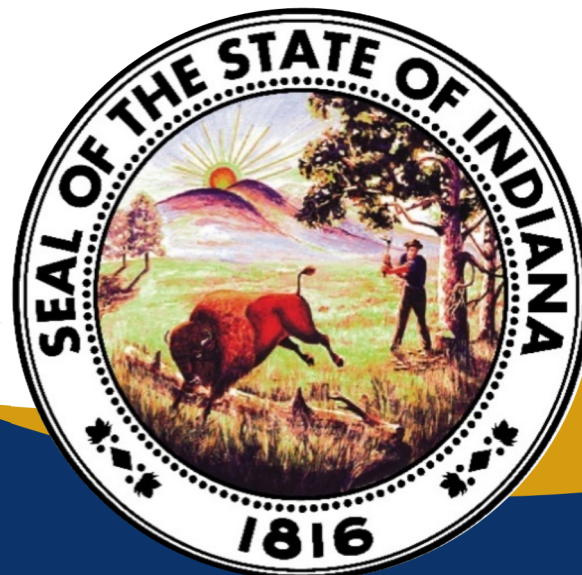


**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

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

FINANCIAL STATEMENT AND
FEDERAL COMPLIANCE AUDIT REPORT
OF
ARGOS COMMUNITY SCHOOLS
MARSHALL COUNTY, INDIANA
July 1, 2022 to June 30, 2024



FILED
04/02/2025



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

April 2, 2025

To: The Officials of the Argos Community Schools
Argos Community Schools
Marshall County, Indiana

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

We call your attention to the findings included in the report on pages 32 through 37. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 38 through 40.

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

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

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

Tammy R. White, CPA
Deputy State Examiner

ARGOS COMMUNITY SCHOOLS
Marshall County, Indiana

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

ARGOS COMMUNITY SCHOOLS
Marshall 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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ARGOS COMMUNITY SCHOOLS
SCHEDULE OF OFFICIALS (Unaudited)
For the period of July 1, 2022 through June 30, 2024

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Jennifer Lee	07-01-22 to 08-31-22
	Kelli VanDerWeele	09-01-22 to 06-30-24
Superintendent of Schools	Ned Speicher	07-01-22 to 06-30-24
President of the School Board	Angela Smith	01-01-22 to 12-31-22
	Patricia Rensberger	01-01-23 to 12-31-24

INDEPENDENT AUDITOR'S REPORT

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

Unmodified Opinion on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinion

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

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

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

(Continued)

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

Responsibilities of Management for the Financial Statement

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

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

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

Supplementary Information

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

(Continued)

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report March 28, 2025, our consideration of the School Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.


Crowe LLP

Indianapolis, Indiana
March 28, 2025

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

<u>Fund</u>	<u>Cash and Investments 07-01-2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2023</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2024</u>
Education	\$ 2,548,369	\$ 5,466,726	\$ 3,987,474	\$ (840,000)	\$ 3,187,621	\$ 6,161,531	\$ 4,509,812	\$ (890,000)	\$ 3,949,340
Debt Service	220,895	1,079,929	866,500	-	434,324	1,211,155	1,354,467	(1,750)	289,262
Pension Debt Fund	(3,594)	4,466	-	-	872	-	-	-	872
Operations	485,585	1,144,884	1,902,101	540,000	268,368	1,241,794	1,747,310	590,000	352,852
Rainy Day	1,764,083	-	-	300,000	2,064,083	-	-	300,000	2,364,083
Construction	(239,448)	640,694	380,567	545,000	565,679	-	1,045,336	1,750	(477,907)
Food Service	124,249	516,210	413,996	-	226,463	432,195	474,624	-	184,034
Textbook Rental	77,956	238,024	202,385	-	113,595	167,059	31,768	-	248,886
Auditorium Fund	646	-	-	-	646	-	-	-	646
Pre-Kindergarten	35,024	43,141	34,796	-	43,369	34,483	29,262	-	48,591
Donations	-	10,045	-	-	10,045	2,000	-	-	12,045
Formative Assessment	3,469	6,675	8,048	-	2,096	8,854	-	-	10,950
State Medicaid	-	14,663	-	-	14,663	14,427	-	-	29,090
Safety Grant	(11,353)	29,079	37,111	-	(19,385)	76,814	50,508	-	6,921
Early Intervention Fy 22	-	1,989	1,877	-	112	-	-	-	112
Early Intervention	-	-	-	-	-	15,540	16,729	-	(1,189)
Nesp	-	5,001	792	-	4,209	-	-	-	4,209
Cte Grant	2,566	513	2,581	-	498	-	-	-	498
Teacher Performance Award	-	26,492	26,492	-	0	25,198	29,186	-	(3,988)
High Ability	7,418	22,180	18,906	-	10,692	27,454	25,152	-	12,993
Connectivity	4,765	7,200	5,036	-	6,929	-	1,820	-	5,109
Title I 21-22	(35,875)	179,379	87,008	-	56,496	13,962	-	10,651	81,109
Title I 22-23	-	-	153,685	-	(153,685)	203,977	101,953	-	(51,661)
Title I 23-24	-	-	-	-	-	-	132,502	-	(132,502)
611 Part B 20-21	-	-	2,920	-	(2,920)	-	-	-	(2,920)
611 Part B 21-22	(13,266)	29,900	106,612	-	(89,978)	16,949	-	-	(73,028)
Sp Ed Part B 619 21-22	-	-	26,240	-	(26,240)	-	-	-	(26,240)
611 Part B 22-23	-	-	60,707	-	(60,707)	-	86,931	-	(147,638)

