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STATE OF INDIANA
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STATE BOARD OF ACCOUNTS
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March 17, 2023

To: The Officials of Carroll Consolidated School Corporation
Carroll Consolidated School Corporation
2 South 3rd Street
Flora, IN 46929

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Carroll Consolidated 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 statements included in the report present 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 through 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 38-45. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 46-48.

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 Carroll Consolidated 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.

Tammy R. White, CPA
Deputy State Examiner

CARROLL CONSOLIDATED SCHOOL CORPORATION
Carroll County, Indiana

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

CARROLL CONSOLIDATED SCHOOL CORPORATION
Carroll County, Indiana

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

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CARROLL CONSOLIDATED SCHOOL DISTRICT
SCHEDULE OF OFFICIALS (Unaudited)
For the period July 1, 2020 through June 30, 2022

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Lisa Beaver	07-01-20 to 06-30-22
Superintendent of Schools	Keith Thackery	07-01-20 to 06-30-22
President of the School Board	David Bordner	07-01-20 to 12-31-20
	Eric Johnson	01-01-21 to 06-30-22

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
Carroll Consolidated School Corporation
Carroll 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 Carroll Consolidated School Corporation (the "School Corporation") as of June 30, 2022 and for the period of July 1, 2020 through 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 through 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 through 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.

(Continued)

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

Responsibilities of Management for the Financial Statement

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

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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.
- In preparing the financial statements, management is required to evaluate whether 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 one year from the date the financial statements are available to be issued.

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 16, 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

Crowe LLP

Indianapolis, Indiana
March 16, 2023

CARROLL CONSOLIDATED 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

<u>Fund</u>	<u>Cash and Investments 07-01-2020</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2021</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2022</u>
Education	\$ 1,946,260	\$ 6,929,608	\$ 6,001,645	\$ (700,000)	\$ 2,174,223	\$ 7,564,484	\$ 6,804,733	\$ (1,538,401)	\$ 1,395,573
Debt Service	276,688	1,127,281	1,040,250	(15,419)	348,300	1,193,622	1,039,395	(15,419)	487,108
Operations	1,152,777	2,515,366	2,941,834	698,020	1,424,329	2,501,166	3,385,513	1,538,401	2,078,383
Local Rainy Day	1,513,180	47,079	148,927	-	1,411,332	1,639	31,902	-	1,381,069
Construction	86,461	-	86,461	-	-	-	140,669	16,750	(123,919)
School Lunch	96,045	954,953	804,265	-	246,733	858,983	828,785	-	276,931
Curricular Materials Rental	28,024	78,399	45,150	15,419	76,692	95,781	75,092	15,419	112,800
Educational License Plates	765	355	1,120	-	-	94	-	-	94
Formative Assessment	-	11,236	10,175	-	1,061	10,816	9,790	-	2,087
Medicaid Reimbursement	3,980	8,767	-	-	12,747	5,684	-	-	18,431
Secured Schools Safety Grant	21,048	18,999	13,925	-	26,122	53,693	59,332	-	20,483
Early Intervention Grant	-	3,452	2,670	-	782	3,507	2,488	-	1,801
Non-English Speaking Program	-	-	-	-	-	3,242	1,684	-	1,558
Non-English Speaking Program	(5,858)	-	(5,858)	-	-	-	-	-	-
Career & Technical Perf. Grant	5,969	-	5,858	-	111	-	-	-	111
Teacher Appreciation Grant	-	38,568	38,568	-	-	39,444	39,444	-	-
High Ability Students	19,164	23,681	25,033	-	17,812	26,070	16,323	-	27,559
State Connectivity Grant	11,083	11,864	399	-	22,548	439,478	445,165	-	16,861
Project Lead The Way	1,936	8,199	9,794	-	341	2,200	10,974	-	(8,433)
Whin Grant	-	-	-	-	-	219,116	158,516	-	60,600
Title I 2021-2022	-	-	-	-	-	86,507	92,067	-	(5,560)
Title I 2020-2021	-	80,314	82,735	-	(2,421)	7,631	5,210	-	-
Title I 2019-2020	(24,707)	47,263	22,556	-	-	-	-	-	-
Idea Special Ed Grant Fy 2020	(1,800)	-	219,700	-	(221,500)	223,952	2,452	-	-
Idea Special Ed Grant Fy 2021	-	-	68,530	-	(68,530)	-	109,091	-	(177,621)
Preschool Handicap	-	-	8,405	-	(8,405)	9,865	1,460	-	-
Preschool Handicap Fy 2021	-	-	-	-	-	-	9,488	-	(9,488)
Title Iv Support/Academic Enrichment	1,095	-	1,095	-	-	-	-	-	-
Student Support Title Iv Ffy20	-	-	10,074	-	(10,074)	10,655	581	-	-
Student Support Title Iv Fy20	-	-	-	-	-	-	7,983	-	(7,983)
Medicaid Reimbursement - Feder	3,566	18,196	5,037	-	16,725	14,644	9,857	-	21,512
Federal School-To-Work Program	32	-	-	-	32	-	-	-	32
Title Ii 2021	(13,485)	25,395	11,910	-	-	-	-	-	-
Title Ii 2022	-	6,145	6,145	-	-	-	-	-	-
Title Ii 2021-2023	-	-	-	-	-	-	17,696	-	(17,696)
Title Iii English Language	1,201	-	-	-	1,201	-	-	-	1,201
American Rescue Plan (Arp)	-	-	-	-	-	-	7,337	-	(7,337)
ESSER III	-	-	13,002	-	(13,002)	-	515,905	-	(528,907)
ESSER II	-	297,500	189,055	-	108,445	-	107,361	-	1,084
ESSER I	-	84,174	84,174	-	-	-	-	-	-
Prepaid School Lunch Accounts	1,886	68,385	69,008	1,980	3,243	106,062	97,572	-	11,733

(Continued)

