



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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March 14, 2023

To: The Officials of the Union School Corporation
Union School Corporation
8707 W. US Highway 36
Modoc, IN 47358

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Union School Corporation. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period July 1, 2020 to June 30, 2022. Per the *Independent Auditor's Report*, the financial statement referred to above presents fairly, in all material respects, the cash and investment balances of the School Corporation as of June 30, 2022, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2020 to June 30, 2022 in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

We call your attention to the findings included in the report on pages 38-43. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 44 and 45.

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

In addition to the report presented herein, a Supplemental Report for Union School Corporation was prepared in accordance with the guidelines established by the State Board of Accounts.

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

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

UNION SCHOOL CORPORATION
Randolph County, Indiana

FINANCIAL STATEMENT
As of June 30, 2022, and for the
period of July 1, 2020 to June 30, 2022

UNION SCHOOL CORPORATION
Randolph County, Indiana

FINANCIAL STATEMENT
As of June 30, 2022, and for the
period of July 1, 2020 to June 30, 2022

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UNION SCHOOL CORPORATION
SCHEDULE OF OFFICIALS (Unaudited)
For the period July 1, 2020 to June 30, 2022

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Abigail Lindsey	07-01-20 to 06-30-22
Superintendent of Schools	Michael Huber	07-01-20 to 06-30-22
President of the School Board	Christi Ogden	07-01-20 to 06-30-22

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
Union School Corporation
Randolph County, Indiana

Report on the Audit of the Financial Statement***Opinions***

We have audited the accompanying statement of receipts, disbursements, other financing sources (uses) and cash and investment balances of the Union School Corporation (the School Corporation) as of June 30, 2022 and for the period of July 1, 2020 to June 30, 2022, 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, 2022, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2020 to June 30, 2022 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 paragraph, 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, 2022, or changes in net position for the period of July 1, 2020 to June 30, 2022.

Basis for Opinions

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 opinions.

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

As described in Note 1 to the financial statement, the financial statement is prepared by the School Corporation 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.

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 opinions. 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 opinions 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 are not a required part of the financial statement.

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 opinions 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 Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2023 on 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 8, 2023

UNION SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
As of June 30, 2022 and for the period of July 1, 2020 through June 30, 2022

Fund	Cash and Investments 07-01-2020	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2021	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2022
Education Fund	\$ 3,134,310	\$ 45,176,747	\$ 41,889,273	\$ (1,050,000)	\$ 5,371,784	\$ 48,084,705	\$ 44,417,026	\$ (360,000)	\$ 8,679,463
Debt Service Fund	364,449	369,004	617,000	-	116,453	371,256	368,800	4,624	123,533
Retirement/Severance Bond	4,621	3	-	-	4,624	-	-	(4,624)	-
Operations Fund	923,738	1,229,322	1,459,604	300,000	993,456	1,317,813	1,684,628	360,000	986,641
Rainy Day Fund	1,829,138	(1)	-	750,000	2,579,137	-	-	-	2,579,137
Construction Fund	-	23,756	23,756	-	-	-	-	-	-
School Lunch Fund	36,682	202,666	152,854	-	86,494	164,210	191,127	-	59,577
Textbook Rental Fund	38,395	581	-	-	38,976	60	-	-	39,036
Levey Excess Fund	-	8,011	-	-	8,011	-	-	-	8,011
Education Plate Fund	938	-	-	-	938	-	-	-	938
Gifts & Donations Fund	-	2,000	-	-	2,000	-	-	-	2,000
Summer Learning Grant	-	4,222	-	-	4,222	-	-	-	4,222
Mcdonalds Science Grant	5,588	-	-	-	5,588	-	-	-	5,588
Teacher Qualiity Improvement Program	1,606	-	-	-	1,606	-	-	-	1,606
High Ability 2016 2016	33,672	(1)	2,739	-	30,932	-	-	-	30,932
Alternative Education	22,497	138,624	131,693	-	29,428	177,000	168,150	-	38,278
John D Wilson Scholarship Fund	6,897	2	1,500	-	5,399	-	2,900	-	2,499
School Technology	20,181	4,681	-	-	24,862	2,340	-	-	27,202
Career & Technical Performance Grant	2,178	-	-	-	2,178	-	-	-	2,178
Tag Grant	-	241,954	241,963	-	(9)	-	-	-	(9)
18-19 High Ability Grant	43,491	35,986	13,092	-	66,385	54,972	25,833	-	95,524
Other State Funds	18,492	-	-	-	18,492	-	-	-	18,492
Title I	(11,252)	6,286	12,058	-	(17,024)	-	-	-	(17,024)
Title I 2014-2015	71,382	(8)	-	-	71,374	-	-	-	71,374
Title I 2015-2016	(82,913)	-	-	-	(82,913)	-	-	-	(82,913)
Title I 2019-2020	(9,741)	91,144	94,005	-	(12,602)	-	-	-	(12,602)
Title I 2020-2021	-	25,193	88,991	-	(63,798)	80,426	74,268	-	(57,640)
Title I Sig	(6,192)	102,383	166,208	-	(70,017)	68,805	6,291	-	(7,503)
Title I Sig Hs	-	-	93,403	-	(93,403)	111,419	57,924	-	(39,908)
Title I Sig K12	-	-	-	-	-	22,500	175,500	-	(153,000)
Special Education Part B	11,043	664,204	638,243	-	37,004	445,152	199,381	-	282,775
Title Iv 18-19	-	10,000	10,019	-	(19)	-	-	-	(19)
Title Iv 19-20	-	-	746	-	(746)	-	9,360	-	(10,106)
Title li A Fy 12/13	(145)	-	-	-	(145)	-	-	-	(145)
Title li 18-19	(1,220)	-	8,523	-	(9,743)	17,888	7,915	-	230
Title li 19-20	(540)	-	18,477	-	(19,017)	34,881	16,695	-	(831)
Title li 20-21	-	-	-	-	-	-	18,675	-	(18,675)
Title li 22-23	-	-	-	-	-	-	1,147	-	(1,147)
Title li A Fy 2017	(676)	-	-	-	(676)	-	-	-	(676)
Rural Schools & Low Income	(23,802)	-	4,550	-	(28,352)	-	-	-	(28,352)
Rural Schools & Low Income 19/20	(8,197)	13,841	10,400	-	(4,756)	-	-	-	(4,756)