(Continued)

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

Fund	Cash and Investments 07-01-2022	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2023	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2024
611 Part B 23-24	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,403	\$ -	\$ (143,403)
Title IV Fy22	-	-	-	-	-	-	-	(10,651)	(10,651)
Title IV Fy23	-	-	-	-	-	-	14,394	-	(14,394)
Federal Medicaid	85,214	31,361	4,960	-	111,615	28,871	7,382	-	133,104
Title II 22-23	-	-	810	-	(810)	810	-	-	(0)
Title II 23-24	-	12,752	15,318	-	(2,566)	5,288	8,277	-	(5,555)
Srsa 2021	-	-	489	-	(489)	-	-	-	(489)
Srsa Fy22	-	24,706	24,217	-	489	-	4,846	-	(4,357)
611 Arp	-	17,757	34,828	-	(17,071)	28,149	5,594	-	5,484
619 Arp	-	34,050	-	-	34,050	-	-	-	34,050
ESSER III	(129,713)	129,714	363,918	187,625	(176,292)	356,388	49,590	43,572	174,078
ESSER II	(25,407)	174,499	17,338	(187,625)	(55,872)	-	101,881	(43,572)	(201,324)
Lunch Deposits	2,949	118,324	109,745	-	11,528	139,229	136,030	-	14,726
Payroll	16,383	2,202,412	2,201,769	-	17,026	2,563,118	2,469,338	-	110,805
Retiree Insurance	215	39,421	29,943	-	9,693	38,877	40,021	-	8,550
Clearing Account	(58,729)	66,971	555	-	7,687	1,738	1,560	-	7,865
Totals	\$ 4,862,401	\$ 12,319,156	\$ 11,129,725	\$ 545,000	\$ 6,596,832	\$ 12,815,859	\$ 12,619,674	\$ -	\$ 6,793,016

See notes to financial statement.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

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

(Continued)

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Continued)

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

NOTE 2 - BUDGETS

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

NOTE 3 - PROPERTY TAXES

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

(Continued)

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

NOTE 5 - RISK MANAGEMENT

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

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

NOTE 6 - CASH BALANCE DEFICITS

The financial statement contains some funds with deficits in cash. This is a result of certain funds being set up for reimbursable grants, but for which reimbursement was not yet received by June 30, 2023, and 2024. The deficit in the Construction fund is the result of disbursements exceeding receipts due to under-estimating current requirements for those funds. These deficits will be repaid from future receipts. 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 Argos Community Schools 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 \$866,500. Lease payments for the period July 1, 2023 through June 30, 2024 totaled \$1,202,500.

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)

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

NOTE 8 - PENSION PLANS (Continued)

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

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

Financial Report

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

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

Contributions

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

Teachers' Retirement Fund

Plan Descriptions

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

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

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

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

(Continued)

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

NOTE 8 - PENSION PLANS (Continued)

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

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

Financial Report

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

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

Contributions

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

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

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

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS

The School Corporation provides to eligible retirees and their spouses the following benefits: health, dental, and vision insurance. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

OTHER INFORMATION (Unaudited)

