



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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March 7, 2023

To: The Officials of the Benton Community School Corporation
Benton Community School Corporation
405 S. Grant Ave.
Fowler, IN 47944

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Benton Community School Corporation. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period July 1, 2019 to June 30, 2021. Per the *Independent Auditor's Report*, the financial statement referred to above present 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 33-35. Please see the Schedule of Findings and Questioned Costs for complete details related to the finding. Management's Corrective Action Plan appears on page 36.

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 Benton Community 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.

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

Tammy R. White, CPA
Deputy State Examiner

BENTON COMMUNITY SCHOOL CORPORATION
Benton County, Indiana

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

BENTON COMMUNITY SCHOOL CORPORATION
Benton 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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BENTON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF OFFICIALS (Unaudited)
July 1, 2019 to June 30, 2021

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Tracy Albertson	07-01-19 to 06-30-21
Superintendent of Schools	Gregg Hoover	07-01-19 to 06-30-21
President of the School Board	Edward Schroeder Jennifer Barce	01-01-19 to 12-31-20 01-01-21 to 12-31-22

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
Benton Community School Corporation
Benton 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 Benton Community School Corporation (the School Corporation) as of June 30, 2021 and for the period of July 1, 2019 to June 30, 2021, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 itself, 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 February 27, 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
February 27, 2023

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

Fund	Cash and Investments		Other Financing		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	\$ 1,341,511	\$ 12,518,769	\$ 11,686,732	\$ (1,525,677)	\$ 647,871	\$ 12,034,430	\$ 12,041,288	\$ (306,661)	\$ 334,352
Debt Service	1,482,095	2,400,411	2,538,185	-	1,344,321	2,669,160	2,533,575	-	1,479,906
Retirement/Severance Bond Debt Service	79,561	188,149	250,180	-	17,530	268,575	246,361	-	39,744
Referendum Debt - Post 2009	-	-	-	-	-	1,188,315	-	(1,128,900)	59,415
Operations	5,255,408	5,272,431	6,197,896	1,525,677	5,855,620	5,903,362	5,801,670	1,435,561	7,392,873
Local Rainy Day	4,495,048	-	414,017	-	4,081,031	-	342,736	(71,824)	3,666,471
Retirement/Severance Bond	255,244	12,650	-	-	267,894	6,637	-	-	274,531
Reconstruction	106,556	69,404	162,669	-	13,291	-	-	-	13,291
School Lunch	93,845	717,415	854,187	-	(42,927)	591,762	794,279	71,824	(173,620)
Curricular Materials Rental	207,237	240,100	441,917	-	5,420	237,168	294,357	-	(51,769)
Educational License Plates	14,765	37	-	-	14,802	37	-	-	14,839
Early Intervention Grant	-	-	-	-	-	1,690	-	-	1,690
Bc Preschool Salary	(9,523)	114,678	104,783	-	372	91,547	86,000	-	5,919
Pioneer Grant-Plant & Soil	1,770	-	1,584	-	186	-	-	-	186
Nchs Resilient Youth Initiative	-	19,447	30,872	29,981	18,556	3,693	7,198	-	15,051
Jeff Brooks Memorial	-	48,500	-	-	48,500	-	1,874	-	46,626
In-Mac Manufacturing Grant	-	-	-	-	-	2,000	-	-	2,000
After School Program	775	34,612	35,387	-	-	31,236	31,236	-	-
Cooperative School Services	460	131,427	130,237	-	1,650	112,838	114,544	-	(56)
Benton Comm Foundation Grants	3,820	5,081	3,458	-	5,443	12,546	11,598	-	6,391
Computer Repair Passthru	8,433	3,890	950	-	11,373	2,550	-	-	13,923
Accidental Protection Plan	1,059	6,971	1,900	-	6,130	9,900	45	-	15,985
Nchs-Resilient Youth Initiative	29,981	-	-	(29,981)	-	-	-	-	-
Formative Assessment	-	19,251	19,251	-	-	15,802	15,802	-	-
Special Education Excess Costs	(7,907)	424,751	385,662	-	31,182	766,934	779,931	-	18,185
Medicaid State Reimbursement	33,515	11,419	-	-	44,934	10,108	-	-	55,042
Secured Schools Safety Grant	(34,993)	51,351	(2,094)	-	18,452	26,611	36,242	-	8,821
Stem - Math Pilot	-	151	151	-	-	768	768	-	-
2018-19 Early Intervention Grant	4,858	1	4,859	-	-	-	-	-	-
Early Intervention 20-21	-	-	-	-	-	3,040	1,067	-	1,973
Non-English Speaking Program 2018-19	479	-	479	-	-	-	-	-	-
Non-English Speaking Grant 19-20	-	18,374	18,374	-	-	-	-	-	-
Non English Speaking Program 20-21	-	-	-	-	-	19,755	15,780	-	3,975
School Technology	8,574	11,084	6,831	-	12,827	11,864	14,568	-	10,123
Career And Technical Performance Grant	14,157	-	12,678	-	1,479	-	1,462	-	17
High Ability Students	4,389	33,374	34,190	-	3,573	27,154	18,705	-	12,022
Gifted & Talented 2016-17 Sy	142	-	142	-	-	-	-	-	-
Project Lead The Way	-	2,400	-	-	2,400	10,000	2,400	-	10,000
Title I Sy 2018-19	(20,170)	92,469	72,299	-	-	-	-	-	-
Title I Sy 2019-20	-	208,114	230,074	-	(21,960)	99,694	77,734	-	-
Title I Sy 2020-21	-	-	-	-	-	211,595	236,535	-	(24,940)

