

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

FINANCIAL STATEMENT AUDIT REPORT

OF

SOUTHWEST SCHOOL CORPORATION

SULLIVAN COUNTY, INDIANA

July 1, 2017 to June 30, 2019



**FILED**

03/12/2020



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Glenda D. Small (interim) Michele Hazelrigg	07-01-17 to 09-10-17 09-11-17 to 06-30-20
Superintendent of Schools	Chris Stitzle	07-01-17 to 06-30-20
President of the School Board	Mitzie Badger Grant Bryant Jerry Wilson Barbara Rotramel	01-01-17 to 12-31-17 01-01-18 to 12-31-18 01-01-19 to 12-31-19 01-01-20 to 12-31-20



## INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE SOUTHWEST SCHOOL CORPORATION, SULLIVAN COUNTY, INDIANA

### **Report on the Financial Statement**

We have audited the accompanying financial statement of the Southwest School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2017 to June 30, 2019, and the related notes to the financial statement as listed in the Table of Contents.

### ***Management's Responsibility for the Financial Statement***

Management is responsible for the preparation and fair presentation of this 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). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Corporation's preparation and fair presentation of the financial statement 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

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

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.

***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 and results of operations of the School Corporation for the period of July 1, 2017 to June 30, 2019.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2017 to June 30, 2019, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.


***Other Matters***

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated February 27, 2020, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely 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.

  
Paul D. Joyce, CPA  
State Examiner

February 27, 2020

## 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.

SOUTHWEST SCHOOL CORPORATION  
 STATEMENT OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Years Ended June 30, 2018 and 2019

Fund	Cash and Investments 07-01-17	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-18	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-19
General	\$ 1,964,468	\$ 11,551,151	\$ 11,367,868	\$ (119,614)	\$ 2,028,137	\$ 5,899,364	\$ 5,914,989	\$ (2,012,512)	\$ -
Education	-	-	-	-	-	5,890,119	5,257,981	826,852	1,458,990
Debt Service	1,416,613	2,546,264	2,492,501	(45,698)	1,424,678	2,555,079	2,580,040	(32,346)	1,367,371
Retirement/Severance Bond Debt Service	87,673	659,306	643,574	-	103,405	613,652	645,576	-	71,481
Operations	-	-	-	-	-	2,256,515	2,782,793	1,613,483	1,087,205
Capital Projects	319,021	2,283,769	2,179,208	(200,000)	223,582	931,981	1,007,116	(148,447)	-
School Transportation	535,133	1,678,696	1,476,762	(200,000)	537,067	714,453	711,306	(540,214)	-
School Bus Replacement	4	-	-	(4)	-	-	-	-	-
Local Rainy Day	830,129	-	282,553	400,004	947,580	-	249,767	250,000	947,813
School Lunch	44,489	858,984	787,763	-	115,710	835,326	857,042	-	93,994
Curricular Materials Rental	120,147	160,361	546,411	298,993	33,090	179,620	244,226	32,346	830
Self-Insurance	575,233	-	246,368	120,000	448,865	3,827	328,356	(17,191)	107,145
Levy Excess	-	-	-	-	-	2,124	1,896	-	228
Educational License Plates	131	113	-	-	244	131	166	-	209
Early Intervention Grant 16-17	3,326	-	3,326	-	-	-	-	-	-
Early Intervention Grant 17-18	-	8,417	-	-	8,417	-	8,417	-	-
Donations - Beckler-Orr Memorial	-	-	-	-	-	36,000	36,000	-	-
Women/Carlisle Library	-	-	-	-	-	6,300	532	-	5,768
Donations/SES Library - McKinley	-	-	-	-	-	770	-	-	770
Donations (High Ability, Etc)	1,340	-	240	-	1,100	-	1,100	-	-
Donations - TSA	-	3,995	3,695	-	300	-	300	-	-
Donations (Lockers)	1,000	100	93	-	1,007	-	693	-	314
Donations - Lockers	1,000	-	1,000	-	-	-	-	-	-
Donations - Summer Reading	102	-	-	-	102	-	-	-	102
Donations - Stuff the Bus	365	-	365	-	-	-	-	-	-
Donation-Drug Free Sullivan Co	-	2,700	969	-	1,731	1,600	564	-	2,767
Donations - Youth Tobacco	250	-	250	-	-	-	-	-	-
Donation - Win Energy Grant	977	5,000	5,977	-	-	-	-	-	-
Donations - Music	663	-	-	-	663	-	663	-	-
Scholarships and Awards	-	2,500	2,500	-	-	10,283	10,283	-	-
Chad Smith Scholarship Fund	10,448	2,040	5,393	-	7,095	3,054	3,642	-	6,507
Ivy Tech Scholarship Fund	-	3,000	3,000	-	-	-	-	-	-
School Improvements/Sodexo	-	-	-	-	-	301,500	244,927	-	56,573
Renovations/Improvements	-	-	-	-	-	-	1,157,627	2,900,000	1,742,373
Comm Found Grant (Angels) SMS	697	-	697	-	-	-	-	-	-
Comm Found Grant (Angels) SHS	216	-	216	-	-	-	-	-	-
Comm Found Grant (Angels) SES	1,141	-	1,141	-	-	-	-	-	-
Monsanto Rural Ed. Grant	-	10,000	10,000	-	-	-	-	-	-
Monsanto-America's Farmers	-	-	-	-	-	25,000	17,218	-	7,782
Cape Funds Grant	-	49,807	49,807	-	-	19,457	19,457	-	-