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

	Education	Debt Service	Pension Debt Fund	Operations	Rainy Day	Construction	Food Service	Textbook Rental	Auditorium Fund	Pre-Kindergarten	Donations	Formative Assessment	State Medicaid
Cash and investments - beginning	\$ 2,548,369	\$ 220,895	\$ (3,594)	\$ 485,585	\$ 1,764,083	\$ (239,448)	\$ 124,249	\$ 77,956	\$ 646	\$ 35,024	\$ -	\$ 3,469	\$ -
Receipts:													
Local sources	238,213	1,079,929	4,466	1,134,903	-	640,694	311,568	60,139	-	43,141	10,045	6,675	-
Intermediate sources	38	-	-	70	-	-	-	-	-	-	-	-	-
State sources	5,092,806	-	-	-	-	-	-	177,885	-	-	-	-	14,663
Federal sources	-	-	-	-	-	-	204,039	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	135,669	-	-	9,911	-	-	603	-	-	-	-	-	-
Total receipts	5,466,726	1,079,929	4,466	1,144,884	-	640,694	516,210	238,024	-	43,141	10,045	6,675	14,663
Disbursements:													
Instruction	3,048,617	-	-	-	-	-	-	-	-	34,796	-	8,048	-
Support services	854,086	-	-	1,829,754	-	-	-	202,385	-	-	-	-	-
Noninstructional services	84,771	-	-	-	-	-	413,996	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	72,347	-	340,817	-	-	-	-	-	-	-
Debt services	-	866,500	-	-	-	39,750	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	3,987,474	866,500	-	1,902,101	-	380,567	413,996	202,385	-	34,796	-	8,048	-
Excess (deficiency) of receipts over disbursements	1,479,252	213,429	4,466	(757,217)	-	260,127	102,214	35,639	-	8,345	10,045	(1,373)	14,663
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	545,000	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	540,000	300,000	-	-	-	-	-	-	-	-
Transfers out	(840,000)	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(840,000)	-	-	540,000	300,000	545,000	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	639,252	213,429	4,466	(217,217)	300,000	805,127	102,214	35,639	-	8,345	10,045	(1,373)	14,663
Cash and investments - ending	\$ 3,187,621	\$ 434,324	\$ 872	\$ 268,368	\$ 2,064,083	\$ 565,679	\$ 226,463	\$ 113,595	\$ 646	\$ 43,369	\$ 10,045	\$ 2,096	\$ 14,663

(Continued)

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

	Safety Grant	Early Intervention Fy 22	Nesp	Cte Grant	Teacher Performance Award	High Ability	Connectivity	Title I 21-22	Title I 22-23	611 Part B 20- 21	611 Part B 21- 22	Sp Ed Part B 619 21-22	611 Part B 22- 23
Cash and investments - beginning	\$ (11,353)	\$ -	\$ -	\$ 2,566	\$ -	\$ 7,418	\$ 4,765	\$ (35,875)	\$ -	\$ -	\$ (13,266)	\$ -	\$ -
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	29,079	1,989	5,001	513	26,492	22,180	7,200	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	179,379	-	-	29,900	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	29,079	1,989	5,001	513	26,492	22,180	7,200	179,379	-	-	29,900	-	-
Disbursements:													
Instruction	-	1,877	792	2,581	26,492	18,906	-	85,012	122,480	-	106,612	26,240	-
Support services	37,111	-	-	-	-	-	5,036	1,500	31,205	2,920	-	-	-
Noninstructional services	-	-	-	-	-	-	-	496	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	60,707
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	37,111	1,877	792	2,581	26,492	18,906	5,036	87,008	153,685	2,920	106,612	26,240	60,707
Excess (deficiency) of receipts over disbursements	(8,032)	112	4,209	(2,068)	0	3,274	2,164	92,371	(153,685)	(2,920)	(76,712)	(26,240)	(60,707)
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 (under) disbursements and other financing uses	(8,032)	112	4,209	(2,068)	0	3,274	2,164	92,371	(153,685)	(2,920)	(76,712)	(26,240)	(60,707)
Cash and investments - ending	\$ (19,385)	\$ 112	\$ 4,209	\$ 498	\$ 0	\$ 10,692	\$ 6,929	\$ 56,496	\$ (153,685)	\$ (2,920)	\$ (89,978)	\$ (26,240)	\$ (60,707)

(Continued)

