



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

February 3, 2023

To: The Officials of the Southwest School Corporation
Southwest School Corporation
1502 North Section Street
Sullivan, IN 47882

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Southwest 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 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.

We call your attention to the finding included in the report on pages 37-39. Please see the Schedule of Findings and Questioned Costs for complete details related to the finding. Management's Corrective Action Plan appears on page 40.

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

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

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

Handwritten signature of Tammy R. White in cursive.

Tammy R. White, CPA
Deputy State Examiner

SOUTHWEST SCHOOL CORPORATION
Sullivan County, Indiana

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

SOUTHWEST SCHOOL CORPORATION
Sullivan 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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SOUTHWEST 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	Michele Hazelrigg	07-01-19 to 06-30-21
Superintendent of Schools	Chris Stitzle	07-01-19 to 06-30-21
President of the School Board	Barbara Rotramel Mitzi Badger	07-01-19 to 12-31-20 01-01-21 to 06-30-21

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
Southwest School Corporation
Sullivan 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 Southwest Schools (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 January 26, 2023, on our consideration of the School Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
January 26, 2023

SOUTHWEST 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		Cash and Investments		Other Financing		Cash and Investments	
	07-01-2019	Receipts	Disbursements	Sources (Uses)	06-30-2020	Receipts	Disbursements	Sources (Uses)	06-30-2021	
Education	\$ 1,458,990	\$ 12,296,075	\$ 10,795,890	\$ (1,649,906)	\$ 1,309,269	\$ 12,418,712	\$ 10,779,604	\$ (1,653,393)	\$ 1,294,984	
Debt Service	1,367,371	2,452,247	2,547,753	(31,143)	1,240,722	2,828,321	2,548,788	(33,512)	1,486,743	
Retirement/Severance Bond Debt Serv	71,481	265,452	318,853	(18,080)	-	-	-	-	-	
Operations	1,087,205	4,327,375	5,672,445	1,344,513	1,086,648	5,193,558	5,773,852	1,070,175	1,576,529	
Local Rainy Day	947,813	-	257,605	191,315	881,523	-	181,076	334,477	1,034,924	
Construction/Improvements - Sodexo	-	-	56,573	56,573	-	-	-	-	-	
Construction/Improvements - Go Bond	-	-	904,175	1,742,373	838,198	-	753,891	-	84,307	
School Lunch	93,994	917,253	874,124	10,344	147,467	873,924	830,726	9,677	200,342	
Curricular Materials Rental	830	161,355	219,547	57,908	546	152,165	504,856	352,145	-	
Self-Insurance	107,145	-	202,194	95,049	-	-	106,733	110,000	3,267	
Technology Equipment	228	1,603	-	-	1,831	261,805	166	(238,830)	24,640	
New Bus	-	-	-	-	-	-	134,012	134,012	-	
Cape S Grant	-	-	-	-	-	20,000	-	-	20,000	
United Way - Sms/Leadership Class	-	-	-	-	-	2,848	-	-	2,848	
United Way - Ses/Positive Behavior Pi	-	-	-	-	-	4,800	-	-	4,800	
Educational License Plates	209	75	-	-	284	244	-	-	528	
100 Women/Carlisle Library	5,768	-	5,768	-	-	-	-	-	-	
Donations/Ses Library-Mckinley	770	-	-	-	770	-	770	-	-	
Ceo Program	-	25,250	25,000	-	250	-	250	-	-	
Nshss Advanced Placement Grant	-	500	31	-	469	-	175	-	294	
Shs Choral Dept - Wv Comm Foundation	-	750	-	-	750	-	-	-	750	
Win Energy Donation - Ses Water Bottl	-	1,950	-	-	1,950	-	1,950	-	-	
Pbis	-	-	27	227	200	-	200	-	-	
Lilly Grant	-	645	20,222	54,043	34,466	(196)	16,304	-	17,966	
Dollar General Literacy Foundation	-	2,233	-	-	2,233	-	2,233	-	-	
United Way Youth Success Student Enga	-	-	-	-	-	3,638	260	-	3,378	
Mccammon Memorial Donations	-	-	-	-	-	1,155	1,100	-	55	
Donations (Lockers)	314	-	55	-	259	-	32	-	227	
Donations - Summer Reading	102	-	102	-	-	-	-	-	-	
Donation-Drug Free Sullivan Co	2,767	1,600	473	-	3,894	1,600	1,530	-	3,964	
Drug Free Communities	-	-	700	-	(700)	-	-	-	(700)	
Football Stadium Pressbox Donation	-	-	-	-	-	5,000	4,900	-	100	
Sodexo Scholarship	-	2,500	2,500	-	-	2,500	-	-	2,500	
Chad Smith Scholarship	6,507	3,364	2,949	-	6,922	250	-	-	7,172	
Susan Anderson Scholarship	-	4,235	1,000	-	3,235	3,175	-	-	6,410	
Kyle Pullum Scholarship	-	-	-	-	-	500	-	-	500	
School Improvements/Sodexo	56,573	-	-	(56,573)	-	-	-	-	-	
PBIS	-	-	-	(227)	(227)	-	-	-	(227)	
Renovations/Improvements	1,742,373	-	-	(1,742,373)	-	-	-	-	-	
Monsanto-America's Farmers	7,782	-	7,782	-	-	-	-	-	-	
Lilly Endowment - 2017 - 2021	85,568	-	31,525	(54,043)	-	-	-	-	-	

(Continued)