SOUTHWEST SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS,  
OTHER FINANCING SOURCES (USES), AND CASH AND  
INVESTMENT BALANCES - REGULATORY BASIS  
For the Years Ended June 30, 2018 and 2019

Fund	Cash and Investments 07-01-17	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-18	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-19
Comm Found Grant (Library) -SHS	-	5,000	4,717	-	283	-	283	-	-
Donations - Building Trades	9,000	10,000	19,000	-	-	-	-	-	-
Donations - Jones	-	-	-	-	-	313	313	-	-
Donations - SMS	948	-	948	-	-	-	-	-	-
Casey's Kicks SHS	3,860	-	3,860	-	-	-	-	-	-
Casey's Kicks SES	148	-	148	-	-	-	-	-	-
Casey's Kicks Carl	594	-	594	-	-	-	-	-	-
Lilly Counseling Plan Grant	11,268	1,715	12,345	-	638	-	638	-	-
Lilly Endowment - 2017-2021	-	172,400	14,514	-	157,886	500	72,818	-	85,568
Formative Assessment	20,762	17,586	38,348	-	-	16,203	16,203	-	-
High Ability Grant	4,003	-	4,003	-	-	-	-	-	-
High Ability Grant	-	31,615	20,580	-	11,035	-	11,035	-	-
Drug Free Communities	-	-	-	-	-	700	-	-	700
Secured Schools Safety Grant	(23,057)	73,057	50,000	-	-	50,000	50,000	-	-
Recreational Activities	-	-	-	-	-	6,789	4,873	-	1,916
School Technology	35,386	36,538	63,614	-	8,310	9,765	18,075	-	-
Career and Technical Performance Grant	19	8,725	5,799	-	2,945	17,656	15,761	-	4,840
Teacher Appreciation Grant	-	50,612	50,612	-	-	50,731	61,568	10,837	-
High Ability Students	-	-	-	-	-	31,815	17,220	-	14,595
State Connectivity Grant	-	-	-	-	-	5,358	-	-	5,358
Construction, Remodeling, and Equipping Buildings	-	-	-	343,500	343,500	-	343,500	-	-
PBIS Grant	(563)	2,271	1,708	-	-	8,075	8,075	-	-
ISTA Settlement	328,518	1,700	329,418	-	800	-	17,991	17,191	-
Senator David Ford Technology	(25,130)	-	-	-	(25,130)	25,130	-	-	-
Title I 2016-2017	(60,468)	112,826	52,358	-	-	-	-	-	-
P.L. 107-110 Title I FY 2018	-	213,016	241,602	-	(28,586)	89,721	61,135	-	-
Title I 2018-2019	-	-	-	-	-	192,237	212,889	-	(20,652)
Student Support, Title IV	-	-	-	-	-	6,230	6,230	-	-
Drug Free	700	-	-	-	700	-	700	-	-
Title II, Part A 2016-2017	(5,809)	54,482	48,673	-	-	-	-	-	-
Title II, Part A 2017-2019	-	16,782	22,963	-	(6,181)	31,797	25,616	-	-
Title II, Part A FY 2018	-	-	-	-	-	40,800	46,935	-	(6,135)
Rural & Low Income Schools	-	-	17,922	-	(17,922)	17,922	-	-	-
Prepaid Food	9,129	291,899	300,625	-	403	318,950	317,098	-	2,255
Payroll Withholdings and Benefits	20,649	2,680,916	2,674,131	-	27,434	2,829,176	2,782,855	-	73,755
Totals	\$ 6,244,523	\$ 23,607,343	\$ 24,090,159	\$ 597,181	\$ 6,358,888	\$ 24,036,023	\$ 26,174,488	\$ 2,899,999	\$ 7,120,422

The notes to the financial statement are an integral part of this statement.

SOUTHWEST SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

**A. 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.

**B. Basis of Accounting**

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

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, 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.

**C. 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.

**D. 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.

SOUTHWEST SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*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.

*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.

**E. 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.

**F. 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.

SOUTHWEST SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*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.

**G. 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 unit 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.

SOUTHWEST SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**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.

