

**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
UNION SCHOOL CORPORATION
RANDOLPH 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 Union School Corporation
Union School Corporation
Randolph County, Indiana

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Union 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 findings included in the report on pages 39 through 53. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 54 and 59.

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

In addition to the report presented herein, a supplemental report of Union 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

UNION SCHOOL CORPORATION
Randolph County, Indiana

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

UNION SCHOOL CORPORATION
Randolph 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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UNION 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	Abigail Lindsey	07-01-22 to 06-30-24
Superintendent of Schools	Michale Huber	07-01-22 to 06-30-24
President of the School Board	Christi Ogden	01-01-22 to 12-31-24



INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
Union School Corporation
Randolph 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 Union 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 13, 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 13, 2025

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

<u>Fund</u>	<u>Cash and Investments 07-01-2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2023</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2024</u>
Education Fund	\$ 8,679,458	\$ 57,270,285	\$ 54,985,177	\$ (1,610,000)	\$ 9,354,566	\$ 64,641,717	\$ 61,959,797	\$ (2,000,150)	\$ 10,036,336
Debt Service Fund	123,533	541,505	508,588	-	156,450	632,610	641,388	-	147,672
Operations Fund	986,641	1,213,987	1,952,678	331,200	579,150	1,420,740	2,023,944	850,319	826,265
Rainy Day Fund	2,579,137	-	493,369	1,278,800	3,364,568	23	22	1,149,831	4,514,400
Construction Fund	-	500,000	139,791	-	360,209	-	434,326	-	(74,117)
School Lunch Fund	59,577	297,237	201,549	-	155,265	106,409	207,133	-	54,541
Textbook Rental Fund	39,036	-	-	-	39,036	1,234,231	-	-	1,273,267
Levey Excess Fund	8,011	-	-	-	8,011	-	-	-	8,011
Education Plate Fund	938	-	-	-	938	-	-	-	938
Gifts & Donations Fund	2,000	-	-	-	2,000	-	-	-	2,000
Summer Learning Grant	4,222	-	-	-	4,222	-	-	-	4,222
Mcdonalds Science Grant	5,588	-	-	-	5,588	-	-	-	5,588
Fund 3140	1,606	-	-	-	1,606	-	-	-	1,606
High Ability 2016 2016	30,932	-	2,864	-	28,068	-	-	-	28,068
Literacy Achievement Grant	-	-	-	-	-	67,102	-	-	67,102
Other State Funds	18,492	-	-	-	18,492	-	-	-	18,492
Medicaid State	-	-	-	-	-	131,513	58,925	-	72,588
Alternative Education	38,278	213,375	-	-	251,653	522,433	-	-	774,086
Early Intervention Grant	-	12,368	-	-	12,368	-	12,368	-	-
John D Wilson Scholarship Fund	2,499	-	-	-	2,499	-	-	-	2,499
Non English Speaking Prog	-	43,081	-	-	43,081	-	43,081	-	-
School Technology	27,202	-	-	-	27,202	-	-	-	27,202
Career & Technical Performance Grant	2,178	-	-	-	2,178	-	-	-	2,178
Tag Grant	(9)	-	-	-	(9)	291,902	291,902	-	(9)
18-19 High Ability Grant	95,524	45,543	31,970	-	109,097	62,354	5,858	-	165,593
Title I	(17,024)	-	-	-	(17,024)	-	-	-	(17,024)
Title I 2014-2015	71,374	-	-	-	71,374	-	-	-	71,374
Title I 2015-2016	(82,913)	-	-	-	(82,913)	-	-	-	(82,913)
Title I 2019-2020	(12,600)	-	-	-	(12,600)	-	-	-	(12,600)

(Continued)

UNION 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>
Title I 2020-2021	\$ (57,641)	\$ -	\$ -	\$ -	\$ (57,641)	\$ -	\$ -	\$ -	\$ (57,641)
Title I 2021-2022	-	291,804	156,275	-	135,529	98,551	119,313	-	114,767
Title I Sig	(7,502)	7,502	-	-	-	-	-	-	-
Title I Sig Hs	(39,907)	58,398	64,913	-	(46,422)	-	18,017	-	(64,439)
Title I Sig K12	(153,000)	191,000	57,000	-	(19,000)	-	-	-	(19,000)
Special Education Part B	282,775	1,221,309	1,504,084	-	-	2,561,072	2,542,704	-	18,368
Title IV 18-19	(19)	-	-	-	(19)	10,000	-	-	9,981
Title IV 19-20	(10,107)	-	-	-	(10,107)	-	-	-	(10,107)
Title IV 20-21	-	-	-	-	-	10,000	12,100	-	(2,100)
Medicaid Federal	-	-	-	-	-	453,616	298,237	-	155,379
Title II A Fy 12/13	(145)	-	-	-	(145)	-	-	-	(145)
Title II 18-19	230	-	-	-	230	-	-	-	230
Title II 19-20	(830)	-	-	-	(830)	-	-	-	(830)
Title II 20-21	(18,675)	29,572	10,896	-	1	4,272	4,272	-	1
Title II 22-23	(1,147)	9,427	14,404	-	(6,124)	10,324	-	-	4,200
Title II 23-24	-	-	-	-	-	-	1,000	-	(1,000)
Title II A Fy 2017	(676)	-	-	-	(676)	-	-	-	(676)
Rural Schools & Low Income	(28,352)	-	-	-	(28,352)	-	-	-	(28,352)
Rural Schools & Low Income 19/20	(4,756)	-	-	-	(4,756)	-	-	-	(4,756)
Rural Schools & Low Income 21/22	(27,691)	-	25,582	-	(53,273)	-	4,927	-	(58,200)
3E Grant	-	-	-	-	-	70,746	167,582	-	(96,836)
ESSER II	(63,559)	209,152	159,450	-	(13,857)	-	-	-	(13,857)
ESSER I	(1,903)	98,740	19,531	-	77,306	-	-	-	77,306
ESSER III	(64,219)	849,935	789,489	-	(3,773)	-	1,900	-	(5,673)
Prepaid School Lunch Accounts	6,246	3,953	3,541	-	6,658	4,554	-	-	11,212
Band Refund	40	-	-	-	40	-	-	-	40
Federal Tax	5,764	236,276	236,288	-	5,752	251,457	251,457	-	5,752
Social Security	11,232	221,983	221,855	-	11,360	248,799	248,799	-	11,360
State Tax	3,188	92,398	92,011	-	3,575	101,548	102,302	-	2,821

(Continued)