SOUTHWEST 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		
Formative Assessment	\$ -	\$ 17,448	\$ 17,448	\$ -	\$ -	\$ 15,422	\$ 15,422	\$ -	\$ -
Drug Free Communities	700	-	-	-	700	-	-	-	700
Secured Schools Safety Grant	-	-	32,323	-	(32,323)	83,433	68,069	-	(16,959)
Early Intervention Grant 18/19	1,916	-	1,916	-	-	-	-	-	-
Early Intervention Grant 19/20	-	6,778	6,115	-	663	-	663	-	-
Early Intervention Grant 20/21	-	-	-	-	-	5,702	5,245	-	457
Non-English Speaking Program 20/21	-	-	-	-	-	2,839	-	-	2,839
Career And Technical Performance Gran	4,840	-	4,840	-	-	-	-	-	-
Teacher Appreciation Grant	-	63,773	63,033	-	740	64,603	64,365	-	978
High Ability Students	14,595	32,132	25,097	-	21,630	26,317	47,580	-	367
State Connectivity Grant	5,358	13,098	9,364	-	9,092	9,900	9,092	-	9,900
Title I 2018-2019	(20,652)	100,770	80,118	-	-	-	-	-	-
Title I 2019-2020	-	184,429	200,825	-	(16,396)	62,218	45,822	-	-
Title I 2020-2021	-	-	-	-	-	198,155	219,424	-	(21,269)
Title Iv Fy2018	-	-	10,500	-	(10,500)	14,790	4,290	-	-
Title Iv Fy2019	-	12,510	14,074	-	(1,564)	8,632	7,068	-	-
Title Iv	-	-	-	-	-	17,761	19,466	-	(1,705)
Title li Part A Ffy19	-	49,591	49,591	-	-	-	-	-	-
Title li Part A	-	-	-	-	-	28,711	32,539	-	(3,828)
Title II, Part A FY 2018	(6,135)	2,938	(3,197)	-	-	-	-	-	-
Rural & Low Income Schools	-	14,663	14,663	-	-	-	-	-	-
ESSER I	-	-	-	-	-	-	460,248	-	(460,248)
Governor's Emergency Education Relief (GEER)	-	-	-	-	-	100,348	106,221	-	(5,873)
ESSER I	-	-	-	-	-	294,157	316,184	-	(22,027)
Covid Related	-	-	-	-	-	-	-	49,261	49,261
Prepaid School Lunch Accounts	2,255	335	-	-	2,590	13,893	-	-	16,483
Clearing - Payroll	-	150	-	-	150	-	-	-	150
Federal Tax	-	598,329	598,329	-	-	641,760	641,760	-	-
Social Security	-	601,779	601,777	-	2	660,343	660,343	-	2
State Tax	-	241,782	241,782	-	-	267,546	267,546	-	-
County Adj Gross Income Tax	-	112,693	112,693	-	-	141,266	141,266	-	-
Teacher Retirement	-	1,464	1,382	-	82	1,727	1,727	-	82
Group Insurance	56,788	946,488	903,756	-	99,520	944,370	908,111	-	135,779
Annuities	-	271,316	271,316	-	-	279,675	283,675	-	(4,000)
Garnishments	629	8,386	8,155	-	860	7,912	7,912	-	860
Professional Dues	-	55,227	55,227	-	-	57,780	57,780	-	-
Credit Union	-	42,630	42,630	-	-	42,890	42,890	-	-
Eca Payroll	14,129	21,472	21,712	-	13,889	2,321	2,576	-	13,634
Annuity Loan Repayment	2,209	41,375	41,375	-	2,209	28,007	27,720	-	2,496
Totals	\$ 7,120,422	\$ 23,906,018	\$ 25,374,137	\$ -	\$ 5,652,303	\$ 25,796,477	\$ 26,108,412	\$ 134,012	\$ 5,474,380

See notes to financial statement.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

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

(Continued)

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Continued)

SOUTHWEST SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2021, and for the period 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 funds which were previously reported in the aggregate amount of \$73,755 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:

	Amount
Group Insurance	\$ 56,788
Garnishments	629
Eca Payroll	14,129
Annuity Loan Repayment	2,209
Total	<u>\$ 73,755</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.

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.

(Continued)

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

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 statements contains some funds with deficits in cash. This is a result of certain funds being set up for reimbursable grants, but for which reimbursement was not yet received by June 30, 2020, and 2021. Deficits in other fund balances, including the Drug Free Communities, PBIS, and Annuities funds, were the result of disbursements exceeding receipts due to under-estimating current requirements for some funds. These deficits are to be prepaid from future receipts.

NOTE 8 - HOLDING CORPORATION

The School Corporation has entered into a series of capital leases with the Southwest Sullivan School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments for the period July 1, 2019 to June 30, 2020 totaled \$2,462,500. Lease payments for the period July 1, 2020 to June 30, 2021 totaled \$2,462,000.

(Continued)

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.

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.

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

NOTE 9 - PENSION PLANS (Continued)

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

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.

(Continued)

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

NOTE 10 - SUBSEQUENT EVENT

In October 2021, the School Corporation issued the General Obligation Bonds of 2021 in the amount of \$1,310,000 to finance the renovation of and improvements to the school facilities including the purchase of equipment and technology.