**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.

**Note 6. Pension Plans**

*A. 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.

SOUTHWEST SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

*Financial Report*

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

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

*Contributions*

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

*B. Teachers' Retirement Fund*

*Plan Description*

The Indiana Teachers' Retirement Fund (TRF) Defined Benefit Plan is a cost-sharing multiple-employer defined benefit pension plan and provides retirement, disability, and survivor benefits to plan members. TRF is administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2 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 fund.

TRF is composed of two accounts: Teachers' Pre-1996 and Teachers' 1996. All legally qualified and regularly employed licensed teachers serving in State of Indiana public schools are eligible to participate in Teachers' 1996. Membership in Teachers' Pre-1996 is closed to new entrants. Generally, members hired before 1996 participate in this account and members hired after 1995 participate in Teachers' 1996. Both accounts have two components: the employer-funded defined benefit component and a defined contribution account.

*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

SOUTHWEST SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Contributions*

The School Corporation contributes the employer's share to Teachers' 1996 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 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) is considered to be an obligation of, and is paid by, the State of Indiana.

**Note 7. *Establishment of the Education Fund and Operations Fund***

State statute (IC 20-40-2-2) required the establishment of an Education fund to be used to pay expenses allocated to student instruction and learning. The balance in the School Corporation's General fund as of December 31, 2018, was required to be transferred to the Education fund on January 1, 2019 (IC 20-40-2-7).

In addition, an Operations fund was required to be established under state statute (IC 20-40-18-1). The fund may be used to carry out capital project plans; pay transportation costs attributable to the transportation of school children; carry out a school bus replacement plan; pay expenses that are allocated to overhead and operational expenditures; provide funds to an art association or a historical society; and establish, maintain, and equip a public playground. The Indiana Codes establishing the Capital Projects fund (IC 20-40-8-6); School Transportation (IC 20-40-6-4); School Bus Replacement (IC 20-40-7-5); Historical fund; Playground fund; and Art fund were repealed effective January 1, 2019. Guidance was provided by the Indiana Department of Education to transfer the balances remaining in these funds as of December 31, 2018, to the Operations fund.

The Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, issued by the Indiana State Board of Accounts, includes the chart of accounts used by school corporations which coincides with the State Board of Education's determined categories in accordance with state statute (IC 20-42.5-3-7).

**Note 8. *Cash Balance Deficits***

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2018 or 2019.

**Note 9. *Holding Corporation***

The School Corporation has entered into a capital lease with Southwest Sullivan School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years ending June 30, 2018 and 2019, totaled \$2,492,500 and \$2,492,500, respectively.

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#### OTHER INFORMATION - UNAUDITED

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 presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

SOUTHWEST SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2018

	General	Education	Debt Service	Retirement/ Severance Bond Debt Service	Operations	Capital Projects	School Transportation	School Bus Replacement	Local Rainy Day
Cash and investments - beginning	\$ 1,964,468	\$ -	\$ 1,416,613	\$ 87,673	\$ -	\$ 319,021	\$ 535,133	\$ 4	\$ 830,129
Receipts:									
Local sources	219,025	-	2,546,264	659,306	-	2,278,933	1,678,696	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	11,330,066	-	-	-	-	-	-	-	-
Federal sources	2,060	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	4,836	-	-	-
Total receipts	11,551,151	-	2,546,264	659,306	-	2,283,769	1,678,696	-	-
Disbursements:									
Instruction	7,918,697	-	-	-	-	-	-	-	32,929
Support services	3,208,235	-	-	-	-	1,405,569	1,476,762	-	155,889
Noninstructional services	240,936	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	773,639	-	-	93,735
Debt service	-	-	2,492,501	643,574	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	11,367,868	-	2,492,501	643,574	-	2,179,208	1,476,762	-	282,553
Excess (deficiency) of receipts over disbursements	183,283	-	53,763	15,732	-	104,561	201,934	-	(282,553)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	386	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	400,004
Transfers out	(120,000)	-	(45,698)	-	-	(200,000)	(200,000)	(4)	-
Total other financing sources (uses)	(119,614)	-	(45,698)	-	-	(200,000)	(200,000)	(4)	400,004
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	63,669	-	8,065	15,732	-	(95,439)	1,934	(4)	117,451
Cash and investments - ending	\$ 2,028,137	\$ -	\$ 1,424,678	\$ 103,405	\$ -	\$ 223,582	\$ 537,067	\$ -	\$ 947,580

