendum Tax Levy	Debt Service	Operations	Local Rainy Day	School Lunch	Curricular Materials Rental	Milford Programming Agreement	Damage Reimbursement	Wellness Fund	UST Financial Requirement	Educational License Plates
Cash and investments - beginning	\$ 1,469,432	\$ 5,103,548	\$ 266,494	\$ 1,939,813	\$ 4,700,000	\$ 489,312	\$ 255,764	\$ -	\$ -	\$ 7,367	\$ 30,000	\$ 75
Receipts:												
Local sources	461,956	2,278,020	849,560	4,876,817	-	285,759	100,628	150,000	-	10,000	-	-
Intermediate sources	155	-	-	52	-	-	-	-	-	-	-	113
State sources	10,285,215	-	-	-	-	611,603	135,365	-	-	-	-	-
Federal sources	-	-	-	-	-	81,986	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	7,560	-	-	-	-	-	-	11,420	-	-	-
Total receipts	10,747,326	2,285,580	849,560	4,876,869	-	979,348	235,993	150,000	11,420	10,000	-	113
Disbursements:												
Instruction	7,477,226	362,129	-	-	-	-	-	-	-	-	-	-
Support services	2,046,314	-	45,882	3,745,918	-	-	186,629	75,000	-	11,323	-	113
Noninstructional services	143,445	-	-	-	-	915,170	-	-	-	-	-	-
Facilities acquisition and construction	-	212,081	-	600,851	-	-	-	-	-	-	-	-
Debt services	-	-	867,172	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	9,666,985	574,210	913,054	4,346,769	-	915,170	186,629	75,000	-	11,323	-	113
Excess (deficiency) of receipts over disbursements	1,080,341	1,711,370	(63,494)	530,100	-	64,178	49,364	75,000	11,420	(1,323)	-	-
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	1,216	-	-	-	-	-	-	-	-
Transfers in	-	-	-	860,000	1,000,000	-	-	-	-	-	-	-
Transfers out	(860,000)	-	-	(1,000,000)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(860,000)	-	-	(138,784)	1,000,000	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	220,341	1,711,370	(63,494)	391,316	1,000,000	64,178	49,364	75,000	11,420	(1,323)	-	-
Cash and investments - ending	\$ 1,689,773	\$ 6,814,918	\$ 203,000	\$ 2,331,129	\$ 5,700,000	\$ 553,490	\$ 305,128	\$ 75,000	\$ 11,420	\$ 6,044	\$ 30,000	\$ 75

(Continued)

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

	School Library Print Material	Donations And Trusts	Donations Gifts And Trusts	Dekko Grant	Extra-Curricular Activities	Scholarship And Awards	Formative Assessment	Medicaid Reimbursement	Secured Schools Safety Grant	Early Intervention Grant 21-22	Non-English Speaking 2022- 2023	Career And Technical Performance Grant
Cash and investments - beginning	\$ -	\$ 68,229	\$ -	\$ -	\$ 22	\$ 14,100	\$ -	\$ -	\$ -	\$ 1,025	\$ -	\$ -
Receipts:												
Local sources	137	15,683	34,226	30,000	23,560	2,000	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	14,025	174	53,555	-	10,139	953
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	137	15,683	34,226	30,000	23,560	2,000	14,025	174	53,555	-	10,139	953
Disbursements:												
Instruction	-	1,170	6,727	-	23,582	-	-	-	-	1,025	10,139	-
Support services	-	816	-	-	-	-	14,025	-	53,555	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	4,095	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	1,986	6,727	-	23,582	4,095	14,025	-	53,555	1,025	10,139	-
Excess (deficiency) of receipts over disbursements	137	13,697	27,499	30,000	(22)	(2,095)	-	174	-	(1,025)	-	953
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	137	13,697	27,499	30,000	(22)	(2,095)	-	174	-	(1,025)	-	953
Cash and investments - ending	\$ 137	\$ 81,926	\$ 27,499	\$ 30,000	\$ -	\$ 12,005	\$ -	\$ 174	\$ -	\$ -	\$ -	\$ 953