(Continued)

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

<u>Fund</u>	<u>Cash and Investments 07-01-2019</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2020</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2021</u>
Title IV Part A Fy18	\$ -	\$ 3,521	\$ 4,390	\$ -	\$ (869)	\$ 869	\$ 868	\$ -	\$ (868)
Title IV Part A Fy19	-	5,000	5,000	-	-	16,695	20,873	-	(4,178)
Title IV Sy 20-21	-	-	-	-	-	5,000	5,000	-	-
Medicaid Federal Reimbursement	51,784	23,595	4,648	-	70,731	17,863	4,869	-	83,725
Title II - Class Size Reduction Fy17-19	(671)	3,065	2,394	-	-	-	-	-	-
Title II Fy 2018	-	125	125	-	-	-	-	-	-
ESSER I	-	-	26,027	-	(26,027)	148,843	148,039	-	(25,223)
Prepaid School Lunch Accounts	8,360	254,627	236,476	-	26,511	99,093	84,463	-	41,141
Payroll Withholding	25,861	50,236	69,738	-	6,359	77,737	88,863	-	(4,767)
Totals	\$ 13,456,423	\$ 22,996,880	\$ 23,986,648	\$ -	\$ 12,466,655	\$ 24,736,871	\$ 23,860,730	\$ -	\$ 13,342,796

See notes to financial statement.

BENTON COMMUNITY 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)

BENTON COMMUNITY 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.

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.

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)

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

NOTE 2 - BUDGETS

The operating budget is initially prepared and approved at the local level. The fiscal officer of the School Corporation submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

NOTE 3 - PROPERTY TAXES

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by December 31 of the year preceding the budget year or January 15 of the budget year if the School Corporation is issuing debt after December 1 or intends on filing a shortfall appeal. These rates were based upon the assessed valuations adjusted for various tax credits from the preceding year's lien date of January 1. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

NOTE 5 - RISK MANAGEMENT

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

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

(Continued)

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

NOTE 6 - CASH BALANCE DEFICITS

The financial statement contains some funds with deficits in cash. This is a result of certain funds being set up for reimbursable grants, but for which reimbursement was not yet received by June 30, 2020, and 2021. Deficits in other fund balances, including the School Lunch, Curricular Materials Rental, and Payroll Withholding funds, were the result of disbursements exceeding receipts due to timing of receipts. These deficits are to be paid from future receipts.

NOTE 7 - HOLDING CORPORATION

The School Corporation has entered into a series of capital leases with the Benton School Improvement 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 \$2,486,650. Lease payments for the period July 1, 2020 to June 30, 2021 \$2,483,650.

NOTE 8 - PENSION PLANS

Public Employees' Retirement Fund

Plan Description

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

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

Financial Report

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

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

Contributions

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

(Continued)

NOTE 8 - PENSION PLANS (Continued)

Teachers' Retirement Fund

Plan Descriptions

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

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

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

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

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

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

Financial Report

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

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

(Continued)

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

NOTE 8 - PENSION PLANS (Continued)

Contributions

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

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

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

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS

The School Corporation provides to eligible retirees and their spouses the following benefits: participation in the School Corporation's health insurance plan solely at the retiree's expense. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

NOTE 10 - SUBSEQUENT EVENTS

In September 2021, the School Corporation sold Boswell Elementary receiving proceeds of \$73,308.

In October 2021, the School Corporation issued General Obligation Bonds in the amount of \$1,265,000 to finance the renovation and improvements to school facilities, including the purchase of buses, vehicles, and other equipment.

SUPPLEMENTARY INFORMATION

BENTON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Period July 1, 2019 to June 30, 2020