SUPPLEMENTARY INFORMATION

SOUTHWEST 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 Servicing	Operations	Local Rainy Day	Construction/Improvements - Sodexo	Construction/Improvements - Go Bond	School Lunch	Curricular Materials Rental	Self-Insurance	Technology Equipment
Cash and investments - beginning	\$ 1,458,990	\$ 1,367,371	\$ 71,481	\$ 1,087,205	\$ 947,813	\$ -	\$ -	\$ 93,994	\$ 830	\$ 107,145	\$ 228
Receipts:											
Local sources	178,150	2,452,247	265,452	4,323,428	-	-	-	267,228	95,553	-	1,603
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	12,110,725	-	-	-	-	-	-	7,238	65,802	-	-
Federal sources	7,200	-	-	-	-	-	-	642,787	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	3,947	-	-	-	-	-	-	-
Total receipts	12,296,075	2,452,247	265,452	4,327,375	-	-	-	917,253	161,355	-	1,603
Disbursements:											
Instruction	8,712,527	-	-	-	23,769	-	-	-	-	79,372	-
Support services	1,884,753	-	-	4,729,174	178,070	-	-	469	219,547	122,822	-
Noninstructional services	198,610	-	-	-	-	-	-	873,655	-	-	-
Facilities acquisition and construction	-	-	-	750,914	52,710	56,573	904,175	-	-	-	-
Debt services	-	2,547,753	318,853	-	3,056	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	192,357	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	10,795,890	2,547,753	318,853	5,672,445	257,605	56,573	904,175	874,124	219,547	202,194	-
Excess (deficiency) of receipts over disbursements	1,500,185	(95,506)	(53,401)	(1,345,070)	(257,605)	(56,573)	(904,175)	43,129	(58,192)	(202,194)	1,603
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	1,544,513	218,080	56,573	1,742,373	10,344	57,908	95,049	-
Transfers out	(1,649,906)	(31,143)	(18,080)	(200,000)	(26,765)	-	-	-	-	-	-
Total other financing sources (uses)	(1,649,906)	(31,143)	(18,080)	1,344,513	191,315	56,573	1,742,373	10,344	57,908	95,049	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(149,721)	(126,649)	(71,481)	(557)	(66,290)	-	838,198	53,473	(284)	(107,145)	1,603
Cash and investments - ending	\$ 1,309,269	\$ 1,240,722	\$ -	\$ 1,086,648	\$ 881,523	\$ -	\$ 838,198	\$ 147,467	\$ 546	\$ -	\$ 1,831

(Continued)

SOUTHWEST 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

	Educational License Plates	100 Women/Carlisle Library	Donations/Ses Library-Mckinley	Ceo Program	Nshss Advanced Placement Grant	Shs Choral Dept - Wv Comm Foundation	Win Energy Donation - Ses Water Bottl	Pbis	Lilly Grant	Dollar General Literacy Foundation	Donations (Lockers)
Cash and investments - beginning	\$ 209	\$ 5,768	\$ 770	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 314
Receipts:											
Local sources	-	-	-	25,250	500	750	1,950	-	645	2,233	-
Intermediate sources	75	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total receipts	75	-	-	25,250	500	750	1,950	-	645	2,233	-
Disbursements:											
Instruction	-	-	-	-	31	-	-	-	-	-	-
Support services	-	5,768	-	25,000	-	-	-	-	20,222	-	-
Noninstructional services	-	-	-	-	-	-	-	27	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	55
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	5,768	-	25,000	31	-	-	27	20,222	-	55
Excess (deficiency) of receipts over disbursements	75	(5,768)	-	250	469	750	1,950	(27)	(19,577)	2,233	(55)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	227	54,043	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	227	54,043	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	75	(5,768)	-	250	469	750	1,950	200	34,466	2,233	(55)
Cash and investments - ending	\$ 284	\$ -	\$ 770	\$ 250	\$ 469	\$ 750	\$ 1,950	\$ 200	\$ 34,466	\$ 2,233	\$ 259

(Continued)

SOUTHWEST 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

	Donations - Summer Reading	Donation-Drug Free Sullivan Co	Drug Free Communities	Sodexo Scholarship	Chad Smith Scholarship	Susan Anderson Scholarship	School Improvements/S odexo	PBIS	Renovations/Improv ements	Monsanto- America's Farmers	Lilly Endowment 2017 - 2021
Cash and investments - beginning	\$ 102	\$ 2,767	\$ -	\$ -	\$ 6,507	\$ -	\$ 56,573	\$ -	\$ 1,742,373	\$ 7,782	\$ 85,568
Receipts:											
Local sources	-	1,600	-	2,500	3,364	4,235	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	1,600	-	2,500	3,364	4,235	-	-	-	-	-
Disbursements:											
Instruction	-	-	-	-	-	-	-	-	-	-	-
Support services	102	473	700	-	949	-	-	-	-	7,782	31,525
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	2,500	2,000	1,000	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	102	473	700	2,500	2,949	1,000	-	-	-	7,782	31,525
Excess (deficiency) of receipts over disbursements	(102)	1,127	(700)	-	415	3,235	-	-	-	(7,782)	(31,525)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(56,573)	(227)	(1,742,373)	-	(54,043)
Total other financing sources (uses)	-	-	-	-	-	-	(56,573)	(227)	(1,742,373)	-	(54,043)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(102)	1,127	(700)	-	415	3,235	(56,573)	(227)	(1,742,373)	(7,782)	(85,568)
Cash and investments - ending	\$ -	\$ 3,894	\$ (700)	\$ -	\$ 6,922	\$ 3,235	\$ -	\$ (227)	\$ -	\$ -	\$ -

