



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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November 17, 2022

To: The Officials of Shenandoah School Corporation
Shenandoah School Corporation
5100 N Raider Rd
Middletown, IN 47356

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Shenandoah School Corporation. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period July 1, 2019 to June 30, 2021. Per the *Independent Auditor's Report*, the financial statement referred to above presents fairly, in all material respects, the cash and investment balances Shenandoah School Corporation as of June 30, 2021, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2019 to June 30, 2021 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 29 through 31. Please the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on page 32 through 33.

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 Shenandoah School Corporation was prepared in accordance with the guidelines established by the State Board of Accounts.

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

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

Tammy R. White, CPA
Deputy State Examiner

SHENANDOAH SCHOOL CORPORATION
Henry County, Indiana

FINANCIAL STATEMENT
As of June 30, 2021, and for the
period of July 1, 2019 to June 30, 2021

SHENANDOAH SCHOOL CORPORATION
Henry County, Indiana

FINANCIAL STATEMENT
As of June 30, 2021, and for the
period of July 1, 2019 to June 30, 2021

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SHENANDOAH SCHOOL CORPORATION
SCHEDULE OF OFFICIALS (Unaudited)
For the period July 1, 2019 to June 30, 2021

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Julia D. Miller	07-01-19 to 06-30-21
Superintendent of Schools	Ronald L. Green	07-01-19 to 06-30-21
President of the School Board	Scott Trennepohl	07-01-19 to 06-30-21

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
Shenandoah School Corporation
Henry County, Indiana

Report on the Financial Statement

We have audited the accompanying statement of receipts, disbursements, other financing sources (uses) and cash and investment balances of the Shenandoah School Corporation (the School Corporation) as of June 30, 2021, and for the period of July 1, 2019 to June 30, 2021, and the related notes to the financial statement.

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) as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of this financial statement that are 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 entity'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 entity'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.

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

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

(Continued)

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

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, 2021, or changes in net position for the period of July 1, 2019 to June 30, 2021.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash and investment balances of the School Corporation as of June 30, 2021, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2019 to June 30, 2021 in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. 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*, Schedule of Officials, Supplementary Information Schedules, and State Reporting Information are presented for purposes of additional analysis and are not a required part of the financial statement.

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. Such 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.

The Schedule of Officials, Supplementary Information Schedules, and State Reporting Information, marked as unaudited on the table of contents, have not been subjected to the auditing procedures applied in the audit of the financial statement, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2022 on our consideration of the School Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
November 14, 2022

SHENANDOAH SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
As of June 30, 2021 and for the period July 1, 2019 through June 30, 2021

