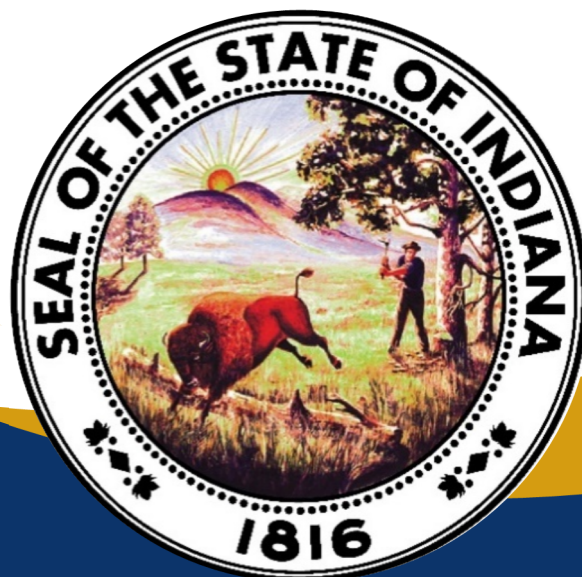


**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

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

FINANCIAL STATEMENT AND
FEDERAL COMPLIANCE AUDIT REPORT
OF

SOUTH KNOX SCHOOL CORPORATION
KNOX COUNTY, INDIANA
July 1, 2022 to June 30, 2024



FILED

04/02/2025



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

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April 2, 2025

To: The Officials of the South Knox School Corporation
South Knox School Corporation
Knox County, Indiana

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

We call your attention to the findings included in the report on pages 37 through 42. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 43 through 45.

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

In addition to the report presented herein, a supplemental report for South Knox School Corporation was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

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

Tammy R. White, CPA
Deputy State Examiner

SOUTH KNOX SCHOOL CORPORATION
Knox County, Indiana

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

SOUTH KNOX SCHOOL CORPORATION
Knox County, Indiana

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

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SOUTH KNOX SCHOOL CORPORATION
SCHEDULE OF OFFICIALS (Unaudited)
For the period of July 1, 2022 through June 30, 2024

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Tamara L. Asdell	07-01-22 to 06-30-24
Superintendent of Schools	Timothy A. Grove Jeffrey R. Cochren	07-01-22 to 06-30-23 07-01-23 to 06-30-24
President of the School Board	Gary M. Holscher Eric D. Carter Michael D. Edwards	01-01-22 to 12-31-22 01-01-23 to 12-31-23 01-01-24 to 12-31-24

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
South Knox School Corporation
Knox County, Indiana

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

We have audited the accompanying statement of receipts, disbursements, other financing sources (uses) and cash and investment balances of the South Knox School Corporation (the School Corporation) as of June 30, 2024 and for the period of July 1, 2022 through June 30, 2024, and the related notes to the financial statement.

Unmodified Opinion on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinion

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

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

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

(Continued)

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

Responsibilities of Management for the Financial Statement

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

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

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

Supplementary Information

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

(Continued)

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2025, our consideration of the School Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.


Crowe LLP

Indianapolis, Indiana
March 25, 2025

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

<u>Fund</u>	<u>Cash and Investments 07-01-2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2023</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2024</u>
Education	\$ 1,928,157	\$ 9,221,393	\$ 8,528,746	\$ (965,246)	\$ 1,655,558	\$ 9,820,760	\$ 9,255,432	\$ (907,877)	\$ 1,313,009
Debt Service	530,457	1,311,356	1,196,358	(7,995)	637,460	1,239,422	1,359,122	-	517,760
Operations	2,805,692	3,891,789	4,787,916	761,862	2,671,427	3,945,542	4,672,892	668,971	2,613,048
Local Rainy Day	714,570	-	285,742	250,000	678,828	-	288,957	250,000	639,871
School Lunch	189,011	850,711	675,269	-	364,453	583,077	719,546	-	227,984
Curricular Materials	109,755	203,836	124,868	-	188,723	207,974	214,144	-	182,553
Self-Insurance	(41,959)	1,761,019	1,878,191	-	(159,131)	1,814,638	1,747,217	-	(91,710)
Levy Excess	25,742	-	-	(25,742)	-	-	-	-	-
Cossap Project	3,000	2,000	-	-	5,000	1,000	-	-	6,000
Unified Robotics Coach Stipend	-	-	-	-	-	250	250	-	-
Gpc Playground Equipment Donation	-	-	-	-	-	1,000	-	-	1,000
Educational License Plates	19	150	169	-	-	113	113	-	-
School Library Printed Materia	98	200	-	-	298	392	25	-	665
Donations - Tunnel Car Wash	990	-	-	-	990	-	-	-	990
Donations-A Couchenour Memory	274	-	-	-	274	-	-	-	274
Knox County Community Foundation	-	1,000	-	-	1,000	-	794	-	206
Health Donations-Christmas	1,396	500	-	-	1,896	750	90	-	2,556
Donations - Agritech Seed	2	-	-	-	2	-	-	-	2
Donations - Kidsay	-	520	465	-	55	-	-	-	55
Indiana Youth Survey	68	-	68	-	-	500	500	-	-
Education Foundation Donations	35,827	23,710	28,023	-	31,514	41,700	30,530	-	42,684
Contr/Donations-Pto Donations	-	3,806	3,806	-	-	-	-	-	-
Cont/Donations-United Way	3,597	5,510	4,691	-	4,416	5,510	3,896	-	6,030
Donations-Chamber Of Commerce	500	-	-	-	500	-	-	-	500
Welfare Activities - Health	4,524	575	2,829	-	2,270	50	653	-	1,667
Guidance Welfare Activities	388	-	-	-	388	-	-	-	388
Bc2M Grant	46	-	-	-	46	-	-	-	46
Formative Assessment	-	15,555	15,488	-	67	17,845	17,912	-	-
Early Literacy Achievement Grant	-	-	-	-	-	5,252	5,252	-	-

(Continued)