CARROLL CONSOLIDATED 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

<u>Fund</u>	<u>Cash and Investments 07-01-2020</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2021</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2022</u>
Federal Withholding	\$ -	\$ 472,820	\$ 472,820	\$ -	\$ -	\$ 508,622	\$ 508,622	\$ -	\$ -
Social Security	-	458,972	458,972	-	-	489,382	489,382	-	-
State Withholding Tax	-	190,883	190,883	-	-	204,349	204,349	-	-
County Withholding Tax	-	123,376	123,376	-	-	131,596	131,596	-	-
Teacher Retirement	-	3,636	3,636	-	-	7,960	7,960	-	-
P.E.R.F.	-	29,965	29,965	-	-	35,014	35,005	-	9
Group Insurance	-	136	136	-	-	167	167	-	-
American United Life/Annuities	-	2,730	2,730	-	-	2,744	2,744	-	-
American Funds	-	22,100	22,100	-	-	16,675	16,675	-	-
Payroll Withholdings	-	-	-	-	-	6,132	6,132	-	-
Section 125/American Fidelity	-	36,916	36,916	-	-	34,045	34,045	-	-
Vsp Vision	-	4,121	4,121	-	-	4,041	4,041	-	-
Anthem Dental	-	5,967	5,967	-	-	6,312	6,312	-	-
Reliastar Life Insurance Co.	-	1,068	1,068	-	-	1,124	1,124	-	-
American Fidelity	-	21,189	21,189	-	-	18,924	18,924	-	-
Texas Life/Life Insurance	-	14,491	14,491	-	-	14,535	14,535	-	-
Section 125/Health Insurance	-	194,404	194,404	-	-	190,104	190,104	-	-
Health Savings Account (Hsa)	-	-	-	-	-	4,700	4,700	-	-
Security Benefit/Annuity	-	56,940	56,940	-	-	57,385	57,385	-	-
Security Benefit/Roth	-	60,973	60,973	-	-	86,822	86,822	-	-
Clinton County Clerk	-	75	75	-	-	-	-	-	-
Tippecanoe Superior Court Clk	-	85	85	-	-	3,573	3,573	-	-
Other Clearing	-	-	-	-	-	55	55	-	-
Totals	\$ 5,125,310	\$ 14,106,026	\$ 13,662,489	\$ -	\$ 5,568,847	\$ 15,302,596	\$ 15,858,117	\$ 16,750	\$ 5,030,076

See notes to financial statement.

CARROLL CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022, and for the period July 1, 2020 through 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)

CARROLL CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022, and for the period July 1, 2020 through 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)

CARROLL CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022, and for the period July 1, 2020 through 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 - BUDGETS

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

NOTE 3 - PROPERTY TAXES

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

(Continued)

NOTE 5 - RISK MANAGEMENT

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

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

NOTE 6 - CASH BALANCE DEFICITS

The financial statement contains some funds with deficits in cash. This is a result of certain funds being set up for reimbursable grants, but for which reimbursement was not yet received by June 30, 2021, and 2022. The deficit in the Construction fund was the result of disbursements exceeding receipts due to under-estimating current requirements for the fund. This deficit is to be prepaid from future receipts.

NOTE 7 - HOLDING CORPORATION

The School Corporation has entered into a capital lease with the Carroll Consolidated Multi 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 during the years 2021 and 2022 totaled \$697,000 for each year.

NOTE 8 - PENSION PLANS

Public Employees' Retirement Fund

Plan Description

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

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

CARROLL CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022, and for the period July 1, 2020 through June 30, 2022

NOTE 8 - PENSION PLANS (Continued)

Financial Report

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

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

Contributions

Members' contributions are set by state statute at 3 percent of compensation for 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.

(Continued)

NOTE 8 - PENSION PLANS (Continued)

Financial Report

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

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

Contributions

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

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

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

NOTE 9 - SUBSEQUENT EVENTS

In July 2022, the Holding Corporation closed on the General Obligation Bonds of 2022, in the amount of \$1,675,000. The School Corporation is the lessee of the bonds, and the proceeds will be used for the renovation and improvements to school facilities and the purchase of equipment and technology.

SUPPLEMENTARY INFORMATION

CARROLL CONSOLIDATED 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	Debt Service	Operations	Local Rainy Day	Construction	School Lunch	Curricular Materials Rental	Educational License Plates	Formative Assessment	Medicaid Reimbursement	Secured Schools Safety Grant
Cash and investments - beginning	\$ 1,946,260	\$ 276,688	\$ 1,152,777	\$ 1,513,180	\$ 86,461	\$ 96,045	\$ 28,024	\$ 765	\$ -	\$ 3,980	\$ 21,048
Receipts:											
Local sources	65,874	1,127,281	2,515,366	47,079	-	72,701	52,757	-	-	-	-
Intermediate sources	237	-	-	-	-	-	-	355	-	-	-
State sources	6,863,497	-	-	-	-	8,951	25,642	-	11,236	8,767	18,999
Federal sources	-	-	-	-	-	873,301	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	6,929,608	1,127,281	2,515,366	47,079	-	954,953	78,399	355	11,236	8,767	18,999
Disbursements:											
Instruction	4,223,447	-	4,492	-	-	-	-	-	-	-	-
Support services	1,582,425	-	2,611,069	15,753	-	-	45,150	1,120	-	-	2,280
Noninstructional services	195,773	-	1,613	3,040	-	708,043	-	-	-	-	-
Facilities acquisition and construction	-	-	324,660	130,134	86,461	96,222	-	-	10,175	-	11,645
Debt services	-	1,040,250	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	6,001,645	1,040,250	2,941,834	148,927	86,461	804,265	45,150	1,120	10,175	-	13,925
Excess (deficiency) of receipts over disbursements	927,963	87,031	(426,468)	(101,848)	(86,461)	150,688	33,249	(765)	1,061	8,767	5,074
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	700,000	-	-	-	15,419	-	-	-	-
Transfers out	(700,000)	(15,419)	(1,980)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(700,000)	(15,419)	698,020	-	-	-	15,419	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	227,963	71,612	271,552	(101,848)	(86,461)	150,688	48,668	(765)	1,061	8,767	5,074
Cash and investments - ending	\$ 2,174,223	\$ 348,300	\$ 1,424,329	\$ 1,411,332	\$ -	\$ 246,733	\$ 76,692	\$ -	\$ 1,061	\$ 12,747	\$ 26,122

(Continued)

