



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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December 27, 2022

To: The Officials of Medora Community School Corporation
Medora Community School Corporation
PO Box 369
Medora, IN 47260

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Medora Community 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 of Medora Community 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 38-43. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 44-47.

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 Medora Community 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

MEDORA COMMUNITY SCHOOL CORPORATION
Jackson County, Indiana

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

MEDORA COMMUNITY SCHOOL CORPORATION
Jackson 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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MEDORA COMMUNITY 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	Teresa Brewer	07-01-19 to 06-30-21
Superintendent of Schools	Roger Bane	07-01-19 to 06-30-21
President of the School Board	Joseph Campbell	07-01-19 to 06-30-21

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
Medora Community School Corporation
Jackson 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 Medora Community 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 December 19, 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

Indianapolis, Indiana
December 19, 2022

MEDORA COMMUNITY 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

Fund	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments
	07-01-2019	Receipts	Disbursements		06-30-2020	Receipts	Disbursements		
Education	\$ 372,202	\$1,105,204	\$ 982,361	\$ (59,806)	\$ 435,239	\$1,309,832	\$ 1,099,167	\$ (202,672)	\$ 443,232
Debt Service	199,828	402,529	437,026	-	165,331	432,659	427,119	-	170,871
Retirement/Severance Bond Debt Service	15,316	33,619	35,415	-	13,520	37,606	34,261	-	16,865
Operations	221,672	328,637	544,896	195,953	201,366	373,668	539,266	206,250	242,018
Local Rainy Day	152,088	-	29,574	(100,000)	22,514	-	3,942	-	18,572
School Lunch	23,782	94,789	105,670	-	12,901	125,851	104,309	-	34,443
Curricular Materials Rental	12,561	8,871	10,664	-	10,768	10,845	8,051	-	13,562
Other Local	446	1,060	1,620	-	(114)	725	500	-	111
Educational License Plates	398	(1)	-	-	397	-	-	-	397
Special Donations	1,255	30,574	29,025	-	2,804	-	1,073	-	1,731
Donations Hornets Nest	31,953	7,886	3,067	-	36,772	12,500	3,604	-	45,668
Kasting Scholarship	31,923	25,767	34,400	-	23,290	25,057	23,350	-	24,997
Jean Ann Behney Grant	1,515	751	592	-	1,674	600	762	-	1,512
Donation/Grow Lab	194	10,574	10,768	-	-	-	-	-	-
Extra-Curricular Activities	-	5,050	5,050	-	-	4,294	4,294	-	-
Formative Assessment	(1,231)	1,746	1,750	-	(1,235)	1,235	-	-	-
Secured Schools Safety Grant	-	4,425	4,835	-	(410)	-	(410)	-	-
Science Technology Engineering And Mat	-	-	-	-	-	-	20,000	-	(20,000)
Career And Technical Performance Grant	192	-	-	-	192	-	-	(192)	-
Teacher Appreciation Grant	-	5,186	5,186	-	-	5,985	5,985	-	-
Indiana School Academic Improvement	(7)	-	-	-	(7)	-	-	7	-
State Development Network Grant	-	-	1	-	(1)	-	-	1	-
High Ability Students	15,308	24,943	29,916	-	10,335	19,429	22,303	-	7,461
State Connectivity Grant	-	3,420	260	-	3,160	2,340	4,840	17,363	18,023
Gifted/Talented 98-99	193	1	-	(194)	-	-	-	-	-
Career Ladders Grant	-	-	-	-	-	26,250	34,380	-	(8,130)
Project Lead The Way	-	-	-	-	-	4,300	3,600	-	700
Title I 2020-21	-	-	-	-	-	67,682	83,649	-	(15,967)
1003G Title I Part A	(9,813)	139,361	141,729	-	(12,181)	55,650	79,251	-	(35,782)
1003G Addl Funds/ Elementary	-	30,162	30,162	-	-	47,492	47,492	-	-
1003G Addl Funds/ Jr-Sr High	-	23,485	23,485	-	-	2,903	12,688	-	(9,785)
Title I 2019-2020	(9,658)	57,392	61,440	-	(13,706)	26,869	13,163	-	-
Title 1 Fy99	(2,772)	-	-	-	(2,772)	-	-	2,772	-
Idea Special Education Grant	-	-	-	-	-	41,538	44,388	-	(2,850)
Student Support Title Iv	(728)	23,016	31,288	-	(9,000)	10,000	1,000	-	-
21St Century Learning Grant	6,021	-	-	-	6,021	-	-	(6,021)	-
21St Cclc Cohort 9 Yr 2	(1,804)	151,583	173,025	-	(23,246)	174,263	160,631	-	(9,614)
21Stcclc Contract Services 8/3	-	87,182	100,386	-	(13,204)	105,516	102,516	-	(10,204)
21St Cclc Jr/Sr High	(1,101)	4,392	3,291	-	-	-	-	-	-
School Technology	21,404	559	4,600	-	17,363	-	-	(17,363)	-
Title Ii Part A Supporting Effective I	145	-	-	-	145	-	-	(145)	-

(Continued)