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

Fund	Cash and Investments 07-01-2022	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2023	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2024
Medicaid Reimbursement-State	\$ 328	\$ 7,322	\$ -	\$ (7,431)	\$ 219	\$ 9,141	\$ -	\$ (8,323)	\$ 1,037
Secured Schools Safety Grant	(2,112)	20,537	19,711	-	(1,286)	23,479	23,968	-	(1,775)
Early Intervention Grant 2021	3,653	-	3,653	-	-	-	-	-	-
Early Intervention Grant 2022	-	3,505	3,505	-	-	-	-	-	-
Non-English Speaking Program	-	1,696	1,269	-	427	-	427	-	-
Career And Technical Performance Grant	-	18	-	-	18	27	-	-	45
Teacher Appreciation Grant	1,085	46,737	47,822	-	-	46,848	46,848	-	-
High Ability Students	3,747	24,659	24,706	-	3,700	29,360	24,620	-	8,440
State Connectivity Grant	7,360	10,800	7,215	-	10,945	10,800	7,343	-	14,402
Title I Fy2023	-	95,448	105,091	-	(9,643)	31,462	21,819	-	-
Title I Fy2024	-	-	-	-	-	101,748	112,629	-	(10,881)
Title I Fy 2022	(11,236)	37,430	26,194	-	-	-	-	-	-
Idea Part B 611 Fy2023	-	152,944	172,264	-	(19,320)	113,391	94,071	-	-
Idea Part B 611 Fy 2022	(18,711)	87,815	69,104	-	-	-	-	-	-
Idea Part B 611 Fy2024	-	-	-	-	-	139,924	159,746	-	(19,822)
Title Iv Part A Ffy2022/Fy2023	-	7,160	10,253	-	(3,093)	3,093	-	-	-
Medicaid Reimbursement-Federal	4,381	18,597	3,157	(32)	19,789	17,974	2,933	-	34,830
Title II Part A 2023	-	17,854	21,100	-	(3,246)	7,956	4,710	-	-
Ffy 2019 Title II Part A Supporting Ef	-	-	-	-	-	23,871	23,871	-	-
Ffy 2021 Title II Part A Supporting Ef	(2,815)	9,852	7,037	-	-	-	-	-	-
Idea Arp Fy2022	-	1,260	7,359	-	(6,099)	43,707	37,608	-	-
Readi - Design & Innovation Studio Grant	-	-	24,875	-	(24,875)	24,875	-	-	-
ESSER III	-	140,704	207,652	-	(66,948)	513,244	481,232	-	(34,936)
ESSER II	(12,651)	80,060	81,848	-	(14,439)	33,168	18,729	-	-
Prepaid School Lunch Accounts	28,005	351,617	367,046	-	12,576	388,428	391,196	-	9,808
Federal Taxes	-	503,610	503,610	-	-	528,904	528,904	-	-
Social Security Taxes	-	494,699	494,699	-	-	534,051	534,051	-	-
State Taxes	15,133	201,118	200,739	-	15,512	211,104	210,737	-	15,879
County Adjusted Income Taxes	5,615	96,737	94,237	-	8,115	112,896	112,374	-	8,637

(Continued)

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

<u>Fund</u>	<u>Cash and Investments 07-01-2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2023</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2024</u>
Teacher Retirement	\$ -	\$ 9,363	\$ 9,363	\$ -	\$ -	\$ 9,670	\$ 9,670	\$ -	\$ -
Public Employees Retirement	-	3,016	3,016	-	-	3,253	3,253	-	-
Group Insurance	16,635	90,432	90,393	-	16,674	89,541	90,563	-	15,652
Annuities	4,178	63,748	63,430	-	4,496	106,256	107,389	-	3,363
Wage Garnishments	-	6,770	6,770	-	-	13,883	13,883	-	-
United Of Knox County	1,279	2,657	2,886	-	1,050	1,756	2,360	-	446
Eca Payroll	-	430	430	-	-	1,020	1,020	-	-
Education Foundation	-	182	182	-	-	31	31	-	-
Hsa Group Account	-	133,141	133,141	-	-	138,831	138,831	-	-
Credit Card Fraud Recovery	(5,087)	-	(5,087)	-	-	-	-	-	-
Group Term Life Fringe Benefit	-	3,540	3,540	-	-	-	-	-	-
Totals	<u>\$ 6,350,941</u>	<u>\$ 20,019,088</u>	<u>\$ 20,344,839</u>	<u>\$ 5,416</u>	<u>\$ 6,030,606</u>	<u>\$ 20,999,467</u>	<u>\$ 21,522,141</u>	<u>\$ 2,771</u>	<u>\$ 5,510,703</u>

See notes to financial statement.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

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

(Continued)

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Continued)

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

NOTE 2 - BUDGETS

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

NOTE 3 - PROPERTY TAXES

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

(Continued)

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

NOTE 5 - RISK MANAGEMENT

The School Corporation may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters. These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party.

The School Corporation established a self-insurance fund to set aside money for claim settlements. The self-insurance fund had a negative balance of (\$91,710) at June 30, 2024. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

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

NOTE 6 - CASH BALANCE DEFICITS

The financial statement contains some funds with deficits in cash. This is a result of certain funds being set up for reimbursable grants, but for which reimbursement was not yet received by June 30, 2023, and 2024. The deficit in the Self-Insurance fund is the result of disbursements exceeding receipts due to under-estimating current requirements for the fund. This deficit will be repaid from future receipts.

NOTE 7 - HOLDING CORPORATION

The School Corporation has entered into a series of capital leases with the South Knox School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments for the period July 1, 2022 through June 30, 2023 totaled \$1,114,000. Lease payments for the period July 1, 2023 through June 30, 2024 totaled \$1,115,000.