(Continued)

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

	Teacher Appreciaion Grant	High Ability Students	State Connectivity Grant	Title I 2021- 2022	Title I 2022- 2023	Student Support Title IV 20/21	Title IV 2022- 2023	Title IV Part A 21-22	Medicaid Reimbursement - Federal	Title II Part A	Title III	ESSER III
Cash and investments - beginning	\$ -	\$ 14,019	\$ 7,920	\$ (34,420)	\$ -	\$ (2,856)	\$ -	\$ -	\$ -	\$ -	\$ 24	\$ (130,668)
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	49,614	25,837	5,400	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	47,552	164,405	6,702	-	12,973	444	47,225	2,866	838,928
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	49,614	25,837	5,400	47,552	164,405	6,702	-	12,973	444	47,225	2,866	838,928
Disbursements:												
Instruction	49,614	35,746	-	13,132	182,903	493	365	12,973	-	47,225	2,890	275,250
Support services	-	-	7,920	-	-	3,353	-	-	266	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	463,481
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	49,614	35,746	7,920	13,132	182,903	3,846	365	12,973	266	47,225	2,890	738,731
Excess (deficiency) of receipts over disbursements	-	(9,909)	(2,520)	34,420	(18,498)	2,856	(365)	-	178	-	(24)	100,197
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	-	(9,909)	(2,520)	34,420	(18,498)	2,856	(365)	-	178	-	(24)	100,197
Cash and investments - ending	\$ -	\$ 4,110	\$ 5,400	\$ -	\$ (18,498)	\$ -	\$ (365)	\$ -	\$ 178	\$ -	\$ -	\$ (30,471)

(Continued)

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

	ESSER II	Prepaid School Lunch Accounts	Payroll W/H Federal Income Tax	Payroll W/H Fica Tax	Payroll W/H State Income Tax	Payroll W/H County Income Tax	Payroll W/H Retirement	Payroll W/H Section 125	Payroll W/H Non Section 125	Payroll W/H Garnishment	Totals
Cash and investments - beginning	\$ (75,665)	\$ 19,652	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,143,187
Receipts:											
Local sources	-	270,318	-	-	-	-	-	-	-	-	9,388,664
Intermediate sources	-	-	-	-	-	-	-	-	-	-	320
State sources	-	-	-	-	-	-	-	-	-	-	11,191,880
Federal sources	203,329	-	-	-	-	-	-	-	-	-	1,406,410
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	548,922	648,174	268,363	143,668	259,715	759,219	59,512	12,718	2,719,271
Total receipts	203,329	270,318	548,922	648,174	268,363	143,668	259,715	759,219	59,512	12,718	24,706,545
Disbursements:											
Instruction	88,474	-	-	-	-	-	-	-	-	-	8,591,063
Support services	-	-	-	-	-	-	-	-	-	-	6,191,114
Noninstructional services	-	274,105	-	-	-	-	-	-	-	-	1,332,720
Facilities acquisition and construction	39,190	-	-	-	-	-	-	-	-	-	1,315,603
Debt services	-	-	-	-	-	-	-	-	-	-	867,172
Nonprogrammed charges	-	-	548,922	648,174	268,363	143,668	259,715	759,219	59,512	12,718	2,704,386
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	127,664	274,105	548,922	648,174	268,363	143,668	259,715	759,219	59,512	12,718	21,002,058
Excess (deficiency) of receipts over disbursements	75,665	(3,787)	-	-	-	-	-	-	-	-	3,704,487
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	1,216
Transfers in	-	-	-	-	-	-	-	-	-	-	1,860,000
Transfers out	-	-	-	-	-	-	-	-	-	-	(1,860,000)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	1,216
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	75,665	(3,787)	-	-	-	-	-	-	-	-	3,705,703
Cash and investments - ending	\$ -	\$ 15,865	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,848,890

