



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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March 16, 2023

To: The Officials of South Henry School Corporation  
South Henry School Corporation  
6972 S. State Road 103  
Straughn, IN 47387

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of South Henry School Corporation. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period July 1, 2020 to June 30, 2022. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly, in all material respects, the cash and investment balances of the School Corporation as of June 30, 2022, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2020 to June 30, 2022 in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

We call your attention to the findings included in the report on pages 40 through 44. Please see the Schedule of Findings and Questioned Costs for complete details related to the finding. Management's Corrective Action Plan appears on pages 45 through 47.

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

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

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

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

Tammy R. White, CPA  
Deputy State Examiner

**SOUTH HENRY SCHOOL CORPORATION**  
Henry County, Indiana

**FINANCIAL STATEMENT**  
As of June 30, 2022, and for the  
period of July 1, 2020 through June 30, 2022

SOUTH HENRY SCHOOL CORPORATION  
Henry County, Indiana

FINANCIAL STATEMENT  
As of June 30, 2022, and for the  
period of July 1, 2020 through June 30, 2022

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SOUTH HENRY SCHOOL CORPORATION  
SCHEDULE OF OFFICIALS (Unaudited)  
For the period July 1, 2020 through June 30, 2022

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<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Amy Milner	07-01-20 to 06-30-22
Superintendent of Schools	Jeremy Duncan	07-01-20 to 06-30-22
President of the School Board	Casey Carmichael Beth Carr	07-01-20 to 12-31-20 01-01-21 to 06-30-22

## INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance  
South Henry School Corporation  
Henry County, Indiana

**Report on the Audit of the Financial Statement*****Opinions***

We have audited the accompanying statement of receipts, disbursements, other financing sources (uses) and cash and investment balances of South Henry School Corporation (the School Corporation) as of June 30, 2022 and for the period of July 1, 2020 to June 30, 2022, and the related notes to the financial statement.

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

In our opinion, the financial statement presents fairly, in all material respects, the cash and investment balances of the School Corporation as of June 30, 2022, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2020 to June 30, 2022 in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***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, 2022, or changes in net position for the period of July 1, 2020 to June 30, 2022.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the School Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1 to the financial statement, the financial statement is prepared by the School Corporation 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.

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(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 and pervasive.

### ***Responsibilities of Management for the Financial Statement***

Management is responsible for the preparation and fair presentation of the 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibilities for the Audit of the Financial Statement***

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statement that collectively comprise the School Corporation's financial statement. 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* is presented for purposes of additional analysis and are not a required part of the financial statement.

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(Continued)

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. The 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.

#### ***Other Information***

Management is responsible for the other information included with the financial statement. The other information comprises the Schedule of Officials, Other Information Schedules, and State Reporting Information, marked as unaudited on the table of contents, but does not include the financial statement and our auditor's report thereon. Our opinions on the financial statement does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statement, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statement, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

#### **Other Reporting Required by Governmental Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 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

Indianapolis, Indiana  
March 13, 2023

SOUTH HENRY SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),  
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
As of June 30, 2022 and for the period of July 1, 2020 through June 30, 2022

Fund	Cash and Investments 07-01-2020	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2021	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2022
Education	\$ 566,680	\$ 5,085,177	\$ 4,387,765	\$ (843,638)	\$ 420,454	\$ 5,141,673	\$ 4,485,275	\$ (678,700)	\$ 398,152
Debt Service	432,868	836,190	870,522	(48,878)	349,658	1,008,363	969,708	-	388,313
Retirement/Severance Bond Debt Service	67,789	64,873	95,489	-	37,173	36,364	77,970	-	(4,433)
Operations	709,377	1,285,033	1,983,736	688,300	698,974	1,361,377	2,093,202	593,700	560,849
Local Rainy Day	244,663	(1)	22,785	155,338	377,215	-	52,948	85,000	409,267
Elem. Constr. Common Schl	(28,849)	(1)	83,681	112,531	-	-	-	-	-
School Lunch	105,680	589,971	443,638	-	252,013	537,978	537,595	-	252,396
Curricular Materials Rental	47,645	88,068	96,590	48,878	88,001	4,772	24,484	-	68,289
Self-Insurance	299	6,050	5,669	-	680	60	-	-	740
Latchkey Program	(8,628)	4,120	12,048	-	(16,556)	3,826	11,993	-	(24,723)
Nra Foundation Grant	6,750	-	5,880	-	870	-	-	-	870
School Wellness Program	57	1,400	517	-	940	2,560	455	-	3,045
United Way Grant- Summer School 2021	-	3,633	3,633	-	-	-	-	-	-
Educational License Plates	57	55	94	-	18	37	-	-	55
Donations	1,000	-	1,000	-	-	250	-	-	250
H.S. Extra Curr. Activity	1,541	14,382	14,611	-	1,312	16,052	17,480	-	(116)
Elem. Extra Curr. Activ.	87	-	49	-	38	185	345	-	(122)
High School Scholarship Fund	-	-	-	-	-	4,000	3,651	-	349
Formative Assessment	2,102	7,442	2,102	-	7,442	9,018	14,365	-	2,095
Early Childhood Interve	2,890	1,907	2,890	-	1,907	788	893	-	1,802
Medicaid Reimbursement	5,048	17,715	7,728	-	15,035	11,323	1,333	-	25,025
Secured Schools Safety Grant	(21,563)	22,356	20,261	-	(19,468)	22,356	24,093	-	(21,205)
Acs Hach Prof. Dev. Grant	-	-	-	-	-	1,500	1,500	-	-
2017/21 Lilly Grant	32,791	(1)	20,195	-	12,595	-	11,537	-	1,058
Career And Technical Performance Grant	262	(1)	261	-	-	-	-	-	-
Performance Awards	-	27,233	27,233	-	-	26,234	26,234	-	-
High Ability Students	7,314	22,210	27,540	-	1,984	24,253	21,609	-	4,628
State Connectivity Grant	8,521	11,864	9,511	-	10,874	12,760	13,337	-	10,297
Project Lead The Way	-	6,300	5,100	-	1,200	1,900	3,100	-	-
College Go Grant	1,000	-	1,000	-	-	-	-	-	-
Title I 2020/21	-	75,376	85,243	-	(9,867)	47,017	37,150	-	-
Title I 21-22	-	-	-	-	-	69,486	75,148	-	(5,662)
Title I 2019/20	(7,213)	16,255	9,042	-	-	-	-	-	-
Title Iv 21-22	-	-	-	-	-	200	200	-	-
Title Iv 2019/20	(1,408)	2,758	1,350	-	-	-	-	-	-
Title Iv 2020-21	-	200	200	-	-	9,800	9,800	-	-
Title Ii 2021/22	-	-	-	-	-	14,822	14,822	-	-
Title Ii 2020-/21	-	13,091	16,102	-	(3,011)	3,813	802	-	-
ESSER III	-	-	38,263	-	(38,263)	403,266	383,965	-	(18,962)
ESSER II	-	-	221,427	-	(221,427)	318,308	96,881	-	-
Governor's Emergency Education Relief (GEER)	-	45,119	55,024	-	(9,905)	84,114	80,937	-	(6,728)
ESSER I	-	81,945	90,370	-	(8,425)	27,860	19,435	-	-