Funds	Cash and Investments 07-01-2019	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2020	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2021
Education	\$ 286,761	\$ 9,040,426	\$ 7,292,260	\$ (1,450,000)	\$ 584,927	\$ 9,036,442	\$ 7,426,617	\$ (1,605,000)	\$ 589,752
Debt Service	684,581	1,201,632	1,241,550	-	644,663	1,221,332	1,243,006	(36,083)	586,906
Retirement/Severance Bond Debt Service	213,837	237,461	329,966	-	121,332	256,500	321,899	-	55,933
Operations	1,417	1,787,559	3,193,627	1,450,433	45,782	2,151,088	3,225,708	1,371,868	343,030
Local Rainy Day	500,000	-	-	-	500,000	-	-	250,000	750,000
Retirement/Severance Bond	820,239	-	-	-	820,239	-	-	-	820,239
Construction-2017	(298)	-	(298)	-	-	-	-	-	-
School Lunch	36,534	484,067	488,143	-	32,458	533,387	443,507	-	122,338
Curricular Materials Rental	307,512	140,226	122,635	-	325,103	179,204	183,156	36,083	357,234
Self-Insurance	(23,578)	1,318,663	1,617,932	-	(322,847)	1,433,090	1,561,153	-	(450,910)
Child Care Program	-	-	-	-	-	6,193	9,742	-	(3,549)
Educational License Plates	1,634	56	-	-	1,690	113	-	-	1,803
Formative Assessment	-	17,390	17,390	-	-	13,525	13,525	-	-
Education Technology	(136,921)	136,921	-	-	-	-	-	-	-
Secured Schools Safety Grant	(14,184)	18,100	21,142	-	(17,226)	26,232	21,578	-	(12,572)
Early Intervention Grant	87	5,090	4,877	-	300	3,795	4,227	-	(132)
Non-English Speaking Program	-	2,474	1,680	-	794	2,014	1,400	-	1,408
Career And Technical Performance Grant	23,131	-	-	-	23,131	-	-	-	23,131
Tag	1,684	-	-	-	1,684	-	-	-	1,684
Teacher Appreciation Grant	-	49,650	49,650	-	-	49,004	49,004	-	-
High Ability Students	12,688	30,614	30,037	-	13,265	24,896	21,238	-	16,923
Project Lead The Way	-	-	-	-	-	-	7,715	-	(7,715)
Title I	(11,454)	129,244	140,843	-	(23,053)	125,837	117,539	-	(14,755)
Student Support Title Iv	-	12,795	12,908	-	(113)	12,423	12,364	-	(54)
Title Ii Part A Supporting Effective I	(1,500)	21,536	25,639	-	(5,603)	11,812	10,760	-	(4,551)
ESSER II	-	-	-	-	-	-	141,255	-	(141,255)
ESSER I	-	-	-	-	-	151,279	141,278	-	10,001
Prepaid School Lunch Accounts	20,758	65,874	51,953	-	34,679	41,786	63,175	-	13,290
Federal Tax	-	476,877	476,877	-	-	489,859	489,859	-	-
Social Security	-	452,267	452,267	-	-	471,967	471,967	-	-
State Tax	-	188,152	188,152	-	-	195,867	195,867	-	-
Cagit	-	87,547	87,547	-	-	96,926	96,926	-	-
Teacher Retirement	-	1,933	1,933	-	-	1,917	1,917	-	-
Public Employee Retirement	-	21,002	21,002	-	-	24,700	24,700	-	-
Group Insurance	295	357,007	357,286	-	16	368,909	366,652	-	2,273
Annuities	-	152,514	152,514	-	-	116,001	116,001	-	-
Garnishments	-	9,103	9,103	-	-	4,168	4,168	-	-
Dues	-	429	429	-	-	481	481	-	-
Life Fringe Benefit	-	396	396	-	-	396	396	-	-
Payroll Correction	-	19	19	-	-	12	12	-	-
Clearing-Safe Hiring	-	44	44	-	-	-	-	-	-
Totals	\$ 2,723,223	\$ 16,447,068	\$ 16,389,503	\$ 433	\$ 2,781,221	\$ 17,051,155	\$ 16,788,792	\$ 16,868	\$ 3,060,452

See notes to financial statement.

SHENANDOAH SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2021, and for the period
July 1, 2019 to June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

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.

(Continued)

SHENANDOAH SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2021, and for the period
July 1, 2019 to June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

(Continued)

SHENANDOAH SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2021, and for the period
July 1, 2019 to June 30, 2021

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 did not hold investments for the period under audit.

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.

(Continued)

SHENANDOAH SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2021, and for the period
July 1, 2019 to June 30, 2021

NOTE 6 - CASH BALANCE DEFICITS

The financial statements 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, 2020, and 2021. Deficits in other fund balances, including the Self-Insurance and Child Care Program funds, were the result of disbursements exceeding receipts due to under-estimating current requirements for some funds. These deficits are to be prepaid from future receipts.

NOTE 7 - HOLDING CORPORATION

The School Corporation has entered into a series of capital leases with the Shenandoah School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments for the period July 1, 2019 to June 30, 2020 totaled \$1,241,550. Lease payments for the period July 1, 2020 to June 30, 2021 totaled \$1,279,089.

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.

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

(Continued)

SHENANDOAH SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2021, and for the period
July 1, 2019 to June 30, 2021

NOTE 9 - PENSION PLANS (Continued)

Contributions

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

Teachers' Retirement Fund

Plan Descriptions

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

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

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

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

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

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

Financial Report

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

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

(Continued)

SHENANDOAH SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2021, and for the period
July 1, 2019 to June 30, 2021

NOTE 9 - PENSION PLANS (Continued)

Contributions

The School Corporation contributes the employer's share to Teachers' 1996 DB for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. These contributions are determined by the INPRS Board based on actuarial valuation. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995 (Teachers' Pre-1996 DB) is considered to be 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 10 - SUBSEQUENT EVENT

In December 2021, the School Corporation issued debt in the amount of \$3,900,000 for renovations and improvements to school facilities, including classroom and media center renovations at Shenandoah Elementary School, upgrades to the School Corporation's sewage treatment plant, secure entrance renovations, and site and athletic improvements.

