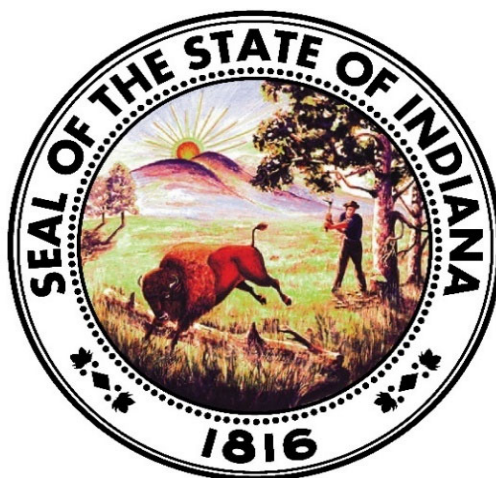


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

FINANCIAL STATEMENT AND
FEDERAL COMPLIANCE AUDIT REPORT
OF
METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY
WABASH COUNTY, INDIANA
July 1, 2021 to June 30, 2023



FILED
03/26/2024



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Fax: (317) 232-4711
Web Site: www.in.gov/sboa

March 26, 2024

To: The Officials of Metropolitan School District of Wabash County
Metropolitan School District of Wabash County
Wabash County, Indiana

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Metropolitan School District of Wabash County. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period July 1, 2021 to June 30, 2023. Per the *Independent Auditor's Report*, the financial statement referred to above presents fairly, in all material respects, the cash and investment balances of Metropolitan School District of Wabash County as of June 30, 2023, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2021 to June 30, 2023 in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

We call your attention to the findings included in the report on pages 38 through 41. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 42 through 44.

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

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

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

A handwritten signature in black ink that reads "Tammy R. White". The signature is written in a cursive style.

Tammy R. White, CPA
Deputy State Examiner

METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY
Wabash County, Indiana

FINANCIAL STATEMENT
As of June 30, 2023, and for the
period of July 1, 2021 through June 30, 2023

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METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY
SCHEDULE OF OFFICIALS (Unaudited)
For the period July 1, 2021 through June 30, 2023

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Chris Kuhn	07-01-21 to 06-30-23
Superintendent of Schools	Mike Keaffaber	07-01-21 to 06-30-23
President of the School Board	Todd Dazey Kevin Bowman	01-01-21 to 12-31-22 01-01-23 to 12-31-23

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
Metropolitan School District of Wabash County
Wabash 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 Metropolitan School District of Wabash County (the School Corporation) as of June 30, 2023 and for the period of July 1, 2021 through June 30, 2023, 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, 2023, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2021 through June 30, 2023 in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the School Corporation as of June 30, 2023, or changes in net position for the period of July 1, 2021 through June 30, 2023.

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

(Continued)

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

Responsibilities of Management for the Financial Statement

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- 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 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 financial statement, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2024 on our consideration of the School Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.


Crowe LLP

Indianapolis, Indiana
March 11, 2024

METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
As of June 30, 2023 and for the period of July 1, 2021 through June 30, 2023

Fund	Cash and Investments 07-01-2021	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2022	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2023
Education	\$ 6,386,813	\$ 16,661,273	\$ 12,898,683	\$ (1,950,000)	\$ 8,199,403	\$ 17,944,188	\$ 13,787,700	\$ (2,100,000)	\$ 10,255,891
Debt Service	937,060	2,323,561	2,541,425	(26,370)	692,826	1,946,295	2,355,500	(13,797)	269,824
Operations	5,180,630	5,036,858	5,211,927	1,664,949	6,670,510	5,994,664	5,900,314	1,721,470	8,486,330
Rainy Day	1,163,528	-	103,547	300,000	1,359,981	-	80,171	400,000	1,679,810
MSD GO Bonds 2016	152,707	-	124,180	-	28,527	-	28,527	-	-
MSD GO Bond 2021	1,898,920	-	1,442,552	-	456,368	-	429,545	-	26,823
School Lunch	299,810	1,239,578	983,186	4,445	560,647	1,353,997	1,231,531	(20)	683,093
Curriculum Materials	495,084	241,792	87,028	28,189	678,037	248,988	100,467	14,597	841,155
Joint Service Supply	348,327	8,015	12,600	-	343,742	11,637	5,101	-	350,278
Wmap Preschool	93,264	-	-	-	93,264	-	-	-	93,264
Ford Meter Box Grant	5,753	15,000	9,418	(3,800)	7,535	15,000	7,674	(3,800)	11,061
MSD Misc Donations	56,843	4,185	3,104	-	57,924	4,439	6,324	-	56,039
WMAP Misc Donations	-	2,783	2,483	-	300	-	300	-	-
Benevolent	7,895	-	-	-	7,895	-	-	-	7,895
Community Foundation Programs	2,716	5,000	5,000	-	2,716	-	-	-	2,716
Unger Mountain	1,983	651	2,417	-	217	420	-	-	637
School Board Scholarship	1,000	2,500	1,500	-	2,000	800	1,000	-	1,800
Awards/ Students	4,925	184	4,024	3,800	4,885	207	2,306	3,800	6,586
Formative Assessment	2,574	19,025	13,837	-	7,762	23,978	23,848	-	7,892
Preschool Grants	19,800	-	19,800	-	-	-	-	-	-
IEP Medicaid Reimb State	-	-	-	-	-	4,433	-	-	4,433
School Safety Grant	(19,178)	38,356	19,178	-	-	37,857	41,740	-	(3,883)
Early Intervention Grant 20/21	4,634	-	4,634	-	-	-	-	-	-
Early Intervention Grant	-	6,033	-	-	6,033	-	6,033	-	-
Early Intervention Grant 2022-	-	-	-	-	-	4,897	1,311	-	3,586
NESP 2021-22	-	3,440	2,878	-	562	-	562	-	-
NESP 22-23	-	-	-	-	-	3,214	3,209	-	5
Career & Tech Perfmnc Grant	21,256	-	3,186	-	18,070	807	2,807	-	16,070
Teacher Appreciation Grant	-	75,566	75,566	-	-	79,930	79,930	-	-

(Continued)

METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
As of June 30, 2023 and for the period of July 1, 2021 through June 30, 2023