MEDORA COMMUNITY 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

Fund	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments
	07-01-2019	Receipts	Disbursements		06-30-2020	Receipts	Disbursements		
Title Ii Part A Professional Developme	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,008	\$ 12,008	\$ -	\$ -
Elementary And Secondary School Emergenc	-	-	-	-	-	-	22,229	-	(22,229)
Federal Stimulus - 18003 Educ. Stab Reli	-	-	8,160	-	(8,160)	39,178	42,611	-	(11,593)
Prepaid School Lunch Accounts	75	13,159	12,831	-	403	2,329	1,654	-	1,078
Extra-Curricular	1,296	2,475	3,771	-	-	-	-	-	-
Federal Withholdings	1,361	93,613	93,613	-	1,361	100,251	100,251	-	1,361
Social Security	1,039	86,890	86,890	-	1,039	93,143	93,143	-	1,039
State Withholdings	105	35,888	35,888	-	105	38,366	38,366	-	105
County Withholdings	60	22,155	22,155	-	60	23,881	23,881	-	60
Group Medical	3,248	34,219	32,082	-	5,385	34,770	33,476	-	6,679
Colonial - Sec 125	63,124	3,844	66,666	-	302	2,581	2,498	-	385
Colonial Post Taxes	10,056	1,120	11,176	-	-	598	598	-	-
Garnishment of Wages	24	-	24	-	-	-	-	-	-
2008 Colonial	(117)	-	-	-	(117)	-	-	-	(117)
2008 Colonial 125	(496)	-	-	-	(496)	-	-	-	(496)
Colonial Life Non 125	(178)	-	-	-	(178)	-	-	-	(178)
Aflac-Pretax	(16)	1,282	1,343	-	(77)	1,477	1,606	-	(206)
Aflac Aftertax	-	606	630	-	(24)	993	863	-	106
Educational Dues	6	-	-	-	6	-	-	-	6
Annuity -2005 Met Life	(730)	5,988	6,138	-	(880)	7,533	7,255	-	(602)
95Colonial	(60,370)	(4)	(60,374)	-	-	-	-	-	-
95Colsec125	(12,614)	-	(12,614)	-	-	-	-	-	-
Annuity - 1999	3,520	-	-	-	3,520	-	-	-	3,520
Flower Fund	(103)	-	-	-	(103)	-	-	-	(103)
Pacific Life Annuity	1,057	-	1,057	-	-	-	-	-	-
United Way	120	-	-	-	120	-	-	-	120
Fringe Benefit Clrng Fnd	-	887	887	-	-	887	887	-	-
Totals	\$ 1,091,749	\$ 2,914,285	\$ 3,151,805	\$ 35,953	\$ 890,183	\$ 3,283,084	\$ 3,266,500	\$ -	\$ 906,767

See notes to financial statement.

MEDORA COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2021, and for the period of
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)

MEDORA COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2021, and for the period of
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)

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

NOTE 2 - RECLASSIFICATION

Certain prior year balances have been reclassified to conform to the current fiscal year presentation. The reclassifications had no effect on total opening cash balances. The clearing fund which was previously reported in the aggregate amount of \$10,392 at June 30, 2019, has been reclassified to the following individual fund balances at July 1, 2019 to reflect the nature of the clearing fund activity as follows:

Extra-Curricular	\$	1,296
Federal Withholdings		1,361
Social Security		1,039
State Withholdings		105
County Withholdings		60
Group Medical		3,248
Colonial - Sec 125		63,124
Colonial Post Taxes		10,056
Garnishment of Wages		24
2008 Colonial		(117)
2008 Colonial 125		(496)
Colonial Life Non 125		(178)
Aflac-Pretax		(16)
Educational Dues		6
Annuity -2005 Met Life		(730)
95Colonial		(60,370)
95Colsec125		(12,614)
Annuity - 1999		3,520
Flower Fund		(103)
Pacific Life Annuity		1,057
United Way		120
	<u>\$</u>	<u>10,392</u>

NOTE 3 - 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.

(Continued)

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

NOTE 4 - 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 5 - DEPOSITS AND INVESTMENTS

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

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

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

NOTE 6 - RISK MANAGEMENT

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

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

NOTE 7 - CASH BALANCE DEFICITS

The financial statement contains some funds with deficits in cash. This is a result of certain funds being set up for reimbursable grants, but for which reimbursement was not yet received by June 30, 2020, and 2021. Deficits in other fund balances, including the Other Local, 2008 Colonial, 2008 Colonial 125, Colonial Life Non 125, Aflac – Pretax, Aflac After-tax, and Annuity 2005 Met Life and the Flower Fund, 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.

(Continued)

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

NOTE 8 - HOLDING CORPORATION

The School Corporation has entered into capital leases with the Medora 1999 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 \$437,026. Lease payments for the period July 1, 2020 to June 30, 2021 totaled \$427,120.

NOTE 9 - 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

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.

(Continued)

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

NOTE 9 - PENSION PLANS (Continued)

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)

MEDORA COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2021, and for the period of
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.

Additional Pension Plan

The School Corporation also contributes a match up to 1% of annual salaries to a 401 annuity pension plan for teachers that is unique to the School Corporation. Information regarding this plan may be obtained from the School Corporation.

SUPPLEMENTARY INFORMATION

MEDORA COMMUNITY 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	School Lunch	Curricular Materials Rental	Other Local	Educational License Plates	Special Donations	Donations Hornets Nest
Cash and investments - beginning	\$ 372,202	\$ 199,828	\$ 15,316	\$ 221,672	\$ 152,088	\$ 23,782	\$ 12,561	\$ 446	\$ 398	\$ 1,255	\$ 31,953
Receipts:											
Local sources	3,367	402,529	33,619	323,554	-	16,848	523	1,060	(1)	30,574	7,886
Intermediate sources	36	-	-	-	-	-	-	-	-	-	-
State sources	1,095,229	-	-	-	-	1,421	8,348	-	-	-	-
Federal sources	6,572	-	-	5,083	-	76,520	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	1,105,204	402,529	33,619	328,637	-	94,789	8,871	1,060	(1)	30,574	7,886
Disbursements:											
Instruction	763,480	-	-	-	-	-	-	-	-	1,031	3,067
Support services	196,358	-	-	531,231	24,468	6,947	10,664	1,620	-	-	-
Noninstructional services	22,523	-	-	-	-	98,723	-	-	-	-	-
Facilities acquisition and construction	-	-	-	13,665	5,106	-	-	-	-	27,994	-
Debt services	-	437,026	35,415	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	982,361	437,026	35,415	544,896	29,574	105,670	10,664	1,620	-	29,025	3,067
Excess (deficiency) of receipts over disbursements	122,843	(34,497)	(1,796)	(216,259)	(29,574)	(10,881)	(1,793)	(560)	(1)	1,549	4,819
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	35,953	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	194	-	-	160,000	-	-	-	-	-	-	-
Transfers out	(60,000)	-	-	-	(100,000)	-	-	-	-	-	-
Total other financing sources (uses)	(59,806)	-	-	195,953	(100,000)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	63,037	(34,497)	(1,796)	(20,306)	(129,574)	(10,881)	(1,793)	(560)	(1)	1,549	4,819
Cash and investments - ending	\$ 435,239	\$ 165,331	\$ 13,520	\$ 201,366	\$ 22,514	\$ 12,901	\$ 10,768	\$ (114)	\$ 397	\$ 2,804	\$ 36,772

(Continued)