	Education	Debt Service	Retirement/ Severance Bond Debt Service	Operations	Local Rainy Day	Retirement/ Severance Bond	Reconstruction	School Lunch	Curricular Materials Rental	Educational License Plates	Bc Preschool Salary
Cash and investments - beginning	\$ 1,341,511	\$ 1,482,095	\$ 79,561	\$ 5,255,408	\$ 4,495,048	\$ 255,244	\$ 106,556	\$ 93,845	\$ 207,237	\$ 14,765	\$ (9,523)
Receipts:											
Local sources	358,841	2,400,411	188,149	5,272,287	-	12,650	-	254,828	123,168	-	114,678
Intermediate sources	1,217	-	-	144	-	-	-	-	-	37	-
State sources	12,158,711	-	-	-	-	-	-	461,837	116,932	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	69,404	750	-	-	-
Total receipts	12,518,769	2,400,411	188,149	5,272,431	-	12,650	69,404	717,415	240,100	37	114,678
Disbursements:											
Instruction	8,966,095	-	-	-	247,309	-	-	-	-	-	104,783
Support services	2,590,158	51,535	-	5,712,659	166,708	-	162,669	8,678	441,917	-	-
Noninstructional services	130,479	-	-	17,618	-	-	-	845,509	-	-	-
Facilities acquisition and construction	-	-	-	467,619	-	-	-	-	-	-	-
Debt services	-	2,486,650	250,180	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	11,686,732	2,538,185	250,180	6,197,896	414,017	-	162,669	854,187	441,917	-	104,783
Excess (deficiency) of receipts over disbursements	832,037	(137,774)	(62,031)	(925,465)	(414,017)	12,650	(93,265)	(136,772)	(201,817)	37	9,895
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	285,563	-	-	1,811,240	-	-	-	-	-	-	-
Transfers out	(1,811,240)	-	-	(285,563)	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,525,677)	-	-	1,525,677	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(693,640)	(137,774)	(62,031)	600,212	(414,017)	12,650	(93,265)	(136,772)	(201,817)	37	9,895
Cash and investments - ending	\$ 647,871	\$ 1,344,321	\$ 17,530	\$ 5,855,620	\$ 4,081,031	\$ 267,894	\$ 13,291	\$ (42,927)	\$ 5,420	\$ 14,802	\$ 372

(Continued)

BENTON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Period July 1, 2019 to June 30, 2020

	Pioneer Grant- Plant & Soil	Nchs Resilient Youth Initiative	Jeff Brooks Memorial	After School Program	Cooperative School Services	Benton Comm Foundation Grants	Computer Repair Passthru	Accidental Protection Plan	Nchs-Resilient Youth Initiative	Formative Assessment	Special Education Excess Costs
Cash and investments - beginning	\$ 1,770	\$ -	\$ -	\$ 775	\$ 460	\$ 3,820	\$ 8,433	\$ 1,059	\$ 29,981	\$ -	\$ (7,907)
Receipts:											
Local sources	-	19,447	48,500	34,612	131,427	5,081	3,890	6,971	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	19,251	424,751
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	19,447	48,500	34,612	131,427	5,081	3,890	6,971	-	19,251	424,751
Disbursements:											
Instruction	1,584	-	-	35,343	124,336	2,453	-	-	-	19,251	385,662
Support services	-	30,872	-	44	5,901	-	950	1,900	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	1,005	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,584	30,872	-	35,387	130,237	3,458	950	1,900	-	19,251	385,662
Excess (deficiency) of receipts over disbursements	(1,584)	(11,425)	48,500	(775)	1,190	1,623	2,940	5,071	-	-	39,089
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	29,981	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	(29,981)	-	-
Total other financing sources (uses)	-	29,981	-	-	-	-	-	-	(29,981)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,584)	18,556	48,500	(775)	1,190	1,623	2,940	5,071	(29,981)	-	39,089
Cash and investments - ending	\$ 186	\$ 18,556	\$ 48,500	\$ -	\$ 1,650	\$ 5,443	\$ 11,373	\$ 6,130	\$ -	\$ -	\$ 31,182

(Continued)

BENTON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Period July 1, 2019 to June 30, 2020

	Medicaid State Reimbursement	Secured Schools Safety Grant	Stem - Math Pilot	2018-19 Early Intervention Grant	Non-English Speaking Program 2018-19	Non-English Speaking Grant 19-20	School Technology	Career And Technical Performance Grant	High Ability Students	Gifted & Talented 2016-17 Sy	Project Lead The Way
Cash and investments - beginning	\$ 33,515	\$ (34,993)	\$ -	\$ 4,858	\$ 479	\$ -	\$ 8,574	\$ 14,157	\$ 4,389	\$ 142	\$ -
Receipts:											
Local sources	-	-	-	1	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	11,419	51,351	151	-	-	18,374	11,084	-	33,374	-	2,400
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	11,419	51,351	151	1	-	18,374	11,084	-	33,374	-	2,400
Disbursements:											
Instruction	-	-	151	4,859	479	18,374	-	-	34,190	142	-
Support services	-	(316)	-	-	-	-	6,831	12,678	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	(1,778)	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	(2,094)	151	4,859	479	18,374	6,831	12,678	34,190	142	-
Excess (deficiency) of receipts over disbursements	11,419	53,445	-	(4,858)	(479)	-	4,253	(12,678)	(816)	(142)	2,400
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	11,419	53,445	-	(4,858)	(479)	-	4,253	(12,678)	(816)	(142)	2,400
Cash and investments - ending	\$ 44,934	\$ 18,452	\$ -	\$ -	\$ -	\$ -	\$ 12,827	\$ 1,479	\$ 3,573	\$ -	\$ 2,400

(Continued)

BENTON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Period July 1, 2019 to June 30, 2020