(Continued)

SOUTH HENRY SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),  
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
As of June 30, 2022 and for the period of July 1, 2020 through June 30, 2022

Fund	Cash and Investments 07-01-2020	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2021	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2022
Prepaid Foods	\$ 2,729	\$ 12,906	\$ 5,736	\$ -	\$ 9,899	\$ 19,043	\$ 28,415	\$ -	\$ 527
Federal Tax	-	294,019	294,019	-	-	290,313	290,313	-	-
Teaching Fica	122	205,726	205,726	-	122	209,528	209,550	-	100
Non-Teaching Fica	51	68,203	68,203	-	51	75,674	75,674	-	51
State Tax	5,741	116,727	114,591	-	7,877	120,685	121,463	-	7,099
County Tax	8,145	58,650	57,542	-	9,253	62,382	62,555	-	9,080
T R F	370	72,236	72,318	-	288	80,039	80,039	-	288
P E R F	91	16,647	16,647	-	91	19,572	19,572	-	91
Ecist-Health Ins.	24,307	187,059	197,005	-	14,361	234,552	222,671	-	26,242
Afa 403-B/Pre-Tax	4,504	17,725	17,743	-	4,486	8,645	8,699	-	4,432
Ecist/Ins. Post Tax	586	7,515	7,420	-	681	6,226	6,468	-	439
Vision Ins. Post Tax	19	231	221	-	29	87	116	-	-
Dental Ins. Post Tax	180	2,301	2,281	-	200	1,878	1,949	-	129
Garnishments	-	4,771	4,697	-	74	2,192	2,266	-	-
Aflac Pre-Tax	192	367	367	-	192	349	366	-	175
Afa Post Tax Cancer	56	600	618	-	38	1,100	1,089	-	49
Life/February	-	1	1	-	-	1	1	-	-
Valic 403-B/Pre-Tax	-	4,851	4,120	-	731	15,242	14,168	-	1,805
Afa Pre Tax Cancer	754	14,031	13,994	-	791	13,678	13,967	-	502
Ltd/February	-	819	819	-	-	846	846	-	-
Afa N/R Medical	1,634	7,633	7,400	-	1,867	7,266	7,400	-	1,733
Supplemental Life	(97)	1,838	1,460	-	281	917	1,123	-	75
S.H. Scholarship	-	5,454	294	-	5,160	4,176	9,272	-	64
Afa /Health Sav. Acct.	-	7,725	7,735	-	(10)	10,087	9,937	-	140
Texas Life Insurance	685	7,570	7,229	-	1,026	8,975	7,942	-	2,059
Valic Roth (403-B)/Post-Tax	165	6,590	6,371	-	384	9,735	9,012	-	1,107
Afa Critical Illness	169	1,412	1,486	-	95	1,412	1,455	-	52
Afa Accident	6	5,008	4,605	-	409	6,462	6,606	-	265
Afa Disability	58	5,345	4,996	-	407	5,473	5,675	-	205
Afa Life Ins.	1,085	9,206	9,836	-	455	7,145	7,327	-	273
Afa Medical	-	-	-	-	-	1,813	1,741	-	72
Ed. Jones 403-B/Pre-Tax	-	19,065	17,455	-	1,610	11,160	12,335	-	435
Ed. Jones Roth (403-B)/Post-Tax	-	10,008	9,637	-	371	9,376	9,356	-	391
<b>Totals</b>	<b>\$ 2,228,312</b>	<b>\$ 9,502,958</b>	<b>\$ 9,831,121</b>	<b>\$ 112,531</b>	<b>\$ 2,012,680</b>	<b>\$ 10,452,344</b>	<b>\$ 10,361,615</b>	<b>\$ -</b>	<b>\$ 2,103,409</b>

See notes to financial statement.

SOUTH HENRY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2022, and for the period July 1, 2020 through June 30, 2022

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**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.

*Temporary loans.* Amounts received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

*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.

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(Continued)

SOUTH HENRY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2022, and for the period July 1, 2020 through June 30, 2022

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

*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.

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:

*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.

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(Continued)

SOUTH HENRY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2022, and for the period July 1, 2020 through June 30, 2022

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

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

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(Continued)

#### **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.

#### **NOTE 6 - CASH BALANCE DEFICITS**

The financial statement contain 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. The deficit in the AFA/Health Savings Account at June 30, 2021, was the result of disbursements exceeding receipts due to under-estimating current requirements for some funds. This deficit was prepaid from receipts in fiscal year 2022. The deficits in the Retirement/Severance Bond Debt Service, the High School Extra Curricular Activity and the Elementary Extra Curricular Activity funds were the result of disbursements exceeding receipts due to under-estimating current requirements. These deficits are to be prepaid from future receipts.

#### **NOTE 7 - HOLDING CORPORATION**

The School Corporation has entered into a capital lease with the South Henry 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, 2020 to June 30, 2021 totaled \$404,430. Lease payments for the period July 1, 2021 to June 30, 2022 totaled \$404,930.

#### **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.

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(Continued)

**NOTE 8 - PENSION PLANS** (Continued)

*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.

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.

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(Continued)

SOUTH HENRY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2022, and for the period July 1, 2020 through June 30, 2022

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**NOTE 8 - PENSION PLANS** (Continued)

*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 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 – SUBSEQUENT EVENTS**

In November 2022, the Holding Corporation closed on the Ad Valorem Property Tax First Mortgage Bonds, Series 2022 in the amount of \$3,640,000. The School Corporation is the lessee of the bonds, and the proceeds will be used to pay the cost of certain improvements to facilities of the South Henry School Corporation.