SOUTHWEST SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2018

	School Lunch	Curricular Materials Rental	Self- Insurance	Levy Excess	Educational License Plates	Early Intervention Grant 16-17	Early Intervention Grant 17-18	Donations - Beckler-Orr Memorial	Women/ Carlisle Library
Cash and investments - beginning	\$ 44,489	\$ 120,147	\$ 575,233	\$ -	\$ 131	\$ 3,326	\$ -	\$ -	\$ -
Receipts:									
Local sources	359,120	96,461	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	113	-	-	-	-
State sources	7,171	63,900	-	-	-	-	8,417	-	-
Federal sources	492,693	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	858,984	160,361	-	-	113	-	8,417	-	-
Disbursements:									
Instruction	-	-	200,182	-	-	3,326	-	-	-
Support services	318	546,411	46,186	-	-	-	-	-	-
Noninstructional services	787,445	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	787,763	546,411	246,368	-	-	3,326	-	-	-
Excess (deficiency) of receipts over disbursements	71,221	(386,050)	(246,368)	-	113	(3,326)	8,417	-	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	253,295	-	-	-	-	-	-	-
Transfers in	-	45,698	120,000	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	298,993	120,000	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	71,221	(87,057)	(126,368)	-	113	(3,326)	8,417	-	-
Cash and investments - ending	\$ 115,710	\$ 33,090	\$ 448,865	\$ -	\$ 244	\$ -	\$ 8,417	\$ -	\$ -

SOUTHWEST SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2018

	Donations/ SES Library - McKinley	Donations (High Ability, Etc)	Donations - TSA	Donations (Lockers)	Donations - Lockers	Donations - Summer Reading	Donations - Stuff the Bus	Donation-Drug Free Sullivan Co
Cash and investments - beginning	\$ -	\$ 1,340	\$ -	\$ 1,000	\$ 1,000	\$ 102	\$ 365	\$ -
Receipts:								
Local sources	-	-	3,995	100	-	-	-	2,700
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	-	3,995	100	-	-	-	2,700
Disbursements:								
Instruction	-	240	-	-	-	-	-	-
Support services	-	-	3,695	-	1,000	-	-	969
Noninstructional services	-	-	-	-	-	-	365	-
Facilities acquisition and construction	-	-	-	93	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	240	3,695	93	1,000	-	365	969
Excess (deficiency) of receipts over disbursements	-	(240)	300	7	(1,000)	-	(365)	1,731
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	-	(240)	300	7	(1,000)	-	(365)	1,731
Cash and investments - ending	\$ -	\$ 1,100	\$ 300	\$ 1,007	\$ -	\$ 102	\$ -	\$ 1,731

SOUTHWEST SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
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 For the Year Ended June 30, 2018

	Donations - Youth Tobacco	Donation - Win Energy Grant	Donations - Music	Scholarships and Awards	Chad Smith Scholarship Fund	Ivy Tech Scholarship Fund	School Improvements/ Sodexo	Renovations/ Improvements
Cash and investments - beginning	\$ 250	\$ 977	\$ 663	\$ -	\$ 10,448	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	5,000	-	2,500	2,040	3,000	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	5,000	-	2,500	2,040	3,000	-	-
Disbursements:								
Instruction	-	5,977	-	-	-	-	-	-
Support services	250	-	-	-	393	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	2,500	5,000	3,000	-	-
Total disbursements	250	5,977	-	2,500	5,393	3,000	-	-
Excess (deficiency) of receipts over disbursements	(250)	(977)	-	-	(3,353)	-	-	-
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	(250)	(977)	-	-	(3,353)	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ 663	\$ -	\$ 7,095	\$ -	\$ -	\$ -

SOUTHWEST SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
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 For the Year Ended June 30, 2018

	Comm Found Grant (Angels) SMS	Comm Found Grant (Angels) SHS	Comm Found Grant (Angels) SES	Monsanto Rural Ed. Grant	Monsanto- America's Farmers	Cape Funds Grant	Comm Found Grant (Library) -SHS	Donations - Building Trades
Cash and investments - beginning	\$ 697	\$ 216	\$ 1,141	\$ -	\$ -	\$ -	\$ -	\$ 9,000
Receipts:								
Local sources	-	-	-	10,000	-	49,807	5,000	10,000
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	-	-	10,000	-	49,807	5,000	10,000
Disbursements:								
Instruction	697	216	1,141	-	-	-	-	-
Support services	-	-	-	-	-	49,807	4,717	19,000
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	10,000	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	697	216	1,141	10,000	-	49,807	4,717	19,000
Excess (deficiency) of receipts over disbursements	(697)	(216)	(1,141)	-	-	-	283	(9,000)
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	(697)	(216)	(1,141)	-	-	-	283	(9,000)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 283	\$ -