UNION 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
County Tax	\$ 23,989	\$ 63,807	\$ 62,439	\$ -	\$ 25,357	\$ 68,995	\$ 69,460	\$ -	\$ 24,892
Perf	8	13,435	13,435	-	8	21,581	21,582	-	7
Health Insurance	16,268	-	-	-	16,268	-	8,376	-	7,892
Long Term Disability	616	-	-	-	616	-	-	-	616
Life Insurance	883	-	-	-	883	-	-	-	883
Cancer Insurance	256	-	-	-	256	-	-	-	256
Am Fidelity Life Ins	891	-	-	-	891	-	-	-	891
Metlife Resources - Annuity	(15,167)	31,302	34,450	-	(18,315)	34,781	38,876	-	(22,410)
Retiree Insurance	16,829	-	-	-	16,829	-	14,847	-	1,982
Del Met Credit Union	20,415	-	-	-	20,415	-	2,829	-	17,586
Garnishments	-	-	-	-	-	3,831	18,131	-	(14,300)
Child Support Withholding	249	10,244	10,244	-	249	18,098	73,254	-	(54,907)
125 Plan	2,872	-	-	-	2,872	-	-	-	2,872
Anthem Health Insurance	(14,846)	101,700	110,685	-	(23,831)	95,223	-	-	71,392
Supplemental Life Ins Premiums	(654)	2,275	2,464	-	(843)	2,275	2,654	-	(1,222)
Aflac Employee Paid Insurance	1,888	-	-	-	1,888	-	-	-	1,888
America Fidelity Employee-Paid	7,492	40,460	42,393	-	5,559	39,088	49,649	-	(5,002)
Reimbursable Expenses	(209)	18	18	-	(209)	3	16,588	-	(16,794)
Pre-School Donation Fund	100	-	-	-	100	-	-	-	100
Damage/Repair - Student Device	4,131	-	-	-	4,131	-	-	-	4,131
Fringe Benefit Clearing Fund	305	-	-	-	305	-	-	-	305
Totals	\$ 12,559,342	\$ 63,922,071	\$ 61,947,433	\$ -	\$ 14,533,980	\$ 73,219,848	\$ 69,767,600	\$ -	\$ 17,986,228

See notes to financial statement.

UNION 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)

UNION 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)

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

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

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

(Continued)

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

NOTE 5 - RISK MANAGEMENT

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

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

NOTE 6 - CASH BALANCE DEFICITS

The financial statement contains some funds with deficits in cash. This is a result of certain funds being set up for reimbursable grants, but for which reimbursement was not yet received by June 30, 2023, and 2024. The deficits in the Construction, MetLife Resources – Annuity, Anthem Health Insurance, Supplemental Life Ins Premiums, Garnishments, Child Support Withholding, America Fidelity Employees-Paid, and Reimbursable Expenses funds are the result of disbursements exceeding receipts due to under-estimating current requirements for those funds. These deficits will be repaid from future receipts.

NOTE 7 - HOLDING CORPORATIONS

The School Corporation has entered into a series of capital leases with the Union School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments for the period July 1, 2022 through June 30, 2023 totaled \$227,000. Lease payments for the period July 1, 2023 through June 30, 2024 totaled \$376,500.

NOTE 8 - PENSION PLANS

Public Employees Retirement Fund

Plan Description

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

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

(Continued)

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

NOTE 8 - PENSION PLANS (Continued)

The Retirement Savings Plan for Public Employees (My Choice) is a multiple-employer defined contribution plan. It is administered through the INPRS Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the School Corporation authority to contribute to the plan.

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

Financial Report

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

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

Contributions

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

Teachers' Retirement Fund

Plan Descriptions

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

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

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

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

(Continued)

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

NOTE 8 - PENSION PLANS (Continued)

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

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

Financial Report

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

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

Contributions

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

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

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

OTHER INFORMATION (Unaudited)

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

	Education Fund	Debt Service Fund	Operations Fund	Rainy Day Fund	Construction Fund	School Lunch Fund	Textbook Rental Fund	Levey Excess Fund	Education Plate Fund	Gifts & Donations Fund	Summer Learning Grant	Mcdonalds Science Grant	Fund 3140
Cash and investments - beginning	\$ 8,679,458	\$ 123,533	\$ 986,641	\$ 2,579,137	\$ -	\$ 59,577	\$ 39,036	\$ 8,011	\$ 938	\$ 2,000	\$ 4,222	\$ 5,588	\$ 1,606
Receipts:													
Local sources	-	541,505	1,213,987	-	500,000	137,728	-	-	-	-	-	-	-
Intermediate sources	81	-	-	-	-	-	-	-	-	-	-	-	-
State sources	57,270,204	-	-	-	-	1,101	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	158,408	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	57,270,285	541,505	1,213,987	-	500,000	297,237	-	-	-	-	-	-	-
Disbursements:													
Instruction	54,382,420	-	-	-	-	-	-	-	-	-	-	-	-
Support services	525,347	-	1,935,259	464,569	110,613	-	-	-	-	-	-	-	-
Noninstructional services	77,410	-	-	28,800	-	201,549	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	17,419	-	29,178	-	-	-	-	-	-	-	-
Debt services	-	508,588	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	54,985,177	508,588	1,952,678	493,369	139,791	201,549	-	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	2,285,108	32,917	(738,691)	(493,369)	360,209	95,688	-	-	-	-	-	-	-
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	360,000	1,278,800	-	-	-	-	-	-	-	-	-
Transfers out	(1,610,000)	-	(28,800)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,610,000)	-	331,200	1,278,800	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	675,108	32,917	(407,491)	785,431	360,209	95,688	-	-	-	-	-	-	-
Cash and investments - ending	\$ 9,354,566	\$ 156,450	\$ 579,150	\$ 3,364,568	\$ 360,209	\$ 155,265	\$ 39,036	\$ 8,011	\$ 938	\$ 2,000	\$ 4,222	\$ 5,588	\$ 1,606

(Continued)

UNION 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

	High Ability 2016 2016	Other State Funds	Alternative Education	Early Intervention Grant	John D Wilson Scholarship Fund	Non English Speaking Prog	School Technology	Career & Technical Performance Grant	Tag Grant	18-19 High Ability Grant	Title I	Title I 2014- 2015
Cash and investments - beginning	\$ 30,932	\$ 18,492	\$ 38,278	\$ -	\$ 2,499	\$ -	\$ 27,202	\$ 2,178	\$ (9)	\$ 95,524	\$ (17,024)	\$ 71,374
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	213,375	12,368	-	43,081	-	-	-	45,543	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	213,375	12,368	-	43,081	-	-	-	45,543	-	-
Disbursements:												
Instruction	2,864	-	-	-	-	-	-	-	-	31,970	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	2,864	-	-	-	-	-	-	-	-	31,970	-	-
Excess (deficiency) of receipts over disbursements	(2,864)	-	213,375	12,368	-	43,081	-	-	-	13,573	-	-
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	(2,864)	-	213,375	12,368	-	43,081	-	-	-	13,573	-	-
Cash and investments - ending	\$ 28,068	\$ 18,492	\$ 251,653	\$ 12,368	\$ 2,499	\$ 43,081	\$ 27,202	\$ 2,178	\$ (9)	\$ 109,097	\$ (17,024)	\$ 71,374

(Continued)

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

	Title I 2015-2016	Title I 2019-2020	Title I 2020-2021	Title I 2021-2022	Title I Sig	Title I Sig Hs	Title I Sig K12	Special Education Part B	Title IV 18-19	Title IV 19-20	Title II A Fy 12/13	Title II 18-19
Cash and investments - beginning	\$ (82,913)	\$ (12,600)	\$ (57,641)	\$ -	\$ (7,502)	\$ (39,907)	\$ (153,000)	\$ 282,775	\$ (19)	\$ (10,107)	\$ (145)	\$ 230
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	291,804	7,502	58,398	191,000	1,221,309	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	291,804	7,502	58,398	191,000	1,221,309	-	-	-	-
Disbursements:												
Instruction	-	-	-	156,275	-	64,913	57,000	1,504,084	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	156,275	-	64,913	57,000	1,504,084	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	135,529	7,502	(6,515)	134,000	(282,775)	-	-	-	-
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	-	-	-	135,529	7,502	(6,515)	134,000	(282,775)	-	-	-	-
Cash and investments - ending	\$ (82,913)	\$ (12,600)	\$ (57,641)	\$ 135,529	\$ -	\$ (46,422)	\$ (19,000)	\$ -	\$ (19)	\$ (10,107)	\$ (145)	\$ 230

(Continued)