(Continued)

UNION SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
As of June 30, 2022 and for the period of July 1, 2020 through June 30, 2022

Fund	Cash and Investments 07-01-2020	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2021	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2022
Rural Schools & Low Income 21/22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,691	\$ -	\$ (27,691)
ESSER II	-	-	177,980	-	(177,980)	193,531	79,111	-	(63,560)
ESSER I	-	50,504	63,152	-	(12,648)	16,884	6,140	-	(1,904)
Esser III	-	-	-	-	-	35,026	99,244	-	(64,218)
Prepaid School Lunch Accounts	4,793	5,041	4,126	-	5,708	6,518	5,980	-	6,246
Band Refund	40	-	-	-	40	-	-	-	40
Federal Tax	5,764	171,909	171,909	-	5,764	205,881	205,881	-	5,764
Social Security	11,232	177,943	177,943	-	11,232	192,543	192,543	-	11,232
State Tax	2,843	73,241	73,041	-	3,043	80,897	80,753	-	3,187
County Tax	24,693	42,340	43,250	-	23,783	50,431	50,225	-	23,989
Perf	8	6,669	6,669	-	8	6,137	6,136	-	9
Health Insurance	16,268	-	-	-	16,268	-	-	-	16,268
Long Term Disability	616	-	-	-	616	-	-	-	616
Life Insurance	883	-	-	-	883	-	-	-	883
Cancer Insurance	256	-	-	-	256	-	-	-	256
Am Fidelity Life Ins	891	-	-	-	891	-	-	-	891
Metlife Resources - Annuity	(3,979)	28,518	34,509	-	(9,970)	30,721	35,918	-	(15,167)
Retiree Insurance	16,829	-	-	-	16,829	-	-	-	16,829
Del Met Credit Union	20,415	-	-	-	20,415	-	-	-	20,415
Child Support Withholding	249	10,396	10,396	-	249	10,244	10,244	-	249
125 Plan	2,872	-	-	-	2,872	-	-	-	2,872
Anthem Health Insurance	(13,001)	103,149	101,753	-	(11,605)	99,431	102,673	-	(14,847)
Supplemental Life Ins Premiums	(232)	2,317	2,550	-	(465)	2,275	2,464	-	(654)
Aflac Employee Paid Insurance	1,888	-	-	-	1,888	-	-	-	1,888
America Fidelity Employee-Paid	(991)	22,078	19,264	-	1,823	32,089	26,420	-	7,492
Reimbursable Expenses	(1,683)	6,274	4,982	-	(391)	302	120	-	(209)
Pre-School Donation Fund	100	-	-	-	100	-	-	-	100
Damage/Repair - Student Device	4,131	-	-	-	4,131	-	-	-	4,131
Fringe Benefit Clearing Fund	305	-	-	-	305	-	-	-	305
Totals	\$ 6,519,810	\$ 49,050,979	\$ 46,570,621	\$ -	\$ 9,000,168	\$ 51,916,337	\$ 48,357,163	\$ -	\$ 12,559,342

See notes to financial statement.

UNION SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022, and for the period July 1, 2020 to June 30, 2022

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 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.

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.

(Continued)

UNION SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022, and for the period July 1, 2020 to June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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:

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

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

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

(Continued)

UNION SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENT
 As of June 30, 2022, and for the period July 1, 2020 to June 30, 2022

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 - RECLASSIFICATION

Certain prior year balances have been reclassified to conform to the current fiscal year presentation. The reclassifications had no effect on total opening cash balances. The clearing fund which was previously reported in the aggregate amount of \$95,190 at June 30, 2020, has been reclassified to the following individual fund balances at July 1, 2020 to reflect the nature of the clearing fund activity as follows:

Prepaid School Lunch Accounts	\$ 4,793
Band Refund	40
Federal Tax	5,764
Social Security	11,232
State Tax	2,843
County Tax	24,693
Perf	8
Health Insurance	16,268
Long Term Disability	616
Life Insurance	883
Cancer Insurance	256
Am Fidelity Life Ins	891
Metlife Resources - Annuity	(3,979)
Retiree Insurance	16,829
Del Met Credit Union	20,415
Child Support Withholding	249
125 Plan	2,872
Anthem Health Insurance	(13,001)
Supplemental Life Ins Premiums	(232)
Aflac Employee Paid Insurance	1,888
America Fidelity Employee-Paid	(991)
Reimbursable Expenses	(1,683)
Pre-School Donation Fund	100
Damage/Repair - Student Device	4,131
Fringe Benefit Clearing Fund	305
	\$ 95,190

(Continued)

NOTE 3 - 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 4 - 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 5 - 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.