(Continued)

SOUTHWEST 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

	Formative Assessment	Drug Free Communities	Secured Schools Safety Grant	Early Intervention Grant 18/19	Early Intervention Grant 19/20	Technical Performance Gran	Teacher Appreciation Grant	High Ability Students	State Connectivity Grant	Title I 2018- 2019	Title I 2019- 2020
Cash and investments - beginning	\$ -	\$ 700	\$ -	\$ 1,916	\$ -	\$ 4,840	\$ -	\$ 14,595	\$ 5,358	\$ (20,652)	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	2,015	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	17,448	-	-	-	6,778	-	63,773	32,132	11,083	-	-
Federal sources	-	-	-	-	-	-	-	-	-	100,770	184,429
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total receipts	17,448	-	-	-	6,778	-	63,773	32,132	13,098	100,770	184,429
Disbursements:											
Instruction	-	-	-	1,916	6,115	4,840	63,033	25,097	-	64,740	183,346
Support services	17,448	-	32,323	-	-	-	-	-	9,364	15,234	16,839
Noninstructional services	-	-	-	-	-	-	-	-	-	144	640
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	17,448	-	32,323	1,916	6,115	4,840	63,033	25,097	9,364	80,118	200,825
Excess (deficiency) of receipts over disbursements	-	-	(32,323)	(1,916)	663	(4,840)	740	7,035	3,734	20,652	(16,396)
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	-	-	(32,323)	(1,916)	663	(4,840)	740	7,035	3,734	20,652	(16,396)
Cash and investments - ending	\$ -	\$ 700	\$ (32,323)	\$ -	\$ 663	\$ -	\$ 740	\$ 21,630	\$ 9,092	\$ -	\$ (16,396)

(Continued)

SOUTHWEST 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

	Title Iv Fy2018	Title Iv Fy2019	Title Ii Part A Ffy19	Title II, Part A FY 2018	Rural & Low Income Schools	Prepaid School Lunch Accounts	Clearing - Payroll	Federal Tax	Social Security	State Tax	County Adj Gross Income Tax
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (6,135)	\$ -	\$ 2,255	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	12,510	49,591	2,938	14,663	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	335	150	598,329	601,779	241,782	112,693
Total receipts	-	12,510	49,591	2,938	14,663	335	150	598,329	601,779	241,782	112,693
Disbursements:											
Instruction	-	-	49,591	(3,197)	-	-	-	-	-	-	-
Support services	10,500	14,074	-	-	14,663	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	598,329	601,777	241,782	112,693
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	10,500	14,074	49,591	(3,197)	14,663	-	-	598,329	601,777	241,782	112,693
Excess (deficiency) of receipts over disbursements	(10,500)	(1,564)	-	6,135	-	335	150	-	2	-	-
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	(10,500)	(1,564)	-	6,135	-	335	150	-	2	-	-
Cash and investments - ending	\$ (10,500)	\$ (1,564)	\$ -	\$ -	\$ -	\$ 2,590	\$ 150	\$ -	\$ 2	\$ -	\$ -

(Continued)

SOUTHWEST 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

	Teacher Retirement	Group Insurance	Annuities	Garnishments	Professional Dues	Credit Union	Eca Payroll	Annuity Loan Repayment	Totals
Cash and investments - beginning	\$ -	\$ 56,788	\$ -	\$ 629	\$ -	\$ -	\$ 14,129	\$ 2,209	\$ 7,120,422
Receipts:									
Local sources	-	-	-	-	-	-	-	-	7,628,703
Intermediate sources	-	-	-	-	-	-	-	-	75
State sources	-	-	-	-	-	-	-	-	12,314,979
Federal sources	-	-	-	-	-	-	-	-	1,014,888
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	1,464	946,488	271,316	8,386	55,227	42,630	21,472	41,375	2,947,373
Total receipts	1,464	946,488	271,316	8,386	55,227	42,630	21,472	41,375	23,906,018
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	9,211,180
Support services	-	-	-	-	-	-	-	-	7,357,801
Noninstructional services	-	-	-	-	-	-	-	-	1,073,076
Facilities acquisition and construction	-	-	-	-	-	-	-	-	1,764,427
Debt services	-	-	-	-	-	-	-	-	2,869,662
Nonprogrammed charges	1,382	903,756	271,316	8,155	55,227	42,630	21,712	41,375	3,097,991
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	1,382	903,756	271,316	8,155	55,227	42,630	21,712	41,375	25,374,137
Excess (deficiency) of receipts over disbursements	82	42,732	-	231	-	-	(240)	-	(1,468,119)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	3,779,110
Transfers out	-	-	-	-	-	-	-	-	(3,779,110)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	82	42,732	-	231	-	-	(240)	-	(1,468,119)
Cash and investments - ending	\$ 82	\$ 99,520	\$ -	\$ 860	\$ -	\$ -	\$ 13,889	\$ 2,209	\$ 5,652,303