**SUPPLEMENTARY INFORMATION**

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

	Education	Debt Service	Retirement/Severance Bond Debt Service	Operations	Local Rainy Day	Elem. Constr. Common Schl	School Lunch	Curricular Materials Rental	Self-Insurance	Latchkey Program	Nra Foundation Grant
Cash and investments - beginning	\$ 566,680	\$ 432,868	\$ 67,789	\$ 709,377	\$ 244,663	\$ (28,849)	\$ 105,680	\$ 47,645	\$ 299	\$ (8,628)	\$ 6,750
Receipts:											
Local sources	48,555	836,190	64,873	1,278,213	(1)	(1)	59,750	61,326	6,050	4,120	-
Intermediate sources	-	-	-	88	-	-	-	-	-	-	-
State sources	5,036,622	-	-	-	-	-	3,359	26,742	-	-	-
Federal sources	-	-	-	-	-	-	526,862	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	6,732	-	-	-	-	-	-	-
Total receipts	5,085,177	836,190	64,873	1,285,033	(1)	(1)	589,971	88,068	6,050	4,120	-
Disbursements:											
Instruction	3,399,155	-	-	-	-	-	-	-	-	-	-
Support services	798,202	-	-	1,809,750	21,060	-	45,015	96,590	5,669	-	5,880
Noninstructional services	190,408	-	-	-	-	-	398,623	-	-	12,048	-
Facilities acquisition and construction	-	-	-	104,868	1,725	83,681	-	-	-	-	-
Debt services	-	870,522	95,489	69,118	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	4,387,765	870,522	95,489	1,983,736	22,785	83,681	443,638	96,590	5,669	12,048	5,880
Excess (deficiency) of receipts over disbursements	697,412	(34,332)	(30,616)	(698,703)	(22,786)	(83,682)	146,333	(8,522)	381	(7,928)	(5,880)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	112,531	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	688,300	155,338	-	-	48,878	-	-	-
Transfers out	(843,638)	(48,878)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(843,638)	(48,878)	-	688,300	155,338	112,531	-	48,878	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(146,226)	(83,210)	(30,616)	(10,403)	132,552	28,849	146,333	40,356	381	(7,928)	(5,880)
Cash and investments - ending	\$ 420,454	\$ 349,658	\$ 37,173	\$ 698,974	\$ 377,215	\$ -	\$ 252,013	\$ 88,001	\$ 680	\$ (16,556)	\$ 870

(Continued)

SOUTH HENRY 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

	School Wellness Program	United Way Grant- Summer School 2021	Educational License Plates	Donations	H.S. Extra Curr. Activity	Elem. Extra Curr. Activ.	High School Scholarship Fund	Formative Assessment	Early Childhood Interve	Medicaid Reimbursement	Secured Schools Safety Grant
Cash and investments - beginning	\$ 57	\$ -	\$ 57	\$ 1,000	\$ 1,541	\$ 87	\$ -	\$ 2,102	\$ 2,890	\$ 5,048	\$ (21,563)
Receipts:											
Local sources	1,400	-	-	-	14,382	-	-	-	-	-	-
Intermediate sources	-	3,633	55	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	7,442	1,907	17,715	22,356
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	1,400	3,633	55	-	14,382	-	-	7,442	1,907	17,715	22,356
Disbursements:											
Instruction	-	920	-	1,000	14,611	49	-	-	2,890	-	-
Support services	517	2,713	94	-	-	-	-	2,102	-	7,728	20,261
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	517	3,633	94	1,000	14,611	49	-	2,102	2,890	7,728	20,261
Excess (deficiency) of receipts over disbursements	883	-	(39)	(1,000)	(229)	(49)	-	5,340	(983)	9,987	2,095
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	883	-	(39)	(1,000)	(229)	(49)	-	5,340	(983)	9,987	2,095
Cash and investments - ending	\$ 940	\$ -	\$ 18	\$ -	\$ 1,312	\$ 38	\$ -	\$ 7,442	\$ 1,907	\$ 15,035	\$ (19,468)

(Continued)

SOUTH HENRY 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

	Acs Hach Prof. Dev. Grant	2017/21 Lilly Grant	Career And Technical Performance Grant	Performance Awards	High Ability Students	State Connectivity Grant	Project Lead The Way	College Go Grant	Title I 2020/21	Title I 21-22	Title I 2019/20
Cash and investments - beginning	\$ -	\$ 32,791	\$ 262	\$ -	\$ 7,314	\$ 8,521	\$ -	\$ 1,000	\$ -	\$ -	\$ (7,213)
Receipts:											
Local sources	-	(1)	(1)	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	27,233	22,210	11,864	6,300	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	75,376	-	16,255
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	(1)	(1)	27,233	22,210	11,864	6,300	-	75,376	-	16,255
Disbursements:											
Instruction	-	-	261	27,233	27,540	-	-	1,000	85,243	-	9,042
Support services	-	20,195	-	-	-	9,511	5,100	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	20,195	261	27,233	27,540	9,511	5,100	1,000	85,243	-	9,042
Excess (deficiency) of receipts over disbursements	-	(20,196)	(262)	-	(5,330)	2,353	1,200	(1,000)	(9,867)	-	7,213
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	-	(20,196)	(262)	-	(5,330)	2,353	1,200	(1,000)	(9,867)	-	7,213
Cash and investments - ending	\$ -	\$ 12,595	\$ -	\$ -	\$ 1,984	\$ 10,874	\$ 1,200	\$ -	\$ (9,867)	\$ -	\$ -

(Continued)

SOUTH HENRY 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 21-22	Title Iv 2019/20	Title Iv 2020-21	Title li 2020-/21	Title II 2021/22	ESSER III	ESSER II	Governor's Emergency Education Relief (GEER)	ESSER I	Prepaid Lunch Deposits	Federal Tax
Cash and investments - beginning	\$ -	\$ (1,408)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,729	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	12,906	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	2,758	200	13,091	-	-	-	45,119	81,945	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	294,019
Total receipts	-	2,758	200	13,091	-	-	-	45,119	81,945	12,906	294,019
Disbursements:											
Instruction	-	1,350	200	16,102	-	20,229	-	-	49,862	-	-
Support services	-	-	-	-	-	18,034	221,427	55,024	40,508	5,736	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	294,019
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	1,350	200	16,102	-	38,263	221,427	55,024	90,370	5,736	294,019
Excess (deficiency) of receipts over disbursements	-	1,408	-	(3,011)	-	(38,263)	(221,427)	(9,905)	(8,425)	7,170	-
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	1,408	-	(3,011)	-	(38,263)	(221,427)	(9,905)	(8,425)	7,170	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (3,011)	\$ -	\$ (38,263)	\$ (221,427)	\$ (9,905)	\$ (8,425)	\$ 9,899	\$ -