NOTE 8 - PENSION PLANS

Public Employees' Retirement Fund

Plan Description

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

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

(Continued)

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

NOTE 8 - PENSION PLANS (Continued)

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

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

Financial Report

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

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

Contributions

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

Teachers' Retirement Fund

Plan Descriptions

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

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

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

(Continued)

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

NOTE 8 - PENSION PLANS (Continued)

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

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

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

Financial Report

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

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

Contributions

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

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

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

OTHER INFORMATION (Unaudited)

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

	Education	Debt Service	Operations	Local Rainy Day	School Lunch	Curricular Materials	Self-Insurance	Levy Excess	Cossap Project	Educational License Plates	School Library Printed Materia	Donations - Tunnel Car Wash	Donations-A Couchenour Memory
Cash and investments - beginning	\$ 1,928,157	\$ 530,457	\$ 2,805,692	\$ 714,570	\$ 189,011	\$ 109,755	\$ (41,959)	\$ 25,742	\$ 3,000	\$ 19	\$ 98	\$ 990	\$ 274
Receipts:													
Local sources	184,965	1,291,391	3,873,670	-	367,458	170,107	1,761,019	-	2,000	-	200	-	-
Intermediate sources	896	-	-	-	-	-	-	-	-	150	-	-	-
State sources	9,026,258	-	-	-	5,008	33,729	-	-	-	-	-	-	-
Federal sources	-	-	-	-	478,245	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	9,274	19,965	18,119	-	-	-	-	-	-	-	-	-	-
Total receipts	9,221,393	1,311,356	3,891,789	-	850,711	203,836	1,761,019	-	2,000	150	200	-	-
Disbursements:													
Instruction	6,537,372	-	-	199,832	-	-	90,877	-	-	169	-	-	-
Support services	1,823,780	-	3,571,982	70,269	-	124,868	40,148	-	-	-	-	-	-
Noninstructional services	163,828	-	4,598	15,641	675,269	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	1,211,336	-	-	-	-	-	-	-	-	-	-
Debt services	-	1,196,358	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	3,766	-	-	-	-	-	1,747,166	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	8,528,746	1,196,358	4,787,916	285,742	675,269	124,868	1,878,191	-	-	169	-	-	-
Excess (deficiency) of receipts over disbursements	692,647	114,998	(896,127)	(285,742)	175,442	78,968	(117,172)	-	2,000	(19)	200	-	-
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	5,416	-	-	-	-	-	-	-	-	-	-
Transfers in	7,463	-	1,006,446	250,000	-	-	-	-	-	-	-	-	-
Transfers out	(972,709)	(7,995)	(250,000)	-	-	-	-	(25,742)	-	-	-	-	-
Total other financing sources (uses)	(965,246)	(7,995)	761,862	250,000	-	-	-	(25,742)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(272,599)	107,003	(134,265)	(35,742)	175,442	78,968	(117,172)	(25,742)	2,000	(19)	200	-	-
Cash and investments - ending	\$ 1,655,558	\$ 637,460	\$ 2,671,427	\$ 678,828	\$ 364,453	\$ 188,723	\$ (159,131)	\$ -	\$ 5,000	\$ -	\$ 298	\$ 990	\$ 274

(Continued)

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

	Knox County Community Foundation	Health Donations- Christmas	Donations - Agritech Seed	Donations - Kidsay	Indiana Youth Survey	Education Foundation Donations	Contr/Donations- Pto Donations	Cont/Donations- United Way	Donations- Chamber Of Commerce	Welfare Activities - Health	Guidance Welfare Activities	Bc2M Grant	Formative Assessment
Cash and investments - beginning	\$ -	\$ 1,396	\$ 2	\$ -	\$ 68	\$ 35,827	\$ -	\$ 3,597	\$ 500	\$ 4,524	\$ 388	\$ 46	\$ -
Receipts:													
Local sources	1,000	500	-	520	-	23,710	3,806	5,510	-	575	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-	15,555
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	1,000	500	-	520	-	23,710	3,806	5,510	-	575	-	-	15,555
Disbursements:													
Instruction	-	-	-	465	68	17,042	3,806	4,691	-	-	-	-	15,488
Support services	-	-	-	-	-	9,235	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	1,746	-	-	-	2,829	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	465	68	28,023	3,806	4,691	-	2,829	-	-	15,488
Excess (deficiency) of receipts over disbursements	1,000	500	-	55	(68)	(4,313)	-	819	-	(2,254)	-	-	67
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	1,000	500	-	55	(68)	(4,313)	-	819	-	(2,254)	-	-	67
Cash and investments - ending	\$ 1,000	\$ 1,896	\$ 2	\$ 55	\$ -	\$ 31,514	\$ -	\$ 4,416	\$ 500	\$ 2,270	\$ 388	\$ 46	\$ 67

(Continued)

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

	Medicaid Reimbursement- State	Secured Schools Safety Grant	Early Intervention Grant 2021	Early Intervention Grant 2022	Non-English Speaking Program	Career And Technical Performance Grant	Teacher Appreciation Grant	High Ability Students	State Connectivity Grant	Title I Fy2023	Title I Fy 2022	Idea Part B 611 Fy2023	Idea Part B 611 Fy 2022
Cash and investments - beginning	\$ 328	\$ (2,112)	\$ 3,653	\$ -	\$ -	\$ -	\$ 1,085	\$ 3,747	\$ 7,360	\$ -	\$ (11,236)	\$ -	\$ (18,711)
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	7,322	20,537	-	3,505	1,696	18	46,737	24,659	10,800	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	95,448	37,430	152,944	87,815
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	7,322	20,537	-	3,505	1,696	18	46,737	24,659	10,800	95,448	37,430	152,944	87,815
Disbursements:													
Instruction	-	30	3,653	3,505	1,269	-	47,822	24,706	-	105,091	26,194	172,264	69,104
Support services	-	19,681	-	-	-	-	-	-	7,215	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	19,711	3,653	3,505	1,269	-	47,822	24,706	7,215	105,091	26,194	172,264	69,104
Excess (deficiency) of receipts over disbursements	7,322	826	(3,653)	-	427	18	(1,085)	(47)	3,585	(9,643)	11,236	(19,320)	18,711
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	32	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	(7,463)	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(7,431)	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(109)	826	(3,653)	-	427	18	(1,085)	(47)	3,585	(9,643)	11,236	(19,320)	18,711
Cash and investments - ending	\$ 219	\$ (1,286)	\$ -	\$ -	\$ 427	\$ 18	\$ -	\$ 3,700	\$ 10,945	\$ (9,643)	\$ -	\$ (19,320)	\$ -

(Continued)