MEDORA COMMUNITY 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

	Kasting Scholarship	Jean Ann Behney Grant	Donation/Grow Lab	Extra-Curricular Activities	Formative Assessment	Secured Schools Safety Grant	Career And Technical Performance Grant	Teacher Appreciation Grant	Indiana School Academic Improvement	State Development Network Grant	High Ability Students
Cash and investments - beginning	\$ 31,923	\$ 1,515	\$ 194	\$ -	\$ (1,231)	\$ -	\$ 192	\$ -	\$ (7)	\$ -	\$ 15,308
Receipts:											
Local sources	25,767	751	10,574	5,050	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	1,746	4,425	-	5,186	-	-	24,943
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	25,767	751	10,574	5,050	1,746	4,425	-	5,186	-	-	24,943
Disbursements:											
Instruction	34,400	592	10,768	-	-	-	-	5,186	-	-	29,323
Support services	-	-	-	5,050	1,750	4,835	-	-	-	-	536
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	1	57
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	34,400	592	10,768	5,050	1,750	4,835	-	5,186	-	1	29,916
Excess (deficiency) of receipts over disbursements	(8,633)	159	(194)	-	(4)	(410)	-	-	-	(1)	(4,973)
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	(8,633)	159	(194)	-	(4)	(410)	-	-	-	(1)	(4,973)
Cash and investments - ending	\$ 23,290	\$ 1,674	\$ -	\$ -	\$ (1,235)	\$ (410)	\$ 192	\$ -	\$ (7)	\$ (1)	\$ 10,335

(Continued)

MEDORA COMMUNITY 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

	State Connectivity Grant	Gifted/Talented 98-99	1003G Title I Part A	1003G Addl Funds/ Elementary	1003G Addl Funds/ Jr-Sr High	Title I 2019-2020	Title 1 Fy99	Student Support Title Iv	21St Century Learning Grant	21St Cclc Cohort 9 Yr 2	21Stcclc Contract Services 8/3
Cash and investments - beginning	\$ -	\$ 193	\$ (9,813)	\$ -	\$ -	\$ (9,658)	\$ (2,772)	\$ (728)	\$ 6,021	\$ (1,804)	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	3,420	1	139,361	-	-	-	-	-	-	-	-
Federal sources	-	-	-	30,162	23,485	57,392	-	23,016	-	151,583	87,182
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	3,420	1	139,361	30,162	23,485	57,392	-	23,016	-	151,583	87,182
Disbursements:											
Instruction	-	-	14,724	1,085	3,255	57,661	-	31,288	-	172,740	100,386
Support services	260	-	127,005	29,077	20,230	3,779	-	-	-	285	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	260	-	141,729	30,162	23,485	61,440	-	31,288	-	173,025	100,386
Excess (deficiency) of receipts over disbursements	3,160	1	(2,368)	-	-	(4,048)	-	(8,272)	-	(21,442)	(13,204)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	(194)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(194)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,160	(193)	(2,368)	-	-	(4,048)	-	(8,272)	-	(21,442)	(13,204)
Cash and investments - ending	\$ 3,160	\$ -	\$ (12,181)	\$ -	\$ -	\$ (13,706)	\$ (2,772)	\$ (9,000)	\$ 6,021	\$ (23,246)	\$ (13,204)

(Continued)

MEDORA COMMUNITY 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

	21St Cclc Jr/Sr High	School Technology	Title li Part A Supporting Effective I	Federal Stimulus - 18003 Educ. Stab Reli	Prepaid School Lunch Accounts	Extra-Curricular	Federal Withholdings	Social Security	State Withholdings	County Withholdings	Group Medical
Cash and investments - beginning	\$ (1,101)	\$ 21,404	\$ 145	\$ -	\$ 75	\$ 1,296	\$ 1,361	\$ 1,039	\$ 105	\$ 60	\$ 3,248
Receipts:											
Local sources	-	-	-	-	13,159	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	4,392	559	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	2,475	93,613	86,890	35,888	22,155	34,219
Total receipts	4,392	559	-	-	13,159	2,475	93,613	86,890	35,888	22,155	34,219
Disbursements:											
Instruction	3,291	-	-	-	-	-	-	-	-	-	-
Support services	-	4,600	-	8,160	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	12,831	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	3,771	93,613	86,890	35,888	22,155	32,082
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	3,291	4,600	-	8,160	12,831	3,771	93,613	86,890	35,888	22,155	32,082
Excess (deficiency) of receipts over disbursements	1,101	(4,041)	-	(8,160)	328	(1,296)	-	-	-	-	2,137
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,101	(4,041)	-	(8,160)	328	(1,296)	-	-	-	-	2,137
Cash and investments - ending	\$ -	\$ 17,363	\$ 145	\$ (8,160)	\$ 403	\$ -	\$ 1,361	\$ 1,039	\$ 105	\$ 60	\$ 5,385

(Continued)

MEDORA COMMUNITY 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

	Colonial - Sec 125	Colonial Post Taxes	Garnishment of Wages	2008 Colonial	2008 Colonial 125	Colonial Life Non 125	Aflac-Pretax	Aflac Aftertax	Educational Dues	Annuity -2005 Met Life
Cash and investments - beginning	\$ 63,124	\$ 10,056	\$ 24	\$ (117)	\$ (496)	\$ (178)	\$ (16)	\$ -	\$ 6	\$ (730)
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	3,844	1,120	-	-	-	-	1,282	606	-	5,988
Total receipts	3,844	1,120	-	-	-	-	1,282	606	-	5,988
Disbursements:										
Instruction	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	66,666	11,176	24	-	-	-	1,343	630	-	6,138
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	66,666	11,176	24	-	-	-	1,343	630	-	6,138
Excess (deficiency) of receipts over disbursements	(62,822)	(10,056)	(24)	-	-	-	(61)	(24)	-	(150)
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	(62,822)	(10,056)	(24)	-	-	-	(61)	(24)	-	(150)
Cash and investments - ending	\$ 302	\$ -	\$ -	\$ (117)	\$ (496)	\$ (178)	\$ (77)	\$ (24)	\$ 6	\$ (880)

(Continued)