Fund	Cash and Investments 07-01-2021	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2022	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2023
High Ability	\$ 4,097	\$ 31,656	\$ 23,467	\$ -	\$ 12,286	\$ 31,199	\$ 34,115	\$ -	\$ 9,370
Connectivity 22	-	12,760	-	-	12,760	11,490	7,851	-	16,399
Come Back Stronger Preschool	1,380	-	1,380	-	-	-	-	-	-
Project Lead The Way	807	5,800	7,107	-	(500)	2,400	-	-	1,900
Misc Income/Sale Of Property	1,655	-	-	3,014	4,669	-	-	388	5,057
Title 1 MSD 2020/2021	(17,053)	44,461	27,408	-	-	-	-	-	-
Title 1 MSD 2021/22	-	166,987	189,475	-	(22,488)	45,137	22,649	-	-
Title 1 MSD 2022/23	-	-	-	-	-	184,757	206,355	-	(21,598)
Whites Title I SIG Grant	(33,297)	56,137	22,840	-	-	-	-	-	-
Title 1 Whites 2020/2021	(10,768)	33,751	22,983	-	-	-	-	-	-
Title I Whites 2021/2022	-	124,733	138,565	-	(13,832)	42,101	28,269	-	-
Title 1 Whites 2022/23	-	-	-	-	-	80,344	88,945	-	(8,601)
2020 Part B 611 20611-054-Pn01	(207)	107,207	107,000	-	-	-	-	-	-
2021 Part B 611 21611-054-Pn01	(109,108)	1,449,776	1,340,668	-	-	81,000	81,000	-	-
2022 Part B 611 22611-54-Pn01	-	563,182	641,275	-	(78,093)	1,546,334	1,468,887	-	(646)
2023 Part B 611 23611-054-Pn01	-	-	-	-	-	561,595	645,459	-	(83,864)
2021 Part B 619 21619-054-Pn01	(3,756)	73,849	70,093	-	-	-	-	-	-
2022 Presch 619 22619-54-Pn01	-	18,763	22,515	-	(3,752)	61,548	57,796	-	-
2023 Part B 619 23619-054-Pn01	-	-	-	-	-	25,199	28,675	-	(3,476)
Title IV Project Year 2019-21	(2,423)	2,423	-	-	-	-	-	-	-
Title IV 2020	(8,151)	15,039	6,948	-	(60)	60	-	-	-
Title IV Student Support	-	-	1,255	-	(1,255)	11,019	9,764	-	-
Medicaid Reimb - Federal	46,953	59,375	2,265	-	104,063	77,600	12,857	-	168,806
T-II Part A FFY 2019	(2,600)	4,672	2,072	-	-	-	-	-	-
T-II Part A FFY 2020	-	35,796	43,303	-	(7,507)	14,982	7,475	-	-
T-11 PBL Training	-	400	400	-	-	-	-	-	-
Title II Part A	-	-	-	-	-	47,998	47,998	-	-
Title II-A 2022-24	-	-	-	-	-	12,864	30,245	-	(17,381)
2022 IDEA ARP 611	-	-	-	-	-	271,968	275,828	-	(3,860)

(Continued)

METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
As of June 30, 2023 and for the period of July 1, 2021 through June 30, 2023

<u>Fund</u>	<u>Cash and Investments 07-01-2021</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2023</u>
2022 IDEA ARP 619 Preschool	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,962	\$ 28,962	\$ -	\$ -
ESSER III Grant	(79,603)	289,630	349,777	-	(139,750)	498,852	427,416	-	(68,314)
ESSER II Grant	(28,571)	90,331	63,308	-	(1,548)	67,960	100,292	-	(33,880)
GEER /Govnrs Emerg Educ-Covid	(45,878)	107,310	64,612	-	(3,180)	3,180	-	-	-
CARES Act-COVID	(1,155)	4,215	3,060	-	-	-	-	-	-
Digital Learn Cap Bldg-COVID	-	52,500	52,500	-	-	-	-	-	-
Cops Sch Violence Prevention	(65,057)	65,057	-	-	-	-	-	-	-
Clearing Accounts	38,038	157,321	146,790	-	48,569	108,127	115,020	-	41,676
Prepaid School Lunch Accounts	38,732	118,508	123,772	-	33,468	445,718	448,341	-	30,845
Totals	<u>\$ 16,790,379</u>	<u>\$ 29,375,439</u>	<u>\$ 27,046,991</u>	<u>\$ 24,227</u>	<u>\$ 19,143,054</u>	<u>\$ 31,938,145</u>	<u>\$ 28,270,099</u>	<u>\$ 22,638</u>	<u>\$ 22,833,738</u>

See notes to financial statement.

METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY
NOTES TO FINANCIAL STATEMENT
As of June 30, 2023, and for the period of
July 1, 2021 through June 30, 2023

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)

METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY
NOTES TO FINANCIAL STATEMENT
As of June 30, 2023, and for the period of
July 1, 2021 through June 30, 2023

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)

METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY
NOTES TO FINANCIAL STATEMENT
As of June 30, 2023, and for the period of
July 1, 2021 through June 30, 2023

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)

METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY
NOTES TO FINANCIAL STATEMENT
As of June 30, 2023, and for the period of
July 1, 2021 through June 30, 2023

NOTE 5 - RISK MANAGEMENT

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

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

NOTE 6 - CASH BALANCE DEFICITS

The financial statement contains some funds with deficits in cash. This is a result of certain funds being set up for reimbursable grants, but for which reimbursement was not yet received by June 30, 2022, and 2023.

NOTE 7 - HOLDING CORPORATION

The School Corporation has entered into two capital leases with the MSD of Wabash County Multi- School Building Corporation (the lessor). The lease terms ended during the audit period. 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, 2021 through June 30, 2022 totaled \$2,376,150. Lease payments for the period July 1, 2022 through June 30, 2023 totaled \$1,350,500.

NOTE 8 - PENSION PLANS

Public Employees' Retirement Fund

Plan Description

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

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

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.

(Continued)

METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY
NOTES TO FINANCIAL STATEMENT
As of June 30, 2023, and for the period of
July 1, 2021 through June 30, 2023

NOTE 8 - PENSION PLANS (Continued)

Financial Report

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

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

Contributions

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

Teachers' Retirement Fund

Plan Descriptions

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

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

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

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

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

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

(Continued)

METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY
NOTES TO FINANCIAL STATEMENT
As of June 30, 2023, and for the period of
July 1, 2021 through June 30, 2023

NOTE 8 - PENSION PLANS (Continued)

Financial Report

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

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

Contributions

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

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

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

NOTE 9 - SUBSEQUENT EVENTS

In October 2023, the School Corporation entered into a capital lease with MSD of Wabash County Multi-School Building Corporation to finance the renovation and improvements of various school facilities. The lease arrangement requires annual lease payments totaling approximately \$2,777,500 beginning July 2024 through January 2027.