CARROLL CONSOLIDATED 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

	Early Intervention Grant	Non-English Speaking Program	Non-English Speaking Program	Career & Technical Perf. Grant	Teacher Appreciation Grant	High Ability Students	State Connectivity Grant	Project Lead The Way	Whin Grant	Title I 2021-2022	Title I 2020-2021
Cash and investments - beginning	\$ -	\$ -	\$ (5,858)	\$ 5,969	\$ -	\$ 19,164	\$ 11,083	\$ 1,936	\$ -	\$ -	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	8,199	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	3,452	-	-	-	38,568	23,681	11,864	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	80,314
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	3,452	-	-	-	38,568	23,681	11,864	8,199	-	-	80,314
Disbursements:											
Instruction	1,878	-	-	-	38,568	25,033	-	3,794	-	-	82,735
Support services	792	-	(5,858)	5,858	-	-	-	6,000	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	399	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	2,670	-	(5,858)	5,858	38,568	25,033	399	9,794	-	-	82,735
Excess (deficiency) of receipts over disbursements	782	-	5,858	(5,858)	-	(1,352)	11,465	(1,595)	-	-	(2,421)
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	782	-	5,858	(5,858)	-	(1,352)	11,465	(1,595)	-	-	(2,421)
Cash and investments - ending	\$ 782	\$ -	\$ -	\$ 111	\$ -	\$ 17,812	\$ 22,548	\$ 341	\$ -	\$ -	\$ (2,421)

(Continued)

CARROLL CONSOLIDATED 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 2019-2020	Idea Special Ed Grant Fy 2020	Idea Special Ed Grant Fy 2021	Preschool Handicap	Preschool Handicap Fy 2021	Title Iv Support/Academi c Enrichment	Student Support Title Iv Ffy20	Student Support Title Iv Fy20	Medicaid Reimbursement - Feder	Federal School- To-Work Program	Title Ii 2021
Cash and investments - beginning	\$ (24,707)	\$ (1,800)	\$ -	\$ -	\$ -	\$ 1,095	\$ -	\$ -	\$ 3,566	\$ 32	\$ (13,485)
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	47,263	-	-	-	-	-	-	-	18,196	-	25,395
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	47,263	-	-	-	-	-	-	-	18,196	-	25,395
Disbursements:											
Instruction	20,868	170,728	34,904	8,405	-	1,095	10,074	-	3,532	-	11,910
Support services	1,688	48,972	33,626	-	-	-	-	-	1,505	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	22,556	219,700	68,530	8,405	-	1,095	10,074	-	5,037	-	11,910
Excess (deficiency) of receipts over disbursements	24,707	(219,700)	(68,530)	(8,405)	-	(1,095)	(10,074)	-	13,159	-	13,485
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	24,707	(219,700)	(68,530)	(8,405)	-	(1,095)	(10,074)	-	13,159	-	13,485
Cash and investments - ending	\$ -	\$ (221,500)	\$ (68,530)	\$ (8,405)	\$ -	\$ -	\$ (10,074)	\$ -	\$ 16,725	\$ 32	\$ -

(Continued)

CARROLL CONSOLIDATED 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 2022	Title li 2021- 2023	Title lii English Language	American Rescue Plan (Arp)	ESSER III	ESSER II	ESSER I	Prepaid School Lunch Accounts	Federal Withholding	Social Security	State Withholding Tax
Cash and investments - beginning	\$ -	\$ -	\$ 1,201	\$ -	\$ -	\$ -	\$ -	\$ 1,886	\$ -	\$ -	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	68,385	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	6,145	-	-	-	-	297,500	84,174	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	472,820	458,972	190,883
Total receipts	6,145	-	-	-	-	297,500	84,174	68,385	472,820	458,972	190,883
Disbursements:											
Instruction	6,145	-	-	-	13,002	157,000	32,000	-	-	-	-
Support services	-	-	-	-	-	-	52,174	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	69,008	-	-	-
Facilities acquisition and construction	-	-	-	-	-	32,055	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	472,820	458,972	190,883
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	6,145	-	-	-	13,002	189,055	84,174	69,008	472,820	458,972	190,883
Excess (deficiency) of receipts over disbursements	-	-	-	-	(13,002)	108,445	-	(623)	-	-	-
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	1,980	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	1,980	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	(13,002)	108,445	-	1,357	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ 1,201	\$ -	\$ (13,002)	\$ 108,445	\$ -	\$ 3,243	\$ -	\$ -	\$ -

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CARROLL CONSOLIDATED 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

	County Withholding Tax	Teacher Retirement	P.E.R.F.	Group Insurance	American United Life/Annuities	American Funds	Payroll Withholdings	Section 125/American Fidelity	Vsp Vision	Anthem Dental	Reliastar Life Insurance Co.
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	123,376	3,636	29,965	136	2,730	22,100	-	36,916	4,121	5,967	1,068
Total receipts	123,376	3,636	29,965	136	2,730	22,100	-	36,916	4,121	5,967	1,068
Disbursements:											
Instruction	-	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	123,376	3,636	29,965	136	2,730	22,100	-	36,916	4,121	5,967	1,068
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	123,376	3,636	29,965	136	2,730	22,100	-	36,916	4,121	5,967	1,068
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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CARROLL CONSOLIDATED 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

	American Fidelity	Texas Life/Life Insurance	Section 125/Health Insurance	Health Savings Account (Hsa)	Security Benefit/Annuity	Security Benefit/Roth	Clinton County Clerk	Tippecanoe Superior Court Clk	Other Clearing	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,125,310
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	3,957,642
Intermediate sources	-	-	-	-	-	-	-	-	-	592
State sources	-	-	-	-	-	-	-	-	-	7,014,657
Federal sources	-	-	-	-	-	-	-	-	-	1,432,288
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	21,189	14,491	194,404	-	56,940	60,973	75	85	-	1,700,847
Total receipts	21,189	14,491	194,404	-	56,940	60,973	75	85	-	14,106,026
Disbursements:										
Instruction	-	-	-	-	-	-	-	-	-	4,849,610
Support services	-	-	-	-	-	-	-	-	-	4,402,554
Noninstructional services	-	-	-	-	-	-	-	-	-	977,477
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	691,751
Debt services	-	-	-	-	-	-	-	-	-	1,040,250
Nonprogrammed charges	21,189	14,491	194,404	-	56,940	60,973	75	85	-	1,700,847
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	21,189	14,491	194,404	-	56,940	60,973	75	85	-	13,662,489
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-	-	-	443,537
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	717,399
Transfers out	-	-	-	-	-	-	-	-	-	(717,399)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	-	-	-	-	443,537
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,568,847