(Continued)

SOUTH HENRY 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

	Teaching Fica	Non-Teaching Fica	State Tax	County Tax	T R F	P E R F	Ecist-Health Ins.	Afa 403-B/Pre-Tax	Ecist/Ins. Post Tax	Vision Ins. Post Tax	Dental Ins. Post Tax
Cash and investments - beginning	\$ 122	\$ 51	\$ 5,741	\$ 8,145	\$ 370	\$ 91	\$ 24,307	\$ 4,504	\$ 586	\$ 19	\$ 180
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	205,726	68,203	116,727	58,650	72,236	16,647	187,059	17,725	7,515	231	2,301
Total receipts	205,726	68,203	116,727	58,650	72,236	16,647	187,059	17,725	7,515	231	2,301
Disbursements:											
Instruction	-	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	205,726	68,203	114,591	57,542	72,318	16,647	197,005	17,743	7,420	221	2,281
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	205,726	68,203	114,591	57,542	72,318	16,647	197,005	17,743	7,420	221	2,281
Excess (deficiency) of receipts over disbursements	-	-	2,136	1,108	(82)	-	(9,946)	(18)	95	10	20
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	-	-	2,136	1,108	(82)	-	(9,946)	(18)	95	10	20
Cash and investments - ending	\$ 122	\$ 51	\$ 7,877	\$ 9,253	\$ 288	\$ 91	\$ 14,361	\$ 4,486	\$ 681	\$ 29	\$ 200

(Continued)

SOUTH HENRY 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

	Garnishments	Aflac Pre-Tax	Afa Post Tax Cancer	Life/February	Valic 403-B/Pre- Tax	Afa Pre Tax Cancer	Ltd/February	Afa N/R Medical	Supplemental Life	S.H. Scholarship	Afa /Health Sav. Acct.
Cash and investments - beginning	\$ -	\$ 192	\$ 56	\$ -	\$ -	\$ 754	\$ -	\$ 1,634	\$ (97)	\$ -	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	4,771	367	600	1	4,851	14,031	819	7,633	1,838	5,454	7,725
Total receipts	4,771	367	600	1	4,851	14,031	819	7,633	1,838	5,454	7,725
Disbursements:											
Instruction	-	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	4,697	367	618	1	4,120	13,994	819	7,400	1,460	294	7,735
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	4,697	367	618	1	4,120	13,994	819	7,400	1,460	294	7,735
Excess (deficiency) of receipts over disbursements	74	-	(18)	-	731	37	-	233	378	5,160	(10)
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	74	-	(18)	-	731	37	-	233	378	5,160	(10)
Cash and investments - ending	\$ 74	\$ 192	\$ 38	\$ -	\$ 731	\$ 791	\$ -	\$ 1,867	\$ 281	\$ 5,160	\$ (10)

(Continued)

SOUTH HENRY 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

	Texas Life Insurance	Valic Roth (403-B)/Post-Tax	Afa Critical Illness	Afa Accident	Afa Disability	Afa Life Ins.	Afa Medical	Ed. Jones 403-B/Pre-Tax	Ed. Jones Roth (403-B)/Post-Tax	Totals
Cash and investments - beginning	\$ 685	\$ 165	\$ 169	\$ 6	\$ 58	\$ 1,085	\$ -	\$ -	\$ -	\$ 2,228,312
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	2,387,761
Intermediate sources	-	-	-	-	-	-	-	-	-	3,776
State sources	-	-	-	-	-	-	-	-	-	5,183,750
Federal sources	-	-	-	-	-	-	-	-	-	761,606
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	7,570	6,590	1,412	5,008	5,345	9,206	-	19,065	10,008	1,166,065
Total receipts	7,570	6,590	1,412	5,008	5,345	9,206	-	19,065	10,008	9,502,958
Disbursements:										
Instruction	-	-	-	-	-	-	-	-	-	3,656,687
Support services	-	-	-	-	-	-	-	-	-	3,191,116
Noninstructional services	-	-	-	-	-	-	-	-	-	601,079
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	190,274
Debt services	-	-	-	-	-	-	-	-	-	1,035,129
Nonprogrammed charges	7,229	6,371	1,486	4,605	4,996	9,836	-	17,455	9,637	1,156,836
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	7,229	6,371	1,486	4,605	4,996	9,836	-	17,455	9,637	9,831,121
Excess (deficiency) of receipts over disbursements	341	219	(74)	403	349	(630)	-	1,610	371	(328,163)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	112,531
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	892,516
Transfers out	-	-	-	-	-	-	-	-	-	(892,516)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	112,531
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	341	219	(74)	403	349	(630)	-	1,610	371	(215,632)
Cash and investments - ending	\$ 1,026	\$ 384	\$ 95	\$ 409	\$ 407	\$ 455	\$ -	\$ 1,610	\$ 371	\$ 2,012,680

SOUTH HENRY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 July 1, 2021 through June 30, 2022

	Education	Debt Service	Retirement/Severance Bond Debt Service	Operations	Local Rainy Day	Elem. Constr. Common Schl	School Lunch	Curricular Materials Rental	Self-Insurance	Latchkey Program	Nra Foundation Grant
Cash and investments - beginning	\$ 420,454	\$ 349,658	\$ 37,173	\$ 698,974	\$ 377,215	\$ -	\$ 252,013	\$ 88,001	\$ 680	\$ (16,556)	\$ 870
Receipts:											
Local sources	33,156	1,008,363	36,364	1,352,596	-	-	85,109	4,772	60	3,826	-
Intermediate sources	82	-	-	-	-	-	-	-	-	-	-
State sources	5,108,435	-	-	-	-	-	4,644	-	-	-	-
Federal sources	-	-	-	-	-	-	448,225	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	8,781	-	-	-	-	-	-	-
Total receipts	5,141,673	1,008,363	36,364	1,361,377	-	-	537,978	4,772	60	3,826	-
Disbursements:											
Instruction	3,474,613	-	-	-	-	-	-	-	-	-	-
Support services	822,246	-	-	1,903,347	-	-	15,058	24,484	-	-	-
Noninstructional services	188,416	-	-	-	-	-	517,313	-	-	11,993	-
Facilities acquisition and construction	-	-	-	189,855	52,948	-	5,224	-	-	-	-
Debt services	-	969,708	77,970	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	4,485,275	969,708	77,970	2,093,202	52,948	-	537,595	24,484	-	11,993	-
Excess (deficiency) of receipts over disbursements	656,398	38,655	(41,606)	(731,825)	(52,948)	-	383	(19,712)	60	(8,167)	-
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	593,700	85,000	-	-	-	-	-	-
Transfers out	(678,700)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(678,700)	-	-	593,700	85,000	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(22,302)	38,655	(41,606)	(138,125)	32,052	-	383	(19,712)	60	(8,167)	-
Cash and investments - ending	\$ 398,152	\$ 388,313	\$ (4,433)	\$ 560,849	\$ 409,267	\$ -	\$ 252,396	\$ 68,289	\$ 740	\$ (24,723)	\$ 870