NOTE 6 - 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 7 - 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, 2021, and 2022. Deficits in other fund balances, including the Metlife Resources – Annuity, Anthem Health Insurance, and Supplemental Life Ins Premiums funds, were the result of disbursements exceeding receipts due to under-estimating current requirements for some funds. These deficits are to be prepaid from future receipts.

NOTE 8 - HOLDING CORPORATION

The School Corporation has entered into a series of capital leases with the Union School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments for the period July 1, 2020 to June 30, 2021 totaled \$614,650. Lease payments for the period July 1, 2021 to June 30, 2022 totaled \$368,800.

NOTE 9 - PENSION PLANS

Public Employees' Retirement Fund

Plan Description

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

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

Financial Report

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

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

NOTE 9 - PENSION PLANS (Continued)

Contributions

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

Teachers' Retirement Fund

Plan Descriptions

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

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

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

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

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

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

Financial Report

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

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

(Continued)

NOTE 9 - PENSION PLANS (Continued)

Contributions

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

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

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

SUPPLEMENTARY INFORMATION

UNION SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2020 through June 30, 2021

	Education Fund	Debt Service Fund	Retirement/Severance Bond	Operations Fund	Rainy Day Fund	Construction Fund	School Lunch Fund	Textbook Rental Fund	Levey Excess Fund	Education Plate Fund	Gifts & Donations Fund
Cash and investments - beginning	\$ 3,134,310	\$ 364,449	\$ 4,621	\$ 923,738	\$ 1,829,138	\$ -	\$ 36,682	\$ 38,395	\$ -	\$ 938	\$ -
Receipts:											
Local sources	142,633	369,004	3	1,229,322	(1)	23,756	5,032	581	8,011	-	2,000
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	45,034,114	-	-	-	-	-	759	-	-	-	-
Federal sources	-	-	-	-	-	-	196,875	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	45,176,747	369,004	3	1,229,322	(1)	23,756	202,666	581	8,011	-	2,000
Disbursements:											
Instruction	41,227,985	-	-	-	-	-	-	-	-	-	-
Support services	597,562	-	-	1,454,296	-	23,756	-	-	-	-	-
Noninstructional services	63,726	-	-	-	-	-	152,854	-	-	-	-
Facilities acquisition and construction	-	-	-	4,579	-	-	-	-	-	-	-
Debt services	-	617,000	-	729	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	41,889,273	617,000	-	1,459,604	-	23,756	152,854	-	-	-	-
Excess (deficiency) of receipts over disbursements	3,287,474	(247,996)	3	(230,282)	(1)	-	49,812	581	8,011	-	2,000
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	300,000	750,000	-	-	-	-	-	-
Transfers out	(1,050,000)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,050,000)	-	-	300,000	750,000	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,237,474	(247,996)	3	69,718	749,999	-	49,812	581	8,011	-	2,000
Cash and investments - ending	\$ 5,371,784	\$ 116,453	\$ 4,624	\$ 993,456	\$ 2,579,137	\$ -	\$ 86,494	\$ 38,976	\$ 8,011	\$ 938	\$ 2,000

(Continued)

UNION SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2020 through June 30, 2021

	Summer Learning Grant	Mcdonalds Science Grant	Teacher Quality Improvement Program	High Ability 2016 2016	Alternative Education	John D Wilson Scholarship Fund	School Technology	Career & Technical Performance Grant	Tag Grant	18-19 High Ability Grant	Other State Funds
Cash and investments - beginning	\$ -	\$ 5,588	\$ 1,606	\$ 33,672	\$ 22,497	\$ 6,897	\$ 20,181	\$ 2,178	\$ -	\$ 43,491	\$ 18,492
Receipts:											
Local sources	4,222	-	-	(1)	-	2	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	138,624	-	4,681	-	241,954	35,986	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	4,222	-	-	(1)	138,624	2	4,681	-	241,954	35,986	-
Disbursements:											
Instruction	-	-	-	2,739	131,693	1,500	-	-	241,963	13,092	-
Support services	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	2,739	131,693	1,500	-	-	241,963	13,092	-
Excess (deficiency) of receipts over disbursements	4,222	-	-	(2,740)	6,931	(1,498)	4,681	-	(9)	22,894	-
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,222	-	-	(2,740)	6,931	(1,498)	4,681	-	(9)	22,894	-
Cash and investments - ending	\$ 4,222	\$ 5,588	\$ 1,606	\$ 30,932	\$ 29,428	\$ 5,399	\$ 24,862	\$ 2,178	\$ (9)	\$ 66,385	\$ 18,492

(Continued)

UNION SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2020 through June 30, 2021