SOUTHWEST 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	Operations	Local Rainy Day	Construction/Imp rovements - Go Bond	School Lunch	Curricular Materials Rental	Self- Insurance	Technology Equipment	New Bus	Cape S Grant	United Way - Sms/Leadership Class
Cash and investments - beginning	\$ 1,309,269	\$ 1,240,722	\$ 1,086,648	\$ 881,523	\$ 838,198	\$ 147,467	\$ 546	\$ -	\$ 1,831	\$ -	\$ -	\$ -
Receipts:												
Local sources	170,699	2,828,321	5,193,558	-	-	65,143	86,580	-	261,805	-	20,000	2,848
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	12,248,013	-	-	-	-	6,730	65,585	-	-	-	-	-
Federal sources	-	-	-	-	-	802,051	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	12,418,712	2,828,321	5,193,558	-	-	873,924	152,165	-	261,805	-	20,000	2,848
Disbursements:												
Instruction	8,665,665	-	-	64,157	-	-	-	-	-	-	-	-
Support services	1,914,905	-	4,984,119	79,209	624,102	905	504,856	106,733	166	134,012	-	-
Noninstructional services	199,034	-	-	-	-	829,821	-	-	-	-	-	-
Facilities acquisition and construction	-	-	749,540	37,710	129,789	-	-	-	-	-	-	-
Debt services	-	2,548,788	40,193	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	10,779,604	2,548,788	5,773,852	181,076	753,891	830,726	504,856	106,733	166	134,012	-	-
Excess (deficiency) of receipts over disbursements	1,639,108	279,533	(580,294)	(181,076)	(753,891)	43,198	(352,691)	(106,733)	261,639	(134,012)	20,000	2,848
Other financing sources (uses)												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	134,012	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	1,370,175	337,710	-	9,677	352,145	110,000	-	-	-	-
Transfers out	(1,653,393)	(33,512)	(300,000)	(3,233)	-	-	-	-	(238,830)	-	-	-
Total other financing sources (uses)	(1,653,393)	(33,512)	1,070,175	334,477	-	9,677	352,145	110,000	(238,830)	134,012	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(14,285)	246,021	489,881	153,401	(753,891)	52,875	(546)	3,267	22,809	-	20,000	2,848
Cash and investments - ending	\$ 1,294,984	\$ 1,486,743	\$ 1,576,529	\$ 1,034,924	\$ 84,307	\$ 200,342	\$ -	\$ 3,267	\$ 24,640	\$ -	\$ 20,000	\$ 2,848

(Continued)

SOUTHWEST 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

	United Way - Ses/Positive Behavior Pi	Educational License Plates	Donations/Ses Library-Mckinley	Ceo Program	Nshss Advanced Placement Grant	Shs Choral Dept - Wv Comm Foundation	Win Energy Donation - Ses Water Bottl	Pbis	Lilly Grant	Dollar General Literacy Foundation	United Way Youth Success Student Enga	Mccammon Memorial Donations
Cash and investments - beginning	\$ -	\$ 284	\$ 770	\$ 250	\$ 469	\$ 750	\$ 1,950	\$ 200	\$ 34,466	\$ 2,233	\$ -	\$ -
Receipts:												
Local sources	4,800	-	-	-	-	-	-	-	(196)	-	3,638	1,155
Intermediate sources	-	244	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	4,800	244	-	-	-	-	-	-	(196)	-	3,638	1,155
Disbursements:												
Instruction	-	-	-	-	175	-	-	-	-	-	260	-
Support services	-	-	770	250	-	-	-	-	16,304	-	-	-
Noninstructional services	-	-	-	-	-	-	-	200	-	-	-	1,100
Facilities acquisition and construction	-	-	-	-	-	-	1,950	-	-	2,233	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	770	250	175	-	1,950	200	16,304	2,233	260	1,100
Excess (deficiency) of receipts over disbursements	4,800	244	(770)	(250)	(175)	-	(1,950)	(200)	(16,500)	(2,233)	3,378	55
Other financing sources (uses)												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,800	244	(770)	(250)	(175)	-	(1,950)	(200)	(16,500)	(2,233)	3,378	55
Cash and investments - ending	\$ 4,800	\$ 528	\$ -	\$ -	\$ 294	\$ 750	\$ -	\$ -	\$ 17,966	\$ -	\$ 3,378	\$ 55

(Continued)

SOUTHWEST 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

	Donations (Lockers)	Donation- Drug Free Sullivan Co	Drug Free Communities	Football Stadium Pressbox Donation	Sodexo Scholarship	Chad Smith Scholarship	Susan Anderson Scholarship	Kyle Pullum Scholarship	School Improvements/S odexo	PBIS	Lilly Endowment - 2017 - 2021	Formative Assessment
Cash and investments - beginning	\$ 259	\$ 3,894	\$ (700)	\$ -	\$ -	\$ 6,922	\$ 3,235	\$ -	\$ -	\$ (227)	\$ -	\$ -
Receipts:												
Local sources	-	1,600	-	5,000	2,500	250	3,175	500	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	15,422
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	1,600	-	5,000	2,500	250	3,175	500	-	-	-	15,422
Disbursements:												
Instruction	-	-	-	-	-	-	-	-	-	-	-	-
Support services	-	1,530	-	4,900	-	-	-	-	-	-	-	15,422
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	32	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	32	1,530	-	4,900	-	-	-	-	-	-	-	15,422
Excess (deficiency) of receipts over disbursements	(32)	70	-	100	2,500	250	3,175	500	-	-	-	-
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	(32)	70	-	100	2,500	250	3,175	500	-	-	-	-
Cash and investments - ending	\$ 227	\$ 3,964	\$ (700)	\$ 100	\$ 2,500	\$ 7,172	\$ 6,410	\$ 500	\$ -	\$ (227)	\$ -	\$ -

(Continued)