CARROLL CONSOLIDATED 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	Debt Service	Operations	Local Rainy Day	Construction	School Lunch	Curricular Materials Rental	Educational License Plates	Formative Assessment	Medicaid Reimbursement	Secured Schools Safety Grant
Cash and investments - beginning	\$ 2,174,223	\$ 348,300	\$ 1,424,329	\$ 1,411,332	\$ -	\$ 246,733	\$ 76,692	\$ -	\$ 1,061	\$ 12,747	\$ 26,122
Receipts:											
Local sources	75,251	1,193,622	2,501,166	1,639	-	92,116	66,121	-	-	-	-
Intermediate sources	223	-	-	-	-	-	-	94	-	-	-
State sources	7,489,010	-	-	-	-	8,844	29,660	-	10,816	5,684	53,693
Federal sources	-	-	-	-	-	758,023	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	7,564,484	1,193,622	2,501,166	1,639	-	858,983	95,781	94	10,816	5,684	53,693
Disbursements:											
Instruction	4,898,940	-	-	-	-	-	-	-	320	-	-
Support services	1,716,123	-	2,905,814	-	-	-	75,092	-	741	-	59,332
Noninstructional services	189,670	-	1,819	-	-	732,094	-	-	-	-	-
Facilities acquisition and construction	-	-	477,880	31,902	140,669	96,691	-	-	8,729	-	-
Debt services	-	1,039,395	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	6,804,733	1,039,395	3,385,513	31,902	140,669	828,785	75,092	-	9,790	-	59,332
Excess (deficiency) of receipts over disbursements	759,751	154,227	(884,347)	(30,263)	(140,669)	30,198	20,689	94	1,026	5,684	(5,639)
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	16,750	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	1,538,401	-	-	-	15,419	-	-	-	-
Transfers out	(1,538,401)	(15,419)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,538,401)	(15,419)	1,538,401	-	16,750	-	15,419	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(778,650)	138,808	654,054	(30,263)	(123,919)	30,198	36,108	94	1,026	5,684	(5,639)
Cash and investments - ending	\$ 1,395,573	\$ 487,108	\$ 2,078,383	\$ 1,381,069	\$ (123,919)	\$ 276,931	\$ 112,800	\$ 94	\$ 2,087	\$ 18,431	\$ 20,483

(Continued)

CARROLL CONSOLIDATED 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

	Early Intervention Grant	Non-English Speaking Program	Non-English Speaking Program	Career & Technical Perf. Grant	Teacher Appreciation Grant	High Ability Students	State Connectivity Grant	Project Lead The Way	Whin Grant	Title I 2021-2022	Title I 2020-2021
Cash and investments - beginning	\$ 782	\$ -	\$ -	\$ 111	\$ -	\$ 17,812	\$ 22,548	\$ 341	\$ -	\$ -	\$ (2,421)
Receipts:											
Local sources	-	-	-	-	-	-	-	2,200	1,150	-	-
Intermediate sources	-	-	-	-	-	-	-	-	217,966	-	-
State sources	3,507	3,242	-	-	39,444	26,070	439,478	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	86,507	7,631
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	3,507	3,242	-	-	39,444	26,070	439,478	2,200	219,116	86,507	7,631
Disbursements:											
Instruction	1,738	1,611	-	-	39,444	16,323	-	7,874	140	92,067	5,210
Support services	750	73	-	-	-	-	10,434	3,100	24,038	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	434,731	-	134,338	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	2,488	1,684	-	-	39,444	16,323	445,165	10,974	158,516	92,067	5,210
Excess (deficiency) of receipts over disbursements	1,019	1,558	-	-	-	9,747	(5,687)	(8,774)	60,600	(5,560)	2,421
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,019	1,558	-	-	-	9,747	(5,687)	(8,774)	60,600	(5,560)	2,421
Cash and investments - ending	\$ 1,801	\$ 1,558	\$ -	\$ 111	\$ -	\$ 27,559	\$ 16,861	\$ (8,433)	\$ 60,600	\$ (5,560)	\$ -

(Continued)

CARROLL CONSOLIDATED 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 2019-2020	Idea Special Ed Grant Fy 2020	Idea Special Ed Grant Fy 2021	Preschool Handicap	Preschool Handicap Fy 2021	Title Iv Support/Academi c Enrichment	Student Support Title Iv Ffy20	Student Support Title Iv Fy20	Medicaid Reimbursement - Feder	Federal School- To-Work Program	Title Ii 2021
Cash and investments - beginning	\$ -	\$ (221,500)	\$ (68,530)	\$ (8,405)	\$ -	\$ -	\$ (10,074)	\$ -	\$ 16,725	\$ 32	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	223,952	-	9,865	-	-	10,655	-	14,644	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	223,952	-	9,865	-	-	10,655	-	14,644	-	-
Disbursements:											
Instruction	-	4,252	112,049	1,460	9,488	-	581	7,983	7,731	-	-
Support services	-	(1,800)	(2,958)	-	-	-	-	-	2,126	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	2,452	109,091	1,460	9,488	-	581	7,983	9,857	-	-
Excess (deficiency) of receipts over disbursements	-	221,500	(109,091)	8,405	(9,488)	-	10,074	(7,983)	4,787	-	-
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	-	221,500	(109,091)	8,405	(9,488)	-	10,074	(7,983)	4,787	-	-
Cash and investments - ending	\$ -	\$ -	\$ (177,621)	\$ -	\$ (9,488)	\$ -	\$ -	\$ (7,983)	\$ 21,512	\$ 32	\$ -

(Continued)

CARROLL CONSOLIDATED 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 Ii 2022	Title Ii 2021- 2023	Title Iii English Language	American Rescue Plan (Arp)	ESSER III	ESSER II	ESSER I	Prepaid School Lunch Accounts	Federal Withholding	Social Security	State Withholding Tax
Cash and investments - beginning	\$ -	\$ -	\$ 1,201	\$ -	\$ (13,002)	\$ 108,445	\$ -	\$ 3,243	\$ -	\$ -	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	106,062	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	508,622	489,382	204,349
Total receipts	-	-	-	-	-	-	-	106,062	508,622	489,382	204,349
Disbursements:											
Instruction	-	17,696	-	7,337	183,479	-	-	-	-	-	-
Support services	-	-	-	-	56,633	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	97,572	-	-	-
Facilities acquisition and construction	-	-	-	-	275,793	107,361	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	508,622	489,382	204,349
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	17,696	-	7,337	515,905	107,361	-	97,572	508,622	489,382	204,349
Excess (deficiency) of receipts over disbursements	-	(17,696)	-	(7,337)	(515,905)	(107,361)	-	8,490	-	-	-
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	-	(17,696)	-	(7,337)	(515,905)	(107,361)	-	8,490	-	-	-
Cash and investments - ending	\$ -	\$ (17,696)	\$ 1,201	\$ (7,337)	\$ (528,907)	\$ 1,084	\$ -	\$ 11,733	\$ -	\$ -	\$ -