SOUTHWEST SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2018

	Donations - Jones	Donations - SMS	Casey's Kicks SHS	Casey's Kicks SES	Casey's Kicks Carl	Lilly Counseling Plan Grant	Lilly Endowment - 2017-2021	Formative Assessment
Cash and investments - beginning	\$ -	\$ 948	\$ 3,860	\$ 148	\$ 594	\$ 11,268	\$ -	\$ 20,762
Receipts:								
Local sources	-	-	-	-	-	507	172,400	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	17,586
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	1,208	-	-
Total receipts	-	-	-	-	-	1,715	172,400	17,586
Disbursements:								
Instruction	-	948	-	148	594	12,345	-	-
Support services	-	-	3,860	-	-	-	14,514	38,348
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	948	3,860	148	594	12,345	14,514	38,348
Excess (deficiency) of receipts over disbursements	-	(948)	(3,860)	(148)	(594)	(10,630)	157,886	(20,762)
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	-	(948)	(3,860)	(148)	(594)	(10,630)	157,886	(20,762)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 638	\$ 157,886	\$ -

SOUTHWEST SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2018

	High Ability Grant	High Ability Grant	Drug Free Communities	Secured Schools Safety Grant	Recreational Activities	School Technology	Career and Technical Performance Grant	Teacher Appreciation Grant	High Ability Students
Cash and investments - beginning	\$ 4,003	\$ -	\$ -	\$ (23,057)	\$ -	\$ 35,386	\$ 19	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	20,178	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	31,615	-	73,057	-	16,360	8,725	50,612	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	31,615	-	73,057	-	36,538	8,725	50,612	-
Disbursements:									
Instruction	4,003	20,580	-	-	-	40,256	5,799	50,612	-
Support services	-	-	-	50,000	-	23,358	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	4,003	20,580	-	50,000	-	63,614	5,799	50,612	-
Excess (deficiency) of receipts over disbursements	(4,003)	11,035	-	23,057	-	(27,076)	2,926	-	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,003)	11,035	-	23,057	-	(27,076)	2,926	-	-
Cash and investments - ending	\$ -	\$ 11,035	\$ -	\$ -	\$ -	\$ 8,310	\$ 2,945	\$ -	\$ -

SOUTHWEST SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2018

	State Connectivity Grant	Construction, Remodeling, and Equipping Buildings	PBIS Grant	ISTA Settlement	Senator David Ford Technology	Title I 2016-2017	P.L. 107-110 Title I FY 2018	Title I 2018-2019
Cash and investments - beginning	\$ -	\$ -	\$ (563)	\$ 328,518	\$ (25,130)	\$ (60,468)	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	2,271	1,700	-	-	-	-
Federal sources	-	-	-	-	-	112,826	213,016	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	-	2,271	1,700	-	112,826	213,016	-
Disbursements:								
Instruction	-	-	-	-	-	49,958	194,657	-
Support services	-	-	-	329,418	-	-	46,945	-
Noninstructional services	-	-	1,708	-	-	2,400	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	1,708	329,418	-	52,358	241,602	-
Excess (deficiency) of receipts over disbursements	-	-	563	(327,718)	-	60,468	(28,586)	-
Other financing sources (uses):								
Proceeds of long-term debt	-	343,500	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	343,500	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	343,500	563	(327,718)	-	60,468	(28,586)	-
Cash and investments - ending	\$ -	\$ 343,500	\$ -	\$ 800	\$ (25,130)	\$ -	\$ (28,586)	\$ -

SOUTHWEST SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
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 For the Year Ended June 30, 2018

	Student Support, Title IV	Drug Free	Title II, Part A 2016-2017	Title II, Part A 2017-2019	Title II, Part A FY 2018	Rural & Low Income Schools	Prepaid Food	Payroll Withholdings and Benefits	Totals
Cash and investments - beginning	\$ -	\$ 700	\$ (5,809)	\$ -	\$ -	\$ -	\$ 9,129	\$ 20,649	\$ 6,244,523
Receipts:									
Local sources	-	-	-	-	-	-	291,899	2,680,916	11,097,847
Intermediate sources	-	-	-	-	-	-	-	-	113
State sources	-	-	-	-	-	-	-	-	11,611,480
Federal sources	-	-	54,482	16,782	-	-	-	-	891,859
Other receipts	-	-	-	-	-	-	-	-	6,044
Total receipts	-	-	54,482	16,782	-	-	291,899	2,680,916	23,607,343
Disbursements:									
Instruction	-	-	48,673	22,963	-	-	300,625	2,674,131	11,589,697
Support services	-	-	-	-	-	17,922	-	-	7,443,566
Noninstructional services	-	-	-	-	-	-	-	-	1,032,854
Facilities acquisition and construction	-	-	-	-	-	-	-	-	877,467
Debt service	-	-	-	-	-	-	-	-	3,136,075
Nonprogrammed charges	-	-	-	-	-	-	-	-	10,500
Total disbursements	-	-	48,673	22,963	-	17,922	300,625	2,674,131	24,090,159
Excess (deficiency) of receipts over disbursements	-	-	5,809	(6,181)	-	(17,922)	(8,726)	6,785	(482,816)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	343,500
Sale of capital assets	-	-	-	-	-	-	-	-	253,681
Transfers in	-	-	-	-	-	-	-	-	565,702
Transfers out	-	-	-	-	-	-	-	-	(565,702)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	597,181
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	5,809	(6,181)	-	(17,922)	(8,726)	6,785	114,365
Cash and investments - ending	\$ -	\$ 700	\$ -	\$ (6,181)	\$ -	\$ (17,922)	\$ 403	\$ 27,434	\$ 6,358,888