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

	Title II 19-20	Title II 20-21	Title II 22-23	Title II A Fy 2017	Rural Schools & Low Income	Rural Schools & Low Income 19/20	Rural Schools & Low Income 21/22	3E Grant	ESSER II	ESSER I	ESSER III	Prepaid School Lunch Accounts	Band Refund	Federal Tax
Cash and investments - beginning	\$ (830)	\$ (18,675)	\$ (1,147)	\$ (676)	\$ (28,352)	\$ (4,756)	\$ (27,691)	\$ -	\$ (63,559)	\$ (1,903)	\$ (64,219)	\$ 6,246	\$ 40	\$ 5,764
Receipts:														
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	29,572	9,427	-	-	-	-	-	209,152	98,740	849,935	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	3,953	-	236,276
Total receipts	-	29,572	9,427	-	-	-	-	-	209,152	98,740	849,935	3,953	-	236,276
Disbursements:														
Instruction	-	10,896	14,404	-	-	-	25,582	-	43,591	-	68,705	-	-	-
Support services	-	-	-	-	-	-	-	-	109,557	19,531	720,784	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	3,541	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	6,302	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-	236,288
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	10,896	14,404	-	-	-	25,582	-	159,450	19,531	789,489	3,541	-	236,288
Excess (deficiency) of receipts over disbursements	-	18,676	(4,977)	-	-	-	(25,582)	-	49,702	79,209	60,446	412	-	(12)
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	-	18,676	(4,977)	-	-	-	(25,582)	-	49,702	79,209	60,446	412	-	(12)
Cash and investments - ending	\$ (830)	\$ 1	\$ (6,124)	\$ (676)	\$ (28,352)	\$ (4,756)	\$ (53,273)	\$ -	\$ (13,857)	\$ 77,306	\$ (3,773)	\$ 6,658	\$ 40	\$ 5,752

(Continued)

UNION 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

	Social Security	State Tax	County Tax	Perf	Health Insurance	Long Term Disability	Life Insurance	Cancer Insurance	Am Fidelity Life Ins	Metlife Resources - Annuity	Retiree Insurance
Cash and investments - beginning	\$ 11,232	\$ 3,188	\$ 23,989	\$ 8	\$ 16,268	\$ 616	\$ 883	\$ 256	\$ 891	\$ (15,167)	\$ 16,829
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	221,983	92,398	63,807	13,435	-	-	-	-	-	31,302	-
Total receipts	221,983	92,398	63,807	13,435	-	-	-	-	-	31,302	-
Disbursements:											
Instruction	-	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	221,855	92,011	62,439	13,435	-	-	-	-	-	34,450	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	221,855	92,011	62,439	13,435	-	-	-	-	-	34,450	-
Excess (deficiency) of receipts over disbursements	128	387	1,368	-	-	-	-	-	-	(3,148)	-
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	128	387	1,368	-	-	-	-	-	-	(3,148)	-
Cash and investments - ending	\$ 11,360	\$ 3,575	\$ 25,357	\$ 8	\$ 16,268	\$ 616	\$ 883	\$ 256	\$ 891	\$ (18,315)	\$ 16,829

(Continued)

UNION 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

	Del Met Credit Union	Child Support Withholding	125 Plan	Anthem Health Insurance	Supplemental Life Ins Premiums	Aflac Employee Paid Insurance	America Fidelity Employee-Paid	Reimbursable Expenses	Pre-School Donation Fund	Damage/Repair - Student Device	Fringe Benefit Clearing Fund	Totals
Cash and investments - beginning	\$ 20,415	\$ 249	\$ 2,872	\$ (14,846)	\$ (654)	\$ 1,888	\$ 7,492	\$ (209)	\$ 100	\$ 4,131	\$ 305	\$ 12,559,342
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	2,393,220
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	81
State sources	-	-	-	-	-	-	-	-	-	-	-	57,585,672
Federal sources	-	-	-	-	-	-	-	-	-	-	-	3,125,247
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	10,244	-	101,700	2,275	-	40,460	18	-	-	-	817,851
Total receipts	-	10,244	-	101,700	2,275	-	40,460	18	-	-	-	63,922,071
Disbursements:												
Instruction	-	-	-	-	-	-	-	-	-	-	-	56,362,704
Support services	-	-	-	-	-	-	-	-	-	-	-	3,885,660
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	311,300
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	52,899
Debt services	-	-	-	-	-	-	-	-	-	-	-	508,588
Nonprogrammed charges	-	10,244	-	110,685	2,464	-	42,393	18	-	-	-	826,282
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	10,244	-	110,685	2,464	-	42,393	18	-	-	-	61,947,433
Excess (deficiency) of receipts over disbursements	-	-	-	(8,985)	(189)	-	(1,933)	-	-	-	-	1,974,638
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	1,638,800
Transfers out	-	-	-	-	-	-	-	-	-	-	-	(1,638,800)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(8,985)	(189)	-	(1,933)	-	-	-	-	1,974,638
Cash and investments - ending	\$ 20,415	\$ 249	\$ 2,872	\$ (23,831)	\$ (843)	\$ 1,888	\$ 5,559	\$ (209)	\$ 100	\$ 4,131	\$ 305	\$ 14,533,980

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

	Education Fund	Debt Service Fund	Operations Fund	Rainy Day Fund	Construction Fund	School Lunch Fund	Textbook Rental Fund	Levey Excess Fund	Education Plate Fund	Gifts & Donations Fund	Summer Learning Grant	Mcdonalds Science Grant
Cash and investments - beginning	\$ 9,354,566	\$ 156,450	\$ 579,150	\$ 3,364,568	\$ 360,209	\$ 155,265	\$ 39,036	\$ 8,011	\$ 938	\$ 2,000	\$ 4,222	\$ 5,588
Receipts:												
Local sources	263,964	632,610	1,420,740	23	-	177	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	64,377,753	-	-	-	-	421	1,234,231	-	-	-	-	-
Federal sources	-	-	-	-	-	105,811	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	64,641,717	632,610	1,420,740	23	-	106,409	1,234,231	-	-	-	-	-
Disbursements:												
Instruction	61,284,150	-	-	-	-	-	-	-	-	-	-	-
Support services	599,062	-	2,020,094	22	428,309	3,310	-	-	-	-	-	-
Noninstructional services	76,585	-	-	-	-	203,823	-	-	-	-	-	-
Facilities acquisition and construction	-	-	3,850	-	6,017	-	-	-	-	-	-	-
Debt services	-	641,388	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	61,959,797	641,388	2,023,944	22	434,326	207,133	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	2,681,920	(8,778)	(603,204)	1	(434,326)	(100,724)	1,234,231	-	-	-	-	-
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	850,319	1,149,831	-	-	-	-	-	-	-	-
Transfers out	(2,000,150)	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(2,000,150)	-	850,319	1,149,831	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	681,770	(8,778)	247,115	1,149,832	(434,326)	(100,724)	1,234,231	-	-	-	-	-
Cash and investments - ending	\$ 10,036,336	\$ 147,672	\$ 826,265	\$ 4,514,400	\$ (74,117)	\$ 54,541	\$ 1,273,267	\$ 8,011	\$ 938	\$ 2,000	\$ 4,222	\$ 5,588

(Continued)