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

	Federal Medicaid	Title II 22-23	Title II 23-24	Srsa 2021	Srsa Fy22	611 Arp	619 Arp	ESSER III	ESSER II	Lunch Deposits	Payroll	Retiree Insurance	Clearing Account	Totals
Cash and investments - beginning	\$ 85,214	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (129,713)	\$ (25,407)	\$ 2,949	\$ 16,383	\$ 215	\$ (58,729)	\$ 4,862,401
Receipts:														
Local sources	-	-	-	-	-	-	-	-	-	118,324	2,202,412	39,421	66,971	5,956,901
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	108
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-	5,377,808
Federal sources	31,361	-	12,752	-	24,706	17,757	34,050	129,714	174,499	-	-	-	-	838,156
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	146,183
Total receipts	31,361	-	12,752	-	24,706	17,757	34,050	129,714	174,499	118,324	2,202,412	39,421	66,971	12,319,156
Disbursements:														
Instruction	-	810	9,802	489	24,217	34,828	-	-	17,338	-	-	-	555	3,570,493
Support services	-	-	5,516	-	-	-	-	-	-	-	-	-	-	2,969,513
Noninstructional services	-	-	-	-	-	-	-	-	-	109,745	2,201,769	29,943	-	2,840,720
Facilities acquisition and construction	4,960	-	-	-	-	-	-	363,918	-	-	-	-	-	842,749
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	906,250
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	4,960	810	15,318	489	24,217	34,828	-	363,918	17,338	109,745	2,201,769	29,943	555	11,129,725
Excess (deficiency) of receipts over disbursements	26,401	(810)	(2,566)	(489)	489	(17,071)	34,050	(234,204)	157,160	8,579	643	9,478	66,416	1,189,431
Other financing sources (uses):														
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	545,000
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	187,625	-	-	-	-	-	1,027,625
Transfers out	-	-	-	-	-	-	-	-	(187,625)	-	-	-	-	(1,027,625)
Total other financing sources (uses)	-	-	-	-	-	-	-	187,625	(187,625)	-	-	-	-	545,000
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	26,401	(810)	(2,566)	(489)	489	(17,071)	34,050	(46,579)	(30,465)	8,579	643	9,478	66,416	1,734,431
Cash and investments - ending	\$ 111,615	\$ (810)	\$ (2,566)	\$ (489)	\$ 489	\$ (17,071)	\$ 34,050	\$ (176,292)	\$ (55,872)	\$ 11,528	\$ 17,026	\$ 9,693	\$ 7,687	\$ 6,596,832

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

	Education	Debt Service	Pension Debt Fund	Operations	Rainy Day	Construction	Food Service	Textbook Rental	Auditorium Fund	Pre-Kindergarten	Donations	Formative Assessment	State Medicaid	Safety Grant
Cash and investments - beginning	\$ 3,187,621	\$ 434,324	\$ 872	\$ 268,368	\$ 2,064,083	\$ 565,679	\$ 226,463	\$ 113,595	\$ 646	\$ 43,369	\$ 10,045	\$ 2,096	\$ 14,663	\$ (19,385)
Receipts:														
Local sources	572,583	1,211,155	-	1,235,647	-	-	429,057	167,059	-	34,483	2,000	8,854	-	-
Intermediate sources	38	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	5,558,948	-	-	-	-	-	-	-	-	-	-	-	14,427	76,814
Federal sources	-	-	-	-	-	-	469	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	29,962	-	-	6,147	-	-	2,669	-	-	-	-	-	-	-
Total receipts	6,161,531	1,211,155	-	1,241,794	-	-	432,195	167,059	-	34,483	2,000	8,854	14,427	76,814
Disbursements:														
Instruction	3,491,587	-	-	-	-	-	-	-	-	29,262	-	-	-	-
Support services	926,489	-	-	1,747,151	-	-	-	31,768	-	-	-	-	-	50,508
Noninstructional services	91,736	-	-	-	-	-	474,624	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	159	-	659,256	-	-	-	-	-	-	-	-
Debt services	-	1,354,467	-	-	-	386,080	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	4,509,812	1,354,467	-	1,747,310	-	1,045,336	474,624	31,768	-	29,262	-	-	-	50,508
Excess (deficiency) of receipts over disbursements	1,651,719	(143,312)	-	(505,516)	-	(1,045,336)	(42,429)	135,291	-	5,222	2,000	8,854	14,427	26,306
Other financing sources (uses):														
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	590,000	300,000	1,750	-	-	-	-	-	-	-	-
Transfers out	(890,000)	(1,750)	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(890,000)	(1,750)	-	590,000	300,000	1,750	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	761,719	(145,062)	-	84,484	300,000	(1,043,586)	(42,429)	135,291	-	5,222	2,000	8,854	14,427	26,306
Cash and investments - ending	\$ 3,949,340	\$ 289,262	\$ 872	\$ 352,852	\$ 2,364,083	\$ (477,907)	\$ 184,034	\$ 248,886	\$ 646	\$ 48,591	\$ 12,045	\$ 10,950	\$ 29,090	\$ 6,921

(Continued)