	Title I	Title I 2014-2015	Title I 2015-2016	Title I 2019-2020	Title I 2020-2021	Title I Sig	Title I Sig Hs	Special Education Part B	Title Iv 18-19	Title Iv 19-20	Title li A Fy 12/13
Cash and investments - beginning	\$ (11,252)	\$ 71,382	\$ (82,913)	\$ (9,741)	\$ -	\$ (6,192)	\$ -	\$ 11,043	\$ -	\$ -	\$ (145)
Receipts:											
Local sources	6,286	(8)	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	91,144	25,193	102,383	-	664,204	10,000	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	6,286	(8)	-	91,144	25,193	102,383	-	664,204	10,000	-	-
Disbursements:											
Instruction	12,058	-	-	94,005	88,991	129,532	-	638,243	10,019	-	-
Support services	-	-	-	-	-	36,676	93,403	-	-	746	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	12,058	-	-	94,005	88,991	166,208	93,403	638,243	10,019	746	-
Excess (deficiency) of receipts over disbursements	(5,772)	(8)	-	(2,861)	(63,798)	(63,825)	(93,403)	25,961	(19)	(746)	-
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,772)	(8)	-	(2,861)	(63,798)	(63,825)	(93,403)	25,961	(19)	(746)	-
Cash and investments - ending	\$ (17,024)	\$ 71,374	\$ (82,913)	\$ (12,602)	\$ (63,798)	\$ (70,017)	\$ (93,403)	\$ 37,004	\$ (19)	\$ (746)	\$ (145)

(Continued)

UNION SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2020 through June 30, 2021

	Title li 18-19	Title li 19-20	Title li A Fy 2017	Rural Schools & Low Income	Rural Schools & Low Income 19/20	ESSER II	ESSER I	Prepaid School Lunch Accounts	Band Refund	Federal Tax	Social Security
Cash and investments - beginning	\$ (1,220)	\$ (540)	\$ (676)	\$ (23,802)	\$ (8,197)	\$ -	\$ -	\$ 4,793	\$ 40	\$ 5,764	\$ 11,232
Receipts:											
Local sources	-	-	-	-	-	-	-	5,041	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	13,841	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	50,504	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	171,909	177,943
Total receipts	-	-	-	-	13,841	-	50,504	5,041	-	171,909	177,943
Disbursements:											
Instruction	6,333	15,584	-	-	10,400	76,500	-	-	-	-	-
Support services	2,190	2,893	-	4,550	-	101,480	63,152	65	-	-	-
Noninstructional services	-	-	-	-	-	-	-	4,061	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	171,909	177,943
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	8,523	18,477	-	4,550	10,400	177,980	63,152	4,126	-	171,909	177,943
Excess (deficiency) of receipts over disbursements	(8,523)	(18,477)	-	(4,550)	3,441	(177,980)	(12,648)	915	-	-	-
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(8,523)	(18,477)	-	(4,550)	3,441	(177,980)	(12,648)	915	-	-	-
Cash and investments - ending	\$ (9,743)	\$ (19,017)	\$ (676)	\$ (28,352)	\$ (4,756)	\$ (177,980)	\$ (12,648)	\$ 5,708	\$ 40	\$ 5,764	\$ 11,232

(Continued)

UNION SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2020 through June 30, 2021

	State Tax	County Tax	Perf	Health Insurance	Long Term Disability	Life Insurance	Cancer Insurance	Am Fidelity Life Ins	Metlife Resources - Annuity	Retiree Insurance	Del Met Credit Union
Cash and investments - beginning	\$ 2,843	\$ 24,693	\$ 8	\$ 16,268	\$ 616	\$ 883	\$ 256	\$ 891	\$ (3,979)	\$ 16,829	\$ 20,415
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	73,241	42,340	6,669	-	-	-	-	-	28,518	-	-
Total receipts	73,241	42,340	6,669	-	-	-	-	-	28,518	-	-
Disbursements:											
Instruction	-	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	73,041	43,250	6,669	-	-	-	-	-	34,509	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	73,041	43,250	6,669	-	-	-	-	-	34,509	-	-
Excess (deficiency) of receipts over disbursements	200	(910)	-	-	-	-	-	-	(5,991)	-	-
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	200	(910)	-	-	-	-	-	-	(5,991)	-	-
Cash and investments - ending	\$ 3,043	\$ 23,783	\$ 8	\$ 16,268	\$ 616	\$ 883	\$ 256	\$ 891	\$ (9,970)	\$ 16,829	\$ 20,415

(Continued)

UNION SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2020 through June 30, 2021

	Child Support Withholding	125 Plan	Anthem Health Insurance	Supplemental Life Ins Premiums	Aflac Employee Paid Insurance	America Fidelity Employee-Paid	Reimbursable Expenses	Pre-School Donation Fund	Damage/Repair - Student Device	Fringe Benefit Clearing Fund	Totals
Cash and investments - beginning	\$ 249	\$ 2,872	\$ (13,001)	\$ (232)	\$ 1,888	\$ (991)	\$ (1,683)	\$ 100	\$ 4,131	\$ 305	\$ 6,519,810
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	1,795,883
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	45,469,959
Federal sources	-	-	-	-	-	-	-	-	-	-	1,140,303
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	10,396	-	103,149	2,317	-	22,078	6,274	-	-	-	644,834
Total receipts	10,396	-	103,149	2,317	-	22,078	6,274	-	-	-	49,050,979
Disbursements:											
Instruction	-	-	-	-	-	-	-	-	-	-	42,700,637
Support services	-	-	-	-	-	-	-	-	-	-	2,380,769
Noninstructional services	-	-	-	-	-	-	-	-	-	-	220,641
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	4,579
Debt services	-	-	-	-	-	-	-	-	-	-	617,729
Nonprogrammed charges	10,396	-	101,753	2,550	-	19,264	4,982	-	-	-	646,266
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	10,396	-	101,753	2,550	-	19,264	4,982	-	-	-	46,570,621
Excess (deficiency) of receipts over disbursements	-	-	1,396	(233)	-	2,814	1,292	-	-	-	2,480,358
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	1,050,000
Transfers out	-	-	-	-	-	-	-	-	-	-	(1,050,000)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	1,396	(233)	-	2,814	1,292	-	-	-	2,480,358
Cash and investments - ending	\$ 249	\$ 2,872	\$ (11,605)	\$ (465)	\$ 1,888	\$ 1,823	\$ (391)	\$ 100	\$ 4,131	\$ 305	\$ 9,000,168