SOUTHWEST 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

	Drug Free Communities	Secured Schools Safety Grant	Early Intervention Grant 19/20	Early Intervention Grant 20/21	Non-English Speaking Program 20/21	Teacher Appreciation Grant	High Ability Students	State Connectivity Grant	Title I 2019- 2020	Title I 2020- 2021	Title Iv Fy2018
Cash and investments - beginning	\$ 700	\$ (32,323)	\$ 663	\$ -	\$ -	\$ 740	\$ 21,630	\$ 9,092	\$ (16,396)	\$ -	\$ (10,500)
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	83,433	-	5,702	2,839	64,603	26,317	9,900	-	-	-
Federal sources	-	-	-	-	-	-	-	-	62,218	198,155	14,790
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	83,433	-	5,702	2,839	64,603	26,317	9,900	62,218	198,155	14,790
Disbursements:											
Instruction	-	-	663	5,245	-	64,365	47,580	-	42,905	210,397	14,790
Support services	-	68,069	-	-	-	-	-	9,092	2,917	8,388	(10,500)
Noninstructional services	-	-	-	-	-	-	-	-	-	639	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	68,069	663	5,245	-	64,365	47,580	9,092	45,822	219,424	4,290
Excess (deficiency) of receipts over disbursements	-	15,364	(663)	457	2,839	238	(21,263)	808	16,396	(21,269)	10,500
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	-	15,364	(663)	457	2,839	238	(21,263)	808	16,396	(21,269)	10,500
Cash and investments - ending	\$ 700	\$ (16,959)	\$ -	\$ 457	\$ 2,839	\$ 978	\$ 367	\$ 9,900	\$ -	\$ (21,269)	\$ -

(Continued)

SOUTHWEST 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

	Title Iv FY2019	Title Iv	Title li Part A	Title II, Part A FY 2018	ESSER I	Governor's Emergency Education Relief (GEER)	ESSER I	Covid Related	Prepaid School Lunch Accounts	Clearing - Payroll	Federal Tax
Cash and investments - beginning	\$ (1,564)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,590	\$ 150	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	13,893	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	8,632	17,761	28,711	-	-	100,348	294,157	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	641,760
Total receipts	8,632	17,761	28,711	-	-	100,348	294,157	-	13,893	-	641,760
Disbursements:											
Instruction	-	-	32,539	-	421,450	106,221	217,661	-	-	-	-
Support services	7,068	19,466	-	-	38,798	-	98,523	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	641,760
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	7,068	19,466	32,539	-	460,248	106,221	316,184	-	-	-	641,760
Excess (deficiency) of receipts over disbursements	1,564	(1,705)	(3,828)	-	(460,248)	(5,873)	(22,027)	-	13,893	-	-
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	49,261	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	49,261	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,564	(1,705)	(3,828)	-	(460,248)	(5,873)	(22,027)	49,261	13,893	-	-
Cash and investments - ending	\$ -	\$ (1,705)	\$ (3,828)	\$ -	\$ (460,248)	\$ (5,873)	\$ (22,027)	\$ 49,261	\$ 16,483	\$ 150	\$ -

(Continued)

SOUTHWEST 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

	Social Security	State Tax	County Adj Gross Income Tax	Teacher Retirement	Group Insurance	Annuities	Garnishments	Professional Dues	Credit Union	Eca Payroll	Annuity Loan Repayment	Totals
Cash and investments - beginning	\$ 2	\$ -	\$ -	\$ 82	\$ 99,520	\$ -	\$ 860	\$ -	\$ -	\$ 13,889	\$ 2,209	\$ 5,652,303
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	8,665,269
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	244
State sources	-	-	-	-	-	-	-	-	-	-	-	12,528,544
Federal sources	-	-	-	-	-	-	-	-	-	-	-	1,526,823
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other	660,343	267,546	141,266	1,727	944,370	279,675	7,912	57,780	42,890	2,321	28,007	3,075,597
Total receipts	660,343	267,546	141,266	1,727	944,370	279,675	7,912	57,780	42,890	2,321	28,007	25,796,477
Disbursements:												
Instruction	-	-	-	-	-	-	-	-	-	-	-	9,894,073
Support services	-	-	-	-	-	-	-	-	-	-	-	8,630,004
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	1,030,794
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	921,254
Debt services	-	-	-	-	-	-	-	-	-	-	-	2,588,981
Nonprogrammed charges	660,343	267,546	141,266	1,727	908,111	283,675	7,912	57,780	42,890	2,576	27,720	3,043,306
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	660,343	267,546	141,266	1,727	908,111	283,675	7,912	57,780	42,890	2,576	27,720	26,108,412
Excess (deficiency) of receipts over disbursements	-	-	-	-	36,259	(4,000)	-	-	-	(255)	287	(311,935)
Other financing sources (uses)												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	134,012
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	2,228,968
Transfers out	-	-	-	-	-	-	-	-	-	-	-	(2,228,968)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	134,012
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	36,259	(4,000)	-	-	-	(255)	287	(177,923)
Cash and investments - ending	\$ 2	\$ -	\$ -	\$ 82	\$ 135,779	\$ (4,000)	\$ 860	\$ -	\$ -	\$ 13,634	\$ 2,496	\$ 5,474,380

SOUTHWEST 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>\$ 1,967,093</u>	<u>\$ 531,907</u>