(Continued)

SOUTH HENRY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 July 1, 2021 through June 30, 2022

	School Wellness Program	United Way Grant- Summer School 2021	Educational License Plates	Donations	H.S. Extra Curr. Activity	Elem. Extra Curr. Activ.	High School Scholarship Fund	Formative Assessment	Early Childhood Interve	Medicaid Reimbursement	Secured Schools Safety Grant
Cash and investments - beginning	\$ 940	\$ -	\$ 18	\$ -	\$ 1,312	\$ 38	\$ -	\$ 7,442	\$ 1,907	\$ 15,035	\$ (19,468)
Receipts:											
Local sources	2,560	-	-	250	16,052	185	4,000	-	-	-	-
Intermediate sources	-	-	37	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	9,018	788	11,323	22,356
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	2,560	-	37	250	16,052	185	4,000	9,018	788	11,323	22,356
Disbursements:											
Instruction	-	-	-	-	17,480	345	-	-	893	-	-
Support services	455	-	-	-	-	-	3,651	14,365	-	1,333	24,093
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	455	-	-	-	17,480	345	3,651	14,365	893	1,333	24,093
Excess (deficiency) of receipts over disbursements	2,105	-	37	250	(1,428)	(160)	349	(5,347)	(105)	9,990	(1,737)
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	2,105	-	37	250	(1,428)	(160)	349	(5,347)	(105)	9,990	(1,737)
Cash and investments - ending	\$ 3,045	\$ -	\$ 55	\$ 250	\$ (116)	\$ (122)	\$ 349	\$ 2,095	\$ 1,802	\$ 25,025	\$ (21,205)

(Continued)

SOUTH HENRY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 July 1, 2021 through June 30, 2022

	Acs Hach Prof. Dev. Grant	2017/21 Lilly Grant	Career And Technical Performance Grant	Performance Awards	High Ability Students	State Connectivity Grant	Project Lead The Way	College Go Grant	Title I 2020/21	Title I 21-22	Title I 2019/20
Cash and investments - beginning	\$ -	\$ 12,595	\$ -	\$ -	\$ 1,984	\$ 10,874	\$ 1,200	\$ -	\$ (9,867)	\$ -	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	1,500	-	-	26,234	24,253	12,760	1,900	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	47,017	69,486	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	1,500	-	-	26,234	24,253	12,760	1,900	-	47,017	69,486	-
Disbursements:											
Instruction	1,500	-	-	26,234	21,609	-	3,100	-	37,150	69,748	-
Support services	-	11,537	-	-	-	13,337	-	-	-	5,400	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,500	11,537	-	26,234	21,609	13,337	3,100	-	37,150	75,148	-
Excess (deficiency) of receipts over disbursements	-	(11,537)	-	-	2,644	(577)	(1,200)	-	9,867	(5,662)	-
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	-	(11,537)	-	-	2,644	(577)	(1,200)	-	9,867	(5,662)	-
Cash and investments - ending	\$ -	\$ 1,058	\$ -	\$ -	\$ 4,628	\$ 10,297	\$ -	\$ -	\$ -	\$ (5,662)	\$ -

(Continued)

SOUTH HENRY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 July 1, 2021 through June 30, 2022

	Title Iv 21-22	Title Iv 2019/20	Title Iv 2020-21	Title li 2020-/21	Title II 2021/22	ESSER III	ESSER II	Governor's Emergency Education Relief (GEER)	ESSER I	Prepaid Lunch Deposits	Federal Tax
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (3,011)	\$ -	\$ (38,263)	\$ (221,427)	\$ (9,905)	\$ (8,425)	\$ 9,899	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	19,043	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	200	-	9,800	3,813	14,822	403,266	318,308	84,114	27,860	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	290,313
<b>Total receipts</b>	<b>200</b>	<b>-</b>	<b>9,800</b>	<b>3,813</b>	<b>14,822</b>	<b>403,266</b>	<b>318,308</b>	<b>84,114</b>	<b>27,860</b>	<b>19,043</b>	<b>290,313</b>
Disbursements:											
Instruction	-	-	9,800	802	14,822	110,261	-	-	8,636	-	-
Support services	200	-	-	-	-	273,704	96,881	80,937	10,799	28,415	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	290,313
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>200</b>	<b>-</b>	<b>9,800</b>	<b>802</b>	<b>14,822</b>	<b>383,965</b>	<b>96,881</b>	<b>80,937</b>	<b>19,435</b>	<b>28,415</b>	<b>290,313</b>
Excess (deficiency) of receipts over disbursements	-	-	-	3,011	-	19,301	221,427	3,177	8,425	(9,372)	-
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	3,011	-	19,301	221,427	3,177	8,425	(9,372)	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (18,962)	\$ -	\$ (6,728)	\$ -	\$ 527	\$ -

(Continued)

SOUTH HENRY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 July 1, 2021 through June 30, 2022