UNION SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING
 SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2021 through June 30, 2022

	Education Fund	Debt Service Fund	Retirement/Severance Bond	Operations Fund	Rainy Day Fund	School Lunch Fund	Textbook Rental Fund	Levey Excess Fund	Education Plate Fund	Gifts & Donations Fund	Summer Learning Grant
Cash and investments - beginning	\$ 5,371,784	\$ 116,453	\$ 4,624	\$ 993,456	\$ 2,579,137	\$ 86,494	\$ 38,976	\$ 8,011	\$ 938	\$ 2,000	\$ 4,222
Receipts:											
Local sources	531,681	371,256	-	1,317,813	-	11,304	60	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	47,553,024	-	-	-	-	1,231	-	-	-	-	-
Federal sources	-	-	-	-	-	151,675	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	48,084,705	371,256	-	1,317,813	-	164,210	60	-	-	-	-
Disbursements:											
Instruction	43,909,102	-	-	-	-	-	-	-	-	-	-
Support services	449,201	-	-	1,677,746	-	-	-	-	-	-	-
Noninstructional services	58,723	-	-	-	-	191,127	-	-	-	-	-
Facilities acquisition and construction	-	-	-	6,882	-	-	-	-	-	-	-
Debt services	-	368,800	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	44,417,026	368,800	-	1,684,628	-	191,127	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	3,667,679	2,456	-	(366,815)	-	(26,917)	60	-	-	-	-
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	4,624	-	360,000	-	-	-	-	-	-	-
Transfers out	(360,000)	-	(4,624)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(360,000)	4,624	(4,624)	360,000	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,307,679	7,080	(4,624)	(6,815)	-	(26,917)	60	-	-	-	-
Cash and investments - ending	\$ 8,679,463	\$ 123,533	\$ -	\$ 986,641	\$ 2,579,137	\$ 59,577	\$ 39,036	\$ 8,011	\$ 938	\$ 2,000	\$ 4,222

(Continued)

UNION SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING
 SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2021 through June 30, 2022

	Mcdonalds Science Grant	Teacher Quality Improvement Program	High Ability 2016 2016	Alternative Education	John D Wilson Scholarship Fund	School Technology	Career & Technical Performance Grant	Tag Grant	18-19 High Ability Grant	Other State Funds	Title I	Title I 2014-2015
Cash and investments - beginning	\$ 5,588	\$ 1,606	\$ 30,932	\$ 29,428	\$ 5,399	\$ 24,862	\$ 2,178	\$ (9)	\$ 66,385	\$ 18,492	\$ (17,024)	\$ 71,374
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	177,000	-	2,340	-	-	54,972	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	177,000	-	2,340	-	-	54,972	-	-	-
Disbursements:												
Instruction	-	-	-	168,150	2,900	-	-	-	25,833	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	168,150	2,900	-	-	-	25,833	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	8,850	(2,900)	2,340	-	-	29,139	-	-	-
Other financing sources (uses)												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	8,850	(2,900)	2,340	-	-	29,139	-	-	-
Cash and investments - ending	\$ 5,588	\$ 1,606	\$ 30,932	\$ 38,278	\$ 2,499	\$ 27,202	\$ 2,178	\$ (9)	\$ 95,524	\$ 18,492	\$ (17,024)	\$ 71,374

(Continued)

UNION SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING
 SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2021 through June 30, 2022

	Title I 2015-2016	Title I 2019-2020	Title I 2020-2021	Title I Sig	Title I Sig Hs	Title I Sig K12	Special Education Part B	Title Iv 18-19	Title Iv 19-20	Title Ii A Fy 12/13	Title Ii 18-19
Cash and investments - beginning	\$ (82,913)	\$ (12,602)	\$ (63,798)	\$ (70,017)	\$ (93,403)	\$ -	\$ 37,004	\$ (19)	\$ (746)	\$ (145)	\$ (9,743)
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	80,426	68,805	111,419	22,500	445,152	-	-	-	17,888
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	80,426	68,805	111,419	22,500	445,152	-	-	-	17,888
Disbursements:											
Instruction	-	-	74,268	6,291	45,606	175,500	199,381	-	-	-	7,162
Support services	-	-	-	-	12,318	-	-	-	9,360	-	753
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	74,268	6,291	57,924	175,500	199,381	-	9,360	-	7,915
Excess (deficiency) of receipts over disbursements	-	-	6,158	62,514	53,495	(153,000)	245,771	-	(9,360)	-	9,973
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	6,158	62,514	53,495	(153,000)	245,771	-	(9,360)	-	9,973
Cash and investments - ending	\$ (82,913)	\$ (12,602)	\$ (57,640)	\$ (7,503)	\$ (39,908)	\$ (153,000)	\$ 282,775	\$ (19)	\$ (10,106)	\$ (145)	\$ 230

(Continued)

UNION SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING
 SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2021 through June 30, 2022