OTHER INFORMATION (Unaudited)

METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2022

	Education	Debt Service	Operations	Rainy Day	MSD GO Bonds 2016	MSD GO Bond 2021	School Lunch	Curriculum Materials	Joint Service Supply	Wmap Preschool	Ford Meter Box Grant	MSD Misc Donations	WMAP Misc Donations	Benevolent
Cash and investments - beginning	\$ 6,386,813	\$ 937,060	\$ 5,180,630	\$ 1,163,528	\$ 152,707	\$ 1,898,920	\$ 299,810	\$ 495,084	\$ 348,327	\$ 93,264	\$ 5,753	\$ 56,843	\$ -	\$ 7,895
Receipts:														
Local sources	1,367,470	2,323,561	4,972,226	-	-	-	122,630	159,629	-	-	15,000	4,107	2,783	-
Intermediate sources	327	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	15,270,897	-	-	-	-	-	9,539	82,163	-	-	-	-	-	-
Federal sources	22,579	-	-	-	-	-	1,107,409	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	64,632	-	-	-	-	-	8,015	-	-	78	-	-
Total receipts	16,661,273	2,323,561	5,036,858	-	-	-	1,239,578	241,792	8,015	-	15,000	4,185	2,783	-
Disbursements:														
Instruction	10,228,716	-	-	871	-	-	-	-	-	-	1,009	1,323	-	-
Support services	2,352,379	-	4,684,370	101,464	-	20,000	5,524	87,028	12,600	-	1,370	1,781	2,483	-
Noninstructional services	317,588	-	-	1,212	-	-	977,662	-	-	-	7,039	-	-	-
Facilities acquisition and construction	-	-	527,557	-	124,180	1,399,369	-	-	-	-	-	-	-	-
Debt services	-	2,541,425	-	-	-	23,183	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	12,898,683	2,541,425	5,211,927	103,547	124,180	1,442,552	983,186	87,028	12,600	-	9,418	3,104	2,483	-
Excess (deficiency) of receipts over disbursements	3,762,590	(217,864)	(175,069)	(103,547)	(124,180)	(1,442,552)	256,392	154,764	(4,585)	-	5,582	1,081	300	-
Other financing sources (uses):														
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	14,949	-	-	-	4,445	1,819	-	-	-	-	-	-
Transfers in	-	-	1,950,000	300,000	-	-	-	26,370	-	-	-	-	-	-
Transfers out	(1,950,000)	(26,370)	(300,000)	-	-	-	-	-	-	-	(3,800)	-	-	-
Total other financing sources (uses)	(1,950,000)	(26,370)	1,664,949	300,000	-	-	4,445	28,189	-	-	(3,800)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,812,590	(244,234)	1,489,880	196,453	(124,180)	(1,442,552)	260,837	182,953	(4,585)	-	1,782	1,081	300	-
Cash and investments - ending	\$ 8,199,403	\$ 692,826	\$ 6,670,510	\$ 1,359,981	\$ 28,527	\$ 456,368	\$ 560,647	\$ 678,037	\$ 343,742	\$ 93,264	\$ 7,535	\$ 57,924	\$ 300	\$ 7,895

(Continued)

METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2022

	Community Foundation Programs	Unger Mountain	School Board Scholarship	Awards/ Students	Formative Assessment	Preschool Grants	IEP Medicaid Reimb State	School Safety Grant	Early Intervention Grant 20/21	Early Intervention Grant	Early Intervention Grant 2022-	NESP 2021- 22	NESP 22-23	Career & Tech Perfmnc Grant
Cash and investments - beginning	\$ 2,716	\$ 1,983	\$ 1,000	\$ 4,925	\$ 2,574	\$ 19,800	\$ -	\$ (19,178)	\$ 4,634	\$ -	\$ -	\$ -	\$ -	\$ 21,256
Receipts:														
Local sources	5,000	651	2,500	184	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	19,025	-	-	38,356	-	6,033	-	3,440	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	5,000	651	2,500	184	19,025	-	-	38,356	-	6,033	-	3,440	-	-
Disbursements:														
Instruction	5,000	-	-	4,024	-	19,800	-	-	4,634	-	-	2,878	-	3,186
Support services	-	2,140	-	-	13,837	-	-	19,178	-	-	-	-	-	-
Noninstructional services	-	277	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	1,500	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	5,000	2,417	1,500	4,024	13,837	19,800	-	19,178	4,634	-	-	2,878	-	3,186
Excess (deficiency) of receipts over disbursements	-	(1,766)	1,000	(3,840)	5,188	(19,800)	-	19,178	(4,634)	6,033	-	562	-	(3,186)
Other financing sources (uses):														
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	3,800	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	3,800	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(1,766)	1,000	(40)	5,188	(19,800)	-	19,178	(4,634)	6,033	-	562	-	(3,186)
Cash and investments - ending	\$ 2,716	\$ 217	\$ 2,000	\$ 4,885	\$ 7,762	\$ -	\$ -	\$ -	\$ -	\$ 6,033	\$ -	\$ 562	\$ -	\$ 18,070

(Continued)

METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2022

	Teacher Appreciation Grant	High Ability	Connectivity 22	Come Back Stronger Preschool	Project Lead The Way	Misc Income/Sale Of Property	Title 1 MSD 2020/2021	Title 1 MSD 2021/22	Title 1 MSD 2022/23	Whites Title I SIG Grant	Title 1 Whites 2020/2021	Title I Whites 2021/2022	Title 1 Whites 2022/23
Cash and investments - beginning	\$ -	\$ 4,097	\$ -	\$ 1,380	\$ 807	\$ 1,655	\$ (17,053)	\$ -	\$ -	\$ (33,297)	\$ (10,768)	\$ -	\$ -
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	75,566	31,656	12,760	-	5,800	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	44,461	166,987	-	56,137	33,751	124,733	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	75,566	31,656	12,760	-	5,800	-	44,461	166,987	-	56,137	33,751	124,733	-
Disbursements:													
Instruction	71,057	23,467	-	1,380	-	-	25,767	188,960	-	-	-	-	-
Support services	4,509	-	-	-	7,107	-	1,641	515	-	22,840	22,983	138,565	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	75,566	23,467	-	1,380	7,107	-	27,408	189,475	-	22,840	22,983	138,565	-
Excess (deficiency) of receipts over disbursements	-	8,189	12,760	(1,380)	(1,307)	-	17,053	(22,488)	-	33,297	10,768	(13,832)	-
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	3,014	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	3,014	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	8,189	12,760	(1,380)	(1,307)	3,014	17,053	(22,488)	-	33,297	10,768	(13,832)	-
Cash and investments - ending	\$ -	\$ 12,286	\$ 12,760	\$ -	\$ (500)	\$ 4,669	\$ -	\$ (22,488)	\$ -	\$ -	\$ -	\$ (13,832)	\$ -

(Continued)

METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2022

	2020 Part B 611 20611-054- Pn01	2021 Part B 611 21611-054- Pn01	2022 Part B 611 22611-54- Pn01	2023 Part B 611 23611-054- Pn01	2021 Part B 619 21619-054- Pn01	2022 Presch 619 22619-54- Pn01	2023 Part B 619 23619-054- Pn01	Title IV Project Year 2019-21	Title IV 2020	Title IV Student Support	Medicaid Reimb - Federal	T-II Part A FFY 2019	T-II Part A FFY 2020
Cash and investments - beginning	\$ (207)	\$ (109,108)	\$ -	\$ -	\$ (3,756)	\$ -	\$ -	\$ (2,423)	\$ (8,151)	\$ -	\$ 46,953	\$ (2,600)	\$ -
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	107,207	1,449,776	563,182	-	73,849	18,763	-	2,423	15,039	-	59,375	4,672	35,796
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	107,207	1,449,776	563,182	-	73,849	18,763	-	2,423	15,039	-	59,375	4,672	35,796
Disbursements:													
Instruction	39,590	155,209	70,541	-	-	-	-	-	389	1,255	-	-	3,228
Support services	67,410	1,185,459	570,734	-	70,093	22,515	-	-	6,559	-	2,265	2,072	40,075
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	107,000	1,340,668	641,275	-	70,093	22,515	-	-	6,948	1,255	2,265	2,072	43,303
Excess (deficiency) of receipts over disbursements	207	109,108	(78,093)	-	3,756	(3,752)	-	2,423	8,091	(1,255)	57,110	2,600	(7,507)
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	207	109,108	(78,093)	-	3,756	(3,752)	-	2,423	8,091	(1,255)	57,110	2,600	(7,507)
Cash and investments - ending	\$ -	\$ -	\$ (78,093)	\$ -	\$ -	\$ (3,752)	\$ -	\$ -	\$ (60)	\$ (1,255)	\$ 104,063	\$ -	\$ (7,507)

(Continued)

METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2022

	T-11 PBL Training	Title II Part A	Title II-A 2022-24	2022 IDEA ARP 611	2022 IDEA ARP 619 Preschool	ESSER III Grant	ESSER II Grant	GEER /Govnrs Emerg Educ- Covid	CARES Act-COVID	Digital Learn Cap Bldg- COVID	Cops Sch Violence Prevention	Clearing Accounts	Prepaid School Lunch Accounts	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (79,603)	\$ (28,571)	\$ (45,878)	\$ (1,155)	\$ -	\$ (65,057)	\$ 38,038	\$ 38,732	\$ 16,790,379
Receipts:														
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	118,508	9,094,249
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	327
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-	15,555,235
Federal sources	400	-	-	-	-	289,630	90,331	107,310	4,215	52,500	65,057	-	-	4,495,582
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	157,321	-	230,046
Total receipts	400	-	-	-	-	289,630	90,331	107,310	4,215	52,500	65,057	157,321	118,508	29,375,439
Disbursements:														
Instruction	-	-	-	-	-	171,216	5,730	2,072	3,014	-	-	-	-	11,034,316
Support services	400	-	-	-	-	178,561	27,991	62,540	46	52,500	-	-	-	9,791,534
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	123,772	1,427,550
Facilities acquisition and construction	-	-	-	-	-	-	29,587	-	-	-	-	-	-	2,080,693
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	2,564,608
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	146,790	-	148,290
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	400	-	-	-	-	349,777	63,308	64,612	3,060	52,500	-	146,790	123,772	27,046,991
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	(60,147)	27,023	42,698	1,155	-	65,057	10,531	(5,264)	2,328,448
Other financing sources (uses):														
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	24,227
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-	2,280,170
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,280,170)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	24,227
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	(60,147)	27,023	42,698	1,155	-	65,057	10,531	(5,264)	2,352,675
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (139,750)	\$ (1,548)	\$ (3,180)	\$ -	\$ -	\$ -	\$ 48,569	\$ 33,468	\$ 19,143,054

METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY
 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	Rainy Day	MSD GO Bonds 2016	MSD GO Bond 2021	School Lunch	Curriculum Materials	Joint Service Supply	Wmap Preschool	Ford Meter Box Grant	MSD Misc Donations	WMAP Misc Donations	Benevolent
Cash and investments - beginning	\$ 8,199,403	\$ 692,826	\$ 6,670,510	\$ 1,359,981	\$ 28,527	\$ 456,368	\$ 560,647	\$ 678,037	\$ 343,742	\$ 93,264	\$ 7,535	\$ 57,924	\$ 300	\$ 7,895
Receipts:														
Local sources	1,094,878	1,946,295	5,975,088	-	-	-	471,054	165,096	-	-	15,000	4,245	-	-
Intermediate sources	307	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	16,815,931	-	-	-	-	-	9,273	83,892	-	-	-	-	-	-
Federal sources	33,072	-	-	-	-	-	872,731	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	19,576	-	-	-	939	-	11,637	-	-	194	-	-
Total receipts	17,944,188	1,946,295	5,994,664	-	-	-	1,353,997	248,988	11,637	-	15,000	4,439	-	-
Disbursements:														
Instruction	10,919,909	-	-	4,244	-	-	-	-	-	-	439	1,246	-	-
Support services	2,545,914	-	5,062,725	74,715	-	-	4,804	100,467	5,101	-	332	5,078	300	-
Noninstructional services	321,877	-	-	1,212	-	-	1,226,727	-	-	-	6,903	-	-	-
Facilities acquisition and construction	-	-	837,589	-	28,527	419,045	-	-	-	-	-	-	-	-
Debt services	-	2,355,500	-	-	-	10,500	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	13,787,700	2,355,500	5,900,314	80,171	28,527	429,545	1,231,531	100,467	5,101	-	7,674	6,324	300	-
Excess (deficiency) of receipts over disbursements	4,156,488	(409,205)	94,350	(80,171)	(28,527)	(429,545)	122,466	148,521	6,536	-	7,326	(1,885)	(300)	-
Other financing sources (uses):														
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	21,470	-	-	-	(20)	800	-	-	-	-	-	-
Transfers in	-	-	2,100,000	400,000	-	-	-	13,797	-	-	-	-	-	-
Transfers out	(2,100,000)	(13,797)	(400,000)	-	-	-	-	-	-	-	(3,800)	-	-	-
Total other financing sources (uses)	(2,100,000)	(13,797)	1,721,470	400,000	-	-	(20)	14,597	-	-	(3,800)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,056,488	(423,002)	1,815,820	319,829	(28,527)	(429,545)	122,446	163,118	6,536	-	3,526	(1,885)	(300)	-
Cash and investments - ending	\$ 10,255,891	\$ 269,824	\$ 8,486,330	\$ 1,679,810	\$ -	\$ 26,823	\$ 683,093	\$ 841,155	\$ 350,278	\$ 93,264	\$ 11,061	\$ 56,039	\$ -	\$ 7,895