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

	Early Intervention Fy 22	Early Intervention	Nesp	Cte Grant	Teacher Performance Award	High Ability	Connectivity	Title I 21-22	Title I 22-23	Title I 23-24	611 Part B 20-21	611 Part B 21-22	Sp Ed Part B 619 21-22	611 Part B 22- 23	611 Part B 23-24
Cash and investments - beginning	\$ 112	\$ -	\$ 4,209	\$ 498	\$ 0	\$ 10,692	\$ 6,929	\$ 56,496	\$ (153,685)	\$ -	\$ (2,920)	\$ (89,978)	\$ (26,240)	\$ (60,707)	\$ -
Receipts:															
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	15,540	-	-	25,198	27,454	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	13,962	203,977	-	-	16,949	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	15,540	-	-	25,198	27,454	-	13,962	203,977	-	-	16,949	-	-	-
Disbursements:															
Instruction	-	16,729	-	-	29,186	25,152	-	-	101,953	132,502	-	-	-	86,931	143,403
Support services	-	-	-	-	-	-	1,820	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	16,729	-	-	29,186	25,152	1,820	-	101,953	132,502	-	-	-	86,931	143,403
Excess (deficiency) of receipts over disbursements	-	(1,189)	-	-	(3,988)	2,301	(1,820)	13,962	102,024	(132,502)	-	16,949	-	(86,931)	(143,403)
Other financing sources (uses):															
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	10,651	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	10,651	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	-	(1,189)	-	-	(3,988)	2,301	(1,820)	24,613	102,024	(132,502)	-	16,949	-	(86,931)	(143,403)
Cash and investments - ending	\$ 112	\$ (1,189)	\$ 4,209	\$ 498	\$ (3,988)	\$ 12,993	\$ 5,109	\$ 81,109	\$ (51,661)	\$ (132,502)	\$ (2,920)	\$ (73,028)	\$ (26,240)	\$ (147,638)	\$ (143,403)

(Continued)

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

	Title IV Fy22	Title IV Fy23	Federal Medicaid	Title II 22-23	Title II 23-24	Srsa 2021	Srsa Fy22	611 Arp	619 Arp	ESSER III	ESSER II	Lunch Deposits	Payroll	Retiree Insurance	Clearing Account	Totals
Cash and investments - beginning	\$ -	\$ -	\$111,615	\$ (810)	\$ (2,566)	\$ (489)	\$ 489	\$ (17,071)	\$ 34,050	\$ (176,292)	\$ (55,872)	\$ 11,528	\$ 17,026	\$ 9,693	\$ 7,687	\$ 6,596,832
Receipts:																
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,660,838
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	38
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,718,381
Federal sources	-	-	28,871	810	5,288	-	-	28,149	-	356,388	-	139,229	2,563,118	38,877	1,738	3,397,824
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	38,778
Total receipts	-	-	28,871	810	5,288	-	-	28,149	-	356,388	-	139,229	2,563,118	38,877	1,738	12,815,859
Disbursements:																
Instruction	-	14,394	-	-	8,277	-	4,846	-	-	49,590	101,881	136,030	2,469,338	40,021	1,560	6,882,641
Support services	-	-	7,382	-	-	-	-	5,594	-	-	-	-	-	-	-	2,770,711
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	566,360
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	659,415
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,740,547
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	14,394	7,382	-	8,277	-	4,846	5,594	-	49,590	101,881	136,030	2,469,338	40,021	1,560	12,619,674
Excess (deficiency) of receipts over disbursements	-	(14,394)	21,489	810	(2,989)	-	(4,846)	22,555	-	306,798	(101,881)	3,198	93,780	(1,143)	178	196,185
Other financing sources (uses):																
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	43,572	-	-	-	-	-	945,972
Transfers out	(10,651)	-	-	-	-	-	-	-	-	-	(43,572)	-	-	-	-	(945,972)
Total other financing sources (uses)	(10,651)	-	-	-	-	-	-	-	-	43,572	(43,572)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(10,651)	(14,394)	21,489	810	(2,989)	-	(4,846)	22,555	-	350,370	(145,452)	3,198	93,780	(1,143)	178	196,185
Cash and investments - ending	\$ (10,651)	\$ (14,394)	\$133,104	\$ (0)	\$ (5,555)	\$ (489)	\$ (4,357)	\$ 5,484	\$ 34,050	\$ 174,078	\$ (201,324)	\$ 14,726	\$ 110,805	\$ 8,550	\$ 7,865	\$ 6,793,016

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

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 692,267</u>	<u>\$ 819,339</u>

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

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
Argos Community Schools Building Corporation	Roof/Solar/Building Improvement-2019	\$ 213,000	6/30/2021	12/31/2027
Argos Community Schools Building Corporation	Building Improvement-2017	58,000	6/30/2018	12/31/2025
Argos Community Schools Building Corporation	Classroom addition rooftop HVAC replacements site development-2022B	376,000	11/30/2022	1/15/2040
Argos Community Schools Building Corporation	School bus replacement-GO 2023	<u>498,000</u>	5/9/2023	1/15/2027
Total governmental activities		<u>1,145,000</u>		
Total of annual lease payments		<u>\$ 1,145,000</u>		

<u>Type</u>	<u>Description of Debt</u>	<u>Ending Principal Balance</u>	<u>Principal Due Within One Year</u>
Governmental activities:			
General Obligation Bonds	School bus replacements and building maintenance	\$ 485,000	\$ 110,000
Total governmental activities		<u>485,000</u>	<u>110,000</u>
Totals		<u>\$ 485,000</u>	<u>\$ 110,000</u>