SUPPLEMENTARY INFORMATION

SHENANDOAH SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2019 through June 30, 2020

	Education	Debt Service	Retirement/Severance Bond Debt Service	Operations	Local Rainy Day	Retirement/Severance Bond	Construction-2017	School Lunch	Curricular Materials Rental	Self-Insurance	Educational License Plates	Formative Assessment
Cash and investments - beginning	\$ 286,761	\$ 684,581	\$ 213,837	\$ 1,417	\$ 500,000	\$ 820,239	\$ (298)	\$ 36,534	\$ 307,512	\$ (23,578)	\$ 1,634	\$ -
Receipts:												
Local sources	15,347	1,201,632	237,461	1,774,199	-	-	-	186,325	100,842	1,318,663	-	-
Intermediate sources	-	-	-	112	-	-	-	-	-	-	56	-
State sources	9,025,079	-	-	11,083	-	-	-	7,116	39,384	-	-	17,390
Federal sources	-	-	-	-	-	-	-	290,027	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	2,165	-	-	-	599	-	-	-	-
Total receipts	9,040,426	1,201,632	237,461	1,787,559	-	-	-	484,067	140,226	1,318,663	56	17,390
Disbursements:												
Instruction	5,995,562	-	-	-	-	-	-	-	-	-	-	-
Support services	1,131,986	-	-	2,589,535	-	-	-	565	122,635	91,478	-	17,390
Noninstructional services	164,712	-	-	-	-	-	-	487,578	-	-	-	-
Facilities acquisition and construction	-	-	-	469,431	-	-	(298)	-	-	-	-	-
Debt services	-	1,241,550	329,966	134,661	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	1,526,454	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	7,292,260	1,241,550	329,966	3,193,627	-	-	(298)	488,143	122,635	1,617,932	-	17,390
Excess (deficiency) of receipts over disbursements	1,748,166	(39,918)	(92,505)	(1,406,068)	-	-	298	(4,076)	17,591	(299,269)	56	-
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	433	-	-	-	-	-	-	-	-
Transfers in	-	-	-	1,450,000	-	-	-	-	-	-	-	-
Transfers out	(1,450,000)	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,450,000)	-	-	1,450,433	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	298,166	(39,918)	(92,505)	44,365	-	-	298	(4,076)	17,591	(299,269)	56	-
Cash and investments - ending	\$ 584,927	\$ 644,663	\$ 121,332	\$ 45,782	\$ 500,000	\$ 820,239	\$ -	\$ 32,458	\$ 325,103	\$ (322,847)	\$ 1,690	\$ -

(Continued)

SHENANDOAH SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2019 through June 30, 2020

	Education Technology	Secured Schools Safety Grant	Early Intervention Grant	Non-English Speaking Program	Career And Technical Performance Grant	Tag	Teacher Appreciation Grant	High Ability Students	Title I	Student Support Title Iv	Title Ii Part A Supporting Effective I	Prepaid School Lunch Accounts	Federal Tax
Cash and investments - beginning	\$ (136,921)	\$ (14,184)	\$ 87	\$ -	\$ 23,131	\$ 1,684	\$ -	\$ 12,688	\$ (11,454)	\$ -	\$ (1,500)	\$ 20,758	\$ -
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	136,921	18,100	5,090	2,474	-	-	49,650	30,614	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	129,244	12,795	21,536	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	65,874	476,877
Total receipts	136,921	18,100	5,090	2,474	-	-	49,650	30,614	129,244	12,795	21,536	65,874	476,877
Disbursements:													
Instruction	-	-	4,790	1,680	-	-	49,650	26,330	88,957	11,153	-	-	-
Support services	-	21,142	87	-	-	-	-	3,707	49,033	1,755	25,639	-	-
Noninstructional services	-	-	-	-	-	-	-	-	2,853	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	51,953	476,877
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	21,142	4,877	1,680	-	-	49,650	30,037	140,843	12,908	25,639	51,953	476,877
Excess (deficiency) of receipts over disbursements	136,921	(3,042)	213	794	-	-	-	577	(11,599)	(113)	(4,103)	13,921	-
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	136,921	(3,042)	213	794	-	-	-	577	(11,599)	(113)	(4,103)	13,921	-
Cash and investments - ending	\$ -	\$ (17,226)	\$ 300	\$ 794	\$ 23,131	\$ 1,684	\$ -	\$ 13,265	\$ (23,053)	\$ (113)	\$ (5,603)	\$ 34,679	\$ -