(Continued)

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

	Community Foundation Programs	Unger Mountain	School Board Scholarship	Awards/ Students	Formative Assessment	Preschool Grants	IEP Medicaid Reimb State	School Safety Grant	Early Intervention Grant 20/21	Early Intervention Grant	Early Intervention Grant 2022-	NESP 2021-22	NESP 22- 23	Career & Tech Perfmnc Grant
Cash and investments - beginning	\$ 2,716	\$ 217	\$ 2,000	\$ 4,885	\$ 7,762	\$ -	\$ -	\$ -	\$ -	\$ 6,033	\$ -	\$ 562	\$ -	\$ 18,070
Receipts:														
Local sources	-	420	800	207	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	23,978	-	4,433	37,857	-	-	4,897	-	3,214	807
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	420	800	207	23,978	-	4,433	37,857	-	-	4,897	-	3,214	807
Disbursements:														
Instruction	-	-	-	2,306	-	-	-	-	-	6,033	1,311	562	3,209	2,807
Support services	-	-	-	-	23,848	-	-	41,740	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	1,000	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	1,000	2,306	23,848	-	-	41,740	-	6,033	1,311	562	3,209	2,807
Excess (deficiency) of receipts over disbursements	-	420	(200)	(2,099)	130	-	4,433	(3,883)	-	(6,033)	3,586	(562)	5	(2,000)
Other financing sources (uses):														
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	3,800	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	3,800	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	420	(200)	1,701	130	-	4,433	(3,883)	-	(6,033)	3,586	(562)	5	(2,000)
Cash and investments - ending	\$ 2,716	\$ 637	\$ 1,800	\$ 6,586	\$ 7,892	\$ -	\$ 4,433	\$ (3,883)	\$ -	\$ -	\$ 3,586	\$ -	\$ 5	\$ 16,070

(Continued)

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

	Teacher Appreciation Grant	High Ability	Connectivity 22	Come Back Stronger Preschool	Project Lead The Way	Misc Income/Sale Of Property	Title 1 MSD 2020/2021	Title 1 MSD 2021/22	Title 1 MSD 2022/23	Whites Title I SIG Grant	Title 1 Whites 2020/2021	Title I Whites 2021/2022	Title 1 Whites 2022/23
Cash and investments - beginning	\$ -	\$ 12,286	\$ 12,760	\$ -	\$ (500)	\$ 4,669	\$ -	\$ (22,488)	\$ -	\$ -	\$ -	\$ (13,832)	\$ -
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	79,930	31,199	11,490	-	2,400	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	45,137	184,757	-	-	42,101	80,344
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	79,930	31,199	11,490	-	2,400	-	-	45,137	184,757	-	-	42,101	80,344
Disbursements:													
Instruction	79,298	34,115	-	-	-	-	-	22,649	206,355	-	-	425	3,033
Support services	632	-	7,851	-	-	-	-	-	-	-	-	27,844	85,912
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	79,930	34,115	7,851	-	-	-	-	22,649	206,355	-	-	28,269	88,945
Excess (deficiency) of receipts over disbursements	-	(2,916)	3,639	-	2,400	-	-	22,488	(21,598)	-	-	13,832	(8,601)
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	388	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	388	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(2,916)	3,639	-	2,400	388	-	22,488	(21,598)	-	-	13,832	(8,601)
Cash and investments - ending	\$ -	\$ 9,370	\$ 16,399	\$ -	\$ 1,900	\$ 5,057	\$ -	\$ -	\$ (21,598)	\$ -	\$ -	\$ -	\$ (8,601)

(Continued)

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

	2020 Part B 611 20611-054- Pn01	2021 Part B 611 21611-054- Pn01	2022 Part B 611 22611-54- Pn01	2023 Part B 611 23611-054- Pn01	2021 Part B 619 21619-054- Pn01	2022 Presch 619 22619-54- Pn01	2023 Part B 619 23619-054- Pn01	Title IV Project Year 2019-21	Title IV 2020	Title IV Student Support	Medicaid Reimb - Federal	T-II Part A FFY 2019	T-II Part A FFY 2020
Cash and investments - beginning	\$ -	\$ -	\$ (78,093)	\$ -	\$ -	\$ (3,752)	\$ -	\$ -	\$ (60)	\$ (1,255)	\$ 104,063	\$ -	\$ (7,507)
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	81,000	1,546,334	561,595	-	61,548	25,199	-	60	11,019	77,600	-	14,982
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	81,000	1,546,334	561,595	-	61,548	25,199	-	60	11,019	77,600	-	14,982
Disbursements:													
Instruction	-	29,482	164,743	77,837	-	-	-	-	-	9,764	-	-	-
Support services	-	51,518	1,304,144	567,622	-	57,796	28,675	-	-	-	12,857	-	7,475
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	81,000	1,468,887	645,459	-	57,796	28,675	-	-	9,764	12,857	-	7,475
Excess (deficiency) of receipts over disbursements	-	-	77,447	(83,864)	-	3,752	(3,476)	-	60	1,255	64,743	-	7,507
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	-	-	77,447	(83,864)	-	3,752	(3,476)	-	60	1,255	64,743	-	7,507
Cash and investments - ending	\$ -	\$ -	\$ (646)	\$ (83,864)	\$ -	\$ -	\$ (3,476)	\$ -	\$ -	\$ -	\$ 168,806	\$ -	\$ -

(Continued)

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

	T-11 PBL Training	Title II-A Title II Part A 2022-24	2022 IDEA ARP 611	2022 IDEA ARP 619 Preschool	ESSER III Grant	ESSER II Grant	GEER /Govnrs Emerg Educ- Covid	CARES Act-COVID	Digital Learn Cap Bldg- COVID	Cops Sch Violence Prevention	Clearing Accounts	Prepaid School Lunch Accounts	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ (139,750)	\$ (1,548)	\$ (3,180)	\$ -	\$ -	\$ -	\$ 48,569	\$ 33,468	\$ 19,143,054
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	-	445,718	10,118,801
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	307
State sources	-	-	-	-	-	-	-	-	-	-	-	-	17,109,301
Federal sources	-	47,998	12,864	271,968	498,852	67,960	3,180	-	-	-	-	-	4,569,263
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	108,127	-	140,473
Total receipts	-	47,998	12,864	271,968	498,852	67,960	3,180	-	-	-	108,127	445,718	31,938,145
Disbursements:													
Instruction	-	1,294	-	39,994	214,636	42,437	-	-	-	-	-	-	11,886,823
Support services	-	46,704	30,245	235,834	212,780	13,100	-	-	-	-	-	-	10,566,280
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	448,341	2,005,060
Facilities acquisition and construction	-	-	-	-	-	44,755	-	-	-	-	-	-	1,329,916
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	2,366,000
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	115,020	-	116,020
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	47,998	30,245	275,828	427,416	100,292	-	-	-	-	115,020	448,341	28,270,099
Excess (deficiency) of receipts over disbursements	-	-	(17,381)	(3,860)	71,436	(32,332)	3,180	-	-	-	(6,893)	(2,623)	3,668,046
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	22,638
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	2,517,597
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	(2,517,597)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	22,638
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(17,381)	(3,860)	71,436	(32,332)	3,180	-	-	-	(6,893)	(2,623)	3,690,684
Cash and investments - ending	\$ -	\$ -	\$ (17,381)	\$ (3,860)	\$ (68,314)	\$ (33,880)	\$ -	\$ -	\$ -	\$ -	\$ 41,676	\$ 30,845	\$ 22,833,738

METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2023

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 344,135	\$ -

METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY
 SCHEDULE OF LEASES AND DEBT
 June 30, 2023

<u>Type</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	Finance Building and Grounds Projects 2021	<u>\$ 1,005,000</u>	\$ <u> -</u>
Totals		<u>\$ 1,005,000</u>	<u>\$ <u> -</u></u>

METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY
SCHEDULE OF CAPITAL ASSETS
June 30, 2023

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	\$ 374,754
Infrastructure	3,592,717
Buildings	33,678,908
Improvements other than buildings	3,208,012
Machinery, equipment, and vehicles	<u>6,287,680</u>
Total governmental activities	<u>47,142,071</u>
Total capital assets	<u>\$ 47,142,071</u>

METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY
STATE REPORTING INFORMATION
July 1, 2021 - June 30, 2023

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.

Metropolitan School District of Wabash County
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period July 1, 2021 through June 30, 2023

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 06-30-22	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended
<u>Department of Agriculture</u>						
Child Nutrition Cluster	Indiana Department of Education					
School Breakfast Program		10.553	FY2022, FY2023	\$ 172,330	\$ 150,854	\$ 323,184
National School Lunch Program		10.555	FY2022, FY2023	933,875	743,555	1,677,430
Commodities		10.555	FY2022, FY2023	104,480	66,993	171,473
Total - Child Nutrition Cluster				<u>1,210,685</u>	<u>961,402</u>	<u>2,172,087</u>
Pandemic EBT Administrative Costs	Indiana Department of Education	10.649	FY2022, FY2023	614	628	1,242
Total - Department of Agriculture				<u>1,211,299</u>	<u>962,030</u>	<u>2,173,329</u>
<u>Department of Justice</u>						
Public Safety Partnership and Community Policing Grants	Direct Award					
COPS Office School Violence Prevention Program (SVPP)		16.710	2020SVWX0120	65,057	-	65,057
Total - Department of Justice				<u>65,057</u>	<u>-</u>	<u>65,057</u>
<u>Department of Education</u>						
Special Education Cluster (IDEA)	Indiana Department of Education					
Special Education Grants to States						
IDEA, Part B		84.027	20611-054-PN01	27,873	-	27,873
IDEA, Part B		84.027	21611-054-PN01	417,975	20,765	438,740
IDEA, Part B		84.027	22611-054-PN01	158,910	446,485	605,395
IDEA, Part B		84.027	23611-054-PN01	-	158,188	158,188
COVID-19 - Supplemental Funding - IDEA, Part B		84.027X	22611-054-ARP	2,043	25,807	27,850
Total - Special Education Grants to States				<u>606,801</u>	<u>651,245</u>	<u>1,258,046</u>
Special Education Preschool Grants	Indiana Department of Education					
IDEA, Preschool		84.173	21619-054-PN01	16,170	-	16,170
IDEA, Preschool		84.173	22619-054-PN01	3,989	13,124	17,113
IDEA, Preschool		84.173	23619-054-PN01	-	5,392	5,392
COVID-19 - Supplemental Funding - IDEA, Preschool		84.173X	22619-054-ARP	-	4,394	4,394
Total - Special Education Preschool Grants				<u>20,159</u>	<u>22,910</u>	<u>43,069</u>
Total - Special Education Cluster (IDEA)				<u>626,960</u>	<u>674,155</u>	<u>1,301,115</u>

(Continued)

Metropolitan School District of Wabash County
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period July 1, 2021 through June 30, 2023

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 06-30-22	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended
Title I Grants to Local Educational Agencies						
Indiana Department of Education						
Title I, Part A		84.010A	S010A200014	\$ 44,461	\$ -	\$ 44,461
Title I, Part A		84.010A	S010A210014	166,987	45,137	212,124
Title I, Part A		84.010A	S010A220014		184,757	184,757
Title I, Part A, SIG		84.010A	S010A200014	56,137	-	56,137
Total - Title I Grants to Local Educational Agencies				<u>267,585</u>	<u>229,894</u>	<u>497,479</u>
Title I State Agency Program for Neglected and Delinquent Children and Youth						
Indiana Department of Education						
Title I, Part D		84.013	S010A200014	33,751	80,344	114,095
Title I, Part D		84.013	S010A210014	124,733	42,101	166,834
Total - Title I State Agency Program for Neglected and Delinquent Children and Youth				<u>158,484</u>	<u>122,445</u>	<u>280,929</u>
Supporting Effective Instruction State Grants						
Indiana Department of Education						
Title II, Part A, PBL Training		84.367A	44959	400	-	400
Title II, Part A		84.367A	S367A190013	4,672	-	4,672
Title II, Part A		84.367A	S367A200013	35,796	14,982	50,778
Title II, Part A		84.367A	S367A210013	-	47,998	47,998
Title II, Part A		84.367A	S367A220013	-	12,864	12,864
Total - Supporting Effective Instruction State Grants				<u>40,868</u>	<u>75,844</u>	<u>116,712</u>
Student Support and Academic Enrichment Program						
Indiana Department of Education						
Title IV, Part A		84.424	S424A190015	2,423	11,019	13,442
Title IV, Part A		84.424	S424A200015	15,039	60	15,099
Total - Student Support and Academic Enrichment Program				<u>17,462</u>	<u>11,079</u>	<u>28,541</u>
COVID-19 - Education Stabilization Fund						
Indiana Department of Education						
Governor's Emergency Education Relief (GEER) Fund		84.425C	S425C200018	107,310	3,180	110,490
Digital Learning Capacity Grant		84.425D	S425D200013	52,500	-	52,500
Elementary and Secondary School Emergency Relief (ESSER I) Fund		84.425D	S425D200013	4,215	-	4,215
Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D	S425D210013	90,331	67,960	158,291
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund		84.425U	S425U210013	289,630	498,852	788,482
Total - COVID-19 - Education Stabilization Fund				<u>543,986</u>	<u>569,992</u>	<u>1,113,978</u>
Total - Department of Education				<u>1,655,345</u>	<u>1,683,409</u>	<u>3,338,754</u>