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

	Title Iv Part A Ffy2022/Fy2023	Medicaid Reimbursement- Federal	Title II Part A 2023	Ffy 2021 Title II Part A Supporting Ef	Idea Arp Fy2022	Readi - Design & Innovation Studio Grant	ESSER III	ESSER II	Prepaid School Lunch Accounts	Federal Taxes	Social Security Taxes	State Taxes	County Adjusted Income Taxes
Cash and investments - beginning	\$ -	\$ 4,381	\$ -	\$ (2,815)	\$ -	\$ -	\$ -	\$ (12,651)	\$ 28,005	\$ -	\$ -	\$ 15,133	\$ 5,615
Receipts:													
Local sources	-	-	-	-	-	-	-	-	351,617	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	7,160	18,597	17,854	9,852	1,260	-	140,704	80,060	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	503,610	494,699	201,118	96,737
Total receipts	7,160	18,597	17,854	9,852	1,260	-	140,704	80,060	351,617	503,610	494,699	201,118	96,737
Disbursements:													
Instruction	10,253	2,690	21,100	7,037	7,359	24,875	81,967	22,638	-	-	-	-	-
Support services	-	467	-	-	-	-	-	59,210	815	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	366,231	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	125,685	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	503,610	494,699	200,739	94,237
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	10,253	3,157	21,100	7,037	7,359	24,875	207,652	81,848	367,046	503,610	494,699	200,739	94,237
Excess (deficiency) of receipts over disbursements	(3,093)	15,440	(3,246)	2,815	(6,099)	(24,875)	(66,948)	(1,788)	(15,429)	-	-	379	2,500
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	(32)	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(32)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,093)	15,408	(3,246)	2,815	(6,099)	(24,875)	(66,948)	(1,788)	(15,429)	-	-	379	2,500
Cash and investments - ending	\$ (3,093)	\$ 19,789	\$ (3,246)	\$ -	\$ (6,099)	\$ (24,875)	\$ (66,948)	\$ (14,439)	\$ 12,576	\$ -	\$ -	\$ 15,512	\$ 8,115

(Continued)

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

	Teacher Retirement	Public Employees Retirement	Group Insurance	Annuities	Wage Garnishments	United Of Knox County	Eca Payroll	Education Foundation	Hsa Group Account	Credit Card Fraud Recovery	Group Term Life Fringe Benefit	Totals
Cash and investments - beginning	\$ -	\$ -	\$ 16,635	\$ 4,178	\$ -	\$ 1,279	\$ -	\$ -	\$ -	\$ (5,087)	\$ -	\$ 6,350,941
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	8,038,048
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	1,046
State sources	-	-	-	-	-	-	-	-	-	-	-	9,195,824
Federal sources	-	-	-	-	-	-	-	-	-	-	-	1,127,369
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	9,363	3,016	90,432	63,748	6,770	2,657	430	182	133,141	-	3,540	1,656,801
Total receipts	9,363	3,016	90,432	63,748	6,770	2,657	430	182	133,141	-	3,540	20,019,088
Disbursements:												
Instruction	-	-	-	-	-	-	-	-	-	-	-	7,501,367
Support services	-	-	-	-	-	-	-	-	-	(5,087)	-	5,722,583
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	1,230,142
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	1,337,021
Debt services	-	-	-	-	-	-	-	-	-	-	-	1,196,358
Nonprogrammed charges	9,363	3,016	90,393	63,430	6,770	2,886	430	182	133,141	-	3,540	3,357,368
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	9,363	3,016	90,393	63,430	6,770	2,886	430	182	133,141	(5,087)	3,540	20,344,839
Excess (deficiency) of receipts over disbursements	-	-	39	318	-	(229)	-	-	-	5,087	-	(325,751)
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	5,416
Transfers in	-	-	-	-	-	-	-	-	-	-	-	1,263,941
Transfers out	-	-	-	-	-	-	-	-	-	-	-	(1,263,941)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	5,416
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	39	318	-	(229)	-	-	-	5,087	-	(320,335)
Cash and investments - ending	\$ -	\$ -	\$ 16,674	\$ 4,496	\$ -	\$ 1,050	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,030,606

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

	Education	Debt Service	Operations	Local Rainy Day	School Lunch	Curricular Materials	Self-Insurance	Cossap Project	Unified Robotics Coach Stipend	Gpc Playground Equipment Donation	Educational License Plates	School Library Printed Material
Cash and investments - beginning	\$ 1,655,558	\$ 637,460	\$ 2,671,427	\$ 678,828	\$ 364,453	\$ 188,723	\$ (159,131)	\$ 5,000	\$ -	\$ -	\$ -	\$ 298
Receipts:												
Local sources	195,555	1,233,919	3,936,058	-	390,366	9,889	1,814,638	1,000	250	1,000	-	392
Intermediate sources	1,793	-	-	-	-	-	-	-	-	-	113	-
State sources	9,597,479	-	-	-	8,168	198,085	-	-	-	-	-	-
Federal sources	-	-	-	-	184,543	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	25,933	5,503	9,484	-	-	-	-	-	-	-	-	-
Total receipts	9,820,760	1,239,422	3,945,542	-	583,077	207,974	1,814,638	1,000	250	1,000	113	392
Disbursements:												
Instruction	7,133,762	-	-	200,528	-	-	-	-	250	-	113	-
Support services	1,951,234	21,326	3,818,109	78,223	-	214,144	-	-	-	-	-	25
Noninstructional services	170,436	-	4,598	10,206	719,546	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	850,185	-	-	-	-	-	-	-	-	-
Debt services	-	1,337,796	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	1,747,217	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	9,255,432	1,359,122	4,672,892	288,957	719,546	214,144	1,747,217	-	250	-	113	25
Excess (deficiency) of receipts over disbursements	565,328	(119,700)	(727,350)	(288,957)	(136,469)	(6,170)	67,421	1,000	-	1,000	-	367
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	2,771	-	-	-	-	-	-	-	-	-
Transfers in	8,323	-	916,200	250,000	-	-	-	-	-	-	-	-
Transfers out	(916,200)	-	(250,000)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(907,877)	-	668,971	250,000	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(342,549)	(119,700)	(58,379)	(38,957)	(136,469)	(6,170)	67,421	1,000	-	1,000	-	367
Cash and investments - ending	\$ 1,313,009	\$ 517,760	\$ 2,613,048	\$ 639,871	\$ 227,984	\$ 182,553	\$ (91,710)	\$ 6,000	\$ -	\$ 1,000	\$ -	\$ 665