	Title li 19-20	Title li 20-21	Title li 22-23	Title li A Fy 2017	Rural Schools & Low Income	Rural Schools & Low Income 19/20	Rural Schools & Low Income 21/22	ESSER II	ESSER I	Esser III	Prepaid School Lunch Accounts
Cash and investments - beginning	\$ (19,017)	\$ -	\$ -	\$ (676)	\$ (28,352)	\$ (4,756)	\$ -	\$ (177,980)	\$ (12,648)	\$ -	\$ 5,708
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	34,881	-	-	-	-	-	-	193,531	16,884	35,026	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	6,518
Total receipts	34,881	-	-	-	-	-	-	193,531	16,884	35,026	6,518
Disbursements:											
Instruction	3,700	18,675	-	-	-	-	27,691	47,997	-	99,244	-
Support services	12,995	-	1,147	-	-	-	-	31,114	6,140	-	40
Noninstructional services	-	-	-	-	-	-	-	-	-	-	5,940
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	16,695	18,675	1,147	-	-	-	27,691	79,111	6,140	99,244	5,980
Excess (deficiency) of receipts over disbursements	18,186	(18,675)	(1,147)	-	-	-	(27,691)	114,420	10,744	(64,218)	538
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	18,186	(18,675)	(1,147)	-	-	-	(27,691)	114,420	10,744	(64,218)	538
Cash and investments - ending	\$ (831)	\$ (18,675)	\$ (1,147)	\$ (676)	\$ (28,352)	\$ (4,756)	\$ (27,691)	\$ (63,560)	\$ (1,904)	\$ (64,218)	\$ 6,246

(Continued)

UNION SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING
 SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2021 through June 30, 2022

	Band Refund	Federal Tax	Social Security	State Tax	County Tax	Perf	Health Insurance	Long Term Disability	Life Insurance	Cancer Insurance	Am Fidelity Life Ins	Metlife Resources - Annuity	Retiree Insurance
Cash and investments - beginning	\$ 40	\$ 5,764	\$ 11,232	\$ 3,043	\$ 23,783	\$ 8	\$ 16,268	\$ 616	\$ 883	\$ 256	\$ 891	\$ (9,970)	\$ 16,829
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	205,881	192,543	80,897	50,431	6,137	-	-	-	-	-	30,721	-
Total receipts	-	205,881	192,543	80,897	50,431	6,137	-	-	-	-	-	30,721	-
Disbursements:													
Instruction	-	-	-	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	205,881	192,543	80,753	50,225	6,136	-	-	-	-	-	35,918	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	205,881	192,543	80,753	50,225	6,136	-	-	-	-	-	35,918	-
Excess (deficiency) of receipts over disbursements	-	-	-	144	206	1	-	-	-	-	-	(5,197)	-
Other financing sources (uses)													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	144	206	1	-	-	-	-	-	(5,197)	-
Cash and investments - ending	\$ 40	\$ 5,764	\$ 11,232	\$ 3,187	\$ 23,989	\$ 9	\$ 16,268	\$ 616	\$ 883	\$ 256	\$ 891	\$ (15,167)	\$ 16,829

(Continued)

UNION SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING
 SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2021 through June 30, 2022

	Del Met Credit Union	Child Support Withholding	125 Plan	Anthem Health Insurance	Supplemental Life Ins Premiums	Aflac Employee Paid Insurance	America Fidelity Employee-Paid	Reimbursable Expenses	Pre-School Donation Fund	Damage/Repair - Student Device	Fringe Benefit Clearing Fund	Totals
Cash and investments - beginning	\$ 20,415	\$ 249	\$ 2,872	\$ (11,605)	\$ (465)	\$ 1,888	\$ 1,823	\$ (391)	\$ 100	\$ 4,131	\$ 305	\$ 9,000,168
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	2,232,114
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	47,788,567
Federal sources	-	-	-	-	-	-	-	-	-	-	-	1,178,187
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	10,244	-	99,431	2,275	-	32,089	302	-	-	-	717,469
Total receipts	-	10,244	-	99,431	2,275	-	32,089	302	-	-	-	51,916,337
Disbursements:												
Instruction	-	-	-	-	-	-	-	-	-	-	-	44,811,500
Support services	-	-	-	-	-	-	-	-	-	-	-	2,200,814
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	255,790
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	6,882
Debt services	-	-	-	-	-	-	-	-	-	-	-	368,800
Nonprogrammed charges	-	10,244	-	102,673	2,464	-	26,420	120	-	-	-	713,377
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	10,244	-	102,673	2,464	-	26,420	120	-	-	-	48,357,163
Excess (deficiency) of receipts over disbursements	-	-	-	(3,242)	(189)	-	5,669	182	-	-	-	3,559,174
Other financing sources (uses)												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	364,624
Transfers out	-	-	-	-	-	-	-	-	-	-	-	(364,624)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(3,242)	(189)	-	5,669	182	-	-	-	3,559,174
Cash and investments - ending	\$ 20,415	\$ 249	\$ 2,872	\$ (14,847)	\$ (654)	\$ 1,888	\$ 7,492	\$ (209)	\$ 100	\$ 4,131	\$ 305	\$ 12,559,342

UNION SCHOOL CORPORATION
 SCHEDULE OF LEASES AND DEBT
 June 30, 2022

Description of Debt		Ending	Principal and
<u>Type</u>	<u>Purpose</u>	<u>Principal</u>	<u>Interest Due</u>
		<u>Balance</u>	<u>Within One</u>
			<u>Year</u>
Governmental activities:			
General Obligation Bonds	Building	\$ 290,000	\$ 270,000
General Obligation Bonds	Holding Company	<u>2,650,000</u>	<u>95,000</u>
Total governmental activities		<u>2,940,000</u>	<u>365,000</u>
Totals		<u>\$ 2,940,000</u>	<u>\$ 365,000</u>