UNION 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

	Fund 3140	High Ability 2016 2016	Literacy Achievement Grant	Other State Funds	Medicaid State	Alternative Education	Early Intervention Grant	John D Wilson Scholarship Fund	Non English Speaking Prog	School Technology	Career & Technical Performance Grant	Tag Grant	18-19 High Ability Grant
Cash and investments - beginning	\$ 1,606	\$ 28,068	\$ -	\$ 18,492	\$ -	\$ 251,653	\$ 12,368	\$ 2,499	\$ 43,081	\$ 27,202	\$ 2,178	\$ (9)	\$ 109,097
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	67,102	-	131,513	522,433	-	-	-	-	-	291,902	62,354
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	67,102	-	131,513	522,433	-	-	-	-	-	291,902	62,354
Disbursements:													
Instruction	-	-	-	-	58,925	-	12,368	-	43,081	-	-	291,902	5,858
Support services	-	-	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	58,925	-	12,368	-	43,081	-	-	291,902	5,858
Excess (deficiency) of receipts over disbursements	-	-	67,102	-	72,588	522,433	(12,368)	-	(43,081)	-	-	-	56,496
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	-	-	67,102	-	72,588	522,433	(12,368)	-	(43,081)	-	-	-	56,496
Cash and investments - ending	\$ 1,606	\$ 28,068	\$ 67,102	\$ 18,492	\$ 72,588	\$ 774,086	\$ -	\$ 2,499	\$ -	\$ 27,202	\$ 2,178	\$ (9)	\$ 165,593

(Continued)

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

	Title I	Title I 2014-2015	Title I 2015-2016	Title I 2019-2020	Title I 2020-2021	Title I 2021-2022	Title I Sig	Title I Sig Hs	Title I Sig K12	Special Education Part B	Title IV 18-19	Title IV 19-20	Title IV 20-21
Cash and investments - beginning	\$ (17,024)	\$ 71,374	\$ (82,913)	\$ (12,600)	\$ (57,641)	\$ 135,529	\$ -	\$ (46,422)	\$ (19,000)	\$ -	\$ (19)	\$ (10,107)	\$ -
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	98,551	-	-	-	2,561,072	10,000	-	10,000
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	98,551	-	-	-	2,561,072	10,000	-	10,000
Disbursements:													
Instruction	-	-	-	-	-	119,313	-	18,017	-	2,542,704	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-	-	12,100
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	119,313	-	18,017	-	2,542,704	-	-	12,100
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	(20,762)	-	(18,017)	-	18,368	10,000	-	(2,100)
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	-	-	-	-	-	(20,762)	-	(18,017)	-	18,368	10,000	-	(2,100)
Cash and investments - ending	\$ (17,024)	\$ 71,374	\$ (82,913)	\$ (12,600)	\$ (57,641)	\$ 114,767	\$ -	\$ (64,439)	\$ (19,000)	\$ 18,368	\$ 9,981	\$ (10,107)	\$ (2,100)

(Continued)

UNION 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

	Medicaid Federal	Title II A Fy 12/13	Title II 18-19	Title II 19-20	Title II 20-21	Title II 22-23	Title II 23-24	Title II A Fy 2017	Rural Schools & Low Income	Rural Schools & Low Income 19/20	Rural Schools & Low Income 21/22	3E Grant	ESSER II	ESSER I
Cash and investments - beginning	\$ -	\$ (145)	\$ 230	\$ (830)	\$ 1	\$ (6,124)	\$ -	\$ (676)	\$ (28,352)	\$ (4,756)	\$ (53,273)	\$ -	\$ (13,857)	\$ 77,306
Receipts:														
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	453,616	-	-	-	4,272	10,324	-	-	-	-	-	70,746	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	453,616	-	-	-	4,272	10,324	-	-	-	-	-	70,746	-	-
Disbursements:														
Instruction	298,237	-	-	-	4,272	-	1,000	-	-	-	4,927	167,582	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	298,237	-	-	-	4,272	-	1,000	-	-	-	4,927	167,582	-	-
Excess (deficiency) of receipts over disbursements	155,379	-	-	-	-	10,324	(1,000)	-	-	-	(4,927)	(96,836)	-	-
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	155,379	-	-	-	-	10,324	(1,000)	-	-	-	(4,927)	(96,836)	-	-
Cash and investments - ending	\$ 155,379	\$ (145)	\$ 230	\$ (830)	\$ 1	\$ 4,200	\$ (1,000)	\$ (676)	\$ (28,352)	\$ (4,756)	\$ (58,200)	\$ (96,836)	\$ (13,857)	\$ 77,306

(Continued)

UNION 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

	ESSER III	Prepaid School Lunch Accounts	Band Refund	Federal Tax	Social Security	State Tax	County Tax	Perf	Health Insurance	Long Term Disability	Life Insurance	Cancer Insurance	Am Fidelity Life Ins	Metlife Resources - Annuity
Cash and investments - beginning	\$ (3,773)	\$ 6,658	\$ 40	\$ 5,752	\$ 11,360	\$ 3,575	\$ 25,357	\$ 8	\$ 16,268	\$ 616	\$ 883	\$ 256	\$ 891	\$ (18,315)
Receipts:														
Local sources	-	4,554	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	251,457	248,799	101,548	68,995	21,581	-	-	-	-	-	34,781
Total receipts	-	4,554	-	251,457	248,799	101,548	68,995	21,581	-	-	-	-	-	34,781
Disbursements:														
Instruction	1,900	-	-	-	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	251,457	248,799	102,302	69,460	21,582	8,376	-	-	-	-	38,876
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,900	-	-	251,457	248,799	102,302	69,460	21,582	8,376	-	-	-	-	38,876
Excess (deficiency) of receipts over disbursements	(1,900)	4,554	-	-	-	(754)	(465)	(1)	(8,376)	-	-	-	-	(4,095)
Other financing sources (uses):														
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,900)	4,554	-	-	-	(754)	(465)	(1)	(8,376)	-	-	-	-	(4,095)
Cash and investments - ending	\$ (5,673)	\$ 11,212	\$ 40	\$ 5,752	\$ 11,360	\$ 2,821	\$ 24,892	\$ 7	\$ 7,892	\$ 616	\$ 883	\$ 256	\$ 891	\$ (22,410)

(Continued)

UNION 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

	Retiree Insurance	Del Met Credit Union	Child Support Garnishments	Child Support Withholding	125 Plan	Anthem Health Insurance	Supplemental Life Ins Premiums	Aflac Employee Paid Insurance	America Fidelity Employee-Paid	Reimbursable Expenses	Pre-School Donation Fund	Damage/ Repair - Student Device	Fringe Benefit Clearing Fund	Totals
Cash and investments - beginning	\$ 16,829	\$ 20,415	\$ -	\$ 249	\$ 2,872	\$ (23,831)	\$ (843)	\$ 1,888	\$ 5,559	\$ (209)	\$ 100	\$ 4,131	\$ 305	\$ 14,533,980
Receipts:														
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-	2,322,068
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-	66,687,709
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	3,324,392
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	3,831	18,098	-	95,223	2,275	-	39,088	3	-	-	-	885,679
Total receipts	-	-	3,831	18,098	-	95,223	2,275	-	39,088	3	-	-	-	73,219,848
Disbursements:														
Instruction	-	-	-	-	-	-	-	-	-	-	-	-	-	64,854,236
Support services	-	-	-	-	-	-	-	-	-	-	-	-	-	3,062,897
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-	280,408
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	9,867
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	641,388
Nonprogrammed charges	14,847	2,829	18,131	73,254	-	-	2,654	-	49,649	16,588	-	-	-	918,804
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	14,847	2,829	18,131	73,254	-	-	2,654	-	49,649	16,588	-	-	-	69,767,600
Excess (deficiency) of receipts over disbursements	(14,847)	(2,829)	(14,300)	(55,156)	-	95,223	(379)	-	(10,561)	(16,585)	-	-	-	3,452,248
Other financing sources (uses):														
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-	2,000,150
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,000,150)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(14,847)	(2,829)	(14,300)	(55,156)	-	95,223	(379)	-	(10,561)	(16,585)	-	-	-	3,452,248
Cash and investments - ending	\$ 1,982	\$ 17,586	\$ (14,300)	\$ (54,907)	\$ 2,872	\$ 71,392	\$ (1,222)	\$ 1,888	\$ (5,002)	\$ (16,794)	\$ 100	\$ 4,131	\$ 305	\$ 17,986,228