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

	Education	Operating Referendum Tax Levy	Debt Service	Operations	Local Rainy Day	School Lunch	Curricular Materials Rental	Milford Programming Agreement	Damage Reimbursement	Wellness Fund	UST Financial Requirement
Cash and investments - beginning	\$ 1,689,773	\$ 6,814,918	\$ 203,000	\$ 2,331,129	\$ 5,700,000	\$ 553,490	\$ 305,128	\$ 75,000	\$ 11,420	\$ 6,044	\$ 30,000
Receipts:											
Local sources	802,684	2,450,297	830,551	5,101,245	-	301,002	1,363	-	-	5,075	-
Intermediate sources	154	-	-	20	-	-	-	-	-	-	-
State sources	11,243,221	-	-	-	-	503,220	226,331	-	-	-	-
Federal sources	-	-	-	-	-	13,705	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	12,046,059	2,450,297	830,551	5,101,265	-	817,927	227,694	-	-	5,075	-
Disbursements:											
Instruction	8,386,136	602,475	-	-	-	-	-	-	-	-	-
Support services	2,405,834	-	13,927	4,196,751	-	131,846	488,092	75,000	11,420	6,827	-
Noninstructional services	172,974	-	-	-	-	950,653	-	-	-	-	-
Facilities acquisition and construction	-	850,044	-	386,475	-	-	-	-	-	-	-
Debt services	-	-	819,450	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	10,964,944	1,452,519	833,377	4,583,226	-	1,082,499	488,092	75,000	11,420	6,827	-
Excess (deficiency) of receipts over disbursements	1,081,115	997,778	(2,826)	518,039	-	(264,572)	(260,398)	(75,000)	(11,420)	(1,752)	-
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	380	-	-	-	-	-	-	-
Transfers in	8,399	-	-	350,044	2,000,000	-	-	-	-	-	-
Transfers out	(350,000)	(1,000,000)	-	(1,000,000)	-	-	-	-	-	-	-
Total other financing sources (uses)	(341,601)	(1,000,000)	-	(649,576)	2,000,000	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	739,514	(2,222)	(2,826)	(131,537)	2,000,000	(264,572)	(260,398)	(75,000)	(11,420)	(1,752)	-
Cash and investments - ending	\$ 2,429,287	\$ 6,812,696	\$ 200,174	\$ 2,199,592	\$ 7,700,000	\$ 288,918	\$ 44,730	\$ -	\$ -	\$ 4,292	\$ 30,000

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

	Educational License Plates	School Library Print Material	Donations And Trusts	Donations Gifts And Trusts	Dekko Grant	Extra-Curricular Activities	Scholarship And Awards	Formative Assessment	Medicaid Reimbursement	Secured Schools Safety Grant	Career And Technical Performance Grant
Cash and investments - beginning	\$ 75	\$ 137	\$ 81,926	\$ 27,499	\$ 30,000	\$ -	\$ 12,005	\$ -	\$ 174	\$ -	\$ 953
Receipts:											
Local sources	-	146	3,000	20,288	-	20,671	500	-	-	-	-
Intermediate sources	56	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	13,498	9,810	59,814	1,029
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	56	146	3,000	20,288	-	20,671	500	13,498	9,810	59,814	1,029
Disbursements:											
Instruction	-	-	(200)	17,288	-	20,627	-	-	-	-	-
Support services	94	165	17,115	1,256	25,235	-	-	13,498	-	75,556	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	24,244	4,765	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	6,958	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	94	165	16,915	42,788	30,000	20,627	6,958	13,498	-	75,556	-
Excess (deficiency) of receipts over disbursements	(38)	(19)	(13,915)	(22,500)	(30,000)	44	(6,458)	-	9,810	(15,742)	1,029
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(44)	-	-	(8,399)	-	-
Total other financing sources (uses)	-	-	-	-	-	(44)	-	-	(8,399)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(38)	(19)	(13,915)	(22,500)	(30,000)	-	(6,458)	-	1,411	(15,742)	1,029
Cash and investments - ending	\$ 37	\$ 118	\$ 68,011	\$ 4,999	\$ -	\$ -	\$ 5,547	\$ -	\$ 1,585	\$ (15,742)	\$ 1,982