(Continued)

SHENANDOAH SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2019 through June 30, 2020

	Social Security	State Tax	Cagit	Teacher Retirement	Public Employee Retirement	Group Insurance	Annuities	Garnishments	Dues	Life Fringe Benefit	Payroll Correction	Clearing-Safe Hiring	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 295	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,723,223
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	4,834,469
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	168
State sources	-	-	-	-	-	-	-	-	-	-	-	-	9,342,901
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	453,602
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	452,267	188,152	87,547	1,933	21,002	357,007	152,514	9,103	429	396	19	44	1,815,928
Total receipts	452,267	188,152	87,547	1,933	21,002	357,007	152,514	9,103	429	396	19	44	16,447,068
Disbursements:													
Instruction	-	-	-	-	-	-	-	-	-	-	-	-	6,178,122
Support services	-	-	-	-	-	-	-	-	-	-	-	-	4,054,952
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	655,143
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	469,133
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	1,706,177
Nonprogrammed charges	452,267	188,152	87,547	1,933	21,002	357,286	152,514	9,103	429	396	19	44	3,325,976
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	452,267	188,152	87,547	1,933	21,002	357,286	152,514	9,103	429	396	19	44	16,389,503
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	(279)	-	-	-	-	-	-	57,565
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	433
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	1,450,000
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	(1,450,000)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	433
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	(279)	-	-	-	-	-	-	57,998
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,781,221

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

	Education	Debt Service	Retirement/Severance Bond Debt Service	Operations	Local Rainy Day	Retirement/Severance Bond	School Lunch	Curricular Materials Rental	Self-Insurance	Child Care Program	Educational License Plates	Formative Assessment	Secured Schools Safety Grant
Cash and investments - beginning	\$ 584,927	\$ 644,663	\$ 121,332	\$ 45,782	\$ 500,000	\$ 820,239	\$ 32,458	\$ 325,103	\$ (322,847)	\$ -	\$ 1,690	\$ -	\$ (17,226)
Receipts:													
Local sources	8,678	1,221,332	256,500	2,139,119	-	-	67,315	140,192	1,433,090	6,193	-	-	-
Intermediate sources	-	-	-	105	-	-	-	-	-	-	113	-	-
State sources	9,027,764	-	-	11,864	-	-	8,083	39,012	-	-	-	13,525	26,232
Federal sources	-	-	-	-	-	-	457,830	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	159	-	-	-	-	-	-
Total receipts	9,036,442	1,221,332	256,500	2,151,088	-	-	533,387	179,204	1,433,090	6,193	113	13,525	26,232
Disbursements:													
Instruction	6,156,686	-	-	-	-	-	-	-	-	-	-	-	-
Support services	1,101,616	-	-	2,730,151	-	-	373	183,156	-	-	-	13,525	21,578
Noninstructional services	168,315	-	-	-	-	-	443,134	-	-	9,742	-	-	-
Facilities acquisition and construction	-	-	-	367,199	-	-	-	-	-	-	-	-	-
Debt services	-	1,243,006	321,899	128,358	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	1,561,153	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	7,426,617	1,243,006	321,899	3,225,708	-	-	443,507	183,156	1,561,153	9,742	-	13,525	21,578
Excess (deficiency) of receipts over disbursements	1,609,825	(21,674)	(65,399)	(1,074,620)	-	-	89,880	(3,952)	(128,063)	(3,549)	113	-	4,654
Other financing sources (uses)													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	16,868	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	1,355,000	250,000	-	-	36,083	-	-	-	-	-
Transfers out	(1,605,000)	(36,083)	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,605,000)	(36,083)	-	1,371,868	250,000	-	-	36,083	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,825	(57,757)	(65,399)	297,248	250,000	-	89,880	32,131	(128,063)	(3,549)	113	-	4,654
Cash and investments - ending	\$ 589,752	\$ 586,906	\$ 55,933	\$ 343,030	\$ 750,000	\$ 820,239	\$ 122,338	\$ 357,234	\$ (450,910)	\$ (3,549)	\$ 1,803	\$ -	\$ (12,572)