ARGOS COMMUNITY SCHOOLS
SCHEDULE OF CAPITAL ASSETS
June 30, 2024

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 324,569
Buildings	18,255,348
Improvements other than buildings	1,750,205
Machinery, equipment, and vehicles	2,568,315
Construction in progress	<u>3,668,081</u>
Total governmental activities	<u>26,566,518</u>
Total capital assets	<u>\$ 26,566,518</u>

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

Financial Statement and Accompanying Notes:

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

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

Indiana Department of Education Reporting:

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

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

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

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 06-30-24	Total Federal Awards Expended 07-01-22 to 06-30-24
<u>Department of Agriculture</u>						
Child Nutrition Cluster	Indiana Department of Education					
School Breakfast Program		10.553	FY2023, FY2024	\$ 69,776	\$ 57,958	\$ 127,734
National School Lunch Program		10.555	FY2023, FY2024	277,334	235,439	512,773
Supply Chain Assiatance Funds		10.555	FY2023, FY2024	17,997	-	17,997
Commodities		10.555	FY2023, FY2024	25,577	24,065	49,642
Total - Child Nutrition Cluster				<u>390,684</u>	<u>317,462</u>	<u>708,146</u>
Total - Department of Agriculture				<u>390,684</u>	<u>317,462</u>	<u>708,146</u>
<u>Department of Education</u>						
Special Education Cluster(IDEA)	Indiana Department of Education					
Special Education Grants to States						
COVID-19 - Supplemental Funding - IDEA, Part B		84.027X	H027X210084	6,042	28,149	34,191
IDEA, Part B		84.027	H027A200084	2,926	-	2,926
IDEA, Part B		84.027	H027A210084	38,689	16,949	55,638
IDEA, Part B		84.027	H027A220084	34,050	-	34,050
Total - Special Education Grants to States				<u>81,707</u>	<u>45,098</u>	<u>126,805</u>
Total - Special Education Cluster(IDEA)				<u>81,707</u>	<u>45,098</u>	<u>126,805</u>
Title I Grants to Local Educational Agencies	Indiana Department of Education					
Title I, Part A		84.010A	S010A210014	122,234	-	122,234
Title I, Part A		84.010A	S010A220014	57,145	99,909	157,054
Title I, Part A		84.010A	S010A230014	-	94,481	94,481
Total - Title I Grants to Local Educational Agencies				<u>179,379</u>	<u>194,390</u>	<u>373,769</u>
Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II, Part A		84.367A	S367A200013	810	-	810
Title II, Part A		84.367A	S367A210013	9,226	15,968	25,194
Title II, Part A		84.367A	S367A220013	-	13,679	13,679
Total - Supporting Effective Instruction State Grants				<u>10,036</u>	<u>29,647</u>	<u>39,683</u>

(Continued)

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 06-30-24	Total Federal Awards Expended 07-01-22 to 06-30-24
COVID-19 - Education Stabilization Fund	Indiana Department of Education					
Elementary and Secondary School Emergency Relief (ESSER I) Fund		84.425D	S425D200013	\$ 9,000	\$ -	\$ 9,000
Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D	S425D210013	38,758	-	38,758
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund (ESSER III)		84.425U	S425U210013	<u>269,445</u>	<u>356,388</u>	<u>625,833</u>
Total - COVID-19 - Education Stabilization Fund				<u>317,203</u>	<u>356,388</u>	<u>673,591</u>
Total - Department of Education				<u>588,325</u>	<u>625,523</u>	<u>1,213,848</u>
<u>Department of Health and Human Services</u>						
Medicaid Cluster						
Medical Assistance Program	Family and Social Services Administration					
Federal Medicaid Reimbursement		93.778	FY2023, FY2024	<u>40,339</u>	<u>6,235</u>	<u>46,574</u>
Total - Medicaid Cluster				<u>40,339</u>	<u>6,235</u>	<u>46,574</u>
Total - Department of Health and Human Services				<u>40,339</u>	<u>6,235</u>	<u>46,574</u>
Total federal awards expended				<u>\$ 1,019,348</u>	<u>\$ 949,220</u>	<u>\$ 1,968,568</u>

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

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

NOTE 1 - BASIS OF PRESENTATION

A. Basis of Presentation

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

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

B. Other Significant Accounting Policies

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

NOTE 2 - INDIRECT COST RATE

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

NOTE 3 - OTHER INFORMATION

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

NOTE 4 - NON-CASH PROGRAMS (COMMODITIES)

Commodities donated to the School Corporation by the U.S. Department of Agriculture (USDA) of \$49,642 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
Argos Community Schools
Marshall 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 Argos Community Schools ("School Corporation"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School Corporation as of June 30, 2024 and for the period July 1, 2022 through June 30, 2024 and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement, and have issued our report thereon dated March 28, 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. 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.