	Teaching Fica	Non-Teaching Fica	State Tax	County Tax	T R F	P E R F	Ecist-Health Ins.	Afa 403-B/Pre-Tax	Ecist/Ins. Post Tax	Vision Ins. Post Tax	Dental Ins. Post Tax
Cash and investments - beginning	\$ 122	\$ 51	\$ 7,877	\$ 9,253	\$ 288	\$ 91	\$ 14,361	\$ 4,486	\$ 681	\$ 29	\$ 200
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	209,528	75,674	120,685	62,382	80,039	19,572	234,552	8,645	6,226	87	1,878
Total receipts	209,528	75,674	120,685	62,382	80,039	19,572	234,552	8,645	6,226	87	1,878
Disbursements:											
Instruction	-	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	209,550	75,674	121,463	62,555	80,039	19,572	222,671	8,699	6,468	116	1,949
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	209,550	75,674	121,463	62,555	80,039	19,572	222,671	8,699	6,468	116	1,949
Excess (deficiency) of receipts over disbursements	(22)	-	(778)	(173)	-	-	11,881	(54)	(242)	(29)	(71)
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	(22)	-	(778)	(173)	-	-	11,881	(54)	(242)	(29)	(71)
Cash and investments - ending	\$ 100	\$ 51	\$ 7,099	\$ 9,080	\$ 288	\$ 91	\$ 26,242	\$ 4,432	\$ 439	\$ -	\$ 129

(Continued)

SOUTH HENRY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 July 1, 2021 through June 30, 2022

	Garnishments	Aflac Pre-Tax	Afa Post Tax Cancer	Life/February	Valic 403-B/Pre- Tax	Afa Pre Tax Cancer	Ltd/February	Afa N/R Medical	Supplemental Life	S.H. Scholarship	Afa /Health Sav. Acct.
Cash and investments - beginning	\$ 74	\$ 192	\$ 38	\$ -	\$ 731	\$ 791	\$ -	\$ 1,867	\$ 281	\$ 5,160	\$ (10)
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	2,192	349	1,100	1	15,242	13,678	846	7,266	917	4,176	10,087
Total receipts	2,192	349	1,100	1	15,242	13,678	846	7,266	917	4,176	10,087
Disbursements:											
Instruction	-	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	2,266	366	1,089	1	14,168	13,967	846	7,400	1,123	9,272	9,937
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	2,266	366	1,089	1	14,168	13,967	846	7,400	1,123	9,272	9,937
Excess (deficiency) of receipts over disbursements	(74)	(17)	11	-	1,074	(289)	-	(134)	(206)	(5,096)	150
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(74)	(17)	11	-	1,074	(289)	-	(134)	(206)	(5,096)	150
Cash and investments - ending	\$ -	\$ 175	\$ 49	\$ -	\$ 1,805	\$ 502	\$ -	\$ 1,733	\$ 75	\$ 64	\$ 140

(Continued)

SOUTH HENRY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 July 1, 2021 through June 30, 2022

	Texas Life Insurance	Valic Roth (403- B)/Post-Tax	Afa Critical Illness	Afa Accident	Afa Disability	Afa Life Ins.	Afa Medical	Ed. Jones 403- B/Pre-Tax	Ed. Jones Roth (403-B)/Post-Tax	Totals
Cash and investments - beginning	\$ 1,026	\$ 384	\$ 95	\$ 409	\$ 407	\$ 455	\$ -	\$ 1,610	\$ 371	\$ 2,012,680
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	2,566,336
Intermediate sources	-	-	-	-	-	-	-	-	-	119
State sources	-	-	-	-	-	-	-	-	-	5,223,211
Federal sources	-	-	-	-	-	-	-	-	-	1,426,911
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	8,975	9,735	1,412	6,462	5,473	7,145	1,813	11,160	9,376	1,235,767
Total receipts	8,975	9,735	1,412	6,462	5,473	7,145	1,813	11,160	9,376	10,452,344
Disbursements:										
Instruction	-	-	-	-	-	-	-	-	-	3,796,993
Support services	-	-	-	-	-	-	-	-	-	3,330,242
Noninstructional services	-	-	-	-	-	-	-	-	-	717,722
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	248,027
Debt services	-	-	-	-	-	-	-	-	-	1,047,678
Nonprogrammed charges	7,942	9,012	1,455	6,606	5,675	7,327	1,741	12,335	9,356	1,220,953
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	7,942	9,012	1,455	6,606	5,675	7,327	1,741	12,335	9,356	10,361,615
Excess (deficiency) of receipts over disbursements	1,033	723	(43)	(144)	(202)	(182)	72	(1,175)	20	90,729
Other financing sources (uses)										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	678,700
Transfers out	-	-	-	-	-	-	-	-	-	(678,700)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,033	723	(43)	(144)	(202)	(182)	72	(1,175)	20	90,729
Cash and investments - ending	\$ 2,059	\$ 1,107	\$ 52	\$ 265	\$ 205	\$ 273	\$ 72	\$ 435	\$ 391	\$ 2,103,409

SOUTH HENRY SCHOOL CORPORATION  
SCHEDULE OF PAYABLES AND RECEIVABLES  
June 30, 2022

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<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 337,279	\$ 801,554

SOUTH HENRY SCHOOL CORPORATION  
SCHEDULE OF LEASES AND DEBT  
June 30, 2022

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	Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
<u>Type</u>	<u>Purpose</u>		
Governmental activities:			
General Obligation Bonds	2015 General Obligation Bond	\$ 630,000	\$ 630,000
Notes and Loans Payable	2021 Equipment Loan with US Bancorp	236,035	236,035
Notes and Loans Payable	Bus Loan with US Bancorp	273,778	273,778
Notes and Loans Payable	Chromebook Loan with US Bancorp	99,758	99,758
Notes and Loans Payable	Common School Loans	1,520,832	1,520,832
Notes and Loans Payable	Holding Co - Public & Private	1,110,000	1,110,000
Notes and Loans Payable	QSCB Loan	<u>1,137,000</u>	<u>1,137,000</u>
	Total governmental activities	<u>5,007,403</u>	<u>5,007,403</u>
Totals		<u>\$ 5,007,403</u>	<u>\$ 5,007,403</u>

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SOUTH HENRY SCHOOL CORPORATION  
SCHEDULE OF CAPITAL ASSETS  
June 30, 2022

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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	\$ 24,000
Buildings	4,884,940
Improvements other than buildings	4,034,397
Machinery, equipment, and vehicles	<u>2,353,104</u>
Total governmental activities	<u>11,296,441</u>
Total capital assets	<u>\$ 11,296,441</u>

SOUTH HENRY SCHOOL CORPORATION  
STATE REPORTING INFORMATION  
July 1, 2020 - June 30, 2022

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*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.