(Continued)

CARROLL CONSOLIDATED 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

	County Withholding Tax	Teacher Retirement	P.E.R.F.	Group Insurance	American United Life/Annuities	American Funds	Payroll Withholdings	Section 125/American Fidelity	Vsp Vision	Anthem Dental	Reliastar Life Insurance Co.
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	131,596	7,960	35,014	167	2,744	16,675	6,132	34,045	4,041	6,312	1,124
Total receipts	131,596	7,960	35,014	167	2,744	16,675	6,132	34,045	4,041	6,312	1,124
Disbursements:											
Instruction	-	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	131,596	7,960	35,005	167	2,744	16,675	6,132	34,045	4,041	6,312	1,124
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	131,596	7,960	35,005	167	2,744	16,675	6,132	34,045	4,041	6,312	1,124
Excess (deficiency) of receipts over disbursements	-	-	9	-	-	-	-	-	-	-	-
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	9	-	-	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ 9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

CARROLL CONSOLIDATED 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

	American Fidelity	Texas Life/Life Insurance	Section 125/Health Insurance	Health Savings Account (Hsa)	Security Benefit/Annuity	Security Benefit/Roth	Clinton County Clerk	Tippecanoe Superior Court Clk	Other Clearing	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,568,847
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	4,039,327
Intermediate sources	-	-	-	-	-	-	-	-	-	218,283
State sources	-	-	-	-	-	-	-	-	-	8,109,448
Federal sources	-	-	-	-	-	-	-	-	-	1,111,277
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	18,924	14,535	190,104	4,700	57,385	86,822	-	3,573	55	1,824,261
Total receipts	18,924	14,535	190,104	4,700	57,385	86,822	-	3,573	55	15,302,596
Disbursements:										
Instruction	-	-	-	-	-	-	-	-	-	5,415,723
Support services	-	-	-	-	-	-	-	-	-	4,849,498
Noninstructional services	-	-	-	-	-	-	-	-	-	1,021,155
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	1,708,094
Debt services	-	-	-	-	-	-	-	-	-	1,039,395
Nonprogrammed charges	18,924	14,535	190,104	4,700	57,385	86,822	-	3,573	55	1,824,252
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	18,924	14,535	190,104	4,700	57,385	86,822	-	3,573	55	15,858,117
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-	-	-	(555,521)
Other financing sources (uses)										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	16,750
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	1,553,820
Transfers out	-	-	-	-	-	-	-	-	-	(1,553,820)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	16,750
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	-	-	-	-	(538,771)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,030,076

CARROLL CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2022

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ -	\$ 886,944

CARROLL CONSOLIDATED 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	Renovations to the Carroll Junior-Senior High School	\$ 830,000	\$ 330,000
Totals		<u>\$ 830,000</u>	<u>\$ 330,000</u>

CARROLL CONSOLIDATED 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	\$ 152,960
Buildings	52,367,490
Improvements other than buildings	1,230,830
Machinery, equipment, and vehicles	<u>3,377,645</u>
Total governmental activities	<u>57,128,925</u>
Total capital assets	<u>\$ 57,128,925</u>

CARROLL CONSOLIDATED 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.

CARROLL CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2021 and 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 06-30-21	Total Federal Awards Expended 06-30-22	Total Federal Awards Expended 07-01-2020 to 06-30-22
<u>Department of Agriculture</u>						
Child Nutrition Cluster	Indiana Department of Education					
Child Nutrition Cluster						
School Breakfast Program		10.553	FY2021, FY2022	\$ 215,456	\$ 150,544	\$ 366,000
National School Lunch Program		10.555	FY2021, FY2022	652,425	576,865	1,229,290
Commodities		10.555	FY2021, FY2022	83,299	74,099	157,398
Total - Child Nutrition Cluster				951,180	801,508	1,752,688
Child Nutrition Discretionary Grants	Indiana Department of Education					
Child Nutrition Discretionary Grants		10.579	FY2022	-	30,000	30,000
Total - Child Nutrition Discretionary Grants				-	30,000	30,000
Child and Adult Care Food Program	Indiana Department of Education					
Supper Program		10.558	FY2021	5,420	-	5,420
Total - Adult Care Food Program				5,420	-	5,420
Total - Department of Agriculture				956,600	831,508	1,788,108
<u>Department of Education</u>						
Special Education Cluster(IDEA)	Indiana Department of Education					
Special Education Grants to States						
Special Ed-Part B		84.027	20611-149-PN01	-	223,952	223,952
Total - Special Education Grants to States				-	223,952	223,952
Special Education Preschool Grants	Indiana Department of Education					
Special Ed Preschool		84.173	20619-149-PN01	-	9,865	9,865
Total - Special Education Preschool Grants				-	9,865	9,865
Total - Special Education Cluster(IDEA)				-	233,817	233,817

(Continued)

CARROLL CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2021 and 2022

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-21	Total Federal Awards Expended 06-30-22	Total Federal Awards Expended 07-01-2020 to 06-30-22
Title I Grants to Local Education Agencies	Indiana Department of Education					
Title I, Part A		84.010	S010A190014	\$ 47,263	\$ -	\$ 47,263
Title I, Part A		84.010	S010A200014	47,263	7,631	54,894
Title I, Part A		84.010	S010A210014	33,051	86,507	119,558
Total - Title I Grants to Local Educational Agencies				127,577	94,138	221,715
Title II Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II, Part A		84.367	S367A190013	25,397	-	25,397
Title II, Part A		84.367	S367A200013	6,145	-	6,145
Total - Title II Supporting Effective Instruction State Grants				31,542	-	31,542
Title IV Student Support and Academic Enrichment Program	Indiana Department of Education					
Title IV Part A		84.424	S424A200015	-	10,655	10,655
Total - Title IV Student Support and Academic Enrichment Program				-	10,655	10,655
COVID-19 Education Stabilization Fund	Indiana Department of Education					
Elementary and Secondary School Emergency Relief (ESSER I) Fund		84.425D	S425D200013	84,174	-	84,174
Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D	S425D210013	297,500	-	297,500
Governor's Emergency Education Relief (GEER) Fund		84.425C	S425C200018	-	17,588	17,588
Total - Elementary and Secondary School Emergency Relief Program				381,674	17,588	399,262
Total - Department of Education				540,793	356,198	896,991
<u>Department of Health and Human Services</u>						
Medicaid Cluster						
Medical Assistance Program		93.778	FY2021, FY2022	17,815	14,715	32,530
Total - Medicaid Assistance Program				17,815	14,715	32,530
Total - Medicaid Cluster				17,815	14,715	32,530
Total - Department of Health and Human Services				17,815	14,715	32,530
Total federal awards expended				\$ 1,515,208	\$ 1,202,421	\$ 2,717,629

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

CARROLL CONSOLIDATED SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period of July 1, 2020 through 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
Carroll Consolidated School Corporation
Carroll 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 Carroll Consolidated 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 through 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 16, 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 Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the School Corporation's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned 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

Indianapolis, Indiana
March 16, 2023

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

Those Charged with Governance
Carroll Consolidated School Corporation
Carroll County, Indiana

Report on Compliance for Major Federal Program***Opinion on Major Federal Program***

We have audited Carroll Consolidated School Corporation (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 of July 1, 2020 through 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, the School Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the period of July 1, 2020 through June 30, 2022.