MEDORA COMMUNITY 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

	95Colonial	95Colsec125	Annuity - 1999	Flower Fund	Pacific Life Annuity	United Way	Fringe Benefit Clrng Fnd	Totals
Cash and investments - beginning	\$ (60,370)	\$ (12,614)	\$ 3,520	\$ (103)	\$ 1,057	\$ 120	\$ -	\$ 1,091,749
Receipts:								
Local sources	-	-	-	-	-	-	-	875,260
Intermediate sources	-	-	-	-	-	-	-	36
State sources	-	-	-	-	-	-	-	1,284,080
Federal sources	-	-	-	-	-	-	-	465,946
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other receipts	(4)	-	-	-	-	-	887	288,963
Total receipts	(4)	-	-	-	-	-	887	2,914,285
Disbursements:								
Instruction	-	-	-	-	-	-	-	1,232,277
Support services	-	-	-	-	-	-	-	976,855
Noninstructional services	-	-	-	-	-	-	-	134,077
Facilities acquisition and construction	-	-	-	-	-	-	-	46,765
Debt services	-	-	-	-	-	-	-	472,441
Nonprogrammed charges	(60,374)	(12,614)	-	-	1,057	-	887	289,390
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	(60,374)	(12,614)	-	-	1,057	-	887	3,151,805
Excess (deficiency) of receipts over disbursements	60,370	12,614	-	-	(1,057)	-	-	(237,520)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	35,953
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	160,194
Transfers out	-	-	-	-	-	-	-	(160,194)
Total other financing sources (uses)	-	-	-	-	-	-	-	35,953
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	60,370	12,614	-	-	(1,057)	-	-	(201,567)
Cash and investments - ending	\$ -	\$ -	\$ 3,520	\$ (103)	\$ -	\$ 120	\$ -	\$ 890,183

MEDORA COMMUNITY 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	School Lunch	Curricular Materials Rental	Other Local	Educational License Plates	Special Donations	Donations Hornets Nest
Cash and investments - beginning	\$ 435,239	\$ 165,331	\$ 13,520	\$ 201,366	\$ 22,514	\$ 12,901	\$ 10,768	\$ (114)	\$ 397	\$ 2,804	\$ 36,772
Receipts:											
Local sources	53,440	432,659	37,606	370,074	-	30,634	851	725	-	-	12,500
Intermediate sources	27	-	-	-	-	-	-	-	-	-	-
State sources	1,248,193	-	-	-	-	440	9,994	-	-	-	-
Federal sources	8,172	-	-	3,594	-	94,777	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	1,309,832	432,659	37,606	373,668	-	125,851	10,845	725	-	-	12,500
Disbursements:											
Instruction	902,627	-	-	-	-	-	-	-	-	622	3,517
Support services	178,343	-	-	538,228	3,942	6,841	8,051	500	-	451	87
Noninstructional services	18,197	-	-	-	-	97,468	-	-	-	-	-
Facilities acquisition and construction	-	-	-	1,038	-	-	-	-	-	-	-
Debt services	-	427,119	34,261	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,099,167	427,119	34,261	539,266	3,942	104,309	8,051	500	-	1,073	3,604
Excess (deficiency) of receipts over disbursements	210,665	5,540	3,345	(165,598)	(3,942)	21,542	2,794	225	-	(1,073)	8,896
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	3,578	-	-	206,250	-	-	-	-	-	-	-
Transfers out	(206,250)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(202,672)	-	-	206,250	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	7,993	5,540	3,345	40,652	(3,942)	21,542	2,794	225	-	(1,073)	8,896
Cash and investments - ending	\$ 443,232	\$ 170,871	\$ 16,865	\$ 242,018	\$ 18,572	\$ 34,443	\$ 13,562	\$ 111	\$ 397	\$ 1,731	\$ 45,668

(Continued)

MEDORA COMMUNITY 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

	Kasting Scholarship	Jean Ann Behney Grant	Extra-Curricular Activities	Formative Assessment	Secured Schools Safety Grant	Science Technology Engineering And Mat	Career And Technical Performance Grant	Teacher Appreciation Grant	Indiana School Academic Improvement	State Development Network Grant	High Ability Students
Cash and investments - beginning	\$ 23,290	\$ 1,674	\$ -	\$ (1,235)	\$ (410)	\$ -	\$ 192	\$ -	\$ (7)	\$ (1)	\$ 10,335
Receipts:											
Local sources	25,057	600	4,294	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	1,235	-	-	-	5,985	-	-	19,429
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	25,057	600	4,294	1,235	-	-	-	5,985	-	-	19,429
Disbursements:											
Instruction	23,350	762	-	-	-	20,000	-	5,985	-	-	21,722
Support services	-	-	4,294	-	(410)	-	-	-	-	-	581
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	23,350	762	4,294	-	(410)	20,000	-	5,985	-	-	22,303
Excess (deficiency) of receipts over disbursements	1,707	(162)	-	1,235	410	(20,000)	-	-	-	-	(2,874)
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(192)	-	7	1	-
Total other financing sources (uses)	-	-	-	-	-	-	(192)	-	7	1	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,707	(162)	-	1,235	410	(20,000)	(192)	-	7	1	(2,874)
Cash and investments - ending	\$ 24,997	\$ 1,512	\$ -	\$ -	\$ -	\$ (20,000)	\$ -	\$ -	\$ -	\$ -	\$ 7,461

(Continued)

MEDORA COMMUNITY 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

	State Connectivity Grant	Career Ladders Grant	Project Lead The Way	Title I 2020-21	1003G Title I Part A	1003G Addl Funds/ Elementary	1003G Addl Funds/ Jr-Sr High	Title I 2019-2020	Title 1 Fy99	Idea Special Education Grant	Student Support Title Iv
Cash and investments - beginning	\$ 3,160	\$ -	\$ -	\$ -	\$ (12,181)	\$ -	\$ -	\$ (13,706)	\$ (2,772)	\$ -	\$ (9,000)
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	2,340	26,250	4,300	-	55,650	-	-	-	-	-	-
Federal sources	-	-	-	67,682	-	47,492	2,903	26,869	-	41,538	10,000
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	2,340	26,250	4,300	67,682	55,650	47,492	2,903	26,869	-	41,538	10,000
Disbursements:											
Instruction	-	3,150	-	79,892	15,539	-	-	12,866	-	24,297	1,000
Support services	4,840	31,230	3,600	3,757	63,712	47,492	12,688	297	-	20,091	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	4,840	34,380	3,600	83,649	79,251	47,492	12,688	13,163	-	44,388	1,000
Excess (deficiency) of receipts over disbursements	(2,500)	(8,130)	700	(15,967)	(23,601)	-	(9,785)	13,706	-	(2,850)	9,000
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	17,363	-	-	-	-	-	-	-	2,772	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	17,363	-	-	-	-	-	-	-	2,772	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	14,863	(8,130)	700	(15,967)	(23,601)	-	(9,785)	13,706	2,772	(2,850)	9,000
Cash and investments - ending	\$ 18,023	\$ (8,130)	\$ 700	\$ (15,967)	\$ (35,782)	\$ -	\$ (9,785)	\$ -	\$ -	\$ (2,850)	\$ -