	Title I Sy 2018-19	Title I Sy 2019-20	Title IV Part A Fy18	Title IV Part A Fy19	Medicaid Federal Reimbursement	Title II - Class Size Reduction Fy17-19	Title II Fy 2018	ESSER I	Prepaid School Lunch Accounts	Payroll Withholding	Totals
Cash and investments - beginning	\$ (20,170)	\$ -	\$ -	\$ -	\$ 51,784	\$ (671)	\$ -	\$ -	\$ 8,360	\$ 25,861	\$ 13,456,423
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	8,974,941
Intermediate sources	-	-	-	-	-	-	-	-	-	-	1,398
State sources	-	-	-	-	-	-	-	-	-	-	13,309,635
Federal sources	92,469	208,114	3,521	5,000	23,595	3,065	125	-	-	-	335,889
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	254,627	50,236	375,017
Total receipts	92,469	208,114	3,521	5,000	23,595	3,065	125	-	254,627	50,236	22,996,880
Disbursements:											
Instruction	72,299	228,280	-	-	585	1,411	-	19,224	-	-	10,266,810
Support services	-	-	4,390	5,000	2,060	983	125	6,803	-	-	9,212,545
Noninstructional services	-	1,794	-	-	-	-	-	-	-	-	995,400
Facilities acquisition and construction	-	-	-	-	2,003	-	-	-	-	-	468,849
Debt services	-	-	-	-	-	-	-	-	-	-	2,736,830
Nonprogrammed charges	-	-	-	-	-	-	-	-	236,476	69,738	306,214
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	72,299	230,074	4,390	5,000	4,648	2,394	125	26,027	236,476	69,738	23,986,648
Excess (deficiency) of receipts over disbursements	20,170	(21,960)	(869)	-	18,947	671	-	(26,027)	18,151	(19,502)	(989,768)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	2,126,784
Transfers out	-	-	-	-	-	-	-	-	-	-	(2,126,784)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	20,170	(21,960)	(869)	-	18,947	671	-	(26,027)	18,151	(19,502)	(989,768)
Cash and investments - ending	\$ -	\$ (21,960)	\$ (869)	\$ -	\$ 70,731	\$ -	\$ -	\$ (26,027)	\$ 26,511	\$ 6,359	\$ 12,466,655

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

	Education	Debt Service	Retirement/ Severance Bond Debt Service	Referendum Debt - Post 2009	Operations	Local Rainy Day	Retirement/ Severance Bond	Reconstruction	School Lunch	Curricular Materials Rental	Educational License Plates
Cash and investments - beginning	\$ 647,871	\$ 1,344,321	\$ 17,530	\$ -	\$ 5,855,620	\$ 4,081,031	\$ 267,894	\$ 13,291	\$ (42,927)	\$ 5,420	\$ 14,802
Receipts:											
Local sources	444,840	2,669,160	268,575	1,188,315	5,903,151	-	6,637	-	88,504	125,551	-
Intermediate sources	1,196	-	-	-	211	-	-	-	-	-	37
State sources	11,588,394	-	-	-	-	-	-	-	502,508	111,617	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	750	-	-
Total receipts	12,034,430	2,669,160	268,575	1,188,315	5,903,362	-	6,637	-	591,762	237,168	37
Disbursements:											
Instruction	9,021,754	-	-	-	-	223,435	-	-	-	-	-
Support services	2,686,548	49,925	-	-	5,386,696	119,301	-	-	15,073	294,357	-
Noninstructional services	332,986	-	-	-	9,606	-	-	-	779,206	-	-
Facilities acquisition and construction	-	-	-	-	405,368	-	-	-	-	-	-
Debt services	-	2,483,650	246,361	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	12,041,288	2,533,575	246,361	-	5,801,670	342,736	-	-	794,279	294,357	-
Excess (deficiency) of receipts over disbursements	(6,858)	135,585	22,214	1,188,315	101,692	(342,736)	6,637	-	(202,517)	(57,189)	37
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	1,422,261	-	-	-	1,728,922	-	-	-	71,824	-	-
Transfers out	(1,728,922)	-	-	(1,128,900)	(293,361)	(71,824)	-	-	-	-	-
Total other financing sources (uses)	(306,661)	-	-	(1,128,900)	1,435,561	(71,824)	-	-	71,824	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(313,519)	135,585	22,214	59,415	1,537,253	(414,560)	6,637	-	(130,693)	(57,189)	37
Cash and investments - ending	\$ 334,352	\$ 1,479,906	\$ 39,744	\$ 59,415	\$ 7,392,873	\$ 3,666,471	\$ 274,531	\$ 13,291	\$ (173,620)	\$ (51,769)	\$ 14,839