Basis for 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.

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.

(Continued)

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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-005. Our opinion on the major federal program is not modified with respect to this matter.

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

Report on Internal Control Over Compliance

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

(Continued)

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

Indianapolis, Indiana
March 16, 2023

CARROLL CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 through 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?

 X Yes No

Significant deficiencies identified not
considered to be material weaknesses?

 Yes X None Reported

Noncompliance material to financial statement
noted?

 Yes X No

Federal Awards

Internal control over major programs

Material weakness(es) identified?

 X Yes No

Significant deficiencies identified not
considered to be material weaknesses?

 Yes X None Reported

Type of auditor's report issued on compliance for
major programs

Unmodified

Any audit findings disclosed that are required to
be reported in accordance with
2CFR 200.516(a)?

 X Yes No

Identification of major programs

Assistance Listing Number
10.553, 10.555

Name of Federal Program or Cluster
Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs

\$ 750,000

Auditee qualified as low-risk auditee?

 Yes X No

(Continued)

CARROLL CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 through 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)

CARROLL CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 through 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 net understatement of the total federal awards expended on the SEFA by \$128,535 for the period July 1, 2020, through June 30, 2022:

1. The Child Nutrition Cluster expenditures were understated by \$77,652
2. The Child Nutrition Discretionary grant was omitted from the SEFA, resulting in an understatement of \$30,000
3. The Child and Adult Care Food Program grant was omitted from the SEFA, resulting in an understatement of \$5,420
4. The Title I, Part A expenditures were understated by \$33,051

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: Yes. Identified as finding 2020-001 on the prior audit report.

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)

CARROLL CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 through June 30, 2022

Section III – Federal Award Findings and Questioned Costs

FINDING 2022-002

Information on the federal program:

Subject: Child Nutrition Cluster - Internal Controls
Federal Agency: Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program
Assistance Listing Number: 10.553, 10.555
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: 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). . . ."

7 CFR 210.21(f)(1) states in part:

". . . (ii)(A) The contractor must separately identify for each cost submitted for payment to the school food authority the amount of that cost that is allowable (can be paid from the nonprofit school food service account) and the amount that is unallowable (cannot be paid from the nonprofit school food service account); or

(B) The contractor must exclude all unallowable costs from its billing documents and certify that only allowable costs are submitted for payment and records have been established that maintain the visibility of unallowable costs, including directly associated costs in a manner suitable for contract cost determination and verification;

(iii) The contractor's determination of its allowable costs must be made in compliance with the applicable Departmental and Program regulations and Office of Management and Budget cost circulars; . . .

(vi) The contractor must maintain documentation of costs and discounts, rebates and other applicable credits, and must furnish such documentation upon request to the school food authority, the State agency, or the Department."

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

(Continued)

CARROLL CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 through June 30, 2022

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

FINDING 2022-002 (Continued)

Effect: The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of proper internal controls could have 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: During testing of 12 vendor disbursements for allowable costs/cost principles, we noted there was one month where there was no documented review by the School Corporation's Business Manager of expenditures paid to the Food Service Management company by the School Corporation's Business Manager. The only review was performed by the Food Services Director, who is a Food Service Management company employee. We tested six other monthly submissions of Food Service Management company disbursements and noted they were all appropriately reviewed by the School Corporation with supporting documentation attached.

Identification as a repeat finding, if applicable: Yes. Previously identified as finding 2020-002 in the 2020 audit report.

Recommendation: We recommend that the School Corporation establish a review control to ensure that costs charged by the food service management company relate to food services and are allowable under the federal compliance requirements.

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

FINDING 2022-003

Information on the federal program:

Subject: Child Nutrition Cluster – Internal Controls
Federal Agency: Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program
Assistance Listing Number: 10.553, 10.555
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Finding: Material Weakness

Criteria: 2 CFR 200.303 states in part:

"The non-Federal entity must:

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

(Continued)

CARROLL CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 through June 30, 2022

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

FINDING 2022-003 (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 to ensure compliance with requirements related to the Child Nutrition Program and Procurement and Suspension and Debarment compliance requirements for purchases made outside of the purchasing cooperative.

Cause: The School Corporation's management had not developed a system of internal controls that would have ensured compliance with the Procurement and Suspension and Debarment compliance requirement for purchases made outside of the purchasing cooperative.

Effect: The failure to establish internal controls could have enabled noncompliance to go undetected. If the vendor that was used outside of the purchasing cooperative would have been suspended or debarred, the failure to comply with the grant agreement and the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs: There were no questioned costs identified.

Context: During the audit period, the School Corporation had purchases between \$10,000 and \$150,000 from four vendors which fall under the small purchase method for federal and state procurement regulations and were charged to Fund 0800 – School Lunch Fund. For one vendor selected for testing, documentation was not presented to verify the School Corporation had performed checks to assure the vendor was not suspended or debarred prior to entering into the transaction in order to satisfy the suspended and debarment requirements.

Identification as a repeat finding, if applicable: No

Recommendation: We recommended that the School Corporation's management establish and implement control procedures to ensure compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement. This should include ensuring suspension and debarment checks are performed and documented prior to entering into the transaction.

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

(Continued)

CARROLL CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 through June 30, 2022

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

FINDING 2022-004

Information on the federal program:

Subject: Child Nutrition Cluster – Internal Controls
Federal Agency: Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program
Assistance Listing Number: 10.553, 10.555
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Finding: Material Weakness

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

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

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

Cause: The School Corporation's management had not developed a system of internal controls to ensure accurate information was presented in order to be in compliance with the reporting 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 effective reviews could have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by the review process not ensuring there was accurate reporting of the activities of the programs.