SOUTHWEST SCHOOL CORPORATION  
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 For the Year Ended June 30, 2019

	General	Education	Debt Service	Retirement/ Severance Bond Debt Service	Operations	Capital Projects	School Transportation	School Bus Replacement	Local Rainy Day
Cash and investments - beginning	\$ 2,028,137	\$ -	\$ 1,424,678	\$ 103,405	\$ -	\$ 223,582	\$ 537,067	\$ -	\$ 947,580
Receipts:									
Local sources	99,826	58,699	2,555,079	613,652	2,256,515	931,981	714,453	-	-
Intermediate sources	206	-	-	-	-	-	-	-	-
State sources	5,799,332	5,831,420	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	5,899,364	5,890,119	2,555,079	613,652	2,256,515	931,981	714,453	-	-
Disbursements:									
Instruction	3,985,177	4,229,392	-	-	-	-	-	-	27,085
Support services	1,819,779	937,629	12,589	3,056	2,455,299	539,911	711,306	-	73,478
Noninstructional services	110,033	81,460	-	-	-	-	-	-	-
Facilities acquisition and construction	-	9,500	-	-	316,930	467,205	-	-	149,204
Debt service	-	-	2,567,451	642,520	10,564	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	5,914,989	5,257,981	2,580,040	645,576	2,782,793	1,007,116	711,306	-	249,767
Excess (deficiency) of receipts over disbursements	(15,625)	632,138	(24,961)	(31,924)	(526,278)	(75,135)	3,147	-	(249,767)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	2,001,675	-	-	1,613,483	-	-	-	250,000
Transfers out	(2,012,512)	(1,174,823)	(32,346)	-	-	(148,447)	(540,214)	-	-
Total other financing sources (uses)	(2,012,512)	826,852	(32,346)	-	1,613,483	(148,447)	(540,214)	-	250,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,028,137)	1,458,990	(57,307)	(31,924)	1,087,205	(223,582)	(537,067)	-	233
Cash and investments - ending	\$ -	\$ 1,458,990	\$ 1,367,371	\$ 71,481	\$ 1,087,205	\$ -	\$ -	\$ -	\$ 947,813

SOUTHWEST SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2019

	School Lunch	Curricular Materials Rental	Self- Insurance	Levy Excess	Educational License Plates	Early Intervention Grant 16-17	Early Intervention Grant 17-18	Donations - Beckler-Orr Memorial	Women/ Carlisle Library
Cash and investments - beginning	\$ 115,710	\$ 33,090	\$ 448,865	\$ -	\$ 244	\$ -	\$ 8,417	\$ -	\$ -
Receipts:									
Local sources	327,512	115,553	3,827	-	-	-	-	36,000	6,300
Intermediate sources	-	-	-	-	131	-	-	-	-
State sources	7,098	64,067	-	2,124	-	-	-	-	-
Federal sources	500,716	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	835,326	179,620	3,827	2,124	131	-	-	36,000	6,300
Disbursements:									
Instruction	-	-	287,421	-	-	-	8,417	-	-
Support services	4,044	244,226	40,935	-	166	-	-	2,000	532
Noninstructional services	852,998	-	-	1,896	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	34,000	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	857,042	244,226	328,356	1,896	166	-	8,417	36,000	532
Excess (deficiency) of receipts over disbursements	(21,716)	(64,606)	(324,529)	228	(35)	-	(8,417)	-	5,768
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	32,346	-	-	-	-	-	-	-
Transfers out	-	-	(17,191)	-	-	-	-	-	-
Total other financing sources (uses)	-	32,346	(17,191)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(21,716)	(32,260)	(341,720)	228	(35)	-	(8,417)	-	5,768
Cash and investments - ending	\$ 93,994	\$ 830	\$ 107,145	\$ 228	\$ 209	\$ -	\$ -	\$ -	\$ 5,768

SOUTHWEST SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2019

	Donations/ SES Library - McKinley	Donations (High Ability, Etc)	Donations - TSA	Donations (Lockers)	Donations - Lockers	Donations - Summer Reading	Donations - Stuff the Bus	Donation-Drug Free Sullivan Co
Cash and investments - beginning	\$ -	\$ 1,100	\$ 300	\$ 1,007	\$ -	\$ 102	\$ -	\$ 1,731
Receipts:								
Local sources	770	-	-	-	-	-	-	1,600
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	770	-	-	-	-	-	-	1,600
Disbursements:								
Instruction	-	1,100	-	-	-	-	-	-
Support services	-	-	300	-	-	-	-	564
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	693	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	1,100	300	693	-	-	-	564
Excess (deficiency) of receipts over disbursements	770	(1,100)	(300)	(693)	-	-	-	1,036
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	770	(1,100)	(300)	(693)	-	-	-	1,036
Cash and investments - ending	\$ 770	\$ -	\$ -	\$ 314	\$ -	\$ 102	\$ -	\$ 2,767