(Continued)

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

	Early Intervention Grant	Non-English Speaking Program	Career And Technical Performance Grant	Tag	Teacher Appreciation Grant	High Ability Students	Project Lead The Way	Title I	Student Support Title Iv	Title Ii Part A Supporting Effective I	ESSER II	ESSER I
Cash and investments - beginning	\$ 300	\$ 794	\$ 23,131	\$ 1,684	\$ -	\$ 13,265	\$ -	\$ (23,053)	\$ (113)	\$ (5,603)	\$ -	\$ -
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	3,795	2,014	-	-	49,004	24,896	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	125,837	12,423	11,812	-	151,279
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	3,795	2,014	-	-	49,004	24,896	-	125,837	12,423	11,812	-	151,279
Disbursements:												
Instruction	4,227	1,400	-	-	49,004	20,686	-	85,880	12,364	-	105,093	141,278
Support services	-	-	-	-	-	552	7,715	29,957	-	10,760	36,162	-
Noninstructional services	-	-	-	-	-	-	-	1,702	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	4,227	1,400	-	-	49,004	21,238	7,715	117,539	12,364	10,760	141,255	141,278
Excess (deficiency) of receipts over disbursements	(432)	614	-	-	-	3,658	(7,715)	8,298	59	1,052	(141,255)	10,001
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	(432)	614	-	-	-	3,658	(7,715)	8,298	59	1,052	(141,255)	10,001
Cash and investments - ending	\$ (132)	\$ 1,408	\$ 23,131	\$ 1,684	\$ -	\$ 16,923	\$ (7,715)	\$ (14,755)	\$ (54)	\$ (4,551)	\$ (141,255)	\$ 10,001

(Continued)

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

	Prepaid School Lunch Accounts	Federal Tax	Social Security	State Tax	Cagit	Teacher Retirement	Public Employee Retirement	Group Insurance	Annuities	Garnishments	Dues	Life Fringe Benefit	Payroll Correction	Totals
Cash and investments - beginning	\$ 34,679	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,781,221
Receipts:														
Local sources	41,786	-	-	-	-	-	-	-	-	-	-	-	-	5,314,205
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	218
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-	9,206,189
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	759,181
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	489,859	471,967	195,867	96,926	1,917	24,700	368,909	116,001	4,168	481	396	12	1,771,362
Total receipts	41,786	489,859	471,967	195,867	96,926	1,917	24,700	368,909	116,001	4,168	481	396	12	17,051,155
Disbursements:														
Instruction	-	-	-	-	-	-	-	-	-	-	-	-	-	6,576,618
Support services	1,023	-	-	-	-	-	-	-	-	-	-	-	-	4,136,568
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-	622,893
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	367,199
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	1,693,263
Nonprogrammed charges	62,152	489,859	471,967	195,867	96,926	1,917	24,700	366,652	116,001	4,168	481	396	12	3,392,251
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	63,175	489,859	471,967	195,867	96,926	1,917	24,700	366,652	116,001	4,168	481	396	12	16,788,792
Excess (deficiency) of receipts over disbursements	(21,389)	-	-	-	-	-	-	2,257	-	-	-	-	-	262,363
Other financing sources (uses)														
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	16,868
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-	1,641,083
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,641,083)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	16,868
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(21,389)	-	-	-	-	-	-	2,257	-	-	-	-	-	279,231
Cash and investments - ending	\$ 13,290	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,273	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,060,452

SHENANDOAH SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2021

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ <u>86,907</u>	\$ <u>209,800</u>