Questioned Costs: There were \$356 of known questioned costs identified.

Context: We noted that for two claims in a sample of four, there was no formal evidence of the sponsor claim reimbursement summary being reviewed by someone independent of who prepared the sponsor claim reimbursement summary prior to submission.

We noted that for one claim in a sample of four, the meal counts were over/under claimed for the month. We noted that in October 2020 the School Corporation had overclaimed lunches by 175 meals and underclaimed breakfast by 156 meals.

Identification as a repeat finding, if applicable: No.

(Continued)

CARROLL CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 through June 30, 2022

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

FINDING 2022-004 (Continued)

Recommendation: We recommend that the School Corporation establish a review control to verify the sponsor claim reimbursement summaries are correct and agree to the underlying detail. This review should be performed by someone other than the individual submitting the claims and we recommend this review be formally documented.

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

FINDING 2022-005

Information on the federal program:

Subject: COVID-19 – Education Stabilization Fund – Cash Management, Other Matters
Federal Agency: Department of Education
Federal Program: Elementary and Secondary School Emergency Relief (ESSER II) Fund
Assistance Listing Number: 84.425D
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Cash Management
Audit Finding: Material Weakness, Noncompliance, Other Matters

Criteria: 2 CFR section 200.303 states in part:

“The non-Federal entity must:

- 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 cash management compliance requirements for the COVID-19 – Education Stabilization Fund.

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 an internal control system allowed noncompliance with the compliance requirements and could allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

(Continued)

CARROLL CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 through June 30, 2022

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

FINDING 2022-005 (Continued)

Questioned Costs: There no questioned costs identified.

Context: During our audit procedures, we noted that in fiscal year 2021, the School Corporation had drawn down \$108,445 more in ESSER II funds than what they had expended. The School Corporation received \$297,500 of ESSER II funds during fiscal year 2021, but had only disbursed \$189,055. The School Corporation spent \$107,361 of the remaining funds during fiscal year 2022 and had an ending balance of \$1,084 as of June 30, 2022. The ESSER II grant is a cost reimbursement grant and therefore, the School Corporation should not have drawn down these funds prior to the expenses being incurred.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommend that the School Corporation establish an internal control that would ensure funds from cost reimbursement grants are not requested prior to the expenses being incurred.

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

CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

June 30, 2022

FINDING 2022-001

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

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).

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 net understatement of the total federal awards expended on the SEFA by \$128,535 for the period July 1, 2020, through June 30, 2022:

1. The Child Nutrition Cluster expenditures were understated by \$77,652
2. The Child Nutrition Discretionary grant was omitted from the SEFA, resulting in an understatement of \$30,000
3. The Child and Adult Care Food Program grant was omitted from the SEFA, resulting in an understatement of \$5,420
4. The Title I, Part A expenditures were understated by \$33,051

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Items 1-4 above were inadvertently omitted from the SEFA due to unusual funding during COVID. Going forward, the Treasurer will ensure that all allocations are accounted for and entered on the SEFA.

Responsible Party and Timeline for Completion: The Treasurer is the responsible party. The completion will go into effect upon the next Annual Financial Report in August 2023. The Treasurer will also contact the Indiana Department of Education to request that they provide more detail on the ACH payment as to what the revenue pertains to.

FINDING 2022-002

Information on the federal program:

Subject: Child Nutrition Cluster - Internal Controls
Federal Agency: Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program
Assistance Listing Number: 10.553, 10.555
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Allowable Costs/Cost Principles
Audit Finding: Material Weakness

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

Context: During testing of 12 vendor disbursements for allowable costs/cost principles, we noted there was one month where there was no documented review by the School Corporation's Business Manager of expenditures paid to the Food Service Management Company by the School Corporation's Business Manager. The only review was performed by the Food Services Director, who is a Food Service Management company employee. We tested six other monthly submissions of Food Service Management company disbursements and noted they were all appropriately reviewed by the School Corporation with supporting documentation attached.

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The missing signature appears to be an uncommon oversight within our current system of internal controls. The Superintendent and FSMC Food Service Director will make it a point to review signature pages for both signatures at each monthly financial review.

Responsible Party and Timeline for Completion: Superintendent and FSMC Food Service Director discussed this finding on 3/15/2023 and will put corrective action in place immediately.

FINDING 2022-003

Information on the federal program:

Subject: Child Nutrition Cluster – Internal Controls
Federal Agency: Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program
Assistance Listing Number: 10.553, 10.555
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Finding: Material Weakness

Condition: An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the Child Nutrition Program and Procurement and Suspension and Debarment compliance requirements for purchases made outside of the purchasing cooperative.

Context: During the audit period, the School Corporation had purchases between \$10,000 and \$150,000 from four vendors which fall under the small purchase method for federal and state procurement regulations and were charged to Fund 0800 – School Lunch Fund. For one vendor selected for testing, documentation was not presented to verify the School Corporation had performed checks to assure the vendor was not suspended or debarred prior to entering into the transaction in order to satisfy the suspended and debarment requirements.

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Moving forward, the SAMS website will be utilized to confirm that purchases from vendors that are between the \$10,000 and \$150,000 threshold are not suspended or debarred prior to entering into transactions.

Responsible Party and Timeline for Completion: The Superintendent or Superintendent's designee will be the responsible party. This correction will be put into effect 3/15/2023.

FINDING 2022-004

Information on the federal program:

Subject: Child Nutrition Cluster – Internal Controls
Federal Agency: Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program
Assistance Listing Number: 10.553, 10.555
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Finding: Material Weakness

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

Context: We noted that for two claims in a sample of four, there was no formal evidence of the sponsor claim reimbursement summary being reviewed by someone independent of who prepared the sponsor claim reimbursement summary prior to submission.

We noted that for one claim in a sample of four, the meal counts were over/under claimed for the month. We noted that in October 2020 the School Corporation had overclaimed lunches by 175 meals and underclaimed breakfast by 156 meals.

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The Superintendent is now utilizing the personalized login on CNP Web to review claims before final submission. The superintendent will also email approval of claims to the FSMC Food Service Director upon submission and approval by the superintendent on CNP Web.

Responsible Party and Timeline for Completion: The Superintendent and FSMC Food Service Director will be the responsible parties and the corrective action will take place immediately (3/15/2023).