(Continued)

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

	Donations - Tunnel Car Wash	Donations-A Couchenour Memory	Knox County Community Foundation	Health Donations- Christmas	Donations - Agritech Seed	Donations - Kidsay	Indiana Youth Survey	Education Foundation Donations	Cont/Donations- United Way	Donations- Chamber Of Commerce	Welfare Activities - Health	Guidance Welfare Activities
Cash and investments - beginning	\$ 990	\$ 274	\$ 1,000	\$ 1,896	\$ 2	\$ 55	\$ -	\$ 31,514	\$ 4,416	\$ 500	\$ 2,270	\$ 388
Receipts:												
Local sources	-	-	-	750	-	-	500	41,700	5,510	-	50	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	750	-	-	500	41,700	5,510	-	50	-
Disbursements:												
Instruction	-	-	-	-	-	-	-	12,325	3,896	-	-	-
Support services	-	-	794	-	-	-	500	13,807	-	-	-	-
Noninstructional services	-	-	-	90	-	-	-	4,398	-	-	653	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	794	90	-	-	500	30,530	3,896	-	653	-
Excess (deficiency) of receipts over disbursements	-	-	(794)	660	-	-	-	11,170	1,614	-	(603)	-
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	-	-	(794)	660	-	-	-	11,170	1,614	-	(603)	-
Cash and investments - ending	\$ 990	\$ 274	\$ 206	\$ 2,556	\$ 2	\$ 55	\$ -	\$ 42,684	\$ 6,030	\$ 500	\$ 1,667	\$ 388

(Continued)

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

	Bc2M Grant	Formative Assessment	Early Literacy Achievement Grant	Medicaid Reimbursement-State	Secured Schools Safety Grant	Non-English Speaking Program	Career And Technical Performance Grant	Teacher Appreciation Grant	High Ability Students	State Connectivity Grant	Title I Fy2023	Title I Fy2024
Cash and investments - beginning	\$ 46	\$ 67	\$ -	\$ 219	\$ (1,286)	\$ 427	\$ 18	\$ -	\$ 3,700	\$ 10,945	\$ (9,643)	\$ -
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	17,845	5,252	9,141	23,479	-	27	46,848	29,360	10,800	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	31,462	101,748
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	17,845	5,252	9,141	23,479	-	27	46,848	29,360	10,800	31,462	101,748
Disbursements:												
Instruction	-	17,845	5,252	-	-	231	-	46,848	23,402	-	21,819	112,629
Support services	-	67	-	-	23,968	196	-	-	1,218	7,343	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	17,912	5,252	-	23,968	427	-	46,848	24,620	7,343	21,819	112,629
Excess (deficiency) of receipts over disbursements	-	(67)	-	9,141	(489)	(427)	27	-	4,740	3,457	9,643	(10,881)
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(8,323)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(8,323)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(67)	-	818	(489)	(427)	27	-	4,740	3,457	9,643	(10,881)
Cash and investments - ending	\$ 46	\$ -	\$ -	\$ 1,037	\$ (1,775)	\$ -	\$ 45	\$ -	\$ 8,440	\$ 14,402	\$ -	\$ (10,881)

(Continued)

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

	Idea Part B 611 Fy2023	Idea Part B 611 Fy2024	Title Iv Part A Ffy2022/Fy2023	Medicaid Reimbursement- Federal	Title II Part A 2023	Ffy 2019 Title II Part A Supporting Ef	Idea Arp Fy2022	Readi - Design & Innovation Studio Grant	ESSER III	ESSER II	Prepaid School Lunch Accounts	Federal Taxes
Cash and investments - beginning	\$ (19,320)	\$ -	\$ (3,093)	\$ 19,789	\$ (3,246)	\$ -	\$ (6,099)	\$ (24,875)	\$ (66,948)	\$ (14,439)	\$ 12,576	\$ -
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	388,428	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	113,391	139,924	3,093	17,974	7,956	23,871	43,707	24,875	513,244	33,168	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	528,904
Total receipts	113,391	139,924	3,093	17,974	7,956	23,871	43,707	24,875	513,244	33,168	388,428	528,904
Disbursements:												
Instruction	94,071	159,746	-	-	4,710	23,871	37,608	-	85,185	8,930	-	-
Support services	-	-	-	2,933	-	-	-	-	54,423	9,799	1,469	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	389,727	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	341,624	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	528,904
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	94,071	159,746	-	2,933	4,710	23,871	37,608	-	481,232	18,729	391,196	528,904
Excess (deficiency) of receipts over disbursements	19,320	(19,822)	3,093	15,041	3,246	-	6,099	24,875	32,012	14,439	(2,768)	-
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	19,320	(19,822)	3,093	15,041	3,246	-	6,099	24,875	32,012	14,439	(2,768)	-
Cash and investments - ending	\$ -	\$ (19,822)	\$ -	\$ 34,830	\$ -	\$ -	\$ -	\$ -	\$ (34,936)	\$ -	\$ 9,808	\$ -

(Continued)

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

	Social Security Taxes	State Taxes	County Adjusted Income Taxes	Teacher Retirement	Public Employees Retirement	Group Insurance	Annuities	Wage Garnishments	United Of Knox County	Eca Payroll	Education Foundation	Hsa Group Account	Totals
Cash and investments - beginning	\$ -	\$ 15,512	\$ 8,115	\$ -	\$ -	\$ 16,674	\$ 4,496	\$ -	\$ 1,050	\$ -	\$ -	\$ -	\$ 6,030,606
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	8,020,005
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	1,906
State sources	-	-	-	-	-	-	-	-	-	-	-	-	9,946,484
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	1,238,956
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	534,051	211,104	112,896	9,670	3,253	89,541	106,256	13,883	1,756	1,020	31	138,831	1,792,116
Total receipts	534,051	211,104	112,896	9,670	3,253	89,541	106,256	13,883	1,756	1,020	31	138,831	20,999,467
Disbursements:													
Instruction	-	-	-	-	-	-	-	-	-	-	-	-	7,993,021
Support services	-	-	-	-	-	-	-	-	-	-	-	-	6,199,578
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	1,299,654
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	1,191,809
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	1,337,796
Nonprogrammed charges	534,051	210,737	112,374	9,670	3,253	90,563	107,389	13,883	2,360	1,020	31	138,831	3,500,283
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	534,051	210,737	112,374	9,670	3,253	90,563	107,389	13,883	2,360	1,020	31	138,831	21,522,141
Excess (deficiency) of receipts over disbursements	-	367	522	-	-	(1,022)	(1,133)	-	(604)	-	-	-	(522,674)
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	2,771
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	1,174,523
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	(1,174,523)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	2,771
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	367	522	-	-	(1,022)	(1,133)	-	(604)	-	-	-	(519,903)
Cash and investments - ending	\$ -	\$ 15,879	\$ 8,637	\$ -	\$ -	\$ 15,652	\$ 3,363	\$ -	\$ 446	\$ -	\$ -	\$ -	\$ 5,510,703