(Continued)

Metropolitan School District of Wabash County
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Period July 1, 2021 through June 30, 2023

Federal Grantor Agency <u>Cluster Title/Program Title/Project Title</u>	<u>Pass-Through Entity or Direct Grant</u>	Assistance Listing <u>Number</u>	Pass-Through Entity (or Other) Identifying <u>Number</u>	Total Federal Awards Expended <u>06-30-22</u>	Total Federal Awards Expended <u>06-30-23</u>	Total Federal Awards <u>Expended</u>
<u>Department of Health and Human Services</u>						
Medicaid Cluster	Indiana Department of Education					
Medical Assistance Program		93.778	FY2022, FY2023	\$ 59,375	\$ 77,600	\$ 136,975
Total - Department of Health and Human Services				<u>59,375</u>	<u>77,600</u>	<u>136,975</u>
Total federal awards expended				<u>\$ 2,991,076</u>	<u>\$ 2,723,039</u>	<u>\$ 5,714,115</u>

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

METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period of July 1, 2021 through June 30, 2023

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, 2021 through June 30, 2023. 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, 2021 through June 30, 2023.

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

The School Corporation is a member of the Wabash-Miami Area Programs for Exceptional Children Cooperative (Cooperative), which operates the special education program for the School Corporation. The School Corporation serves as the fiscal agent of the Cooperative. As a result, some activity for the Special Education Cluster (IDEA) that is presented as receipts and disbursements in the financial statement is not presented on the SEFA for the School Corporation. This activity is reported on the SEFA of the member school corporations as appropriate.

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
Metropolitan School District of Wabash County
Wabash 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 Metropolitan School District of Wabash County ("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, 2023 and for the period July 1, 2021 through June 30, 2023 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 11, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

(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*.

Purpose of this Report

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

Crowe LLP
Crowe LLP

Indianapolis, Indiana
March 11, 2024

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

Those Charged with Governance
Metropolitan School District of Wabash County
Wabash County, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Metropolitan School District of Wabash County (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, 2021 through June 30, 2023. 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, 2021 through June 30, 2023.

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.

(Continued)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School Corporation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School Corporation's compliance with the requirements of 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 item 2023-002 to be a material weakness.

(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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a significant deficiency.

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

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

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


Crowe LLP

Indianapolis, Indiana
March 11, 2024

METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 July 1, 2021 through June 30, 2023

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? _____ Yes _____ X No

Significant deficiencies identified not considered to be material weaknesses? _____ Yes _____ X None Reported

Noncompliance material to financial statement noted? _____ Yes _____ X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ X Yes _____ No

Significant deficiencies identified not considered to be material weaknesses? _____ X Yes _____ None Reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)? _____ X Yes _____ No

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
84.027, 84.027X, 84.173, 84.173X	Special Education Cluster
84.425C, 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 _____ X No

Section II – Financial Statement Findings

None noted.

(Continued)

METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

Section III – Federal Award Findings and Questioned Costs

Finding 2023-001

Information on the federal program:

Subject: Special Education Cluster - Earmarking
Federal Agency: Department of Education
Federal Programs: Special Education Grants to States, Special Education Preschool Grants
Assistance Listings Numbers: 84.027, 84.173
Federal Award Numbers: 20611-054-PN01, 20619-054-PN01, 21611-054-PN01, 21619-054-PN01
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Matching, Level of Effort, Earmarking
Audit Findings: Significant Deficiency

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 awards in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO)...."

2 CFR 200.403 states in part:

"Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:...

(g) Be adequately documented...."

511 IAC 7-34-7(b) states:

"The public agency, in providing special education and related services to students in nonpublic schools must expend at least an amount that is the same proportion of the public agency total subgrant under 20 U.S.C. 1411(f) as the number of nonpublic school students with disabilities, who are enrolled by their parents in nonpublic schools within its boundaries, is to the total number of students with disabilities of the same age range."

Condition: The School Corporation did not have internal controls in place to ensure that the Cooperative complied with the earmarking requirements. The Cooperative did not have adequate procedures in place to ensure that the required level of expenditures for non-public school students with disabilities was met for each member school. The Cooperative did not have effective internal controls to ensure non-public school expenditures were appropriately identified and reported.

(Continued)

METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

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

Finding 2023-001 (Continued)

Cause: A proper system of internal control was not designed by management of the School Corporation. Embedded within a properly designed and implemented internal control system should be internal controls consisting of policies and procedures. Policies reflect the School Corporation’s management statements of what should be done to effect internal controls, and procedures should consist of actions that would implement these policies.

Effect: Without the proper implementation of an effectively designed system of internal controls, the control system cannot be capable of effectively preventing, or detecting and correcting, material noncompliance. As a result, it could not be determined if each school spent their required earmarking dollars. Noncompliance with the provisions of Federal statutes, regulations, and the terms and conditions of the Federal award could result in the loss of future federal funding to the School Corporation.

Questioned Costs: There were no questioned costs identified.

Context: The School Corporation is a member of the Wabash Miami Area Programs for Exceptional Children (Cooperative). During fiscal year 2021-2022 and 2022-2023, the Cooperative operated the special education programs and spent the federal money on behalf of all its members. As the grant agreements were between the Indiana Department of Education (IDOE) and each member school, the School Corporation was responsible for ensuring and providing oversight of the Cooperative. However, there was inadequate oversight performed by the School Corporation in order to ensure compliance with the Matching, Level of Effort, Earmarking compliance requirement.

The Non-Public Proportionate Share expenditures for the 20611-054-PN01, 20619-054-PN01, 21611-054-PN01, and 21619-054-PN01 grant awards could not be verified for the individual member schools. The non-public school share funds for all member schools were comingled and the aggregate amount of expenditures was then allocated to the member schools on a percentage basis. These allocations were the amounts reported to IDOE. As such, we were unable to identify which expenditures were for each school in order to verify the minimum amount per the grant award was expended and properly reported to IDOE as required.

The School Corporation’s minimum, nonpublic earmarking requirement for grant awards 20611-054-PN01 and 21611-054-PN01 was \$1,643 and \$7,941, respectively. The School Corporation did not have any minimum, nonpublic earmarking requirement for the 20619-054-PN01 and 21619-054-PN01 grant awards.

The lack of internal controls and noncompliance were isolated to the 20611-054-PN01, 20619-054-PN01, 21611-054-PN01, and 21619-054-PN01 grant awards.

Identification as a repeat finding: No.