(Continued)

MEDORA COMMUNITY 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

	21St Century Learning Grant	21St Cclc Cohort 9 Yr 2	21Stcclc Contract Services 8/3	21St Cclc Jr/Sr High	School Technology	Title Ii Part A Supporting Effective I	Title Ii Part A Professional Developme	Elementary And Secondary School Emergenc	Federal Stimulus - 18003 Educ. Stab Reli	Prepaid School Lunch Accounts	Extra-Curricular
Cash and investments - beginning	\$ 6,021	\$ (23,246)	\$ (13,204)	\$ -	\$ 17,363	\$ 145	\$ -	\$ -	\$ (8,160)	\$ 403	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	2,329	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	174,263	105,516	-	-	-	12,008	-	39,178	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	174,263	105,516	-	-	-	12,008	-	39,178	2,329	-
Disbursements:											
Instruction	-	160,364	102,516	-	-	-	-	-	5,180	-	-
Support services	-	267	-	-	-	-	12,008	22,229	24,685	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	1,654	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	12,746	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	160,631	102,516	-	-	-	12,008	22,229	42,611	1,654	-
Excess (deficiency) of receipts over disbursements	-	13,632	3,000	-	-	-	-	(22,229)	(3,433)	675	-
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	(6,021)	-	-	-	(17,363)	(145)	-	-	-	-	-
Total other financing sources (uses)	(6,021)	-	-	-	(17,363)	(145)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,021)	13,632	3,000	-	(17,363)	(145)	-	(22,229)	(3,433)	675	-
Cash and investments - ending	\$ -	\$ (9,614)	\$ (10,204)	\$ -	\$ -	\$ -	\$ -	\$ (22,229)	\$ (11,593)	\$ 1,078	\$ -

(Continued)

MEDORA COMMUNITY 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

	Federal Withholdings	Social Security	State Withholdings	County Withholdings	Group Medical	Colonial - Sec 125	Colonial Post Taxes	Garnishment of Wages	2008 Colonial	2008 Colonial 125	Colonial Life Non 125
Cash and investments - beginning	\$ 1,361	\$ 1,039	\$ 105	\$ 60	\$ 5,385	\$ 302	\$ -	\$ -	\$ (117)	\$ (496)	\$ (178)
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	100,251	93,143	38,366	23,881	34,770	2,581	598	-	-	-	-
Total receipts	100,251	93,143	38,366	23,881	34,770	2,581	598	-	-	-	-
Disbursements:											
Instruction	-	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	100,251	93,143	38,366	23,881	33,476	2,498	598	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	100,251	93,143	38,366	23,881	33,476	2,498	598	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	1,294	83	-	-	-	-	-
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	1,294	83	-	-	-	-	-
Cash and investments - ending	\$ 1,361	\$ 1,039	\$ 105	\$ 60	\$ 6,679	\$ 385	\$ -	\$ -	\$ (117)	\$ (496)	\$ (178)

(Continued)

MEDORA COMMUNITY 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

	Aflac-Pretax	Aflac Aftertax	Educational Dues	Annuity -2005 Met Life	95Colonial	95Colsec125	Annuity - 1999	Flower Fund	Pacific Life Annuity	United Way	Fringe Benefit Clrng Fnd	Totals
Cash and investments - beginning	\$ (77)	\$ (24)	\$ 6	\$ (880)	\$ -	\$ -	\$ 3,520	\$ (103)	\$ -	\$ 120	\$ -	\$ 890,183
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	970,769
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	27
State sources	-	-	-	-	-	-	-	-	-	-	-	1,373,816
Federal sources	-	-	-	-	-	-	-	-	-	-	-	633,992
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	1,477	993	-	7,533	-	-	-	-	-	-	887	304,480
Total receipts	1,477	993	-	7,533	-	-	-	-	-	-	887	3,283,084
Disbursements:												
Instruction	-	-	-	-	-	-	-	-	-	-	-	1,383,389
Support services	-	-	-	-	-	-	-	-	-	-	-	987,804
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	117,319
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	13,784
Debt services	-	-	-	-	-	-	-	-	-	-	-	461,380
Nonprogrammed charges	1,606	863	-	7,255	-	-	-	-	-	-	-	301,937
Interfund loans	-	-	-	-	-	-	-	-	-	-	887	887
Total disbursements	1,606	863	-	7,255	-	-	-	-	-	-	887	3,266,500
Excess (deficiency) of receipts over disbursements	(129)	130	-	278	-	-	-	-	-	-	-	16,584
Other financing sources (uses)												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	229,963
Transfers out	-	-	-	-	-	-	-	-	-	-	-	(229,963)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(129)	130	-	278	-	-	-	-	-	-	-	16,584
Cash and investments - ending	\$ (206)	\$ 106	\$ 6	\$ (602)	\$ -	\$ -	\$ 3,520	\$ (103)	\$ -	\$ 120	\$ -	\$ 906,767

MEDORA COMMUNITY 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>58,996</u>	\$ <u>146,153</u>

MEDORA COMMUNITY 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: State Bank of Medora	Holding Corporation	\$ 166,000	7/15/2015	7/15/2025
Total of annual lease payments		<u>\$ 166,000</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 Debt	\$ 227,000	\$ 35,075
Tax Anticipation Warrants	QZAB	<u>499,175</u>	<u>97,857</u>
Total governmental activities		<u>726,175</u>	<u>132,932</u>
Totals		<u>\$ 726,175</u>	<u>\$ 132,932</u>

MEDORA COMMUNITY 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	\$ 41,524
Infrastructure	55,564
Buildings	5,635,933
Improvements other than buildings	12,535
Machinery, equipment, and vehicles	639,038
Books and other	<u>5,000</u>
 Total governmental activities	 <u>6,389,594</u>
 Total capital assets	 <u>\$ 6,389,594</u>

MEDORA COMMUNITY SCHOOL CORPORATION
STATE REPORTING INFORMATION
June 30, 2020 and 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.