(Continued)

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

	Teacher Appreciaion Grant	High Ability Students	State Connectivity Grant	Title I 2022-2023	Title I 2023-2024	Title IV 2022- 2023	Title IV 2023- 2024	Medicaid Reimbursement - Federal	Title II Part A	ESSER III	Prepaid School Lunch Accounts
Cash and investments - beginning	\$ -	\$ 4,110	\$ 5,400	\$ (18,498)	\$ -	\$ (365)	\$ -	\$ 178	\$ -	\$ (30,471)	\$ 15,865
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	292,664
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	50,216	33,661	5,400	-	-	-	-	-	-	-	-
Federal sources	-	-	-	57,472	129,563	1,485	-	19,749	42,726	274,515	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	50,216	33,661	5,400	57,472	129,563	1,485	-	19,749	42,726	274,515	292,664
Disbursements:											
Instruction	50,216	21,712	-	38,974	184,570	2,420	485	-	42,726	366,308	-
Support services	-	-	5,400	-	-	352	1,426	505	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	293,728
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	10,196	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	50,216	21,712	5,400	38,974	184,570	2,772	1,911	505	42,726	376,504	293,728
Excess (deficiency) of receipts over disbursements	-	11,949	-	18,498	(55,007)	(1,287)	(1,911)	19,244	-	(101,989)	(1,064)
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	-	11,949	-	18,498	(55,007)	(1,287)	(1,911)	19,244	-	(101,989)	(1,064)
Cash and investments - ending	\$ -	\$ 16,059	\$ 5,400	\$ -	\$ (55,007)	\$ (1,652)	\$ (1,911)	\$ 19,422	\$ -	\$ (132,460)	\$ 14,801

(Continued)

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

	Bank Transfer	Payroll W/H Federal Income Tax	Payroll W/H Fica Tax	Payroll W/H State Income Tax	Payroll W/H County Income Tax	Payroll W/H Retirement	Payroll W/H Section 125	Payroll W/H Non Section 125	Payroll W/H Garnishment	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,848,890
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	9,829,486
Intermediate sources	-	-	-	-	-	-	-	-	-	230
State sources	-	-	-	-	-	-	-	-	-	12,146,200
Federal sources	-	-	-	-	-	-	-	-	-	539,215
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	275	789,795	770,060	310,964	175,701	266,243	640,321	70,181	24,399	3,047,939
Total receipts	275	789,795	770,060	310,964	175,701	266,243	640,321	70,181	24,399	25,563,070
Disbursements:										
Instruction	-	-	-	-	-	-	-	-	-	9,733,737
Support services	-	-	-	-	-	-	-	-	-	7,470,299
Noninstructional services	-	-	-	-	-	-	-	-	-	1,417,355
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	1,275,724
Debt services	-	-	-	-	-	-	-	-	-	819,450
Nonprogrammed charges	275	789,795	770,060	310,964	175,701	266,243	640,321	70,181	24,399	3,054,897
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	275	789,795	770,060	310,964	175,701	266,243	640,321	70,181	24,399	23,771,462
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-	-	-	1,791,608
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	380
Transfers in	-	-	-	-	-	-	-	-	-	2,358,443
Transfers out	-	-	-	-	-	-	-	-	-	(2,358,443)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	380
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	-	-	-	-	1,791,988
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,640,878

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

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ <u>96,777</u>	\$ <u>206,772</u>

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

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
<u>Type</u>	<u>Purpose</u>		
Governmental activities:			
General Obligation Bonds	General Obligation Bond 2019	\$ 1,640,000	\$ 795,000
Totals		<u>\$ 1,640,000</u>	<u>\$ 795,000</u>

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2024

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 320,000
Infrastructure	384,131
Buildings	20,802,646
Improvements other than buildings	718,846
Machinery, equipment, and vehicles	3,689,102
Books and other	<u>736,649</u>
 Total governmental activities	 <u>26,651,374</u>
 Total capital assets	 <u>\$ 26,651,374</u>