UNION 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>\$ 13,208,681</u>	<u>\$ 461,977</u>

UNION SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2024

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
LEAP	Copiers	\$ 20,000	1/1/2015	1/1/2025
Union School Building Corp	2019 Lease	<u>377,500</u>	12/31/2020	12/31/2024
Total of annual lease payments		<u>\$ 397,500</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 Bond	<u>130,000</u>	<u>130,000</u>
Total governmental activities		<u>130,000</u>	<u>130,000</u>
Totals		<u>\$ 130,000</u>	<u>\$ 130,000</u>

UNION 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	\$ 15,450
Buildings	3,901,217
Improvements other than buildings	344,469
Machinery, equipment, and vehicles	2,332,517
Books and other	<u>750</u>
Total governmental activities	<u>6,594,403</u>
Total capital assets	<u>\$ 6,594,403</u>

UNION 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.

UNION 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	\$ 46,012	\$ -	\$ 46,012
National School Lunch Program		10.555	FY2023, FY2024	240,701	105,809	346,510
Commodities		10.555	FY2023, FY2024	11,594	12,417	24,011
				<u>298,307</u>	<u>118,226</u>	<u>416,533</u>
Total - Child Nutrition Cluster						
Pandemic EBT Administrative Costs	Indiana Department of Education					
P-EBT Administrative Cost Grant		10.649	FY2023	3,135	-	3,135
				<u>301,442</u>	<u>118,226</u>	<u>419,668</u>
Total - Department of Agriculture						
<u>Department of Education</u>						
Special Education Cluster(IDEA)	Indiana Department of Education					
Special Education Grants to States						
IDEA, Part B		84.027	22611-122-PN01	1,198,615	-	1,198,615
IDEA, Part B		84.027	23611-122-PN01	-	1,227,515	1,227,515
IDEA, Part B		84.027	24611-122-PN01	-	1,075,069	1,075,069
Special Ed Part B - COVID-19		84.027X	22611-122-ARP	-	258,488	258,488
				<u>1,198,615</u>	<u>2,561,072</u>	<u>3,759,687</u>
Total - Special Education Cluster(IDEA)						
Special Education Preschool Grants	Indiana Department of Education					
IDEA, Preschool		84.173	22619-122-PN01	22,694	-	22,694
				<u>22,694</u>	<u>-</u>	<u>22,694</u>
Total - Special Education Preschool Grants						
Total - Special Education Cluster(IDEA)				<u>1,221,309</u>	<u>2,561,072</u>	<u>3,782,381</u>
Title I Grants to Local Educational Agencies	Indiana Department of Education					
Title I, Part A		84.010A	S010A200014	256,900	-	256,900
Title I, Part A		84.010A	S010A210014	172,491	-	172,491
Title I, Part A		84.010A	S010A220014	119,313	-	119,313
Title I, Part A		84.010A	S010A230014	-	98,551	98,551
				<u>548,704</u>	<u>98,551</u>	<u>647,255</u>
Total - Title I Grants to Local Educational Agencies						

(Continued)

UNION 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
Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II, Part A		84.367A	S367A200013	\$ 2,475	\$ -	\$ 2,475
Title II, Part A		84.367A	S367A210013	17,973	-	17,973
Title II, Part A		84.367A	S367A220013	18,550	14,596	33,146
Total - Supporting Effective Instruction State Grants				38,998	14,596	53,594
Student Support and Academic Enrichment Program	Indiana Department of Education					
Title IV, Part A		84.424	S424A180015	-	20,000	20,000
Total - Student Support and Academic Enrichment Program				-	20,000	20,000
COVID-19 - Education Stabilization Fund	Indiana Department of Education					
Elementary and Secondary School Emergency Relief (ESSER I) Fund		84.425D	S425D200013	209,152	-	209,152
Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D	S425D210013	98,740	-	98,740
American Rescue Plan Elementary and Secondary School Elementary Relief (ARP ESSER) Fund		84.425U	S425U210013	849,935	-	849,935
ARP ESSER - Explore, Engage, Experience (3E) Grant		84.425U	7000S425U210013	-	70,746	70,746
Total - COVID-19 - Education Stabilization Fund				1,157,827	70,746	1,228,573
Total - Department of Education				2,966,838	2,764,965	5,731,803
<u>Department of Health and Human Services</u>						
Medicaid Cluster						
Medical Assistance Program	Family and Social Services Administration					
Medicaid		93.778	FY2024	-	453,616	453,616
Total - Department of Health and Human Services				-	453,616	453,616
Total federal awards expended				\$ 3,268,280	\$ 3,336,807	\$ 6,605,087

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

UNION 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 \$24,011 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
Union School Corporation
Randolph 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 Union 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 13, 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 certain deficiencies in internal control, described in the accompanying *Schedule of Findings and Questioned Costs* as items 2024-001 and 2024-002 that we consider to be material weaknesses.

(Continued)

Report on Compliance and Other Matters

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

School Corporation's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School Corporation's responses to the findings identified in our audit and 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 the financial statements and, accordingly, we express no opinion on the responses.

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 13, 2025

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

Those Charged with Governance
Union School Corporation
Randolph County, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Union 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 Education Stabilization Fund

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

Unmodified Opinion on the Other Major Federal Program

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

Basis for Qualified and Unmodified Opinions

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

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

(Continued)

Matter Giving Rise to Qualified Opinion on the Education Stabilization Fund

As described in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding ALNs 84.425D, 84.425U Education Stabilization Fund as described in finding 2024-008 for Special Tests and Provisions – Wage Rate Requirements. 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.

Other Matters

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

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 2024-003, 2024-005, 2024-006, 2024-007, 2024-008, and 2024-009 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-004 to be a significant deficiency.

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
March 13, 2025

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

Section I – Summary of Auditor’s Results

Financial Statement

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

Internal control over financial reporting:

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

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

Internal control over major programs:

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

Type of auditor’s report issued on compliance for major programs: Education Stabilization Fund - Qualified
Special Education Cluster - 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	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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(Continued)

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

Section II – Financial Statement Findings

FINDING 2024-001

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

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

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

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

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

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

2 CFR 200.508 states in part:

"The auditee must: . . .

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

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

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

(Continued)

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

Section II – Financial Statement Findings (Continued)

FINDING 2024-001 (Continued)

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

- 1) For the period of July 1, 2022 through June 30, 2023, receipt amounts were understated by \$461,456. Additionally, the beginning July 1, 2022 balance was overstated by \$900,477 resulting in a net impact on the ending June 30, 2023 cash balance of an overstatement of \$439,021.
- 2) For the period of July 1, 2022 through June 30, 2023, the School Corporation incorrectly recorded \$4,000,000 in receipts and disbursements for a transfer of cash between bank accounts.
- 3) For the period of July 1, 2023 through June 30, 2024, disbursements amounts were understated by \$1,088,286 resulting in the ending June 30, 2024 cash balance being overstated by the same amount. Additionally, the beginning July 1, 2023 cash balance was overstated by \$439,021 resulting in a net impact on the ending June 30, 2024 cash balance of an overstatement of \$1,527,307.