SHENANDOAH SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2021

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
Toshiba Business Solutions Shenandoah School Building Corporation	Copier Lease	\$ 13,134	7/1/2021	7/1/2026
Shenandoah School Building Corporation	1st Mortgage 2009	173,000	1/1/2010	1/1/2024
Shenandoah School Building Corporation	2012 A	29,500	1/1/2012	1/1/2029
Shenandoah School Building Corporation	2012 B	99,000	1/1/2012	7/1/2026
Shenandoah School Building Corporation	2012 C	207,000	1/1/2012	7/1/2026
Shenandoah School Building Corporation	2012 D	180,500	1/1/2012	1/1/2029
Shenandoah School Building Corporation	2012 E	128,000	1/1/2012	7/1/2032
Shenandoah School Building Corporation	2012 F	90,000	1/1/2012	1/1/2023
Shenandoah School Building Corporation	1st Mortgage 2013	182,000	1/1/2013	1/1/2029
Shenandoah School Building Corporation	1st Mortgage 2017	<u>176,500</u>	1/1/2017	1/1/2033
Total of annual lease payments		<u>\$ 1,278,634</u>		

<u>Description of Debt</u>		<u>Ending Principal Balance</u>	<u>Principal and Interest Due Within One Year</u>
<u>Type</u>	<u>Purpose</u>		
Governmental activities:			
General Obligation Bonds	Pension Bonds 2004	\$ 161,459	\$ 161,459
Notes and Loans Payable	Common School Loan B0170	123,229	28,548
Notes and Loans Payable	Common School Loan A2969	56,280	28,632
Notes and Loans Payable	Common School Loan B0071	<u>55,520</u>	<u>28,246</u>
Totals		<u>\$ 396,488</u>	<u>\$ 246,885</u>

SHENANDOAH SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2021

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	\$ 53,915
Infrastructure	2,749,603
Buildings	9,769,458
Improvements other than buildings	10
Machinery, equipment, and vehicles	755,703
Construction in progress	850,000
Books and other	<u>10</u>
 Total governmental activities	 <u>14,178,699</u>
 Total capital assets	 <u>\$ 14,178,699</u>

SHENANDOAH SCHOOL CORPORATION
STATE REPORTING INFORMATION
July 1, 2019 - June 30, 2021

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.

SHENANDOAH SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period July 1, 2019 through June 30, 2021

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 06-30-20	Total Federal Awards Expended 06-30-21	Total Federal Awards Expended 07-01-19 to 06-30-21
<u>Department of Agriculture</u>						
Child Nutrition Cluster	Indiana Department of Education					
School Breakfast Program		10.553	FY2020, FY2021	\$ 61,977	\$ 158	\$ 62,135
National School Lunch Program		10.555	FY2020, FY2021	228,050	457,672	685,722
Commodities		10.555	FY2020, FY2021	<u>56,567</u>	<u>68,739</u>	<u>125,306</u>
Total - Child Nutrition Cluster				<u>346,594</u>	<u>526,569</u>	<u>873,163</u>
Total - Department of Agriculture				<u>346,594</u>	<u>526,569</u>	<u>873,163</u>
<u>Department of Education</u>						
Special Education Cluster(IDEA)						
Special Education Grants to States	Indiana Department of Education					
IDEA-Part B		84.027	19611-042-PN01	93,324	-	93,324
IDEA-Part B		84.027	20611-042-PN01	192,773	-	192,773
IDEA-Part B		84.027	20611-040-PN01	-	116,432	116,432
IDEA-Part B		84.027	21611-040-PN01	<u>-</u>	<u>175,897</u>	<u>175,897</u>
Total - Special Education Grants to States				<u>286,097</u>	<u>292,329</u>	<u>578,426</u>
Special Education - Preschool Grants	Indiana Department of Education					
IDEA-Preschool		84.173	19619-042-PN01	4,095	-	4,095
IDEA-Preschool		84.173	20619-042-PN01	9,761	-	9,761
IDEA-Preschool		84.173	20619-040-PN01	-	4,804	4,804
IDEA-Preschool		84.173	21619-040-PN01	<u>-</u>	<u>10,099</u>	<u>10,099</u>
Total - Special Education - Preschool Grants				<u>13,856</u>	<u>14,903</u>	<u>28,759</u>
Total - Special Education Cluster (IDEA)				<u>299,953</u>	<u>307,232</u>	<u>607,185</u>
Title I Grants to Local Educational Agencies	Indiana Department of Education					
Title I, Part A		84.010	S010A180014	69,669	-	69,669
Title I, Part A		84.010	S010A190014	58,581	72,816	131,397
Title I, Part A		84.010	S010A200014	<u>-</u>	<u>52,271</u>	<u>52,271</u>
Total - Title I Grants to Local Educational Agencies				<u>128,250</u>	<u>125,087</u>	<u>253,337</u>