SOUTHWEST 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:				
First Financial Bank	Guaranteed Energy Savings	\$ 173,601	7/15/2015	7/15/2022
Southwest Sullivan School Building Corp	Renovations and Upgrades - SHS Act Bldg	240,000	1/15/2015	1/15/2025
Southwest Sullivan School Building Corp	Refinancing of Construction	2,065,000	7/15/2015	1/15/2025
Southwest Sullivan School Building Corp	Roof Replacement - SHS & CES	<u>115,000</u>	1/15/2011	1/15/2027
Total governmental activities		<u>2,593,601</u>		
Total of annual lease payments		<u>\$ 2,593,601</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	General Obligation Bonds	<u>\$ 2,696,968</u>	<u>\$ 85,388</u>
Totals		<u>\$ 2,696,968</u>	<u>\$ 85,388</u>

SOUTHWEST 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	\$ 396,500
Buildings	47,868,023
Improvements other than buildings	14,937,750
Machinery, equipment, and vehicles	6,636,062
Construction in progress	128,062
Books and other	<u>326,204</u>
 Total governmental activities	 <u>70,292,601</u>
 Total capital assets	 <u>\$ 70,292,601</u>

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

Financial Statement and Accompanying Notes:

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

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

Indiana Department of Education Reporting:

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

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

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

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-20	Total Federal Awards Expended 06-30-21	Total Federal Awards Expended 07-01-2019 to 06-30-21
<u>Department of Agriculture</u>						
Child Nutrition Cluster	Indiana Department of Education					
School Breakfast Program		10.553	FY2020, FY2021	\$ 179,452	\$ 713,975	\$ 893,427
National School Lunch Program		10.555	FY2020, FY2021	463,338	88,075	551,413
Commodities		10.555	FY2020, FY2021	<u>65,238</u>	<u>83,566</u>	<u>148,804</u>
Total - Child Nutrition Cluster				<u>708,028</u>	<u>885,616</u>	<u>1,593,644</u>
Total - Department of Agriculture				<u>708,028</u>	<u>885,616</u>	<u>1,593,644</u>
<u>Department of Education</u>						
Title I Grants to Local Educational Agencies	Indiana Department of Education					
Title I, Part A		84.010	S010A180014	80,118	-	80,118
Title I, Part A		84.010	S010A190014	205,081	40,950	246,031
Title I, Part A		84.010	S010A200014	-	219,424	219,424
Total - Title I Grants to Local Educational Agencies				<u>285,199</u>	<u>260,374</u>	<u>545,573</u>
Special Education Cluster						
Special Education Grants to States	Indiana Department of Education					
IDEA-Part B		84.027	18611-022-PN01	1,375	-	1,375
IDEA-Part B		84.027	19611-022-PN01	74,308	5,868	80,176
IDEA-Part B		84.027	20611-022-PN01	371,928	78,639	450,567
IDEA-Part B		84.027	21611-022-PN01	-	379,534	379,534
Total - Special Education Grants to States				<u>447,611</u>	<u>464,041</u>	<u>911,652</u>
Special Education - Preschool Grants	Indiana Department of Education					
IDEA-Preschool		84.173	18619-022-PN01	1,203	-	1,203
IDEA-Preschool		84.173	19619-022-PN01	18,560	125	18,685
IDEA-Preschool		84.173	20619-022-PN01	10,047	6,126	16,173
IDEA-Preschool		84.173	21619-022-PN01	-	20,949	20,949
Total - Special Education - Preschool Grants				<u>29,810</u>	<u>27,200</u>	<u>57,010</u>
Total - Special Education Cluster (IDEA)				<u>477,421</u>	<u>491,241</u>	<u>968,662</u>

(Continued)

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-20	Total Federal Awards Expended 06-30-21	Total Federal Awards Expended 07-01-2019 to 06-30-21
Rural Education Rural & Low Income	Indiana Department of Education	84.358	S358b170014	\$ 14,663	\$ -	\$ 14,663
Supporting Effective Instruction State Grants Title II, Part A Title II, Part A	Indiana Department of Education	84.367 84.367	S367A190013 S367A700013	52,529 -	- 28,711	52,529 28,711
Total - Supporting Effective Instruction State Grants				<u>52,529</u>	<u>28,711</u>	<u>81,240</u>
Student Support and Academic Enrichment Program Title IV, Part A Title IV, Part A Title IV, Part A Title IV, Part A	Indiana Department of Education	84.424 84.424 84.424 84.424	S367A190013 S367A190013 S367A200013 S424A180015	2,010 - - 10,500	- 17,428 19,466 4,290	2,010 17,428 19,466 14,790
Total - Student Support and Academic Enrichment Program				<u>12,510</u>	<u>41,184</u>	<u>53,694</u>
COVID-19 - Education Stabilization Fund Governor's Emergency Education Relief (GEER) Fund Elementary and Secondary School Emergency Relief (ESSER I) Fund	Indiana Department of Education	84.425C 84.425D	S425C200018 S425D200013	- -	100,348 294,158	100,348 294,158
Total - COVID-19 - Education Stabilization Fund				<u>-</u>	<u>394,506</u>	<u>394,506</u>
Total - Department of Education				<u>842,322</u>	<u>1,216,016</u>	<u>2,058,338</u>
Total federal awards expended				<u>\$ 1,550,350</u>	<u>\$ 2,101,632</u>	<u>\$ 3,651,982</u>

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

SOUTHWEST 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 Greene-Sullivan Special Ed Coop 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
Southwest School Corporation
Sullivan 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 Southwest Schools ("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 January 26, 2023.

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 statements and, accordingly, we express no opinion on it.