MEDORA COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period of July 1, 2019 to 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
<u>Department of Agriculture</u>						
Child Nutrition Cluster	Indiana Department of Education					
School Breakfast Program		10.553	FY2020, FY 2021	\$ 18,158	\$ -	\$ 18,158
National School Lunch Program		10.555	FY2020, FY 2021	58,361	112,865	171,226
Commodities		10.555	FY2020, FY 2021	12,135	16,896	29,032
Summer Food Service Program for Children		10.559	FY2020, FY 2021	4,046	-	4,046
Child Nutrition Discretionary Grants		10.579	FY2020, FY 2021	27,994	-	27,994
Total - Child Nutrition Cluster				<u>120,694</u>	<u>129,761</u>	<u>250,456</u>
Total - Department of Agriculture				<u>120,694</u>	<u>129,761</u>	<u>250,456</u>
<u>Department of Education</u>						
Special Education Cluster						
Special Education Grants to States	Indiana Department of Education					
IDEA-Part B		84.027	18611-047-PN01	11,628	-	11,628
IDEA-Part B			19611-047-PN01	37,985	5,109	43,094
IDEA-Part B			20611-045-PN01	30,516	23,890	54,406
IDEA-Part B			21611-159-PN01	-	41,538	41,538
Total - Special Education Grants to States				<u>80,129</u>	<u>70,537</u>	<u>150,666</u>
Special Education - Preschool Grants						
IDEA-Preschool	Indiana Department of Education	84.173	18619-047-PN01	192	-	192
IDEA-Preschool			19619-047-PN01	1,338	159	1,497
IDEA-Preschool			20619-045-PN01	1,004	1,385	2,389
Total - Special Education - Preschool Grants				<u>2,534</u>	<u>1,544</u>	<u>4,078</u>
Total - Special Education Cluster(IDEA)				<u>82,663</u>	<u>72,081</u>	<u>154,744</u>
Title I Grants to Local Educational Agencies	Indiana Department of Education					
Title I, Part A		84.010	S010A170014	20,000	-	20,000
Title I, Part A			S010A180014	51,445	49,674	101,119
Title I, Part A			S010A190014	39,560	53,776	93,336
Title I, Part A			S010A200014	-	42,612	42,612
Total - Title I Grants to Local Educational Agencies				<u>111,005</u>	<u>146,062</u>	<u>257,067</u>

(Continued)

MEDORA COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period of July 1, 2019 to 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
School Improvement Grants Title 1 School Improvement Grant	Indiana Department of Education	84.377	S377A160015	\$ 139,359	\$ 55,650	\$ 195,009
Supporting Effective Instruction State Grants Title II, Part A	Indiana Department of Education	84.367	S367A180013	-	12,008	12,008
Student Support and Academic Enrichment Program Title IV, Part A Title IV, Part A Title IV, Part A	Indiana Department of Education	84.424	S424A170015 S424A180015 S424A190015	13,015 10,000 -	- - 10,000	13,015 10,000 10,000
Total - Student Support and Academic Enrichment Program				23,015	10,000	33,015
Twenty-First Century Community Learning Centers 21st CCLC 21st CCLC 21st CCLC	Indiana Department of Education	84.287	S287C170014 S287C180014 S287C190014	6,380 241,861 -	- 71,338 211,299	6,380 313,199 211,299
Total - Twenty-First Century Community Learning Centers				248,241	282,637	530,878
COVID-19 - Education Stabilization Fund Elementary and Secondary School Emergency Relief (ESSER) Fund	Indiana Department of Education	84.425D	S425D200013	-	50,009	50,009
Rural Education REAP	Direct	84.358	S358A201762	6,572	8,172	14,744
Total - Department of Education				610,855	636,619	1,247,474
Total federal awards expended				\$ 731,549	\$ 766,380	\$ 1,497,929

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

MEDORA COMMUNITY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period of July 1, 2019 to June 30, 2021

NOTE 1 - BASIS OF PRESENTATION

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the period of July 1, 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 Orange-Lawrence-Jackson-Martin Joint 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
Medora Community School Corporation
Jackson 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 Medora Community 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 December 19, 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 certain 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 statement 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
December 19, 2022

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

Those Charged with Governance
Medora Community School Corporation
Jackson County, Indiana

Report on Compliance for Each Major Federal Program

We have audited Medora Community School Corporation (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 programs for the period July 1, 2019 to June 30, 2021. The School Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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 each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Basis for Qualified Opinion on the Child Nutrition Cluster

As described in the accompanying schedule of findings and questioned costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with Child Nutrition Cluster compliance requirements (ALNs 10.553, 10.555, 10.559, 10.579) as described in finding number 2021-002 for Special Tests and Provisions – Verification of Free and Reduced Price Applications, consequently we were unable to determine whether the School Corporation complied with those requirements applicable to that program.

(Continued)

Qualified Opinion on the Child Nutrition Cluster

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, 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 the Child Nutrition Cluster for the period July 1, 2019 to June 30, 2021.

Unmodified Opinion on the Other 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 other major federal program identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the period July 1, 2019 to June 30, 2021.

Other Matters

The School Corporation's response to the noncompliance 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 compliance and, accordingly, we express no opinion on the response.

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 certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2021-002 and 2021-003, that we consider to be material weaknesses.

The School Corporation's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The School Corporation's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

(Continued)

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
December 19, 2022

MEDORA COMMUNITY 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:

<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
Child Nutrition Cluster	Qualified
Twenty-First Century Community Learning Centers	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, 10.559, 10.579	Child Nutrition Cluster
84.287	Twenty-First Century Community Learning Centers

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)

MEDORA COMMUNITY 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 Finding: 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.

(Continued)

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

Section II – Financial Statement Findings (Continued)

FINDING 2021-001 (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 Assistance Listings Number or other identifying number when the Assistance Listings 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 an effective 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. Due to the ineffective internal controls, the following errors resulted in the understatement of the total federal awards reported on the SEFA by \$150,245 for the period July 1, 2019 through June 30, 2021:

1. The Child Nutrition Cluster funds were understated by \$47,250.
2. The Title I Grants to Local Educational Agencies funds were understated by \$82,961.
3. The School Improvement Grant funds were overstated by \$94,578.
4. The Special Education Cluster (IDEA) funds were understated by \$72,868.
5. The Supporting Effective Instruction State Grants funds were understated by \$12,008.
6. The Twenty-First Century Community Learning Centers funds were understated by \$12,333.
7. The Rural Education Grant funds was understated by \$6,572.
8. The COVID-19 – Education Stabilization Fund was understated by \$10,831.
9. Adjustments were also made to various Assistance Listing Numbers (ALN), program titles, and grant identifying numbers.