(Continued)

SHENANDOAH SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period July 1, 2019 through June 30, 2021

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 06-30-20	Total Federal Awards Expended 06-30-21	Total Federal Awards Expended 07-01-19 to 06-30-21
Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II, Part A		84.367	S367A170013	\$ 5,338	\$ 5,400	\$ 10,738
Title II, Part A		84.367	S367A180013	16,199	4,872	21,071
Title II, Part A		84.367	S367A190013	-	1,540	1,540
Total - Supporting Effective Instruction State Grants				<u>21,537</u>	<u>11,812</u>	<u>33,349</u>
Student Support and Academic Enrichment Program	Indiana Departmentn of Education					
Title IV, Part A		84.424	S424A190015	12,795	113	12,908
Title IV, Part A		84.424	S424A200015	-	12,310	12,310
Total - Student Support and Academic Enrichment Program				<u>12,795</u>	<u>12,423</u>	<u>25,218</u>
COVID-19 - Education Stabilization Fund	Indiana Department of Education					
Elementary and Secondary School Emergency Relief (ESSER) Fund		84.425D	S425D200013	-	151,279	151,279
Total - Department of Education				<u>462,535</u>	<u>607,833</u>	<u>1,070,368</u>
Total federal awards expended				<u>\$ 809,129</u>	<u>\$ 1,134,402</u>	<u>\$ 1,943,531</u>

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

SHENANDOAH SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period July 1, 2019 through June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, 2019 to June 30, 2021. 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 – SPECIAL EDUCATION COOPERATIVE (ALN: 84.027, 84.173)

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

NOTE 4 – OTHER INFORMATION

The School Corporation did not have any subrecipient activity for the period July 1, 2019 to June 30, 2021.

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
Shenandoah School Corporation
Henry 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 Shenandoah School Corporation ("School Corporation"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School Corporation as of June 30, 2021 and for the period July 1, 2019 to June 30, 2021 and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement, and have issued our report thereon dated November 14, 2022.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2021-001 that we consider to be a material weakness.

(Continued)

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*.

Management's Response to Finding

The School Corporation's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The School Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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


Crowe LLP

Indianapolis, Indiana
November 14, 2022

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

Those Charged with Governance
Shenandoah School Corporation
Henry County, Indiana

Report on Compliance for Each Major Federal Program

We have audited Shenandoah School Corporation's (the School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the School Corporation's major federal program for the period July 1, 2019 to June 30, 2021. The School Corporation's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the period July 1, 2019 to June 30, 2021.

(Continued)

Report on Internal Control Over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2021-002 that we consider to be a material weakness.

The School Corporation's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Crowe LLP
Crowe LLP

Indianapolis, Indiana
November 14, 2022

SHENANDOAH SCHOOL CORPORATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 July 1, 2019 to June 30, 2021

Section I – Summary of Auditor’s Results

Financial Statement

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

Internal control over financial reporting:

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

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

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	<u> X </u>	Yes	_____	No
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Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555	Child Nutrition Cluster

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

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

SHENANDOAH SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2019 to June 30, 2021

Section II – Financial Statement Findings

FINDING 2021-001

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

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

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

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

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

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

2 CFR 200.508 states in part:

"The auditee must: . . .

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

2 CFR 200.510(b) states:

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

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

(Continued)

SHENANDOAH SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2019 to June 30, 2021

Section II – Financial Statement Findings (Continued)

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

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

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

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

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

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

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

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. The SEFA was reviewed prior to submission; however it was not reviewed in enough detail to prevent the following errors that resulted in the understatement of the total federal awards expended on the SEFA by \$151,279 for the period July 1, 2019, through June 30, 2021:

1. The Education Stabilization Fund expenditures were not reported (\$151,279).

Additionally, the assistance listing numbers were incorrectly listed for two of the Special Education Cluster grants on the SEFA for fiscal year 2020 and the Child Nutrition Cluster funding for fiscal year 2021. Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA to correct the issues noted above.

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

Identification as a repeat finding, if applicable: Yes, Finding 2019-001.

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

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

(Continued)

SHENANDOAH SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2019 to June 30, 2021

Section III – Federal Award Findings and Questioned Costs

FINDING 2021-002

Information on the federal program:

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

Criteria: 2 CFR section 200.303 states in part: "The non-Federal entity must:

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

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

Cause: The School Corporation's management had not developed a system of internal controls to document a review around applicant data entered into software to make eligibility determinations.