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

Financial Statement and Accompanying Notes:

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

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

Indiana Department of Education Reporting:

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

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

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

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 06-30-24	Total Federal Awards Expended 07-01-22 to 06-30-24
<u>Department of Agriculture</u>						
Child Nutrition Cluster	Indiana Department of Education					
School Breakfast Program		10.553	FY2023, FY2024	\$ 88,090	\$ 81,325	\$ 169,415
National School Lunch Program		10.555	FY2023, FY2024	523,513	421,895	945,408
Supply Chain Assistance Funds		10.555	FY2023, FY2024	74,172	4,861	79,033
Commodities		10.555	FY2023, FY2024	<u>50,379</u>	<u>62,859</u>	<u>113,238</u>
Total - Child Nutrition Cluster				<u>736,154</u>	<u>570,940</u>	<u>1,307,094</u>
Pandemic EBT Administrative Costs	Indiana Department of Education					
PEBT Amdin Funds		10.649	FY2023	<u>628</u>	<u>-</u>	<u>628</u>
Total - Department of Agriculture				<u>736,782</u>	<u>570,940</u>	<u>1,307,722</u>
<u>Department of Education</u>						
Special Education Cluster(IDEA)						
Special Education Grants to States	Indiana Department of Education					
IDEA, Part B		84.027	21611-042-PN01	2,967	-	2,967
COVID-19 - Supplemental Funding - IDEA, Part B		84.027X	22611-042-ARP	42,257	29,132	71,389
IDEA, Part B		84.027	22611-042-PN01	9,038	4,999	14,037
IDEA, Part B		84.027	23611-042-PN01	327,107	2,708	329,815
IDEA, Part B		84.027	24611-042-PN01	<u>-</u>	<u>341,096</u>	<u>341,096</u>
Total - Special Education Grants to States				<u>381,369</u>	<u>377,935</u>	<u>759,304</u>
Special Education Preschool Grants	Indiana Department of Education					
Special Education-Preschool Grants		84.173	21619-042-PN01	56	-	56
COVID-19 - Supplemental Funding - IDEA, Preschool		84.173X	22619-042-ARP	3,602	1,726	5,328
IDEA, Preschool		84.173	22619-042-PN01	-	31	31
IDEA, Preschool		84.173	23619-042-PN01	7,971	-	7,971
IDEA, Preschool		84.173	24619-042-PN01	<u>-</u>	<u>8,280</u>	<u>8,280</u>
Total - Special Education Preschool Grants				<u>11,629</u>	<u>10,037</u>	<u>21,666</u>
Total - Special Education Cluster(IDEA)				<u>392,998</u>	<u>387,972</u>	<u>780,970</u>

(Continued)

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 06-30-24	Total Federal Awards Expended 07-01-22 to 06-30-24
Title I Grants to Local Educational Agencies						
	Indiana Department of Education					
Title I, Part A		84.010A	S010A210014	\$ 47,552	\$ -	\$ 47,552
Title I, Part A		84.010A	S010A220014	164,405	57,472	221,877
Title I, Part A		84.010A	S010A230014	-	129,563	129,563
Total - Title I Grants to Local Educational Agencies				<u>211,957</u>	<u>187,035</u>	<u>398,992</u>
Supporting Effective Instruction State Grants						
	Indiana Department of Education					
Title II, Part A - Teacher Leaders Bootcamp		84.367A	S367A2100013	4,000	-	4,000
Title II, Part A		84.367A	S367A2200013	43,225	-	43,225
Title II, Part A		84.367A	S367A2300013	-	42,726	42,726
Total - Supporting Effective Instruction State Grants				<u>47,225</u>	<u>42,726</u>	<u>89,951</u>
Student Support and Academic Enrichment Program						
	Indiana Department of Education					
Title IV, Part A		84.424A	S424A200015	6,702	-	6,702
Title IV, Part A		84.424A	S424A210015	12,973	-	12,973
Title IV, Part A		84.424A	S424A220015	-	1,485	1,485
Total - Student Support and Academic Enrichment Program				<u>19,675</u>	<u>1,485</u>	<u>21,160</u>
COVID-19 Education Stabilization Fund						
	Indiana Department of Education					
Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D	S425D210013	203,329	-	203,329
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) and (ESSER III) Fund		84.425U	S425U210013	838,928	274,515	1,113,443
Total - COVID-19 Education Stabilization Fund				<u>1,042,257</u>	<u>274,515</u>	<u>1,316,772</u>
Total - Department of Education				<u>1,714,112</u>	<u>893,733</u>	<u>2,607,845</u>
<u>Department of Health and Human Services</u>						
Medicaid Cluster						
	Family and Social Services Administration					
Medical Assistance Program		93.778	FY2023, FY2024	444	19,749	20,193
Medicaid Reimbursement						
Total - Medicaid Cluster				<u>444</u>	<u>19,749</u>	<u>20,193</u>
Total - Department of Health and Human Services				<u>444</u>	<u>19,749</u>	<u>20,193</u>
Total federal awards expended				<u>\$ 2,451,338</u>	<u>\$ 1,484,422</u>	<u>\$ 3,935,760</u>