SOUTH KNOX SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2024

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ <u>29,349</u>	\$ <u>67,414</u>

SOUTH KNOX SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2024

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
South Knox School Building Corporation	2017 Lease	\$ 433,000	6/30/2018	12/31/2035
South Knox School Building Corporation	2016 Lease	<u>680,500</u>	6/30/2017	12/31/2035
Total governmental activities		<u>1,113,500</u>		
Total of annual lease payments		<u>\$ 1,113,500</u>		

<u>Description of Debt</u>		<u>Ending Principal Balance</u>	<u>Principal Due Within One Year</u>
<u>Type</u>	<u>Purpose</u>		
Governmental activities:			
General Obligation Bonds	Qualified School Construction Bonds of 2009	<u>\$ 70,000</u>	<u>\$ 70,000</u>
Totals		<u>\$ 70,000</u>	<u>\$ 70,000</u>

SOUTH KNOX SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2024

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 50,000
Buildings	26,614,916
Improvements other than buildings	1,753,870
Machinery, equipment, and vehicles	<u>4,945,077</u>
Total governmental activities	<u>33,363,863</u>
Total capital assets	<u>\$ 33,363,863</u>

SOUTH KNOX SCHOOL CORPORATION
STATE REPORTING INFORMATION
July 1, 2022 - June 30, 2024

Financial Statement and Accompanying Notes:

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

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

Indiana Department of Education Reporting:

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

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

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

SOUTH KNOX SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period of July 1, 2022 through June 30, 2024

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 06-30-24	Total Federal Awards Expended 07-01-22 to 06-30-24
<u>Department of Agriculture</u>						
Child Nutrition Cluster	Indiana Department of Education					
School Breakfast Program		10.553	FY2023, FY2024	\$ 65,676	\$ 32,423	\$ 98,099
National School Lunch Program		10.555	FY2023, FY2024	411,941	152,120	564,061
Commodities		10.555	FY2023, FY2024	<u>29,853</u>	<u>42,819</u>	<u>72,672</u>
Total - Child Nutrition Cluster				<u>507,470</u>	<u>227,362</u>	<u>734,832</u>
Pandemic EBT Administrative Costs	Indiana Department of Education					
P-EBT Administrative Cost Grant		10.649	FY2023	<u>628</u>	<u>-</u>	<u>628</u>
Total - Department of Agriculture				<u>508,098</u>	<u>227,362</u>	<u>735,460</u>
<u>Department of the Treasury</u>						
Coronavirus State and Local Fiscal Recovery Funds	Wabash River Regional Development Authority					
READI - Design & Innovation Studio		21.027	FY2024	<u>-</u>	<u>24,875</u>	<u>24,875</u>
Total - Department of the Treasury				<u>-</u>	<u>24,875</u>	<u>24,875</u>
<u>Department of Education</u>						
Special Education Cluster (IDEA)	Indiana Department of Education					
Special Education Grants to States						
IDEA, Part B		84.027	21611-032-PN01	20,940	-	20,940
IDEA, Part B		84.027	22611-032-PN01	119,710	25,641	145,351
IDEA, Part B		84.027	23611-032-PN01	152,945	165,054	317,999
IDEA, Part B		84.027	24611-032-PN01	-	139,924	139,924
COVID-19 - Supplemental Funding - IDEA, Part B		84.027X	22611-032-ARP	<u>11,598</u>	<u>64,782</u>	<u>76,380</u>
Total - Special Education Grants to States				<u>305,193</u>	<u>395,401</u>	<u>700,594</u>
Special Education Preschool Grants	Indiana Department of Education					
IDEA, Preschool		84.173	21619-032-PN01	5,011	-	5,011
IDEA, Preschool		84.173	22619-032-PN01	9,018	4,320	13,338
IDEA, Preschool		84.173	23619-032-PN01	-	10,146	10,146
COVID-19 - Supplemental Funding - IDEA, Preschool		84.173X	22619-032-ARP	<u>2,184</u>	<u>140</u>	<u>2,324</u>
Total - Special Education Preschool Grants				<u>16,213</u>	<u>14,606</u>	<u>30,819</u>
Total - Special Education Cluster (IDEA)				<u>321,406</u>	<u>410,007</u>	<u>731,413</u>

(Continued)

SOUTH KNOX SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period of July 1, 2022 through June 30, 2024