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

Questioned Costs: There were no questioned costs identified.

Context: During testing of 40 students for eligibility determinations, we noted 3 instances where there was no documented review by someone other than the individual making the eligibility determination.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommend that the School Corporation establish a review control to verify all applicant data entered into the software is accurate and complete to confirm eligibility determinations are correct. This review should be performed by someone other than the individual entering the data and we recommend this review be formally documented.

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



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CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

FINDING 2021-001

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

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

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. The SEFA was reviewed prior to submission; however, it was not reviewed in enough detail to prevent the following errors that resulted in the understatement of the total federal awards expended on the SEFA by \$151,279 for the period July 1, 2019, through June 30, 2021:

1. The Education Stabilization Fund expenditures were not reported (\$151,279).

Additionally, the assistance listing numbers were incorrectly listed for two of the Special Education Cluster grants on the SEFA for fiscal year 2020 and the Child Nutrition Cluster funding for fiscal year 2021. Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA to correct the issues noted above.

Views of responsible officials and planned corrective action: Management agrees with the finding and will take the following steps to ensure review procedures detect any errors in grant schedule submission:

1. The Business Manager and Superintendent will work to develop a more robust internal control for the creation and submission of the annual SEFA portion of the Gateway Annual Report.
2. The new procedures will emphasize the inclusion of all federal grants, along with the proper names and grant numbers.

Responsible party and timeline for completion: The Business Manager Drew Cooper will be the responsible party for the corrective action. The anticipated completion date is December 31, 2022.

FINDING 2021-002

Information on the federal program:

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

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

Context: During testing of 40 students for eligibility determinations, we noted 3 instances where there was no documented review by someone other than the individual making the eligibility determination.

Views of responsible officials and planned corrective action: Management agrees with the finding and will take the following steps:

1. The Business Manager and Superintendent will work to develop a more robust internal control to ensure compliance with the grant agreement and the Eligibility compliance requirements.
2. The new procedures will emphasize a documented review of eligibility determinations by the Business Manager.

Responsible party and timeline for completion: The Business Manager Drew Cooper will be the responsible party for the corrective action. The anticipated completion date is December 31, 2022.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2019-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards

Audit Findings: Material Weakness, Noncompliance

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

The School Corporation had not established effective internal controls over the federal award information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the School Corporation's SEFA. The Treasurer prepared the federal award information entered into Gateway and the information was reviewed and submitted by the Superintendent of Schools; however, this control was not effective.

The SEFA contained the following errors:

1. The School Breakfast Program was not included on the SEFA for fiscal year 2017-2018 or 2018-2019, understating expenditures by \$92,409.
2. The National School Lunch Program expenditures were overstated by \$79,460 for 2018-2019. Also, the program name and identifying numbers were incorrect.
3. The National School Lunch Program Commodities were not included on the SEFA for 2017-2018 or 2018-2019, understating expenditures by \$132,240.
4. The Summer Food Service Program for Children was not included on the SEFA for 2018-2019, understating expenditures by \$2,577.
5. The Special Education Cluster (IDEA) was not included on the SEFA for 2017-2018 or 2018-2019, understating expenditures by \$665,300.
6. The Title I Grants to Local Educational Agencies expenditures were understated by \$82,291 for 2018-2019. Also, the program name and identifying numbers were incorrect.
7. The Student Support and Academic Enrichment Program was not included on the SEFA for 2018-2019, understating expenditures by \$11,345.
8. The Supporting Effective Instruction State Grants expenditures were understated for 2017-2018 and 2018-2019, totaling \$23,995. Also, the program name and identifying numbers were incorrect.

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA.

Status: Not resolved. See Finding 2021-001.

FINDING 2019-002

Information on the federal program

Subject: Child Nutrition Cluster - Internal Controls over Cash Management
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY 17-18, FY 18-19
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Cash Management
Audit Finding: Significant Deficiency

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

The School Corporation had not developed procedures whereby the cash balances (net cash resources) in its School Lunch fund were monitored to ensure that they did not exceed three months average expenditures of the program.

The lack of controls was a systemic issue throughout the audit period.

Status: Resolved.