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

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

NOTE 1 - BASIS OF PRESENTATION

A. Basis of Presentation

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

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

B. Other Significant Accounting Policies

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

NOTE 2 - INDIRECT COST RATE

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

NOTE 3 - OTHER INFORMATION

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

NOTE 4 - NON-CASH PROGRAMS (COMMODITIES)

Commodities donated to the School Corporation by the U.S. Department of Agriculture (USDA) of \$113,238 are valued based on the USDA's donated commodity price list. These are shown as part of the National School Lunch Program (10.555).

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

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

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

Those Charged with Governance
Prairie Heights Community School Corporation
LaGrange 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 Prairie Heights Community School Corporation ("School Corporation"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School Corporation as of June 30, 2024 and for the period July 1, 2022 through June 30, 2024 and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement, and have issued our report thereon dated March 14, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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


Crowe LLP

Indianapolis, Indiana
March 14, 2025

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

Those Charged with Governance
Prairie Heights Community School Corporation
LaGrange County, Indiana

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

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

Qualified Opinion on the Special Education Cluster

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

Unmodified Opinion on the Other Major Federal Program

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

Basis for Qualified and Unmodified Opinions

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

We are required to be independent of the School Corporation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each

major federal program. Our audit does not provide a legal determination of the School Corporation's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on the Special Education Cluster

As described in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding ALN 84.027X and 84.173X Special Education Cluster as described in finding number 2024-001 for Procurement and Suspension and Debarment. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

(Continued)

Other Matters

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

Report on Internal Control Over Compliance

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

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

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

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

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

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


Crowe LLP

Indianapolis, Indiana
March 14, 2025

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

Section I – Summary of Auditor’s Results

Financial Statement

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

Internal control over financial reporting:

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

Noncompliance material to financial statement noted?	_____	Yes	_____ <u>X</u> _____	No
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Federal Awards

Internal control over major programs:

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

Type of auditor’s report issued on compliance for major programs: Special Education Cluster- Qualified
COVID-19 - Education Stabilization Fund - Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	_____ <u>X</u> _____	Yes	_____ _____	No
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Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
84.027, 84.027X, 84.173, 84.173X	Special Education Cluster
84.425D, 84.425U	COVID-19 - Education Stabilization Fund

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

Auditee qualified as low-risk auditee?	_____	Yes	_____ <u>X</u> _____	No
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Section II – Financial Statement Findings

None noted.

(Continued)

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

Section III – Federal Award Findings and Questioned Costs

FINDING 2024-001

Information on the federal program:

Subject: Special Education Cluster (IDEA) - Procurement and Suspension and Debarment
Federal Agency: Department of Education
Federal Programs: Special Education Grants to States; Special Education Preschool Grants
Assistance Listings Numbers: 84.027X; 84.173X
Federal Award Numbers and Years (or Other Identifying Numbers): 22611-042-ARP; 22619-042-ARP
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Qualified Opinion

Criteria:

2 CFR 200.313(d) states in part:

"The non-Federal entity must:

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

2 CFR 200.320 states in part:

"The non-Federal entity must have and use documented procurement procedures, consistent with the standards of this section and §§ 200.317, 200.318, and 200.319 for any of the following methods of procurement used for the acquisition of property or services required under a Federal award or sub-award.