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 06-30-24	Total Federal Awards Expended 07-01-22 to 06-30-24
Title I Grants to Local Educational Agencies	Indiana Department of Education					
Title I, Part A		84.010A	S010A210014	\$ 37,430	\$ -	\$ 37,430
Title I, Part A		84.010A	S010A220014	95,448	31,462	126,910
Title I, Part A		84.010A	S010A230014	-	101,748	101,748
Total - Title I Grants to Local Educational Agencies				<u>132,878</u>	<u>133,210</u>	<u>266,088</u>
Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II, Part A		84.367A	S367A210013	9,852	-	9,852
Title II, Part A		84.367A	S367A220013	17,854	7,956	25,810
Title II, Part A		84.367A	S367A230013	-	23,871	23,871
Total - Supporting Effective Instruction State Grants				<u>27,706</u>	<u>31,827</u>	<u>59,533</u>
Student Support and Academic Enrichment Program	Indiana Department of Education					
Title IV, Part A		84.424	S424A220015	7,160	3,093	10,253
Total - Student Support and Academic Enrichment Program				<u>7,160</u>	<u>3,093</u>	<u>10,253</u>
COVID-19 - Education Stabilization Fund	Indiana Department of Education					
Elementary and Secondary School Emergency Relief (ESSER II) Fund						
American Rescue Plan Elementary and Secondary School		84.425D	S425D210013	80,060	33,168	113,228
Elementary and Secondary School Emergency Relief (ESSER III) Fund		84.425U	S425U210013	140,704	513,244	653,948
Total - COVID-19 - Education Stabilization Fund				<u>220,764</u>	<u>546,412</u>	<u>767,176</u>
Total - Department of Education				<u>709,914</u>	<u>1,124,549</u>	<u>1,834,463</u>
<u>Department of Health and Human Services</u>						
Medicaid Cluster						
Medical Assistance Program	Family and Social Services Administration					
Medicaid Cluster		93.778	FY2023, FY2024	18,597	17,974	36,571
Total - Department of Health and Human Services				<u>18,597</u>	<u>17,974</u>	<u>36,571</u>
Total federal awards expended				<u>\$ 1,236,609</u>	<u>\$ 1,394,760</u>	<u>\$ 2,631,369</u>

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

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

NOTE 1 - BASIS OF PRESENTATION

A. Basis of Presentation

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

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

B. Other Significant Accounting Policies

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

NOTE 2 - INDIRECT COST RATE

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

NOTE 3 - OTHER INFORMATION

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

NOTE 4 - SPECIAL EDUCATION COOPERATIVE (ALN: 84.027, 84.173)

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

NOTE 5 - NON-CASH PROGRAMS (COMMODITIES)

Commodities donated to the School Corporation by the U.S. Department of Agriculture (USDA) of \$72,672 are valued based on the USDA's donated commodity price list. These are shown as part of the National School Lunch Program (10.555).

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

Those Charged with Governance
South Knox School Corporation
Knox County, Indiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the South Knox School Corporation ("School Corporation"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School Corporation as of June 30, 2024 and for the period July 1, 2022 through June 30, 2024 and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement, and have issued our report thereon dated March 25, 2025.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements 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 2024-001 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*.

The School Corporation's Response to 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. 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 25, 2025

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

Those Charged with Governance
South Knox School Corporation
Knox County, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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 each of its major federal programs for the period of July 1, 2022 through June 30, 2024.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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 and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-002 and 2024-003 to be material weaknesses.

(Continued)

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 School Corporation is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The School Corporation's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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 25, 2025

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

Section I – Summary of Auditor’s Results

Financial Statement

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

Internal control over financial reporting:

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

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

Internal control over major programs:

Material weakness(es) identified?	<u> X </u>	Yes	_____	No
Significant deficiencies identified not considered to be material weaknesses?	_____	Yes	<u> X </u>	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)?	<u> X </u>	Yes	_____	No
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Identification of major programs:

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

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

Auditee qualified as low-risk auditee?	_____	Yes	<u> X </u>	No
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(Continued)

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

Section II – Financial Statement Findings

FINDING 2024-001

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

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

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

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

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

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

2 CFR 200.508 states in part:

"The auditee must: . . .

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

2 CFR 200.510(b) states:

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

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

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

(Continued)

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

Section II – Financial Statement Findings (Continued)

FINDING 2024-001 (Continued)

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

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

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

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

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

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

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. The SEFA was reviewed prior to submission. However, it was not reviewed in enough detail to prevent the following errors that resulted in the overstatement on the SEFA of \$518,741 for the period July 1, 2022, through June 30, 2024:

- The Child Nutrition Cluster (10.553, 10.555) expenditures were overstated by \$3,405
- The Special Education Cluster (84.027A, 84.027X, 84.173A, 84.173X) was overstated by \$515,336

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

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

Identification as a repeat finding, if applicable: No.

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

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

(Continued)

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

Section III – Federal Award Findings and Questioned Costs

FINDING 2024-002

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
Federal Award Numbers and Years (or Other Identifying Numbers): FY2023, FY2024
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement
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). . . ."

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

2 CFR 200.320 states in part:

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

- (b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. . . ."

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 compliance requirement.

Cause: The School Corporation's management had not developed a system of internal controls that would have ensured compliance with the Procurement compliance requirement.

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

(Continued)

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

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

FINDING 2024-002 (Continued)

Questioned Costs: There were no questioned costs identified.

Context: The School Corporation utilizes two vendors for the majority of food and supplies purchases for the food service program. One vendor is procured through a purchasing cooperative, Southwest Indiana Co-op, where the School Corporation is a member. The other vendor met the simplified acquisition threshold for fiscal year 2023 and the small purchase threshold for fiscal year 2024. The School Corporation was unable to provide any supporting documentation for the procurement process undertaken as required by the School Corporation's procurement policy. Management stated the items purchased were chosen based on a comparison of prices with two other vendors, however, management had no documented support for the rationale or process to determine which vendor would be selected for food and supplies purchases.

The sample item amount disbursed was \$151,511 for food purchases in FY23 and \$129,583 for food purchases in FY24. The School Corporation did properly confirm the vendor was not debarred or suspended.

Identification as a repeat finding, if applicable: Yes, see Finding 2022-001 in the prior period audit report.

Recommendation: We recommended that the School Corporation's management establish a system of internal controls related to ensure that the School Corporation's procurement policy is adhered to and all documentation is maintained for the procurements performed by the School Corporation.

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

FINDING 2024-003

Information on the federal program:

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

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

(Continued)

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

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

FINDING 2024-003 (Continued)

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

29 CFR 5.5 states in part:

(1) Minimum wages.

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

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

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

2 CFR 200 Appendix II states in part:

In addition to other provisions required by the Federal agency or non-Federal entity; all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable. . . .

(D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. . . ."

Condition: An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions – Wage Rate Requirements compliance requirements.

(Continued)

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

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

FINDING 2024-003 (Continued)

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

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

Questioned Costs: There were no questioned costs identified.