SOUTH HENRY SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Years Ended June 30, 2021 and 2022

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 06-30-21	Total Federal Awards Expended 06-30-22	Total Federal Awards Expended 07-01-2021 to 06-30-22
<u>Department of Agriculture</u>						
Child Nutrition Cluster						
Child Nutrition Cluster						
Indiana Department of Education						
School Breakfast Program		10.553	FY2021, FY2022	\$ 76,432	\$ 126,951	203,383
School Lunch Program		10.555	FY2021, FY2022	451,452	313,210	764,662
Summer Food Service Program for Children		10.559	FY2021, FY2022	-	7,712	7,712
Commodities		10.555	FY2021, FY2022	32,000	43,441	75,441
Total - Child Nutrition Cluster				<u>559,884</u>	<u>491,314</u>	<u>1,051,198</u>
Child and Adult Care Food Program						
Indiana Department of Education						
Supper Program		10.558	FY2021, FY2022	1,539	353	1,892
Total - Child and Adult Care Food Program				<u>1,539</u>	<u>353</u>	<u>1,892</u>
Child Nutrition Discretionary Grants						
Indiana Department of Education						
Child Nutrition Discretionary Grants		10.579	FY2022	-	30,000	30,000
Pandemic EBT Food Benefits						
Indiana Department of Education						
School PEBT Program		10.542	NA	-	4,393	4,393
Total - Pandemic EBT Food Benefits				<u>-</u>	<u>4,393</u>	<u>4,393</u>
Total - Department of Agriculture				<u>561,423</u>	<u>526,060</u>	<u>1,087,483</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	20611-040-PN01	72,453	-	72,453
Special Ed-Part B		84.027	21611-040-PN01	111,455	-	111,455
Special Ed-Part B		84.027	21611-040-PN01	-	152,307	152,307
Special Ed-Part B		84.027	22611-040-PN01	-	59,188	59,188
Total - Special Education Grants to States				<u>183,908</u>	<u>211,495</u>	<u>395,403</u>
Special Education Preschool Grants						
Indiana Department of Education						
Special Ed Preschool		84.173	20619-040-PN01	2,530	-	2,530
Special Ed Preschool		84.173	21619-040-PN01	5,354	5,030	10,384
Special Ed Preschool		84.173	22609-040-PN01	-	5,275	5,275
Total - Special Education Preschool Grants				<u>7,884</u>	<u>10,305</u>	<u>18,189</u>
Total - Special Education Cluster(IDEA)				<u>191,792</u>	<u>221,800</u>	<u>413,592</u>

(Continued)

SOUTH HENRY SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Years Ended June 30, 2021 and 2022

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 06-30-21	Total Federal Awards Expended 06-30-22	Total Federal Awards Expended 07-01-2021 to 06-30-22
Title I Grants to Local Education Agencies						
Title I, Part A	Indiana Department of Education					
Title I, Part A		84.010	S010A190014	\$ 16,255	\$ -	\$ 16,255
Title I, Part A		84.010	S010A200014	75,376	47,017	122,393
Title I, Part A		84.010	S010A210014	-	69,486	69,486
Total - Title I Grants to LEA				<u>91,631</u>	<u>116,503</u>	<u>208,134</u>
Title II Supporting Effective Instruction State Grants						
Title II, Part A	Indiana Department of Education					
Title II, Part A		84.367	S367A200013	13,091	3,813	16,904
Title II, Part A		84.367	S367A210013	-	14,822	14,822
Total - Title II Supporting Effective Instruction State Grants				<u>13,091</u>	<u>18,635</u>	<u>31,726</u>
Title IV Student Support and Academic Enrichment Program						
Title IV Part A	Indiana Department of Education					
Title IV Part A		84.424	S424A190015	2,758	-	2,758
Title IV Part A		84.424	S424A200015	200	9,800	10,000
Title IV Part A		84.424	S424A210015	-	200	200
Total - Title IV Student Support and Academic Enrichment Program				<u>2,958</u>	<u>10,000</u>	<u>12,958</u>
COVID-19 Education Stabilization Fund						
Governor's Emergency Education Relief (GEER) Fund	Indiana Department of Education					
Elementary and Secondary School Emergency Relief (ESSER I) Fund		84.425C	46394	45,119	84,114	129,233
Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D	S424D200013	81,945	27,860	109,805
Elementary and Secondary School Emergency Relief (ESSER III) Fund		84.425D	S425D200013	-	315,782	315,782
Elementary and Secondary School Emergency Relief (ESSER III) Fund		84.425U	S425U200013	-	403,266	403,266
Total - COVID-19 Education Stabilization Fund				<u>127,064</u>	<u>831,022</u>	<u>958,086</u>
Total - Department of Education				<u>426,536</u>	<u>1,197,960</u>	<u>1,624,496</u>
Department of Homeland Security						
Disaster Grants - Public Assistance	Indiana Department of Education					
		97.036	N/A	-	24,620	24,620
Total - Disaster Grants - Public Assistance				<u>-</u>	<u>24,620</u>	<u>24,620</u>
Total - Department of Homeland Security				<u>-</u>	<u>24,620</u>	<u>24,620</u>
Total federal awards expended				<u>\$ 987,959</u>	<u>\$ 1,748,640</u>	<u>\$ 2,736,599</u>

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

SOUTH HENRY SCHOOL CORPORATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Period of July 1, 2020 through June 30, 2022

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**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, 2020 to June 30, 2022. 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 - OTHER INFORMATION**

The School Corporation did not have any subrecipient activity for the period July 1, 2020 to June 30, 2022.

**NOTE 4 – SPECIAL EDUCATION COOPERATIVE (ALN: 84.027, 84.173)**

The School Corporation is a member of the New Castle Area Program for Exceptional Children 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.

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  
South Henry School Corporation  
Henry County, Indiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of South Henry School Corporation (the "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, 2022 and for the period July 1, 2020 to June 30, 2022 and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement, and have issued our report thereon dated March 13, 2023.

#### **Report on 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 2022-001 that we consider to be a material weakness.

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(Continued)

## Report on 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*.

## School Corporation's Response to the Finding

*Government Auditing Standards* requires the auditor to perform limited procedures on the School Corporation's response to the finding identified in our audit and described in the accompanying *schedule of findings and questioned cost*. The School Corporation's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## 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  
March 13, 2023

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

Those Charged with Governance  
South Henry School Corporation  
Henry County, Indiana

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited South Henry School Corporation's (School Corporation) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the School Corporation's major federal programs for the period of July 1, 2020 to June 30, 2022. 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.