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

The error noted in item 2 related to the rainy day fund. The errors noted in item 3 primarily relate to improperly excluding the activity from the clearing funds on the AFR.

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

Identification as a repeat finding, if applicable: No.

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

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

(Continued)

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

Section II – Financial Statement Findings (Continued)

FINDING 2024-002

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

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

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

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

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

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

2 CFR 200.508 states in part:

"The auditee must: . . .

(b) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with § 200.510 Financial statements. . . ."

2 CFR 200.510(b) states:

"*Schedule of expenditures of Federal awards.* The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

(1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within a cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.

(2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.

(Continued)

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

Section II – Financial Statement Findings (Continued)

FINDING 2024-002 (Continued)

(3) Provide total Federal awards expended for each individual Federal program and the assistance listing number (ALN) or other identifying number when the ALN information is not available. For a cluster of programs also provide the total for the cluster.

(4) Include the total amount provided to subrecipients from each Federal program.

(5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.

(6) Include notes that describe that significant accounting policies used in preparing the schedule and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in §200.414 Indirect (F&A) costs."

Condition: The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).

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

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. The SEFA was not reviewed prior to submission. Additionally, we noted the following errors that resulted in the understatement on the SEFA of \$2,036,018 for the period July 1, 2022, through June 30, 2024:

- The Child Nutrition Cluster (10.553, 10.555) expenditures were understated by \$127,765
- The Pandemic EBT Administrative Costs (10.649) expenditures were understated by \$3,135
- The Special Education Cluster (84.027, 84.173) expenditures were understated by \$1,221,309
- The Title I (84.010A) expenditures were understated by \$58,399
- The Supporting Effective Instruction State Grants (84.367) expenditures were overstated by \$24,554
- The Student Support and Academic Enrichment Program expenditures were overstated by \$19,522
- The Education Stabilization Fund (84.425D, 84.425U) expenditures were understated by \$669,486

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA to correct the issues noted above. The Special Education Cluster and the Education Stabilization Fund were both missing significant portions of 2023 grant expenditures.

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

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

Recommendation: We recommended that the School Corporation's management establish a formal review over the SEFA to ensure amounts reported are accurate. The School Corporation should establish a documented, secondary review to ensure the amounts reported on the SEFA agree to the supporting federal receipt fund ledger detail.

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

(Continued)

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

Section III – Federal Award Findings and Questioned Costs

Finding 2024-003

Information on the federal program:

Subject: Special Education Cluster – Internal Controls
Federal Agency: Department of Education
Federal Program: Special Education Cluster
Assistance Listing Number: 84.027
Federal Award Numbers and Years (or Other Identifying Numbers): 22611-122-PN01
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Activities Allowed or Unallowed, Allowable Costs/Cost Principles
Audit Finding: Material Weakness

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

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

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 Activities Allowed or Unallowed, Allowable Costs/Cost Principles 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. The School Corporation did not have an internal control in place to review the underlying expenditures to determine if they were allowable in accordance with federal requirements.

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 pays one hundred percent of its Special Education Cluster funding to one service provider. For 1 of the 5 sample payments to the service provider, the School Corporation only reviewed a summary level invoice from the service provider which did not include the underlying support or detail of the reimbursable costs incurred by the service provider. The sample amount paid to the service provider without underlying support or detail was \$1,138,684. The lack of underlying support was isolated to the 22611-122-PN01 grant. The School Corporation received the support for all other payments tested.

Identification as a repeat finding: This is a repeat finding from the immediately prior audit. The prior finding number was 2022-002.

(Continued)

UNION 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 2024-003 (Continued)

Recommendation: We recommend the School Corporation implement a formal review of all expenditures incurred by the vendor by reviewing the underlying support for the expenditures incurred by the vendor.

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

Finding 2024-004

Information on the federal program:

Subject: Special Education Cluster – Internal Controls

Federal Agency: Department of Education

Federal Program: Special Education Cluster

Assistance Listing Number: 84.027, 84.027X, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 22611-122-PN01, 23611-122-PN01, 24611-122-PN01, 22611-122-ARP, 22619-122-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Cash Management

Audit Finding: Significant Deficiency

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). . . ."

For grants and cooperative agreements to non-federal entities that are paid on a reimbursement basis, supporting documentation shows that the costs for which reimbursement was requested were paid prior to the date of the reimbursement request.

Pass-through entities must monitor cash drawdowns by their subrecipients to ensure that the time elapsing between the transfer of federal funds to the subrecipient and their disbursement for program purposes is minimized as required by the applicable cash management requirements in the federal award to the recipient (2 CFR section 200.305(b)(1)).

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 Cash Management compliance requirements.

Cause: The School Corporation's management had not developed a system of internal controls to ensure compliance with cash management for reimbursement grants. The School Corporation did not have a design control in place to ensure that service provider invoices were paid prior to the submitting reimbursements to the Indiana Department of Education (IDOE).

(Continued)

UNION 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 2024-004 (Continued)

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.

Questioned Costs: There were no questioned costs identified.

Context: The School Corporation pays one hundred percent of its Special Education Cluster funding to one service provider, which totaled \$3,782,381 for the audit period. For all invoices during the audit period, the School Corporation submitted and received reimbursement from the IDOE prior to paying the service provider, and then the School Corporation remitted payment to the service provider. There was significant delay in the time between the School Corporation was reimbursed by IDOE and when the School Corporation paid the service provider. The delay in payment was in the range of 2 – 4 months for the payments made during the audit period.

Identification as a repeat finding: This is a repeat finding from the immediately prior audit. The prior finding number was 2022-003.

Recommendation: We recommend the School Corporation implement procedures to ensure the invoices are paid before submitting draw requests and receiving funds from IDOE.

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

Finding 2024-005

Information on the federal program:

Subject: Special Education Cluster – Internal Controls
Federal Agency: Department of Education
Federal Program: Special Education Cluster
Assistance Listing Number: 84.027X
Federal Award Numbers and Years (or Other Identifying Numbers): 22611-122-ARP
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Period of Performance
Audit Finding: Material Weakness

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

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

(Continued)

UNION 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 2024-005 (Continued)

2 CFR 200.309 states:

"A non-Federal entity may charge to the Federal award only allowable costs incurred during the period of performance (except as described in § 200.461 Publication and printing costs) and any costs incurred before the Federal awarding agency or pass-through entity made the Federal award that were authorized by the Federal awarding agency or pass-through entity.

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 period of performance compliance requirement.

Cause: The School Corporation's management had not developed a system of internal controls to ensure compliance with the period of performance requirement. The School Corporation did not have a design control in place to ensure that service provider invoices were paid before the required liquidation date.

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.

Questioned Costs: There were no questioned costs identified.

Context: The School Corporation pays one hundred percent of its Special Education Cluster funding to one service provider. From review of the expense population, we noted 2 payments to the service provider where the service provider was not paid until after liquidation date of December 29, 2023. The School Corporation did not pay the service provider until April 30, 2024 for \$258,488 for the services provided.

Identification as a repeat finding: No.

Recommendation: We recommend the School Corporation implement procedures to ensure the invoices are paid before the required liquidation date.

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

(Continued)

UNION 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 2024-006

Information on the federal program:

Subject: Special Education Cluster – Internal Controls
Federal Agency: Department of Education
Federal Program: Special Education Cluster
Assistance Listing Number: 84.027
Federal Award Numbers and Years (or Other Identifying Numbers): 22611-122-PN01
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Level of Effort - Maintenance of Effort
Audit Finding: Material Weakness

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

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

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 Level of Effort - Maintenance of Effort compliance requirement.