(a) Informal procurement methods. When the value of the procurement for property or services under a Federal award does not exceed the simplified acquisition threshold (SAT), as defined in § 200.1, or a lower threshold established by a non-Federal entity, formal procurement methods are not required. The non-Federal entity may use informal procurement methods to expedite the completion of its transactions and minimize the associated administrative burden and cost. The informal methods used for procurement of property or services at or below the SAT include: . . .

(2) ***Small purchases*** —

(i) ***Small purchase procedures.*** The acquisition of property or services, the aggregate dollar amount of which is higher than the micro-purchase threshold but does not exceed the simplified acquisition threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources as determined appropriate by the non-Federal entity. . . ."

(b) Formal Procurement Methods. When the value of the procurement for property or services under a Federal financial assistance award exceeds the SAT, or a lower threshold established by a non-Federal entity, formal procurement methods are required. Formal procurement methods require following documented procedures.

(Continued)

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

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

FINDING 2024-001 (Continued)

Formal procurement methods also require public advertising unless a non-competitive procurement can be used in accordance with § 200.319 or paragraph (c) of this section. The following formal methods of procurement are used for pro procurement of property or services above the simplified acquisition threshold or a value below the simplified acquisition threshold the non-Federal entity determines to be appropriate: .

(1) Sealed bids. A procurement method in which bids are publicly solicited and a firm fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bids method is the preferred method for procuring construction, if the conditions. . . .”

(2) Proposals. A procurement method in which either a fixed price or cost-reimbursement type contract is awarded. Proposals are generally used when conditions are not appropriate for the use of sealed bids. . . .”

2 CFR 180.300 states:

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

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

Condition: The School Corporation did not have internal controls in place to ensure that the Cooperative complied with the procurement and the suspension and debarment requirements. The Cooperative did not have adequate procedures in place to ensure that the requirements for the simplified acquisition threshold and for small purchases were met for each applicable procured good or service or to ensure that vendors were not suspended or debarred prior to entering into a covered transaction.

Cause: The Cooperative noted that ARP portion of the Special Education grant was new for the 2022-2023 and 2023-2024 school years. The ARP funding gave opportunity for types of expenditures that do not typically get expensed using Special Education funding. The transactions noted within the *Condition and Context* were from the ARP portion of the grant, which provided property or services that exceeded the micro-purchase threshold. Management of the Cooperative was unaware of the procurement requirements when property or services exceed the micro-purchase threshold. In addition, management of the Cooperative was unaware of the Suspension and Debarment requirements when a covered transaction is expected to equal or exceed \$25,000.

Effect: Without the proper implementation of an effectively designed system of internal controls, including policies and procedures that provide segregation of duties and additional oversight as needed, the control system cannot be capable of effectively preventing, or detecting and correcting, material noncompliance. Without following the required methods for procurement, the Cooperative could be overpaying for services.

Unverified vendors to whom payments equal to or in excess of \$25,000 could be suspended, debarred, or otherwise excluded. Noncompliance with the provisions of federal statutes, regulations, and terms and conditions of the federal award could result in the reduction of future federal funding to the Cooperative.

(Continued)

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

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

FINDING 2024-001 (Continued)

Questioned Costs: There were no questioned costs identified.

Context: The School Corporation is a member of the Northeast Indiana Special Education Cooperative (Cooperative). During fiscal years 2022-2023 and 2023-2024, the Cooperative operated the special education program and spent the federal money on behalf of all its members. As the grant agreement was between the Indiana Department of Education (IDOE) and each member school, the School Corporation was responsible for ensuring and providing oversight of the Cooperative.