SOUTHWEST SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2019

	Donations - Youth Tobacco	Donation - Win Energy Grant	Donations - Music	Scholarships and Awards	Chad Smith Scholarship Fund	Ivy Tech Scholarship Fund	School Improvements/ Sodexo	Renovations/ Improvements	Comm Found Grant (Angels) SMS
Cash and investments - beginning	\$ -	\$ -	\$ 663	\$ -	\$ 7,095	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	10,283	3,054	-	301,500	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	10,283	3,054	-	301,500	-	-
Disbursements:									
Instruction	-	-	663	-	-	-	-	-	-
Support services	-	-	-	-	642	-	32,905	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	212,022	1,157,627	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	10,283	3,000	-	-	-	-
Total disbursements	-	-	663	10,283	3,642	-	244,927	1,157,627	-
Excess (deficiency) of receipts over disbursements	-	-	(663)	-	(588)	-	56,573	(1,157,627)	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	2,900,000	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	2,900,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(663)	-	(588)	-	56,573	1,742,373	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 6,507	\$ -	\$ 56,573	\$ 1,742,373	\$ -

SOUTHWEST SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2019

	Comm Found Grant (Angels) SHS	Comm Found Grant (Angels) SES	Monsanto Rural Ed. Grant	Monsanto- America's Farmers	Cape Funds Grant	Comm Found Grant (Library) -SHS	Donations - Building Trades	Donations - Jones	Donations - SMS
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 283	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	25,000	19,457	-	-	313	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	25,000	19,457	-	-	313	-
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	-	-	17,218	19,457	283	-	313	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	17,218	19,457	283	-	313	-
Excess (deficiency) of receipts over disbursements	-	-	-	7,782	-	(283)	-	-	-
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	-	-	-	7,782	-	(283)	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 7,782	\$ -	\$ -	\$ -	\$ -	\$ -

SOUTHWEST SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2019

	Casey's Kicks SHS	Casey's Kicks SES	Casey's Kicks Carl	Lilly Counseling Plan Grant	Lilly Endowment - 2017-2021	Formative Assessment	High Ability Grant	High Ability Grant	Drug Free Communities
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 638	\$ 157,886	\$ -	\$ -	\$ 11,035	\$ -
Receipts:									
Local sources	-	-	-	-	500	-	-	-	700
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	16,203	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>500</b>	<b>16,203</b>	<b>-</b>	<b>-</b>	<b>700</b>
Disbursements:									
Instruction	-	-	-	638	-	-	-	11,035	-
Support services	-	-	-	-	72,818	16,203	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>638</b>	<b>72,818</b>	<b>16,203</b>	<b>-</b>	<b>11,035</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	-	-	-	(638)	(72,318)	-	-	(11,035)	700
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(638)	(72,318)	-	-	(11,035)	700
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 85,568	\$ -	\$ -	\$ -	\$ 700

SOUTHWEST SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2019

	Secured Schools Safety Grant	Recreational Activities	School Technology	Career and Technical Performance Grant	Teacher Appreciation Grant	High Ability Students	State Connectivity Grant	Construction, Remodeling, and Equipping Buildings	PBIS Grant
Cash and investments - beginning	\$ -	\$ -	\$ 8,310	\$ 2,945	\$ -	\$ -	\$ -	\$ 343,500	\$ -
Receipts:									
Local sources	-	-	9,765	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	50,000	6,789	-	17,656	50,731	31,815	5,358	-	8,075
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	50,000	6,789	9,765	17,656	50,731	31,815	5,358	-	8,075
Disbursements:									
Instruction	-	4,873	-	15,761	61,568	17,220	-	-	-
Support services	-	-	18,075	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	8,075
Facilities acquisition and construction	50,000	-	-	-	-	-	-	343,500	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	50,000	4,873	18,075	15,761	61,568	17,220	-	343,500	8,075
Excess (deficiency) of receipts over disbursements	-	1,916	(8,310)	1,895	(10,837)	14,595	5,358	(343,500)	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	10,837	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	10,837	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	1,916	(8,310)	1,895	-	14,595	5,358	(343,500)	-
Cash and investments - ending	\$ -	\$ 1,916	\$ -	\$ 4,840	\$ -	\$ 14,595	\$ 5,358	\$ -	\$ -