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

Effect: Without a proper system of internal control in place that operate effectively, material misstatements of the SEFA could go undetected.

Repeat Finding: Yes. The prior finding number was 2019-001.

Recommendation: We recommended that the School Corporation's management establish a formal review over the SEFA to ensure amounts reported are accurate and complete.

(Continued)

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

Section II – Financial Statement Findings (Continued)

FINDING 2021-001 (Continued)

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

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, Summer Food Service Program for Children, Child Nutrition Discretionary Grants
Assistance Listing Number: 10.553, 10.555, 10.559, 10.579
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Cash Management, Eligibility, Special Tests and Provisions (Verification)
Audit Finding: Material Weakness, Qualified Opinion on Special Tests and Provisions

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, and Verification compliance requirements.

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

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.

(Continued)

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

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

FINDING 2021-002 (Continued)

Context:

Cash Management: During the testing of 4 monthly claims for reimbursement, we noted all claims submitted to the Indiana Department of Education for reimbursement were not reviewed by secondary individual before they were submitted to ensure the accuracy and completeness of the amounts requested.

Eligibility: During the testing of 14 students for eligibility, we noted one instance in which the School Corporation was unable to provide the selected application to test eligibility determinations. This was applicable only for the 2019-2020 school year as all students received free meals in 2020-2021.

Verification: During the testing of 16 students for verification, we noted 15 instances where the School Corporation was unable to provide the documentation to support the verification process performed. Management noted the verification procedures were performed, however, due to turnover in ECA Treasurer position, supporting documentation could not be located. This was applicable only for the 2019-2020 school year as all students received free meals in 2020-2021.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommended that the School Corporation's management establish a system of internal controls related to ensure proper segregation of duties exist to maintain compliance with Child Nutrition Cluster requirements. We recommend a secondary, documented review be performed on the monthly reimbursement request before submission to the Indiana Department of Education. We also recommend all applications and documents related to verification be maintained and a secondary, documented review be performed on all eligibility determinations made.

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

Finding 2021-003

Information on the federal program:

Subject: Child Nutrition Cluster – Procurement and Suspension and Debarment
Federal Agency: Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program, Summer Food Service Program for Children, Child Nutrition Discretionary Grants
Assistance Listing Number: 10.553, 10.555, 10.559
Year: 2019-2020 and 2020-2021
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Finding: Material Weakness

(Continued)

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

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

FINDING 2021-003 (Continued)

Criteria: 2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.318(a) states:

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

2 CFR 200.318(i) states:

"The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price."

2 CFR 180.300 states:

"When covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:

- (a) Checking SAM Exclusions; or
- (b) Collecting a certification from that person you enter into a; or
- (c) Adding a clause or condition to the covered transaction with that person."

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

Cause: The School Corporation relied on a purchasing cooperative (Service Center) to procure key contracts for food service. There were not adequate monitoring controls in place by management to ensure the Service Center had developed a system of internal controls that would have ensure compliance with the Procurement and Suspension and Debarment compliance requirements.

Effect: The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs: There were no questioned costs identified.

(Continued)

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

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

FINDING 2021-003 (Continued)

Context: The School Corporation is a member of the Wilson Education Center (Service Center). During 2019-2020 and 2020-2021 school years, the Service Center solicited, evaluated, and awarded bids for bread, milk, and other products on behalf of its members. For 2019-2020, an audit of the Service Center was performed by the SBOA. The Service Center was not audited for the 2020-2021 school year.

During our testing of procurement and suspension and debarment for 2020-2021, it was noted that the School Corporation was not have a review control in place to monitor that the Service Center performed all necessary procedures to maintain compliance with federal regulations surrounding procurement and suspension and debarment.

Procurement: Bids for bread and milk were originally awarded for the 2016-2017 school year. Each contract included a clause stating that the contract could be extended for three additional 12-month periods by mutual written agreements. The Service Center could not provide written contracts of the mutually agreed-upon extensions of the bread and dairy bids for the 2019-2020 school year. The Service Center had emails with the contractor that noted the agreement to extend the contract.

For 2020-2021, the School Corporation obtained procurement documents from the Service Center supporting procurements performed during the audit period. There was no documented review control in place at the School Corporation to ensure proper monitoring of the Service Center activities occur to verify federal procurement regulations were followed by the Service Center. There was one vendor that exceeded the \$10,000 threshold for the School Corporation during fiscal year 2020-2021 that would require a procurement check.

Suspension and Debarment: Bids for bread and milk were originally awarded for the 2016-2017 school year. Each contract included a clause stating that the contract could be extended for three additional 12-month periods by mutual written agreement, along with a clause noting that the vendor was not suspended or debarred. The Service Center could not provide documentation of the mutually agreed-upon contracts for the extensions of the bread and dairy bids for the 2019-2020 school year. The Service Center obtained certifications for the 2019-2020 school year from the vendors for bread and milk that stated they were not suspended or debarred.

For 2020-2021, the School Corporation obtained the suspension and debarment certification from the Service Center supporting suspension and debarment procedures performed during the audit period. There was no documented review control in place at the School Corporation to provide timely monitoring of the Service Center to ensure suspension and debarment requirements were followed by the Service Center. There was one vendor that exceeded the \$25,000 threshold during fiscal year 2020-2021 that would require a suspension and debarment check.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommended that the School Corporation's management establish controls to ensure compliance with Procurement and Suspension and Debarment compliance requirement. We recommend that management meet periodically with the Wilson Education Center and review and maintain procurement contract files as evidence of proper periodic monitoring of the Service Center.