Cause: The School Corporation's management had not developed a system of internal controls to ensure compliance with the compliance requirement 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 was required to submit one workbook covering FY21 and FY22 to the Indiana Department of Education (IDOE) during the audit period to meet federal the Level of Effort - Maintenance of Effort requirements. We noted the amounts reported covering the FY21 time period (\$865,515) did not agree to the underlying expenditure records (\$1,474,349 for the period of July 1, 2020 through June 30, 2021). Additionally, we noted the amounts reported covering the FY22 time period (\$937,948) did not agree to the underlying expenditure records (\$2,695,619, for the period of July 1, 2021 through June 30, 2022).

Identification as a repeat finding: No.

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

(Continued)

UNION 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 2024-006 (Continued)

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

FINDING 2024-007

Information on the federal program:

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

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.302(b) states in part:

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

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

34 CFR 76.722 states:

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

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

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

(Continued)

UNION 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 2024-007 (Continued)

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 was required to submit two Annual Data Reports to the Indiana Department of Education (IDOE) during the audit period to meet federal reporting requirements for ESSER grant awards. We noted that the ESSER II and ESSER III amounts reported for the reports covering the FY22 time period (\$0 and \$0, respectively) did not agree to the underlying expenditure records (\$79,112 and \$99,245 respectively, for the period of July 1, 2021 through June 30, 2022).

Additionally, we noted that the ESSER II, and ESSER III amounts reported for the reports covering the FY23 time period (\$178,829 and \$874,154, respectively) did not agree to the underlying expenditure records (\$159,450 and \$789,489), respectively, for the period of July 1, 2022 through June 30, 2023).

We also noted there was no documented, secondary review of the information in the annual data reports by someone other than the preparer.

Identification as a repeat finding: No.

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

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

(Continued)

UNION 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 2024-008

Information on the federal program:

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

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

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

29 CFR 5.5 states in part:

(1) Minimum wages.

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

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

Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part

hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics...

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

(Continued)

UNION 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 2024-008 (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.

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

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

Questioned Costs: There were no questioned costs identified.

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

Identification as a repeat finding: No.

Recommendation: We recommend the School Corporation implement a formal process to ensure the required weekly payroll reports certifications are collected and reviewed to ensure compliance with the wage rate requirements. Additionally, We recommend the School Corporation implement a formal process to ensure the contracts including labor costs over \$2,000 funded by federal awards have Davis Bacon wage rate requirement clause in written contract.

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

(Continued)

UNION 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 2024-009

Information on the federal program:

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

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

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

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

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

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

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

Questioned Costs: There were no questioned costs identified.

(Continued)

UNION 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 2024-009 (Continued)

Context: The School Corporation expended \$720,784 on building renovations which was charged to the ESSER III (84.425U) grant award. It was noted these capital asset acquisitions were not reported on the capital asset listing for the School Corporation as of June 30, 2024. Additionally, we noted the School Corporation's capital asset listing did not contain all the required information, including the source of funding for the property, outlined in the criteria above.

Identification as a repeat finding: No.

Recommendation: We recommend the School Corporation update the capital asset listing at least annually to include all equipment and real property acquisitions and review for potential capital asset dispositions. Additionally, we recommend the School Corporation update the capital asset listing to include all the required information, including the source of funding for the property, outlined in the criteria above.

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

Union School Corporation

8707 West US Highway 36

Modoc, IN 47358

(765) 853-5464



Galen Mast – Superintendent

James Widmer – Union Elem. Principal

Ryan Chiddister – Union Jr. Sr. High Principal

Abbie Lindsey – Business Manager

Lori Wymmer – Deputy Treasurer

Jeff Murray – Technology Director

Marvin Schwartz – Transportation Director

CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

June 30, 2024

Finding 2024-001 – Preparation of the Annual Financial Report

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

- 1) For the period of July 1, 2022 through June 30, 2023, receipt amounts were understated by \$461,456. Additionally, the beginning July 1, 2022 balance was overstated by \$900,477 resulting in a net impact on the ending June 30, 2023 cash balance of an overstatement of \$439,021.
- 2) For the period of July 1, 2022 through June 30, 2023, the School Corporation incorrectly recorded \$4,000,000 in receipts and disbursements for a transfer of cash between bank accounts.
- 3) For the period of July 1, 2023 through June 30, 2024, disbursements amounts were understated by \$1,088,286 resulting in the ending June 30, 2024 cash balance being overstated by the same amount. Additionally, the beginning July 1, 2023 cash balance was overstated by \$439,021 resulting in a net impact on the ending June 30, 2024 cash balance of an overstatement of \$1,527,307.

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

The error noted in item 2 related to the rainy day fund. The errors noted in item 3 primarily relate to improperly excluding the activity from the clearing funds on the AFR.

The errors noted primarily related to improperly excluding activity from the Curricular Materials Rental fund on the AFR.

Contact Person Responsible for Corrective Action: Abigail Lindsey

Contact Phone Number: 765-853-5464

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Corporation will make sure all receipts and disbursements agree with the fund balance report. Corporation will make use internal transfer of investments will on be put on AFR.

Anticipated Completion Date: 07/31/2025

Finding 2024-002 – Preparation of the Schedule of Expenditures of Federal Awards

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. The SEFA was not reviewed prior to submission. Additionally, we noted the following errors that resulted in the understatement on the SEFA of \$2,036,018 for the period July 1, 2022, through June 30, 2024:

- The Child Nutrition Cluster (10.553, 10.555) expenditures were understated by \$127,765
- The Pandemic EBT Administrative Costs (10.649) expenditures were understated by \$3,135
- The Special Education Cluster (84.027, 84.173) expenditures were understated by \$1,221,309
- The Title I (84.010A) expenditures were understated by \$58,399
- The Supporting Effective Instruction State Grants (84.367) expenditures were overstated by \$24,554
- The Student Support and Academic Enrichment Program expenditures were overstated by \$19,522
- The Education Stabilization Fund (84.425D, 84.425U) expenditures were understated by \$669,486

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA to correct the issues noted above. The Special Education Cluster and the Education Stabilization Fund were both missing significant portions of 2023 grant expenditures

Contact Person Responsible for Corrective Action: Abigail Lindsey
Contact Phone Number: 765-853-5464

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Corporation will make sure all Federal Expenditures match fund balance report.

Anticipated Completion Date: 07/31/2025

FINDING 2024-003 – Special Education Cluster - Activities Allowed or Unallowed, Allowable Costs/Cost Principles

Context: The School Corporation pays one hundred percent of its Special Education Cluster funding to one service provider. For 1 of the 5 sample payments to the service provider, the School Corporation only reviewed a summary level invoice from the service provider which did not include the underlying support or detail of the reimbursable costs incurred by the service provider. The sample amount paid to the service provider without underlying support or detail was \$1,138,684. The lack of underlying support was isolated to the 22611-122-PN01 grant. The School Corporation received the support for all other payments tested.

Contact Person Responsible for Corrective Action: Abigail Lindsey
Contact Phone Number: 765-853-5464

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Corporation and INDLS has already put in place to receive a detailed invoice for Special Education funds. Going forward INDLS will provide detailed invoices for all reimbursable costs.