Recommendation: We recommended that management of the School Corporation establish a proper system of internal control and develop policies and procedures to ensure non-public proportionate share funds are appropriately allocated to the member school based on expenses charged directly on behalf of the member school. Supporting documentation for these expenses should be retained for audit.

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

(Continued)

METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

Section III – Federal Award Findings and Questioned Costs

Finding 2023-002

Information on the federal program:

Subject: Education Stabilization Fund – Special Tests and Provisions - Wage Rate Requirements Federal
Agency: Department of Education
Federal Program: COVID-19 - Education Stabilization Fund
Assistance Listing Number: 84.425D
Federal Award Number: S425D210013
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:

(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:

The Agency head shall cause or require the contracting officer to insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a public building or public work, or building or work financed in whole or in part from Federal funds or in accordance with guarantees of a Federal agency or financed from funds obtained by pledge of any contract of a Federal agency to make a loan, grant or annual contribution (except where a different meaning is expressly indicated), and which is subject to the labor standards provisions of any of the acts listed in §5.1, the following clauses...

(1) Minimum wages.

(i) All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics...

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

(Continued)

METROPOLITAN SCHOOL DISTRICT OF WABASH COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

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

Finding 2023-002 (Continued)

2 CFR 200 Appendix II states in part:

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

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

Condition: An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions – Wage Rate Requirements compliance requirements. The School Corporation did not include Davis Bacon wage rate requirements in its contract with vendor which includes labor. The School Corporation did not obtain the weekly wage reports timely from vendor and its subcontractors for projects funded by ESSER funds.

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 expended ESSER II funds (84.425D) on playground equipment and HVAC Air Handlers which included labor costs for installation. The amount disbursed for equipment which includes labor costs totaled \$54,195 during the audit period. The School Corporation did not have contracts in place with these vendors which included clauses for federal wage rate requirements applicable to projects funded with federal grant funds. The School Corporation also did not have an internal control in place to collect and review weekly wage reports from the vendor during the project period.

Identification as a repeat finding: No.

Recommendation: We recommend the School Corporation include Davis-Bacon wage requirements in vendor contracts which are federally funded and implement a formal process to ensure the required weekly payroll report certifications are collected timely and reviewed by management to ensure compliance with the federal wage rate requirements.

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



204 N 300 W, Wabash, IN 46992
260-563-8050
MSDWC.org

Mr. Mike Keaffaber
Superintendent
Dr. Chris Kuhn
Assistant Superintendent of Finance & Operations
Mr. Tim Drake
Chief Academic Officer

CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS June 30, 2023

Finding 2023-001

Information on the federal program:

Subject: Special Education Cluster - Earmarking
Federal Agency: Department of Education
Federal Programs: Special Education Grants to States, Special Education Preschool Grants
Assistance Listings Numbers: 84.027, 84.173
Federal Award Numbers: 20611-054-PN01, 20619-054-PN01, 21611-054-PN01, 21619-054-PN01
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Matching, Level of Effort, Earmarking
Audit Findings: Significant Deficiency

Condition: The School Corporation did not have internal controls in place to ensure that the Cooperative complied with the earmarking requirements. The Cooperative did not have adequate procedures in place to ensure that the required level of expenditures for non-public school students with disabilities was met for each member school. The Cooperative did not have effective internal controls to ensure non-public school expenditures were appropriately identified and reported.

Context: The School Corporation is a member of the Wabash Miami Area Programs for Exceptional Children (Cooperative). During fiscal year 2021-2022 and 2022-2023, the Cooperative operated the special education programs and spent the federal money on behalf of all its members. As the grant agreements were between the Indiana Department of Education (IDOE) and each member school, the School Corporation was responsible for ensuring and providing oversight of the Cooperative. However, there was inadequate oversight performed by the School Corporation in order to ensure compliance with the Matching, Level of Effort, Earmarking compliance requirement.

The Non-Public Proportionate Share expenditures for the 20611-054-PN01, 20619-054-PN01, 21611-054-PN01, and 21619-054-PN01 grant awards could not be verified for the individual member schools. The non-public school share funds for all member schools were comingled and the aggregate amount of expenditures was then allocated to the member schools on a percentage basis. These allocations were the amounts reported to IDOE. As such, we were unable to identify which expenditures were for each school in order to verify the minimum amount per the grant award was expended and properly reported to IDOE as required.

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The School Corporation's minimum, nonpublic earmarking requirement for grant awards 20611-054-PN01 and 21611-054-PN01 was \$1,643 and \$7,941, respectively. The School Corporation did not have any minimum, nonpublic earmarking requirement for the 20619-054-PN01 and 21619-054-PN01 grant awards.

The lack of internal controls and noncompliance were isolated to the 20611-054-PN01, 20619-054-PN01, 21611-054-PN01, and 21619-054-PN01 grant awards.

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding.

1. Meet with LEA Superintendent, Director of Special Education, and Office Manager on January 16th, 2024 at 2:00 pm to review current procedure and brainstorm ideas.
2. Meet with IDOE Finance Specialist for clarification.

Responsible Party and Timeline for Completion: Ann Higgins, WMAP Special Education Director, will oversee the corrective action plan and timeline for completion. The anticipated completion date is March 1, 2024.

Finding 2023-002

Information on the federal program:

Subject: Education Stabilization Fund – Special Tests and Provisions - Wage Rate Requirements
Federal Agency: Department of Education
Federal Program: COVID-19 - Education Stabilization Fund
Assistance Listing Number: 84.425D
Federal Award Number: S425D210013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Wage Rate Requirements
Audit Findings: Material Weakness

Condition: An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions – Wage Rate Requirements compliance requirements. The School Corporation did not include Davis Bacon wage rate requirements in its contract with vendor which includes labor. The School Corporation did not obtain the weekly wage reports timely from vendor and its subcontractors for projects funded by ESSER funds.

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Context: The School Corporation expended ESSER II funds (84.425D) on playground equipment and HVAC Air Handlers which included labor costs for installation. The amount disbursed for equipment which includes labor costs totaled \$54,195 during the audit period. The School Corporation did not have contracts in place with these vendors which included clauses for federal wage rate requirements applicable to projects funded with federal grant funds. The School Corporation also did not have an internal control in place to collect and review weekly wage reports from the vendor during the project period.

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding.

1. Include Davis-Bacon wage requirements in vendor contracts which are federally funded
2. Request weekly payroll report certifications from vendor and reviewed by the grant manager to ensure compliance (sign off).

Responsible Party and Timeline for Completion: The grant awards manager (Tim Drake) will include the Davis-Bacon wage requirements in vendor contracts which are federally funded as well as request and review weekly payroll report certifications from vendor and sign off. This will start on March 6, 2024 moving forward.

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