Context: The School Corporation had six projects for various building improvements which were funded with ESSER III (84.425U) grant awards. The School Corporation did not properly include the Davis-Bacon wage rate requirements in the two vendor contracts tested. While the School Corporation did not include the wage rate requirements within their contracts, the weekly payroll reports certifications from the construction vendor to monitor compliance with Davis-Bacon wage rate requirements were obtained and reviewed by the School Corporation.

Identification as a repeat finding: No.

Recommendation: We recommend the School Corporation implement a formal process to review construction contracts funded by federal awards to ensure the contract includes a clause for Davis-Bacon wage rate requirements to comply with federal labor regulations.

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

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CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

June 30, 2024

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FINDING 2024-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Significant Deficiency

Condition and Context: 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).

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 overstatement on the SEFA of \$518,741 for the period July 1, 2022, through June 30, 2024:

- The Child Nutrition Cluster (10.553, 10.555) expenditures were overstated by \$3,405
- The Special Education Cluster (84.027A, 84.027X, 84.173A, 84.173X) was overstated by \$515,336

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

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Moving forward, the corporation will take more time in understanding and completing the Annual SEFA report. This will ensure that the proper information will be entered. We will also be implementing a process in which the document will be understood and a documented review by another member of the corporation staff, will occur before submission.

Responsible Party for Corrective Action: Tamara L. Asdell, Treasurer

Timeline for Completion: Immediately.

FINDING 2024-002

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
Federal Award Numbers and Years (or Other Identifying Numbers): FY2023, FY2024
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement

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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 Child Nutrition Program and Procurement compliance requirement.

The School Corporation utilizes two vendors for the majority of food and supplies purchases for the food service program. One vendor is procured through a purchasing cooperative, Southwest Indiana Co-op, where the School Corporation is a member. The other vendor met the simplified acquisition threshold for fiscal year 2023 and the small purchase threshold for fiscal year 2024. The School Corporation was unable to provide any supporting documentation for the procurement process undertaken as required by the School Corporation's procurement policy. Management stated the items purchased were chosen based on a comparison of prices with two other vendors, however, management had no documented support for the rationale or process to determine which vendor would be selected for food and supplies purchases.

The sample item amount disbursed was \$151,511 for food purchases in FY23 and \$129,583 for food purchases in FY24. The School Corporation did properly confirm the vendor was not debarred or suspended.

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The treasurer will provide the food service director with quarterly vendor reports so the spending thresholds can be monitored. In the event it is known that expenditures will exceed the threshold, the food service director will work to provide rationale for the vendor choice and/or procure items using the bid/RFP process.

Responsible Party for Corrective Action: Tamara L. Asdell, Treasurer

Timeline for Completion: Immediately

FINDING 2024-003

Information on the federal program:

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

Condition and Context: An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions – Wage Rate Requirements compliance requirements.

The School Corporation had six projects for various building improvements which were funded with ESSER III (84.425U) grant awards. The School Corporation did not properly

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include the Davis-Bacon wage rate requirements in the two vendor contracts tested. While the School Corporation did not include the wage rate requirements within their contracts, the weekly payroll reports certifications from the construction vendor to monitor compliance with Davis-Bacon wage rate requirements were obtained and reviewed by the School Corporation.

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Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: South Knox School Corporation will comply with the Davis-Bacon wage rate requirements in all future projects using federal funds.

Responsible Party for Corrective Action: Tamara L. Asdell, Treasurer

Timeline for Completion: Immediately

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SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

June 30, 2024

FINDING 2022-001

Information on the federal program:

Subject: Child Nutrition Cluster - Procurement and Suspension and Debarment
Federal Agency: Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program
Assistance Listing Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY2021, FY2022
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Finding: Material Weakness, Other Matters

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 requirements.

An effective internal control system was not designed, nor implemented at the School Corporation to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

Procurement

When the value of procurement of property or services exceeds the simplified acquisition threshold, customarily set at \$250,000, a formal bid process must take place and a contract must be awarded. Federal regulations allow for informal procurement methods when the value of the procurement for property or services does not exceed the simplified acquisition threshold of \$250,000. However, Indiana Code 5-22-8 has a more restrictive threshold of \$150,000 or less for when small purchase procedures may be used. This informal process allows for methods other than the formal bid process. The informal process is divided between two methods based on thresholds. Micro-purchases, typically for those purchases \$10,000 or under, and small purchase procedures for those purchases above the micro-purchase threshold, but below the simplified acquisition threshold. Micro-purchases may be awarded without soliciting competitive price rate quotations. If small purchase procedures are used, then price or rate quotations must be obtained from an adequate number of qualified sources.

During fiscal year 2021, the School Corporation purchased food and supply items from one vendor with total purchases that fell within the small purchase threshold. The School Corporation did not obtain quotes, nor provide full and open competition. Additionally, there was no documentation available to support the rationale to limit competition.

During fiscal year 2022, the School Corporation purchased food and supply items from one vendor with total purchases that exceeded the simplified acquisition threshold. The School Corporation did not solicit bids or award a contract. Documentation detailing the history of procurement, which must include the reason for the procurement method used, was not available for audit.

Suspension and Debarment

Nonfederal entities and contractors are subject to non-procurement debarment and suspension regulations. These regulations restrict awards, subawards, and contracts with

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certain parties that are debarred, suspended, or otherwise excluded from or are ineligible for participation in Federal assistance programs or activities. This is done by checking SAM Exclusions, collecting a certification from that person, or adding a clause or condition to the covered transaction with that person.

During fiscal years 2021 and 2022, the School Corporation entered into covered transactions with one vendor exceeding \$25,000 but did not verify the vendor was not suspended or debarred or otherwise excluded from or ineligible for participation in federal assistance programs.

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

Status of Prior Year Finding: Unresolved, see current year finding 2024-002.

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
Federal Award Numbers and Years (or Other Identifying Numbers): FY2021, FY2022
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Finding: Material Weakness

Condition and Context: An effective internal control system, which would include segregation of duties, 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.

The School Corporation had not designed, nor implemented a system of internal control to ensure the Monthly Sponsor Claim for Reimbursement (Report) was complete and accurately submitted. The Report was prepared by the Food Service Director without an oversight or review process in place to prevent, or detect and correct, errors. The lack of internal controls was a systemic issue throughout the audit period.

Status of Prior Year Finding: Resolved.