When the value of the procurement for property or services exceeds the simplified acquisition threshold (SAT), or a lower threshold established by a nonfederal entity, formal procurement methods are required. The SAT is typically set at \$250,000. However, Indiana Code 5-22-8 has a more restrictive threshold. Therefore, the SAT threshold is set at \$150,000. Formal procurement methods require adherence to documented procedures and formal methods such as sealed bids or proposals. When the purchase value exceeds the micro-purchase threshold but is less than the simplified acquisition threshold, a small purchase occurs. Small purchases require documented full and open competition or a documented rationale for limited competition.

For fiscal year 2023, the Cooperative had one vendor, with disbursements totaling \$379,313, which exceeded the SAT threshold of \$150,000. The Cooperative did not obtain sealed bids or competitive proposals nor was there documentation detailing the history of the procurement, which must include the reason for the procurement method used.

For fiscal year 2023, the Cooperative had one vendor with disbursements in the amount of \$55,374, which were less than the SAT threshold of \$150,000, but exceeded the \$50,000 micro-purchase threshold and was selected for testing. The Cooperative did not obtain price or rate quotes nor was there documentation detailing the history of the procurement, which must include the reason for the procurement method used.

For fiscal year 2024, three vendors with disbursements totaling \$175,125, were identified as being less than the simplified acquisition threshold of \$150,000, but exceeding the \$50,000 micro-purchase threshold and were selected for testing. The Cooperative did not obtain price or rate quotes for two of the three vendors and there was no documentation detailing the history of the procurement, which must include the reason for the procurement method used.

Prior to entering into subawards and covered transactions with federal award funds, recipients are required to verify that such contractors and subrecipients are not suspended, debarred, or otherwise excluded. "Covered transactions" include, but are not limited to contracts, for goods and services awarded under a non-procurement transaction (i.e. grant agreement) that are expected to equal or exceed \$25,000. The verification is to be done by checking the SAM exclusions, collecting a certification from that vendor, or adding a clause or condition to the covered transaction with that vendor.

Upon inquiry of the Cooperative in order to review the procedures in place for verifying that a vendor with which it plans to enter into a covered transaction is not suspended, debarred, or otherwise excluded, the Cooperative disclosed there were not any documented controls or procedures. Nine covered transactions were identified. The covered transactions, totaling \$803,836, were selected for testing. The Cooperative did not verify the suspension and debarment status of the tested vendors prior to payment.

The lack of internal controls and noncompliance were systemic throughout the audit period.

(Continued)

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

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

FINDING 2024-001 (Continued)

Identification as a repeat finding: No.

Recommendation: We recommended that the Cooperative's management design and implement a system of internal controls related to procurement and suspension and debarment procedures to ensure procurement requirements are met and to ensure entities are neither suspended nor debarred, or otherwise excluded or disqualified prior to entering into any covered transactions.

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



Prairie Heights Community School Corporation

305 S 1150 E, LaGrange, IN 46761

Phone: (260) 351-3214

Fax: (260) 351-3614

CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

June 30, 2024

FINDING 2024-001: Special Education Cluster – Internal Controls and Compliance

Context: The School Corporation is a member of the Northeast Indiana Special Education Cooperative (Cooperative). During fiscal years 2022-2023 and 2023-2024, the Cooperative operated the special education program and spent the federal money on behalf of all its members. As the grant agreement was between the Indiana Department of Education (IDOE) and each member school, the School Corporation was responsible for ensuring and providing oversight of the Cooperative.

Contact Person Responsible for Corrective Action: Christine Orr

Contact Phone Number: 260-351-2067

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: School Corporation will reach out to the Cooperative to discuss internal controls over procurement, and suspension and debarment and request annual listing of vendors exceeding federal and state procurement thresholds to ensure Cooperative adheres to regulations and established procurement policy and request that procurement policies are written, and all procurements are fully documented based upon the applicable federal and state standards

Anticipated Completion Date: The School Corporation will implement the actions noted above quarterly to ensure proper internal controls are in place. The treasurer will request this information starting in April of 2025 for the first quarter of the calendar year.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters were reported.