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

Medora Community School Corporation

Superintendent, Mr. Roger Bane
Phone: (812) 966-2210
Fax: (812) 966-2217

31 S Perry St.
P.O. BOX 369
Medora, IN 47260

December 19, 2022

CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS JUNE 30, 2021

Finding 2021-001- Preparation of the Schedule of Expenditures of Federal Awards
Audit Finding: 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. Due to the lack of effective internal controls, the following errors resulted in the understatement of the total federal awards reported on the SEFA by \$150,245 for the period July 1, 2019 through June 30, 2021:

1. The Child Nutrition Cluster funds were understated by \$47,250.
2. The Title I Grants to Local Educational Agencies funds were understated by \$82,961.
3. The School Improvement Grant funds were overstated by \$94,578.
4. The Special Education Cluster (IDEA) funds were understated by \$72,868.
5. The Supporting Effective Instruction State Grants funds were understated by \$12,008.
6. The Twenty-First Century Community Learning Centers funds were understated by \$12,333.
7. The Rural Education Grant funds was understated by \$6,572.
8. The COVID-19 – Education Stabilization Fund was understated by \$10,831.
9. Adjustments were also made to various Assistance Listing Numbers (ALN), program titles, and grant identifying numbers.

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

Views of responsible officials and planned corrective action:

Management agrees with the finding and will take the following action:

Treasurer will have Superintendent review SEFA before submitting to Gateway.

Finding 2021-002-Child Nutrition Cluster-Internal Controls

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, Summer Food Service Program for Children, Child Nutrition Discretionary Grants

Assistance Listing Number: 10.553, 10.555, 10.559, 10.579

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Cash Management, Eligibility, Verification

Audit Finding: Material Weakness, Other Matters

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

Context:

Cash Management: During the testing of 4 monthly claims for reimbursement, we noted claims submitted to the Indiana Department of Education for reimbursement were not reviewed by secondary individual before they were submitted to ensure the accuracy and completeness of the amounts requested.

Eligibility: During the testing of 14 students for eligibility, we noted one instance in which the School Corporation was unable to provide the selected application to test eligibility determinations. This was applicable only for the 2019-2020 school year as all students received free meals in 2020-2021.

Verification: During the testing of 16 students for verification, we noted 15 instances where the School Corporation was unable to provide the documentation to support the verification process performed. This was applicable only for the 2019-2020 school year as all students received free meals in 2020-2021.

Views of responsible officials and planned corrective action:

Management agrees with the finding and will take the following actions:

A. Superintendent will approve all Child Nutrition monthly claims before submitting reimbursement requests.

B. The Central Office will request copies of all applications and documents related to verification and eligibility.

C. The building principals will review and approve all eligibility determinations made.

Finding 2021-003-Child Nutrition Cluster-Procurement and Suspension and Debarment

Information on the federal program:

Subject: Child Nutrition Cluster – Procurement and Suspension and Debarment
Federal Agency: Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program, Summer Food Service Program for Children, Child Nutrition Discretionary Grants
Assistance Listing Number: 10.553, 10.555, 10.559
Year: 2019-2020 and 2020-2021
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Finding: Material Weakness

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

Context: The School Corporation is a member of the Wilson Education Center (Service Center). During 2019-2020 and 2020-2021 school years, the Service Center solicited, evaluated, and awarded bids for bread, milk, and other products on behalf of its members. For 2019-2020, an audit of the Service Center was performed by the SBOA. The Service Center was not audited for the 2020-2021 school year.

During our testing of procurement and suspension and debarment for 2020-2021, it was noted that the School Corporation was not have a review control in place to monitor that the Service Center performed all necessary procedures to maintain compliance with federal regulations surrounding procurement and suspension and debarment.

Procurement: Bids for bread and milk were originally awarded for the 2016-2017 school year. Each contract included a clause stating that the contract could be extended for three additional 12-month periods by mutual written agreements. The Service Center could not provide written contracts of the mutually agreed-upon extensions of the bread and dairy bids for the 2019-2020 school year. The Service Center had emails with the contractor that noted the agreement to extend the contract.

For 2020-2021, the School Corporation obtained procurement documents from the Service Center supporting procurements performed during the audit period. There was no documented review control in place at the School Corporation to ensure proper monitoring of the Service Center activities occur to verify federal procurement regulations were followed by the Service Center. There was one vendor that exceeded the \$10,000 threshold for the School Corporation during fiscal year 2020-2021 that would require a procurement check.

Suspension and Debarment: Bids for bread and milk were originally awarded for the 2016-2017 school year. Each contract included a clause stating that the contract could be

extended for three additional 12-month periods by mutual written agreement, along with a clause noting that the vendor was not suspended or debarred. The Service Center could not provide documentation of the mutually agreed-upon contracts for the extensions of the bread and dairy bids for the 2019-2020 school year. The Service Center obtained certifications for the 2019-2020 school year from the vendors for bread and milk that stated they were not suspended or debarred.

For 2020-2021, the School Corporation obtained the suspension and debarment certification from the Service Center supporting suspension and debarment procedures performed during the audit period. There was no documented review control in place at the School Corporation to provide timely monitoring of the Service Center to ensure suspension and debarment requirements were followed by the Service Center. There was one vendor that exceeded the \$25,000 threshold during fiscal year 2020-2021 that would require a suspension and debarment check.

Views of responsible officials and planned corrective action:

Management agrees with the finding and will take the following actions:

- A. Management will request Wilson Education Center maintain procurement contract files and forward to Administration Office.
- B. Management will review and update the procurement policy, as needed, to align with federal and state procurement regulations.

Responsible Party overseeing corrective action plans and date for completion:

Roger Bane, Superintendent
Teresa Brewer, Treasurer

Finding 2021-001 - Effective 12/31/2022 reporting period.

Finding 2021-002 - Effective 2022-23 school year

Finding 2021-003 - Effective 2023-24 Procurement renewal

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 a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The SEFA contained the following errors:

1. The Child Nutrition Cluster expenditures were understated by \$28,475.
2. The Title I Grants to Local Educational Agencies expenditures were understated by \$56,404.
3. The Special Education Cluster (IDEA) expenditures were understated by \$111,823.
4. The Supporting Effective Instruction State Grants expenditures were understated by \$8,299.
5. The Twenty-First Century Community Learning Centers expenditures were overstated by \$16,605.
6. Not all CFDA numbers, program names, grants, and identifying numbers were correctly reported.

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

Status: Recurring. See Finding 2021-001.

FINDING 2019-002

Subject: Financial Transactions and Reporting
Audit Finding: Material Weakness

Condition and Context: There were deficiencies in the internal control system of the School Corporation related to financial transactions and reporting

Receipts: The School Corporation had not separated incompatible activities related to receipts. The Treasurer was responsible for collecting money, preparing receipts, making bank deposits, and posting all transactions to the financial ledger without oversight or review.

Status: Resolved.