UNION SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2022

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

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

UNION SCHOOL CORPORATION
STATE REPORTING INFORMATION
July 1, 2020 - June 30, 2022

Financial Statement and Accompanying Notes:

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

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

Indiana Department of Education Reporting:

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

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

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

UNION SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period July 1, 2020 through June 30, 2022

Federal Grantor Agency <u>Cluster Title/Program Title/Project Title</u>	<u>Pass-Through Entity or Direct Grant</u>	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended <u>06-30-21</u>	Total Federal Awards Expended <u>06-30-22</u>	Total Federal Awards Expended 07-01-2020 to <u>6-30-22</u>
<u>Department of Agriculture</u>						
Child Nutrition Cluster						
Food & Nutrition Service/ School Breakfast Program	Indiana Department of Education	10.559	FY2021, FY2022	\$ 177,202	\$ 151,675	\$ 328,877
Summer Food Services		10.559	FY2021, FY2022	13,165	17,498	30,663
Commodities		10.579	FY2021	19,672	-	19,672
Discretionary Grants				<u>19,672</u>	<u>-</u>	<u>19,672</u>
Total - Child Nutrition Cluster				<u>210,039</u>	<u>169,173</u>	<u>379,212</u>
Total - Department of Agriculture				<u>210,039</u>	<u>169,173</u>	<u>379,212</u>
<u>Department of Education</u>						
Title I Grants to Local Education Agencies	Indiana Department of Education					
Title I, Part A		84.010	S010A170014	<u>218,720</u>	<u>283,149</u>	<u>501,869</u>
Total - Title I Grants to Local Education Agencies				<u>218,720</u>	<u>283,149</u>	<u>501,869</u>
Special Education Cluster(IDEA)						
Special Education Grants to States	Indiana Department of Education					
Special Ed-Part B		84.027	20611-122-PN01	373,482	241,478	614,960
Special Ed-Part B		84.027	21611-122-PN01	-	494,396	494,396
Total - Special Education Grants to States				<u>373,482</u>	<u>735,874</u>	<u>1,109,356</u>
Total - Special Education Cluster(IDEA)				<u>373,482</u>	<u>735,874</u>	<u>1,109,356</u>
Title II Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II, Part A		84.367	S367A210013	-	52,769	52,769
Total - Title II Supporting Effective Instruction State Grants				<u>-</u>	<u>52,769</u>	<u>52,769</u>
Rural and Low-Income School Program	Indiana Department of Education					
REAP		84.358	S424A210015	13,840	-	13,840
Total - Rural and Low-Income School Program				<u>13,840</u>	<u>-</u>	<u>13,840</u>

(Continued)

UNION SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period July 1, 2020 through June 30, 2022

Federal Grantor Agency <u>Cluster Title/Program Title/Project Title</u>	<u>Pass-Through Entity or Direct Grant</u>	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended <u>06-30-21</u>	Total Federal Awards Expended <u>06-30-22</u>	Total Federal Awards Expended 07-01-2020 to <u>6-30-22</u>
Title IV Student Support and Academic Enrichment Program Title IV Part A	Indiana Department of Education	84.424	S424A200015	\$ 10,000	\$ -	\$ 10,000
Total - Title IV Student Support and Academic Enrichment Program				<u>10,000</u>	<u>-</u>	<u>10,000</u>
COVID-19 Education Stabilization Fund	Indiana Department of Education					
Elementary and Secondary School Emergency Relief (ESSER I) Fund		84.425D	S425D200013	50,504	16,884	67,388
Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D	S425D200013	-	193,532	193,532
Elementary and Secondary School Emergency Relief (ESSER III) Fund		84.425D	S425D210013	-	35,026	35,026
Total - COVID-19 Education Stabilization Fund				<u>50,504</u>	<u>245,442</u>	<u>295,946</u>
Total - Department of Education				<u>666,546</u>	<u>1,317,234</u>	<u>1,983,780</u>
Total federal awards expended				<u>\$ 876,585</u>	<u>\$ 1,486,407</u>	<u>\$ 2,362,992</u>

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

UNION SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period of July 1, 2020 to June 30, 2022

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, 2020 to June 30, 2022. 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 July 1, 2020 to June 30, 2022.

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

Those Charged with Governance
Union School Corporation
Randolph County, Indiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of Union School Corporation ("School Corporation"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School Corporation as of June 30, 2022 and for the period July 1, 2020 to June 30, 2022 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 8, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2022-001 that we consider to be a material weakness.

(Continued)

Report on Compliance and Other Matters

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

School Corporation's Responses to Findings

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

Purpose of this Report

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

Crowe LLP
Crowe LLP

Indianapolis, Indiana
March 8, 2023

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

Those Charged with Governance
Union School Corporation
Randolph County, Indiana

Report on Compliance for Major Federal Program

Qualified Opinion on Major Federal Program

We have audited Union School Corporation's ("School Corporation") compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on the School Corporation's major federal program for the period July 1, 2020 to June 30, 2022. The School Corporation's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion section of our report, the School Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Special Education Cluster for the period July 1, 2020 to June 30, 2022.