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

Indianapolis, Indiana
March 28, 2025

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

Those Charged with Governance
Argos Community Schools
Marshall County, Indiana

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

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

Qualified Opinion on the Education Stabilization Fund

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

Unmodified Opinion on the Other Major Federal Program

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

Basis for Qualified and Unmodified Opinions

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

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

(Continued)

Matter Giving Rise to Qualified Opinion on the Education Stabilization Fund

As described in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding ALN 84.425U Education Stabilization Fund as described in finding number 2024-003 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 responses to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The School Corporation's response was not

(Continued)

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 item 2024-003, to be a material weakness.

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

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

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

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


Crowe LLP

Indianapolis, Indiana
March 28, 2025

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

Section I – Summary of Auditor’s Results

Financial Statement

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

Internal control over financial reporting:

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

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

Internal control over major programs:

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

Type of auditor’s report issued on compliance for major programs:	Child Nutrition Cluster – Unmodified COVID-19 - Education Stabilization Fund - Qualified
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Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	<u> X </u>	Yes	_____	No
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Identification of major programs:

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

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
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Auditee qualified as low-risk auditee?	_____	Yes	<u> X </u>	No
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(Continued)

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

Section II – Financial Statement Findings

FINDING 2024-001

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

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

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

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

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

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

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: Due to turnover at the Treasurer level and first time completing AFR reporting, management had not established a system of internal control that would have ensured proper reporting of the AFR.

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

(Continued)

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

Section II – Financial Statement Findings (Continued)

FINDING 2024-001 (Continued)

- For the period of July 1, 2022 to June 30, 2023, the beginning cash balance was understated by \$2,059,953. Receipt amounts were understated by \$10,160,916; the disbursement amounts were understated by \$6,991,807, and other financing sources were understated by 529,353 resulting in an understatement of ending cash of \$5,758,415.
- For the period of July 1, 2023 to June 30, 2024, the beginning cash balance was understated by \$5,758,415. Receipt amounts were understated by \$2,915,543; the disbursement amounts were understated by \$2,827,342, and other financing sources were overstated by \$615,374 resulting in an understatement of ending cash of \$5,231,241.

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

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.

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.

(Continued)

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

Section II – Financial Statement Findings (Continued)

FINDING 2024-002 (Continued)

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.

(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.

(Continued)

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

Section II – Financial Statement Findings (Continued)

FINDING 2024-002 (Continued)

(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 reviewed prior to submission. However, it was not reviewed in enough detail to prevent the following errors that resulted in the understatement on the SEFA of \$458,504 for the period July 1, 2022, through June 30, 2024:

- The Child Nutrition Cluster (10.553, 10.555) expenditures were understated by \$99,944.
- The Special Education Cluster (84.027, 84.027X) expenditures were understated by \$18,748.
- The Title I, Part A (84.010A) expenditures were understated by \$131,872.
- The Title II, Part A (84.367A) expenditures were understated by \$38,874.
- The Education Stabilization Fund (84.425D, 84.425U) expenditures were understated by \$142,601.
- The Medicaid Cluster (93.778) expenditures were understated by \$26,465.

In addition, subrecipients of \$15,180 were improperly reported on the SEFA.

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

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, if applicable: No.

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)

ARGOS COMMUNITY SCHOOLS
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: 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 Number and Year (or Other Identifying Numbers): S425U210013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions – Wage Rate Requirements
Audit Finding: Material Weakness, Material Noncompliance, Modified Opinion

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

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

29 CFR 5.5 states in part:

(1) Minimum wages.

(i) All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the

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

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

2 CFR 200 Appendix II states in part:

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. . . .

(Continued)

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

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

FINDING 2024-003 (Continued)

(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: The School Corporation had two projects for playground equipment and installation at various buildings which was funded with ESSER III (84.425U) grant awards. The School Corporation did not include Davis-Bacon wage rate requirements in the vendor contract, and the School Corporation did not obtain the weekly payroll reports certifications from the construction vendor to monitor compliance with Davis-Bacon wage rate requirements. Therefore, no review was performed to ensure that pay rates complied with the federal wage rate requirements. The total project cost disbursed during the audit period was \$219,292 which included materials and labor.

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

Recommendation: We recommend the School Corporation implement a formal process to ensure the required weekly payroll reports certifications are collected and reviewed for projects requiring labor installation and funded by federal grants subject to Davis-Bacon wage rate requirements to ensure compliance with federal regulations.