Anticipated Completion Date: 05/01/2025

FINDING 2024-004 – Special Education Cluster - Cash Management

Context:

Contact Person Responsible for Corrective Action: Abigail Lindsey
Contact Phone Number: 765-853-5464

Context: The School Corporation pays one hundred percent of its Special Education Cluster funding to one service provider, which totaled \$3,782,381 for the audit period. For all invoices during the audit period, the School Corporation submitted and received reimbursement from the IDOE prior to paying the service provider, and then the School Corporation remitted payment to the service provider. There was significant delay in the time between the School Corporation was reimbursed by IDOE and when the School Corporation paid the service provider. The delay in payment was in the range of 2 – 4 months for the payments made during the audit period.

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Corporation will pay Special Ed invoice to INDLS within the same week as receiving the reimbursement.

Anticipated Completion Date: 05/01/2025

FINDING 2024-005 – Special Education Cluster - Activities Allowed or Unallowed, Allowable Costs/Cost Principles

Context: The School Corporation pays one hundred percent of its Special Education Cluster funding to one service provider. From review of the expense population, we noted 2 payments to the service provider where the service provider was not paid until after liquidation date of December 29, 2023. The School Corporation did not pay the service provider until April 30, 2024 for \$258,488 for the services provided.

Contact Person Responsible for Corrective Action: Abigail Lindsey
Contact Phone Number: 765-853-5464

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Corporation will have all Special Ed funds paid before liquidation date.

Anticipated Completion Date: 12/29/25

FINDING 2024-006 – Special Education Cluster - Level of Effort - Maintenance of Effort

Context: The School Corporation was required to submit one workbook covering FY21 and FY22 to the Indiana Department of Education (IDOE) during the audit period to meet federal the Level of Effort - Maintenance of Effort requirements. We noted the amounts reported covering the FY21 time period (\$865,515) did not agree to the underlying expenditure records (\$1,474,349 for the period of July 1, 2020 through June 30, 2021). Additionally, we noted the amounts reported covering the FY22 time period (\$937,948) did not agree to the underlying expenditure records (\$2,695,619, for the period of July 1, 2021 through June 30, 2022).

Contact Person Responsible for Corrective Action: Abigail Lindsey
Contact Phone Number: 765-853-5464

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Business Manager will work with INDLS to ensure the MOE workbook matches expenditures.

Anticipated Completion Date: 06/30/25

FINDING 2024-007 – Education Stabilization – Reporting

Context: The School Corporation was required to submit two Annual Data Reports to the Indiana Department of Education (IDOE) during the audit period to meet federal reporting requirements for ESSER grant awards. We noted that the ESSER II and ESSER III amounts reported for the reports covering the FY22 time period (\$0 and \$0, respectively) did not agree to the underlying expenditure records (\$79,112 and \$99,245 respectively, for the period of July 1, 2021 through June 30, 2022).

Additionally, we noted that the ESSER II, and ESSER III amounts reported for the reports covering the FY23 time period (\$178,829 and \$874,154, respectively) did not agree to the underlying expenditure records (\$159,450 and \$789,489), respectively, for the period of July 1, 2022 through June 30, 2023).

We also noted there was no documented, secondary review of the information in the annual data reports by someone other than the preparer.

Contact Person Responsible for Corrective Action: Abigail Lindsey
Contact Phone Number: 765-853-5464

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Corporation will make sure all expenditures match annual data reports.

Anticipated Completion Date: 05/01/2025

FINDING 2024-008 – Education Stabilization – Special Tests and Provisions - Wage Rate Requirements

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

Contact Person Responsible for Corrective Action: Abigail Lindsey
Contact Phone Number: 765-853-5464

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Corporation will ensure that they follow the Davis-Bacon requirements.

Anticipated Completion Date: 05/01/2025

FINDING 2024-009 – Education Stabilization – Equipment and Real Property Management

Context: The School Corporation expended \$720,784 on building renovations which was charged to the ESSER III (84.425U) grant award. It was noted these capital asset acquisitions were not reported on the capital asset listing for the School Corporation as of June 30, 2024. Additionally, we noted the School Corporation's capital asset listing did not contain all the required information, including the source of funding for the property, outlined in the criteria above.

Contact Person Responsible for Corrective Action: Abigail Lindsey
Contact Phone Number: 765-853-5464

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Corporation will ensure that building renovations will be added to the capital asset list.

Anticipated Completion Date: 07/30/2025

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-001

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

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. The SEFA was reviewed prior to submission. However, it was not reviewed in enough detail to prevent the following errors that resulted in the understatement of the total federal awards expended on the SEFA by \$1,691,866 for the period July 1, 2020, through June 30, 2022:

1. The Child Nutrition Cluster (10.555) expenditures were understated by \$379,212
2. The Special Education Cluster (84.027) expenditures were understated by \$1,109,356
3. The Title I (84.010) expenditures were understated by \$171,570
4. The Title II (84.367) expenditures were understated by \$17,888
5. The Rural and Low-Income School Program (84.358) expenditures were understated by \$13,840

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA to correct the issues noted above.

Status: Not Resolved, see finding 2024-002. The finding was not resolved due to the lack of detailed review of the SEFA. To resolve the finding, the School Corporation will make sure all Federal Expenditures match fund balance report.

FINDING 2022-002

Information on the federal program:

Subject: Special Education Cluster – Internal Controls
Federal Agency: Department of Education
Federal Program: Special Education Cluster
Assistance Listing Number: 84.027
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Activities Allowed or Unallowed, Allowable Costs/Cost Principles
Audit Finding: Material Weakness

Context: The School Corporation pays one hundred percent of its Special Education Cluster funding to one service provider which totaled \$1,109,356 for the audit period. The School Corporation only reviewed a summary level invoice from the service provider which did not include the underlying support or detail of the reimbursable costs incurred by the service provider.

Status: Not Resolved, see finding 2024-003. The finding was not resolved due to the timing of the prior audit. To resolve the finding, the Corporation and INDLS has already put in place to receive a detailed invoice for Special Education funds. Going forward INDLS will provide detailed invoices for all reimbursable costs.

Finding 2022-003

Information on the federal program:

Subject: Special Education Cluster – Internal Controls
Federal Agency: Department of Education
Federal Program: Special Education Cluster
Assistance Listing Number: 84.027
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Cash Management
Audit Finding: Material Weakness, Modified Opinion

Context: The School Corporation pays one hundred percent of its Special Education Cluster funding to one service provider, which totaled \$1,109,356 for the audit period. For all invoices during the audit period, the School Corporation submitted and received reimbursement from the IDOE prior to paying the service provider, and then the School Corporation remitted payment to the service provider. In addition, the School Corporation only remitted 95% of the invoice to the service provider and held back 5% of the invoice, which management acknowledged was in error.

Status: Not Resolved, see finding 2024-004. The finding was not resolved due to the timing of the prior audit. To resolve the finding, the Corporation will pay Special Ed invoice to INDLS within the same week as receiving the reimbursement.

Finding 2022-004

Information on the federal program:

Subject: Special Education Cluster – Procurement and Suspension and Debarment
Federal Agency: Department of Education
Federal Program: Special Education Cluster
Assistance Listing Number: 84.027
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Finding: Material Weakness, Modified Opinion

Context: The School Corporation did not perform a formal procurement when the School Corporation signed a contract with the service provider in July 2017. Additionally, the contract was extended in February 2019 through June 30, 2029 without a formal procurement process. The School Corporation did not have procedures in place to ensure the service provider was not debarred or suspended when the original contracts and amendments were signed.

Status: Not Resolved. The finding was not resolved due to the contract with the vendor running through 2029. To resolve the finding, the School Corporation will perform a formal procurement process when the contract ends in 2029.