Basis for Qualified Opinion on Major Federal Program

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

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

Matters Giving Rise to Qualified Opinion on the Special Education Cluster

As described in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Assistance Listing No 84.027 Special Education Cluster as described in findings 2022-003 for Cash Management and 2022-004 for Procurement and Suspension and Debarment. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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

(Continued)

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-002 through 2022-004 to be material weaknesses.

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

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

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

Indianapolis, Indiana
March 8, 2023

UNION SCHOOL CORPORATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 July 1, 2020 to June 30, 2022

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	<u> </u> No	
Significant deficiencies identified not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None Reported	
Noncompliance material to financial statement noted?	<u> </u> Yes	<u> X </u> No	

Federal Awards

Internal control over major programs			
Material weakness(es) identified?	<u> X </u> Yes	<u> </u> No	
Significant deficiencies identified not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None Reported	
Type of auditor’s report issued on compliance for major programs	Qualified		
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	<u> X </u> Yes	<u> </u> No	

Identification of major programs

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
84.027	Special Education Cluster

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

(Continued)

UNION SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 to June 30, 2022

Section II – Financial Statement Findings

FINDING 2022-001

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

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

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

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

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

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

2 CFR 200.508 states in part:

"The auditee must: . . .

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

2 CFR 200.510(b) states:

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

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

(Continued)

UNION SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 to June 30, 2022

Section II – Financial Statement Findings (Continued)

(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 CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.

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

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

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

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

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

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

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

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

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 *Condition and Context*.

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)

UNION SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 to June 30, 2022

Section III – Federal Award Findings and Questioned Costs

Finding 2022-002

Information on the federal program:

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

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

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

Condition: An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Activities Allowed or Unallowed, Allowable Costs/Cost Principles compliance requirements.

Cause: The School Corporation's management had not developed a system of internal controls to ensure compliance with the compliance requirements listed above. The School Corporation did not have an internal control in place to review the underlying expenditures to determine if they were allowable in accordance with federal requirements.

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

Questioned Costs: There were no questioned costs identified.

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

Identification as a repeat finding: No.

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

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

(Continued)

UNION SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 to June 30, 2022

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

Finding 2022-003

Information on the federal program:

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

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

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

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

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

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

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

Effect: The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements.

Questioned Costs: There were no questioned costs identified.

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

(Continued)

UNION SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 to June 30, 2022

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

Identification as a repeat finding: No.

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

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

Finding 2022-004

Information on the federal program:

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

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.318(a) states: "The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part."

2 CFR 200.320 states in part:

"The non-Federal Entity must use one of the following methods of procurement. . . ."

(b) Formal procurement methods. When the value of the procurement for property or services under a Federal financial assistance award exceeds the SAT, or a lower threshold established by a non-Federal entity, formal procurement methods are required. Formal procurement methods require following documented procedures. Formal procurement methods also require public advertising unless a non-competitive procurement can be used in accordance with § 200.319 or paragraph (c) of this section. The following formal methods of procurement are used for procurement of property or services above the simplified acquisition threshold or a value below the simplified acquisition threshold the non-Federal entity determines to be appropriate:

- (1) Sealed bids
- (2) Proposals

(Continued)

UNION SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 to June 30, 2022

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

2 CFR 180.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified.

You do this by:

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

Condition: 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 Procurement and Suspension and Debarment compliance requirements.

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

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

Questioned Costs: There were no questioned costs identified.

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

Identification as a repeat finding: No.

Recommendation: We recommend the School Corporation implement procedures to ensure compliance with the grant agreement requirements and the procurement and suspension and debarment compliance requirement.

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



Union School Corporation

8707 West US Highway 36

Modoc, IN 47358

(765) 853-5464

Michael Huber - Superintendent

James Widmer - Union Elem. Principal

Ryan Chiddister - Union Jr. Sr. High Principal

Abbie Lindsey - Business Manager

Lori Wymer - Deputy Treasurer

Jeff Murray - Technology Director

Marvin Schwartz - Transportation Director

CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

June 30, 2022

Finding 2022-001 – Preparation of the Schedule of Expenditures of Federal Awards

Contact Person Responsible for Corrective Action: Michael Huber

Contact Phone Number: 765-853-5464

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Mr. Huber will compare the SEFA to the expenditure report for that Fiscal Year to make sure all numbers are accurate. Mr. Huber will check SEFA to insure all Federal Grants for listed on the SEFA. When both expenditures and Grants are listed correctly, Mr. Huber will sign off on the report and Abigail Lindsey will submit the SEFA.

Anticipated Completion Date: 07/31/2023

Finding 2022-002 – Special Education Cluster - Activities Allowed or Unallowed, Allowable Costs/Cost Principles

Contact Person Responsible for Corrective Action: Abigail Lindsey

Contact Phone Number: 765-853-5464

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: INDLS will provide Abigail with a digital copy of all invoices related to sub contracted services. Abigail will review the invoices to insure purchases were permissible prior to asking for reimbursement.

Anticipated Completion Date: 06/01/2023

Finding 2022-003 - Special Education Cluster - Cash Management

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

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Upon receiving invoices from K12 for programs funded through reimbursement grants, Union will issue payment immediately upon receiving reimbursement.

Anticipated Completion Date: 06/30/2023

Finding 2022-004 - Special Education Cluster - Procurement and Suspension and Debarment

Contact Person Responsible for Corrective Action: Michael Huber
Contact Phone Number: 765-853-5464

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: When our current contract is nearing its end we will follow procurement bid procedures.

Anticipated Completion Date: 2029



Michael Huber Superintendent



Abigail Lindsey Business Manager