SOUTHWEST SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2019

	ISTA Settlement	Senator David Ford Technology	Title I 2016-2017	P.L. 107-110 Title I FY 2018	Title I 2018-2019	Student Support, Title IV	Drug Free	Title II, Part A 2016-2017
Cash and investments - beginning	\$ 800	\$ (25,130)	\$ -	\$ (28,586)	\$ -	\$ -	\$ 700	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	25,130	-	-	-	-	-	-
Federal sources	-	-	-	89,721	192,237	6,230	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	25,130	-	89,721	192,237	6,230	-	-
Disbursements:								
Instruction	-	-	-	50,855	166,662	6,230	-	-
Support services	17,991	-	-	10,280	45,233	-	700	-
Noninstructional services	-	-	-	-	994	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	17,991	-	-	61,135	212,889	6,230	700	-
Excess (deficiency) of receipts over disbursements	(17,991)	25,130	-	28,586	(20,652)	-	(700)	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	17,191	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	17,191	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(800)	25,130	-	28,586	(20,652)	-	(700)	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ (20,652)	\$ -	\$ -	\$ -

SOUTHWEST SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2019

	Title II, Part A 2017-2019	Title II, Part A FY 2018	Rural & Low Income Schools	Prepaid Food	Payroll Withholdings and Benefits	Totals
Cash and investments - beginning	\$ (6,181)	\$ -	\$ (17,922)	\$ 403	\$ 27,434	\$ 6,358,888
Receipts:						
Local sources	-	-	-	318,950	2,829,176	11,240,465
Intermediate sources	-	-	-	-	-	337
State sources	-	-	-	-	-	11,915,798
Federal sources	31,797	40,800	17,922	-	-	879,423
Other receipts	-	-	-	-	-	-
Total receipts	31,797	40,800	17,922	318,950	2,829,176	24,036,023
Disbursements:						
Instruction	25,616	46,935	-	317,098	2,782,855	12,046,601
Support services	-	-	-	-	-	7,097,932
Noninstructional services	-	-	-	-	-	1,055,456
Facilities acquisition and construction	-	-	-	-	-	2,740,681
Debt service	-	-	-	-	-	3,220,535
Nonprogrammed charges	-	-	-	-	-	13,283
Total disbursements	25,616	46,935	-	317,098	2,782,855	26,174,488
Excess (deficiency) of receipts over disbursements	6,181	(6,135)	17,922	1,852	46,321	(2,138,465)
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	2,900,000
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	3,925,532
Transfers out	-	-	-	-	-	(3,925,533)
Total other financing sources (uses)	-	-	-	-	-	2,899,999
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	6,181	(6,135)	17,922	1,852	46,321	761,534
Cash and investments - ending	\$ -	\$ (6,135)	\$ -	\$ 2,255	\$ 73,755	\$ 7,120,422

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SOUTHWEST SCHOOL CORPORATION  
 SCHEDULE OF PAYABLES AND RECEIVABLES  
 June 30, 2019

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	<u>\$ 632,832</u>	<u>\$ 26,787</u>

SOUTHWEST SCHOOL CORPORATION  
 SCHEDULE OF LEASES AND DEBT  
 June 30, 2019

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Apple Inc.	Computer Hardward	\$ 251,400	3/29/2017	4/30/2021
DeLage Landen Public Finance LLC	Outdoor Lighting	15,665	2/9/2017	1/20/2020
First Financial Bank	Guaranteed Energy Savings	212,135	2/25/2015	7/15/2022
Southwest Sullivan School Building Corporation	Roof Replacement for SHS & Carlisle Elem	186,000	7/15/2011	1/15/2027
Southwest Sullivan School Building Corporation	Renovations and Upgrades for SHS	239,000	1/15/2015	1/15/2025
Southwest Sullivan School Building Corporation	Refinancing of Construction Bond	<u>2,067,000</u>	7/15/2015	7/15/2025
Total governmental activities		<u>2,971,200</u>		
Total of annual lease payments		<u>\$ 2,971,200</u>		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	Retirement/Severance Bonds	\$ 355,000	\$ 321,910
Loan Payable	SHS Bleachers	<u>270,286</u>	<u>60,687</u>
Total governmental activities		<u>625,286</u>	<u>382,597</u>
Totals		<u>\$ 625,286</u>	<u>\$ 382,597</u>

SOUTHWEST SCHOOL CORPORATION  
 SCHEDULE OF CAPITAL ASSETS  
 June 30, 2019

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	\$ 396,500
Infrastructure	200,000
Buildings	51,883,570
Improvements other than buildings	13,386,341
Machinery, equipment, and vehicles	5,291,650
Books and other	<u>1,000,000</u>
 Total governmental activities	 <u>72,158,061</u>
 Total capital assets	 <u>\$ 72,158,061</u>

## OTHER REPORTS

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/>.