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BENTON COMMUNITY SCHOOL CORPORATION
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 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
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	Early Intervention Grant	Bc Preschool Salary	Pioneer Grant- Plant & Soil	Nchs Resilient Youth Initiative	Jeff Brooks Memorial	In-Mac Manufacturing Grant	After School Program	Cooperative School Services	Benton Comm Foundation Grants	Computer Repair Passthru	Accidental Protection Plan
Cash and investments - beginning	\$ -	\$ 372	\$ 186	\$ 18,556	\$ 48,500	\$ -	\$ -	\$ 1,650	\$ 5,443	\$ 11,373	\$ 6,130
Receipts:											
Local sources	-	91,547	-	3,693	-	2,000	31,236	112,838	12,546	2,550	9,900
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	1,690	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	1,690	91,547	-	3,693	-	2,000	31,236	112,838	12,546	2,550	9,900
Disbursements:											
Instruction	-	86,000	-	-	-	-	30,914	109,340	2,804	-	-
Support services	-	-	-	7,198	1,874	-	322	4,608	9,799	-	45
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	596	(1,005)	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	86,000	-	7,198	1,874	-	31,236	114,544	11,598	-	45
Excess (deficiency) of receipts over disbursements	1,690	5,547	-	(3,505)	(1,874)	2,000	-	(1,706)	948	2,550	9,855
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	1,520	-	-	-	-	-	-	-	-	-	-
Transfers out	(1,520)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,690	5,547	-	(3,505)	(1,874)	2,000	-	(1,706)	948	2,550	9,855
Cash and investments - ending	\$ 1,690	\$ 5,919	\$ 186	\$ 15,051	\$ 46,626	\$ 2,000	\$ -	\$ (56)	\$ 6,391	\$ 13,923	\$ 15,985

(Continued)

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

	Formative Assessment	Special Education Excess Costs	Medicaid State Reimbursement	Secured Schools Safety Grant	Stem - Math Pilot	Early Intervention 20-21	Non English Speaking Program 20-21	School Technology	Career And Technical Performance Grant	High Ability Students	Project Lead The Way
Cash and investments - beginning	\$ -	\$ 31,182	\$ 44,934	\$ 18,452	\$ -	\$ -	\$ -	\$ 12,827	\$ 1,479	\$ 3,573	\$ 2,400
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	15,802	766,934	10,108	26,611	768	3,040	19,755	11,864	-	27,154	10,000
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	15,802	766,934	10,108	26,611	768	3,040	19,755	11,864	-	27,154	10,000
Disbursements:											
Instruction	15,802	779,931	-	-	768	1,067	15,780	-	-	18,705	2,400
Support services	-	-	-	36,242	-	-	-	14,568	1,462	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	15,802	779,931	-	36,242	768	1,067	15,780	14,568	1,462	18,705	2,400
Excess (deficiency) of receipts over disbursements	-	(12,997)	10,108	(9,631)	-	1,973	3,975	(2,704)	(1,462)	8,449	7,600
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	-	(12,997)	10,108	(9,631)	-	1,973	3,975	(2,704)	(1,462)	8,449	7,600
Cash and investments - ending	\$ -	\$ 18,185	\$ 55,042	\$ 8,821	\$ -	\$ 1,973	\$ 3,975	\$ 10,123	\$ 17	\$ 12,022	\$ 10,000

(Continued)

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

	Title I Sy 2019-20	Title I Sy 2020-21	Title Iv Part A Fy18	Title Iv Part A Fy19	Title Iv Sy 20-21	Medicaid Federal Reimbursement	ESSER I	Prepaid School Lunch Accounts	Payroll Withholding	Totals
Cash and investments - beginning	\$ (21,960)	\$ -	\$ (869)	\$ -	\$ -	\$ 70,731	\$ (26,027)	\$ 26,511	\$ 6,359	\$ 12,466,655
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	10,961,043
Intermediate sources	-	-	-	-	-	-	-	-	-	1,444
State sources	-	-	-	-	-	-	-	-	-	13,096,245
Federal sources	99,694	211,595	869	16,695	5,000	17,863	148,843	-	-	500,559
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	99,093	77,737	177,580
Total receipts	99,694	211,595	869	16,695	5,000	17,863	148,843	99,093	77,737	24,736,871
Disbursements:										
Instruction	76,893	234,646	-	-	-	-	59,066	-	-	10,679,305
Support services	-	-	868	20,873	5,000	1,950	88,973	-	-	8,745,682
Noninstructional services	841	1,889	-	-	-	-	-	-	-	1,124,528
Facilities acquisition and construction	-	-	-	-	-	2,919	-	-	-	407,878
Debt services	-	-	-	-	-	-	-	-	-	2,730,011
Nonprogrammed charges	-	-	-	-	-	-	-	84,463	88,863	173,326
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	77,734	236,535	868	20,873	5,000	4,869	148,039	84,463	88,863	23,860,730
Excess (deficiency) of receipts over disbursements	21,960	(24,940)	1	(4,178)	-	12,994	804	14,630	(11,126)	876,141
Other financing sources (uses)										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	3,224,527
Transfers out	-	-	-	-	-	-	-	-	-	(3,224,527)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	21,960	(24,940)	1	(4,178)	-	12,994	804	14,630	(11,126)	876,141
Cash and investments - ending	\$ -	\$ (24,940)	\$ (868)	\$ (4,178)	\$ -	\$ 83,725	\$ (25,223)	\$ 41,141	\$ (4,767)	\$ 13,342,796