FINDING 2022-005

Information on the federal program:

Subject: COVID-19 – Education Stabilization Fund – Cash Management, Other Matters
Federal Agency: Department of Education
Federal Program: Elementary and Secondary School Emergency Relief (ESSER II) Fund
Assistance Listing Number: 84.425D
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Cash Management
Audit Finding: Material Weakness, Noncompliance, Other Matters

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 for the COVID-19 – Education Stabilization Fund.

Context: During our audit procedures, we noted that in fiscal year 2021, the School Corporation had drawn down \$108,445 more in ESSER II funds than what they had expended. The School Corporation received \$297,500 of ESSER II funds during fiscal year 2021, but had only disbursed \$189,055. The School Corporation spent \$107,361 of the remaining funds during fiscal year 2022 and had an ending balance of \$1,084 as of June 30, 2022. The ESSER II grant is a cost reimbursement grant and therefore, the School Corporation should not have drawn down these funds prior to the expenses being incurred.

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The Superintendent and/or the Superintendent's designees will not request funds from reimbursable grants before expenditures have been made by the corporation.

Responsible Party and Timeline for Completion: The responsible parties are the Superintendent and/or the Superintendent's designees. The corrective action will take place immediately (3/15/2023).

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2020-001

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

Condition and Context: The School Corporation had not established effective internal controls over the federal award information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the School Corporation's Schedule of Expenditures of Federal Awards (SEFA).

The School Corporation failed to properly review the federal grant information prepared and submitted in Gateway. Although one employee prepared and entered the federal award information into Gateway, and another employee reviewed and approved the information entered, the internal controls were not effective and did not detect and allow correction of errors prior to submission.

Status: This has not been resolved and is identified as a repeat finding in the current year audit. See finding 2022-001.

FINDING 2020-002

Subject: Child Nutrition Cluster - Allowable Costs/Cost Principles, Program Income, Special Tests and Provisions - School Food Accounts

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, COVID-19 - School Breakfast Program, National School Lunch Program, COVID-19 - National School Lunch Program

Assistance Listing Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2019, FY 2020

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Allowable Costs/Cost Principles, Program Income, Special Tests and Provisions - School Food Accounts

Audit Findings: Material Weakness, Modified Opinion

Condition and Context: An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles, Program Income, and Special Tests and Provisions - School Food Accounts compliance requirements.

The School Corporation had not designed or implemented adequate policies and procedures to ensure that program costs were supported by proper documentation, were allowable, and only for the operation of the food service program. In addition, there were no internal controls to ensure that food service program sales were properly recorded in the School Lunch fund.

Allowable Costs/Cost Principles, Program Income, Special Tests and Provisions - School Food Accounts

The School Corporation entered into a cost-reimbursement contract, dated November 7, 2018, with a food service management company. Eleven invoices for payment to the food service management company, which totaled \$139,802, were selected for testing. Supporting documentation was presented for only \$9,554 of the costs invoiced. Due to the lack of documentation, we were unable to determine if the remaining costs paid, \$130,248, were allowable expenditures, and therefore, proper uses of program income for the federal programs. The costs that were not properly documented were considered questioned costs.

Program Income, Special Tests and Provisions - School Food Accounts

The School Corporation had not designed or implemented adequate policies and procedures to ensure that the food service program sales were properly recorded in the School Lunch fund. The federal reimbursement claim for November 2019 was resubmitted to correct the eligibility status of some students after an Indiana Department of Education Administrative Review. The monthly transfer of the amount of consumed meals from the Prepaid Food fund to the School Lunch fund had already been posted based upon the original meal counts and, therefore, was incorrect. No adjustment was made to account for this correction. In addition, adult meal counts for November 2019 and January 2020 were requested, but not provided for audit.

The lack of internal controls, noncompliance, and failure to maintain adequate supporting documentation of program costs were systemic issues throughout the audit period

Status: The Allowable Costs/Cost Principles portion of the finding has not been resolved and is identified as a repeat finding in the current year audit. See finding 2022-002. The program income and special tests and provisions portion of the finding has been resolved.

FINDING 2020-003

Subject: Child Nutrition Cluster - Procurement

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, COVID-19 - School Breakfast Program, National School Lunch Program, COVID-19 - National School Lunch Program

Assistance Listing Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2019, FY 2020

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Modified Opinion

Condition and Context: An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

The School Corporation contracted with a food service management company (FSMC) for the operation of the food service program. The School Corporation did not have policies or procedures to ensure compliance with procurement requirements to verify that the invoices submitted to the School Corporation were those actually paid by the FSMC, or to ensure that the FSMC invoices included credits for any discounts, rebates, or other credits. The School Corporation did not request, nor did the FSMC provide, documentation to verify that the invoices received by the School Corporation resulted from and contained the same invoices that were paid by the FSMC. The School Corporation also did not verify the return of discounts, rebates, or credits from the FSMC.

The lack of internal controls and noncompliance were systemic issues throughout the FSMC contract period during the audit period.

Status: This finding has been resolved.

FINDING 2020-004

Subject: Child Nutrition Cluster - Eligibility

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, COVID-19 - School Breakfast Program, National School Lunch Program, COVID-19 - National School Lunch Program

Assistance Listing Numbers: 10.553, 10.555

Federal Award Number and Year (or Other Identifying Number): FY 2019

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Eligibility

Audit Findings: Material Weakness, Modified Opinion

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

Parents submitted free and reduced-price meal applications for the food service program, which was the basis for the determination of the students' eligibility status. The School Corporation was unable to provide 55 out of 88 (63 percent) paper and online applications for fiscal year 2018-2019; therefore, we were unable to determine the School Corporation's compliance with the Eligibility compliance requirement.

The lack of internal controls and failure to retain supporting documentation was a systemic issue during 2018-2019.

Status: This finding has been resolved.

FINDING 2020-005

Subject: Child Nutrition Cluster - Special Tests and Provisions - Paid Lunch Equity
Federal Agency: Department of Agriculture
Federal Programs: National School Lunch Program, COVID-19 - National School Lunch Program
Assistance Listing Number: 10.555
Federal Award Number and Year (or Other Identifying Number): FY 2019
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Paid Lunch Equity
Audit Finding: Material Weakness

Condition and Context: An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Paid Lunch Equity compliance requirement.

The paid lunch equity calculations for fiscal year 2018-2019 were prepared by the Food Service Director without a system of oversight, review, or approval before submission of the calculation to the Indiana Department of Education.

The lack of internal controls was isolated to 2018-2019.

Status: This finding has been resolved.