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



CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS
June 30, 2024

FINDING 2024-001

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

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:

For the period of July 1, 2022 to June 30, 2023, the beginning cash balance was understated by \$2,059,953. Receipt amounts were understated by \$10,160,916; the disbursement amounts were understated by \$6,991,807, and other financing sources were understated by 529,353 resulting in an understatement of ending cash of \$5,758,415. For the period of July 1, 2023 to June 30, 2024, the beginning cash balance was understated by \$5,758,415. Receipt amounts were understated by \$2,915,543; the disbursement amounts were understated by \$2,827,342, and other financing sources were overstated by \$615,374 resulting in an understatement of ending cash of \$5,231,241.

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

Contact Person Responsible for Corrective Action: Kelli VanDerWeele, Director of Business Services/
Treasurer

Contact Phone Number: 574-892-5139

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Before submitting any report, Corporation will make sure all beginning balances agree with prior year audited financial statements, and that receipts and disbursements agree with the fund balance report. The Superintendent will verify accuracy of data, compare previous reports and document any changes.

Anticipated Completion Date: 7-1-2025

FINDING 2024-002

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 on the SEFA of \$458,504 for the period July 1, 2022, through June 30, 2024:

- The Child Nutrition Cluster (10.553, 10.555) expenditures were understated by \$99,944.
- The Special Education Cluster (84.027, 84.027X) expenditures were understated by \$18,748.
- The Title I, Part A (84.010A) expenditures were understated by \$131,872.
- The Title II, Part A (84.367A) expenditures were understated by \$38,874.
- The Education Stabilization Fund (84.425D, 84.425U) expenditures were understated by \$142,601.
- The Medicaid Cluster (93.778) expenditures were understated by \$26,465.

In addition, subrecipients of \$15,180 were improperly reported on the SEFA.

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

Contact Person Responsible for Corrective Action: Kelli VanDerWeele, Director of Business Services/
Treasurer

Contact Phone Number: 574-892-5139

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The Corporation will work to double check all amounts on the SEFA to ensure the amounts recorded agree to the underlying detail for the audit period. The Superintendent will verify accuracy of data, compare previous reports and document any changes.

Anticipated Completion Date: 7-1-2025

FINDING 2024-003

Information on the federal program:

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

Federal Agency: Department of Education

Federal Program: COVID-19 – Education Stabilization Fund

Assistance Listing Number: 84.425U

Federal Award Number and Year (or Other Identifying Numbers): S425U210013, S425D210013

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions – Wage Rate Requirements

Audit Finding: Material Weakness, Material Noncompliance, Modified Opinion

Context: The School Corporation had two projects for playground equipment and installation at various buildings which was funded with ESSER III (84.425U) grant awards. The School Corporation did not include Davis-Bacon wage rate requirements in the vendor contract, and the School Corporation did not obtain the weekly payroll reports certifications from the construction vendor to monitor compliance with Davis-Bacon wage rate requirements. Therefore, no review was performed to ensure that pay rates complied with the federal wage rate requirements. The total project cost disbursed during the audit period was \$219,292 which included materials and labor.

Contact Person Responsible for Corrective Action: Kelli VanDerWeele, Director of Business Services/
Treasurer

Contact Phone Number: 574-892-5139

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Argos Community Schools will ensure that going forward any construction we have done, funded with federal dollars will be compliant with Davis-Bacon Act Reporting laws and ensure we receive required documentation, as required by Federal Law.

Anticipated Completion Date: 04-01-2025

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding 2022-001

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: 84.425D, 84.425U
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Wage Rate Requirements
Audit Findings: Material Weakness, Material Noncompliance

Context: The School Corporation did not have an internal control designed to collect the weekly payroll reports certifications from a construction company and its subcontractors for building projects which include playground equipment and an outdoor classroom. As of June 30, 2022, \$174,607 was disbursed related to these construction projects. The construction payments represented 17% of the Education Stabilization Fund expenditures for the audit period. Therefore, no review was performed to ensure that pay rates complied with the federal wage rate requirements. The construction contracts did not include clauses for federal wage rate requirements.

Status: *Not Resolved*, see finding 2024-003. The finding was not resolved due to the timing of the prior audit and when the current activity occurred.

FINDING 2022-002

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: 84.425D, 84.425U
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Finding: Significant Deficiency

Context: The School Corporation was required to submit two Annual Data Reports to the Indiana Department of Education (IDOE) to meet federal reporting requirements for ESSER grant awards. The first report was for the period of March 13, 2020 to September 30, 2020 and was due by January 21, 2021. The second report was for the period of October 1, 2020 to June 30, 2021 and was due by May 13, 2022. We noted for both reports that were submitted, there was no documented review by someone other than the preparer of the report to ensure the information submitted was complete and accurate.

Status: *Resolved*