BENTON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2021

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 1,129,710	\$ 55,209

BENTON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2021

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
Band Room Tennis Courts				
Lobby/Lab	Additions and Remodels	\$ 260,400	7/15/2017	1/15/2030
Elementary School Building	Built New Elementary	1,277,168	1/15/2006	1/15/2025
High School Building	Remodeled High School	<u>750,083</u>	1/15/2006	1/15/2025
Total of annual lease payments		<u>\$2,287,651</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	Retirement Severance Bonds 2002 & 2006	<u>\$ 235,000</u>	<u>\$ 149,636</u>
Totals		<u>\$ 235,000</u>	<u>\$ 149,636</u>

BENTON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2021

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 211,600
Buildings	40,041,987
Improvements other than buildings	1,151,791
Machinery, equipment, and vehicles	<u>6,341,485</u>
Total governmental activities	<u>47,746,863</u>
Total capital assets	<u>\$ 47,746,863</u>

BENTON COMMUNITY 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.

BENTON COMMUNITY 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	\$ 99,642	\$ 64,609	\$ 164,251
National School Lunch Program		10.555	FY2020, FY2021	360,523	428,093	788,616
Commodities		10.555	FY2020, FY2021	<u>63,190</u>	<u>71,983</u>	<u>135,173</u>
Total - Child Nutrition Cluster				<u>523,355</u>	<u>564,685</u>	<u>1,088,040</u>
Total - Department of Agriculture				<u>523,355</u>	<u>564,685</u>	<u>1,088,040</u>
<u>Department of Education</u>						
Special Education Cluster(IDEA)	Indiana Department of Education					
Special Education Grants to States						
Special Ed-Part B		84.027	19611-049-PN01	144,060	-	144,060
Special Ed-Part B		84.027	20611-047-PN01	277,045	207,327	484,372
Special Ed-Part B		84.027	21611-047-PN01	<u>-</u>	<u>282,521</u>	<u>282,521</u>
Total - Special Education Grants to States				<u>421,105</u>	<u>489,848</u>	<u>910,953</u>
Special Education Preschool Grants	Indiana Department of Education					
Special Ed-Preschool		84.173	19619-049-PN01	15,721	-	15,721
Special Ed-Preschool		84.173	20619-047-PN01	<u>905</u>	<u>14,674</u>	<u>15,579</u>
Total - Special Education Preschool Grants				<u>16,626</u>	<u>14,674</u>	<u>31,300</u>
Total - Special Education Cluster(IDEA)				<u>437,731</u>	<u>504,522</u>	<u>942,253</u>
Title I Grants to Local Educational Agencies	Indiana Department of Education					
Title I, Part A		84.010	S010A180014	92,469	-	92,469
Title I, Part A		84.010	S010A170014	208,114	99,694	307,808
Title I, Part A		84.010	S010A200014	<u>-</u>	<u>211,595</u>	<u>211,595</u>
Total - Title I Grants to Local Educational Agencies				<u>300,583</u>	<u>311,289</u>	<u>611,872</u>

(Continued)

BENTON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period of 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
Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II, Part A		84.367	S367A160013	\$ 125	\$ -	\$ 125
Title II, Part A		84.367	S367A170013	<u>3,064</u>	<u>-</u>	<u>3,064</u>
Total - Supporting Effective Instruction State Grants				<u>3,189</u>	<u>-</u>	<u>3,189</u>
Student Support and Academic Enrichment Program	Indiana Department of Education					
Title IV, Part A		84.424	S424A180015	3,521	869	4,390
Title IV, Part A		84.424	S424A190015	5,000	16,695	21,695
Title IV, Part A		84.424	S367A2000013	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Total - Student Support and Academic Enrichment Program				<u>8,521</u>	<u>22,564</u>	<u>31,085</u>
COVID-19 - Education Stabilization Fund Elementary and Secondary School Emergency Relief (ESSER I) Fund	Indiana Department of Education	84.425D	S425D200013	<u>-</u>	<u>148,843</u>	<u>148,843</u>
Total - Department of Education				<u>750,024</u>	<u>987,218</u>	<u>1,737,242</u>
<u>Department of Health and Human Services</u>						
Medicaid Cluster	Indiana Department of Education					
Federal Medicaid Reimbursement		93.778	FY2020, FY2021	<u>23,595</u>	<u>17,863</u>	<u>41,458</u>
Total - Department of Health and Human Services				<u>23,595</u>	<u>17,863</u>	<u>41,458</u>
<u>Department of Homeland Security</u>						
Disaster Grants - Public Assistance	Federal Emergency Management Agency	97.036	COVID 19	<u>-</u>	<u>63,513</u>	<u>63,513</u>
Total - Department of Homeland Security				<u>-</u>	<u>63,513</u>	<u>63,513</u>
Total federal awards expended				<u>\$ 1,296,974</u>	<u>\$ 1,633,279</u>	<u>\$ 2,930,253</u>

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

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

NOTE 1 - BASIS OF PRESENTATION

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the period of July 1, 2019 to June 30, 2021. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

The Uniform Guidance requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$750,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

B. Other Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

NOTE 2 - INDIRECT COST RATE

The School Corporation has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 - SPECIAL EDUCATION COOPERATIVE (ALN: 84.027, 84.173)

The School Corporation is a member of the Cooperative School Services (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
Benton Community School Corporation
Benton 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 Benton Community School Corporation ("School Corporation"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School Corporation as of June 30, 2021 and for the period July 1, 2019 to June 30, 2021 and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement, and have issued our report thereon dated February 27, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

(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*.