Purpose of this Report

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


Crowe LLP

Indianapolis, Indiana
January 26, 2023

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

Those Charged with Governance
Southwest School Corporation
Sullivan County, Indiana

Report on Compliance for Each Major Federal Program

We have audited Southwest School's (the School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the School Corporation's major federal 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.

Opinion on Each Major Federal Program

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

(Continued)

Report on Internal Control Over Compliance

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

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

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

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
January 26, 2023

SOUTHWEST 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?	_____	Yes	<u> X </u>	No
Significant deficiencies identified not considered to be material weaknesses?	_____	Yes	<u> X </u>	None Reported

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

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

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

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

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

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

Section II – Financial Statement Findings

FINDING 2021-001

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

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

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

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

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

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

2 CFR 200.508 states in part:

"The auditee must: . . .

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

2 CFR 200.510(b) states:

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

(1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within a cluster of programs, and provide the applicable Federal agency name.

(Continued)

SOUTHWEST 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 a system of internal control that would have ensured proper reporting of the SEFA.

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. Due to the lack of effective internal controls, the following errors resulted in the net understatement of the total federal awards reported on the SEFA by \$1,582,681 for the period July 1, 2019 through June 30, 2021:

1. The Child Nutrition Cluster funds were understated by \$949,962. This includes improperly excluded Commodities of \$148,804.
2. The Special Education Cluster funds were understated by \$968,662.
3. The Title I Grants to Local Education Agencies grant funds were overstated by \$618.
4. The Supporting Effective Instruction State Grants were overstated by \$790.
5. The Student Support and Academic Enrichment Program funds were overstated by \$1,705.
6. The COVID-19 Education Stabilization funds were overstated by \$332,830.

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

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

Repeat Finding: No.

Recommendation: We recommended that the School Corporation's management establish a formal review over the SEFA to ensure amounts reported are accurate and complete. This review should include a reconciliation of federal receipts on the funds ledger compared to amounts reported in Gateway. We recommend this review be formally documented.

(Continued)

SOUTHWEST 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

None noted.

SOUTHWEST SCHOOL CORPORATION

1502 N. Section Street, Sullivan, Indiana 47882-1225

Phone: 812-268-6311

Fax: 812-268-6312



CHRIS STITZLE, Superintendent
JON STUCKEY, Asst. Superintendent, Transp. Dir.
MICHELE HAZELRIGG, Treasurer-Bookkeeper
JACQUE WILLIAMS, Payroll Clerk, Personnel
TERRI GADBERRY, Administrative Assistant
BRIAN IRWIN, Technology Coordinator

BOARD OF SCHOOL TRUSTEES
KEVIN ARNETT
MITZIE BADGER
MIKE ESLINGER
BARBARA ROTRAMEL
JERRY D. WILSON

CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

June 30, 2021

FINDING 2021-001

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

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

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. Due to the lack of effective internal controls, the following errors resulted in the net understatement of the total federal awards reported on the SEFA by \$1,582,681 for the period July 1, 2019 through June 30, 2021:

1. The Child Nutrition Cluster funds were understated by \$949,962. This includes improperly excluded Commodities of \$148,804.
2. The Special Education Cluster funds were understated by \$968,662.
3. The Title I Grants to Local Education Agencies grant funds were overstated by \$618.
4. The Supporting Effective Instruction State Grants were overstated by \$790.
5. The Student Support and Academic Enrichment Program funds were overstated by \$1,705.
6. The COVID-19 Education Stabilization funds were overstated by \$332,830.

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

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

Treasurer and Superintendent will create a system to ensure federal grant information is entered correctly and submitted in the Indiana Gateway system. The SEFA data will be entered and updated as necessary.

Responsible party and timeline for completion: Chris Stitzle – March 31, 2023

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:

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The federal award information was entered into the Indiana Gateway for Government Units financial reporting system (Gateway), which is the source of the SEFA. The Treasurer submitted the grant information into Gateway without an oversight, review, or approval process to ensure the federal awards information was entered and submitted correctly.

Context:

The SEFA contained the following errors:

1. The Child Nutrition Cluster was understated by \$72,700 and \$70,461, respectively, for the periods ending June 30, 2018 and 2019, due to the omission of commodities.
2. The Title I Grants to Local Educational Agencies were understated by \$31,881 and \$7,934 for the periods ending June 30, 2018 and 2019, respectively.
3. The Special Education Grants to States were understated by \$501,224 and \$475,894 for the periods ending June 30, 2018 and 2019, respectively.
4. The Special Education Preschool Grants were understated by \$22,137 and \$21,367 for the periods ending June 30, 2018 and 2019, respectively.
5. The Rural Education was understated by \$17,922 for the period ending June 30, 2019.
6. Title II, Part A was overstated by \$371 for the period ending June 30, 2018 and understated by \$3,242 for the period ending June 30, 2019.
7. The Disaster Recovery Assistance for Education was understated by \$22,697 for the period ending June 30, 2019.

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

Status: Not resolved. See Finding 2021-001.

FINDING 2019-002

Subject: Child Nutrition Cluster – Cash Management
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
Assistance Listing Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): 17-7715
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Cash Management
Audit Finding: Material Weakness

Condition: The School Corporation has not designed or implemented adequate controls, policies, or procedures to ensure that the monthly net cash resources of the School Lunch fund did not exceed the three months average expenditures. There was no documentation of an oversight, review, or monitoring of the cash balances (net cash resources).

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

Status: Resolved.