Purpose of this Report

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

Crowe LLP
Crowe LLP

Indianapolis, Indiana
February 27, 2023

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

Those Charged with Governance
Benton Community School Corporation
Benton County, Indiana

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Basis for Qualified Opinion on the Special Education Cluster

As described in the accompanying schedule of findings and questioned costs, the School Corporation did not comply with requirements regarding the Special Education Cluster (ALNs 84.027 and 84.173) as described in finding number 2021-001 for Procurement and Suspension and Debarment. Compliance with

(Continued)

such requirements is necessary, in our opinion, for the School Corporation to comply with the requirements applicable to that program.

Qualified Opinion on the Special Education Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Special Education Cluster for the period July 1, 2019 to June 30, 2021.

Unmodified Opinion on the Other Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its other major federal program identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the period July 1, 2019 to June 30, 2021.

Other Matter

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

Report on Internal Control Over Compliance

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

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

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

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

(Continued)

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

Crowe LLP
Crowe LLP

Indianapolis, Indiana
February 27, 2023

BENTON COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the period of 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? _____ Yes _____ X No

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

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

Federal Awards

Internal control over major programs:

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

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

Type of auditor’s report issued on compliance for major programs: Child Nutrition Cluster: Unmodified
Special Education Cluster: Qualified

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

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555	Child Nutrition Cluster
84.027, 84.173	Special Education Cluster

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

Auditee qualified as low-risk auditee? _____ Yes _____ X No

Section II – Financial Statement Findings

None noted.

(Continued)

BENTON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the period of July 1, 2019 to June 30, 2021

Section III – Federal Award Findings and Questioned Costs

FINDING 2021-001

Information on the federal program:

Subject: Special Education Cluster – Procurement and Suspension and Debarment
Federal Agency: Department of Education
Federal Programs: Special Education Grants to States, Special Education Preschool Grants
CFDA Numbers: 84.027, 84.173
Federal Award Numbers and Years (or Other Identifying Numbers): 19611-049-PN01, 20611-047-PN01, 19619-49-PN01, 20619-047-PN01, 20611-049-PN01, 21611-047-PN01, 20619-49-PN01, 21619-047-PN01
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Finding: Material Weakness, Qualified Opinion

Criteria: 2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.303 states:

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

You do this by:

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

2 CFR 200.320 states in part:

"The non-Federal Entity must use one of the following methods of procurement...

...(c) Procurement by sealed bids (formal advertising). Bids are publicly solicited, and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in paragraph (c)(1) of this section apply. . . ."

(Continued)

BENTON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the period of July 1, 2019 to June 30, 2021

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

FINDING 2021-001 (Continued)

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

Cause: The School Corporation's management had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

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

Questioned Costs: There were no questioned costs identified.

Context: The School Corporation is a member of the Cooperative School Services (Cooperative). The Cooperative operated the special education programs on behalf of the School Corporation and managed the special education grant funds. As the grant agreement was between the Indiana Department of Education and the School Corporation, the School Corporation was responsible for compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

Procurement – Simplified Acquisition

The School Corporation did not have adequate internal controls in place to ensure the Cooperative complied with the procurement requirements for simplified acquisitions. The Cooperative did not have adequate procedures in place to ensure procurements for simplified acquisitions were properly advertised and bids accepted. There were two vendors who met the Simplified Acquisition threshold during the audit period; neither were properly procured.

Suspension and Debarment

The School Corporation did not have adequate internal controls in place to ensure the Cooperative complied with the Suspension and Debarment requirements. During school year 2020, the Cooperative did not have adequate procedures in place to ensure that applicable vendors who received federal funds were not suspended or debarred from participation in federal awards programs. There were three contracted vendors during the audit period; the unit did not perform procedures to ensure the vendors were not excluded or disqualified.

During the 2021 school year, The School Corporation did not have adequate internal controls in place to ensure the Cooperative complied with the suspension and debarment requirements. The Special Education Director obtained suspension and debarment certifications for contracted vendors over \$25,000 without an oversight or review process.

The lack of controls and noncompliance related to procurement were isolated to school year 2020. The lack of controls related to suspension and debarment were systemic throughout the audit period; however, the noncompliance was isolated to school year 2020.

Identification as a repeat finding: No.

(Continued)

BENTON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the period of July 1, 2019 to June 30, 2021

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

FINDING 2021-001 (Continued)

Recommendation: We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

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

CORRECTIVE ACTION PLAN

FINDING 2021-001

Contact Person Responsible for Corrective Action: Dr. Scott Van Der Aa, Tracy Albertson & Patti Kem
Contact Phone Number: 765-884-0850

Views of Responsible Official:

The School Corporation is a small governmental unit and management has determined that the cost of employing additional staff necessary to properly segregate duties would outweigh the benefits of a stronger internal control system. Management acknowledges and assumes the risks inherent with the current design of the corporation’s internal control processes.

Description of Corrective Action Plan:

Cooperative School Services will implement the attached form to ensure oversight and review on vendors for Suspension and Debarment. The documents will be reviewed and signed off by at least two Cooperative School Services officials.

Anticipated Completion Date: March 1, 2023

Responsible Party Overseeing Completion Date: Patti Kem, Director of Cooperative School Services.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2019-001

Subject: Financial Transactions and Reporting
Audit Finding: Material Weakness

Condition and Context: There were deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. The School Corporation had not established a system of internal control or separated incompatible activities related to receipts and other financing sources and uses.

Receipts

The School Corporation did not have effective controls in place to ensure that receipts were properly recorded and reported in the financial statement. Receipts were recorded based on deposits without a review or approval process.

Other Financing Sources and Uses

The School Corporation did not have effective controls in place to ensure that transfers were properly recorded and reported in the financial statement. Transfers were recorded without a review or approval process.

Status: Resolved.

FINDING 2019-002

Subject: Child Nutrition Cluster - Internal Controls
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY2018, FY2019
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Eligibility, Program Income, Special Test and Provisions - School Food Accounts
Audit Finding: Material Weakness

Condition and Context: An effective internal control system, which would include segregation of duties, was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the following compliance requirements: Eligibility, Program Income, and Special Test and Provisions - School Food Accounts.

Eligibility

The School Corporation used a food software program to store, manage, and automatically make the eligibility determinations dependent upon the information entered into the software by the parents, guardians, or food service employees.

The School Corporation did not have a proper system of oversight or review to ensure that the federal income guidelines entered into the software program were accurate for fiscal years 2017-2018 and 2018-2019.

Program Income

The Treasurer made transfers from the Prepaid Lunch fund to the School Lunch fund based on income reports obtained from the food service software. There was no review or oversight to ensure that the correct amounts were transferred from the Prepaid Lunch fund to the School Lunch fund.

Special Test and Provisions - School Food Accounts

The Treasurer transferred the indirect costs from the School Lunch fund to the General fund without a review or oversight to ensure that the correct amounts were transferred. The lack of controls was a systemic issue throughout the audit period.

Status: Resolved.

FINDING 2019-003

Subject: Special Education Cluster (IDEA) - Allowable Costs/Cost Principles

Federal Agency: Department of Education

Federal Programs: Special Education Grants to States, Special Education Preschool Grants

CFDA Numbers: 84.027, 81.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14216-049-PN01, 14217-049-PN01, 18619-049-PN01, 45716-049-PN01

45717-049-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Significant Deficiency, Other Matters

Condition and Context: An effective internal control system, which would include segregation of duties, was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

The Cooperative School Services (Cooperative) requested reimbursement from the School Corporation, as a member school corporation of the Cooperative, for payroll costs related to speech therapist services at the School Corporation. Personnel activity reports or equivalents were not maintained for the portion of the speech therapists' salaries and related costs paid from the grant. The Cooperative paid each member school corporation based on its grant budgets for speech therapists, which did not properly document time attributable to the grant. The total expenditures that were reimbursed to the Cooperative without proper supporting documentation was \$36,446.

Federal Award Number 45716-049-PN01 was a federal award from a previous year that was tested during the current audit period. Because this was a federal award from a previous year, no receipts occurred during the audit period and will not be located on the Schedule of Expenditures of Federal awards for the current audit period.

The lack of controls and noncompliance were isolated to the speech therapist services during the audit period.

Status: Resolved

FINDING 2019-004

Subject: Special Education Cluster (IDEA) - Earmarking

Federal Agency: Department of Education

Federal Programs: Special Education Grants to States, Special Education Preschool Grants

CFDA Numbers: 84.027, 81.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14216-049-PN01, 14217-049-PN01, 18619-049-PN01, 45716-049-PN01, 45717-049-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Matching, Level of Effort, Earmarking

Audit Findings: Significant Deficiency, Other Matters

Condition and Context: An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the earmarking requirements of the Matching, Level of Effort, Earmarking compliance requirement.

The Cooperative School Services (Cooperative) requested reimbursement from the School Corporation, as a member school corporation of the Cooperative, for payroll costs related to speech therapist services at the School Corporation. Personnel activity reports or equivalents were not maintained for the portion of the speech therapists' salaries and related costs paid from the grant. The Cooperative paid each member school corporation based on its grant budgets for speech therapists, which did not properly document time attributable to the grant.

Federal Award Number 45716-049-PN01 was a federal award from a previous year that was tested during the current audit period. Because this was a federal award from a previous year, no receipts occurred during the audit period and will not be located on the Schedule of Expenditures of Federal Awards for the current audit period.

The lack of controls and noncompliance were isolated to the speech therapist services during the audit period.

Status: Resolved