In our opinion, the School Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2020 to June 30, 2022.

***Basis for Opinion on Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School Corporation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal programs. Our audit does not provide a legal determination of the School Corporation's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the School Corporation's federal programs.

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(Continued)

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School Corporation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School Corporation's compliance with the requirements of the major federal programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the School Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the School Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

*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 a 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-002 and 2022-003 to be material weaknesses.

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(Continued)

*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 audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the School Corporation's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The School Corporation's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

*Crowe LLP*  
Crowe LLP

Indianapolis, Indiana  
March 13, 2023

PIONEER REGIONAL SCHOOL CORPORATION  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 July 1, 2020 to June 30, 2022

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**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

***Federal Awards***

Internal control over major programs			
Material weakness(es) identified?	<u>  X  </u>	Yes	_____ No
Significant deficiencies identified not considered to be material weaknesses?	_____	Yes	<u>  X  </u> None Reported
Type of auditor’s report issued on compliance for major programs	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	<u>  X  </u>	Yes	_____ No

Identification of major programs

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.559	Child Nutrition Cluster
84.425C, 84.425D, 84.425U	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)

SOUTH HENRY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2020 through June 30, 2022

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**Section II – Financial Statement Findings**

**FINDING 2022-001**

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 reproduce here for reference purposes:  
. . .

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

2 CFR 200.508 states in part:

"The auditee must: . . .

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

2 CFR 200.510(b) states:

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

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

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(Continued)

SOUTH HENRY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2020 through June 30, 2022

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**Section II – Financial Statement Findings** (Continued)

**FINDING 2022-001** (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 CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.

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

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

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

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

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

**Context:** The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. The SEFA was reviewed prior to submission. However, it was not reviewed in enough detail to prevent the following errors that resulted in the net overstatement of the total federal awards expended on the SEFA by \$148,607 for the period July 1, 2020, through June 30, 2022:

1. The Child Nutrition Cluster was understated by \$79,858
2. The Child Nutrition Discretionary Grants were understated by \$30,000
3. The Title I, Part A funds were understated by \$14,780
4. The Title II, Part A funds were understated by \$2,715
5. The Disaster Grants Public Assistance funds were understated by \$24,620
6. The Education Stabilization Fund was overstated by \$247,646
7. The Special Education Cluster was overstated by \$52,934

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

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

**Identification as a repeat finding, if applicable:** No.

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(Continued)

SOUTH HENRY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2020 through June 30, 2022

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**Section II – Financial Statement Findings** (Continued)

**FINDING 2022-001** (Continued)

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

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

**Section III – Federal Award Findings and Questioned Costs**

**FINDING 2022-002**

**Information on the federal program:**

Subject: Child Nutrition Cluster – Internal Controls  
Federal Agency: Department of Agriculture  
Federal Program: School Breakfast Program, National School Lunch Program  
Assistance Listing Numbers: 10.553, 10.555, 10.559  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Reporting  
Audit Finding: Material Weakness

**Criteria:** 2 CFR section 200.303 states in part:

"The non-Federal entity must:

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

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

**Cause:** The School Corporation's management had not developed a system of internal controls to ensure accurate information was presented in order to be in compliance with the reporting requirements.

**Effect:** The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of effective reviews could have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by the review process not ensuring there was accurate reporting of the activities of the programs.

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(Continued)

SOUTH HENRY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2020 through June 30, 2022

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

**FINDING 2022-002** (Continued)

**Questioned Costs:** There were \$120 of known questioned costs identified. The known questioned costs were calculated taking the number of meals (both breakfast and lunch) overclaimed or underclaimed times the IDOE reimbursement rates for lunch and breakfast for the month tested. The net overclaimed reimbursement amount for the four months tested was \$120.

**Context:** We noted that for two claims in a sample of four, the meal counts were over/under claimed for the month. We noted that in October 2020 the School Corporation had overclaimed lunches by four meals and breakfast by one meal and in April 2022, the School Corporation had overclaimed breakfast by 358 meals and underclaimed lunches by 182 meals.

**Identification as a repeat finding, if applicable:** No.

**Recommendation:** We recommend that the School Corporation establish a review control to verify the sponsor claim reimbursement summaries are correct. This review should be performed by someone other than the individual submitting the claims and we recommend this review be formally documented.

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

**FINDING 2022-003**

**Information on the federal program:**

Subject: Child Nutrition Cluster – Internal Controls

Federal Agency: Department of Agriculture

Federal Program: School Breakfast Program, National School Lunch Program, Summer Food Service Program for Children

Assistance Listing Number: 10.553, 10.555, 10.559

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Finding: Material Weakness

**Criteria:** 2 CFR 200.303 states in part:

"The non-Federal entity must:

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

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(Continued)

SOUTH HENRY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2020 through June 30, 2022

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

**FINDING 2022-003** (Continued)

2 CFR 180.300 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 the SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

**Condition:** An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the Child Nutrition Program and Procurement and Suspension and Debarment compliance requirements for purchases made outside of the purchasing cooperative.

**Cause:** The School Corporation's management had not developed a system of internal controls that would have ensured compliance with the Procurement and Suspension and Debarment compliance requirement for purchases made outside of the purchasing cooperative.

**Effect:** The failure to establish internal controls could have enabled noncompliance to go undetected. If the vendor that was used outside of the purchasing cooperative would have been suspended or debarred, the failure to comply with the grant agreement and the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

**Questioned Costs:** There were no questioned costs identified.

**Context:** During the audit period, the School Corporation had purchases between \$10,000 and \$150,000 from two vendors which fall under the small purchase method for federal and state procurement regulations and were charged to Fund 0800 – School Lunch Fund. For one vendor selected for testing, documentation was not presented to verify the School Corporation had performed checks to assure the vendor was not suspended or debarred prior to entering into the transaction in order to satisfy the suspended and debarment requirements.

**Identification as a repeat finding, if applicable:** No

**Recommendation:** We recommended that the School Corporation's management establish and implement control procedures to ensure compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement. This should include ensuring suspension and debarment checks are performed and documented prior to entering into the transaction.

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

# SOUTH HENRY SCHOOL CORPORATION

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## CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS June 30, 2022

### **FINDING 2022-001**

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

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

**Context:** The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. The SEFA was reviewed prior to submission. However, it was not reviewed in enough detail to prevent the following errors that resulted in the net overstatement of the total federal awards expended on the SEFA by \$148,607 for the period July 1, 2020, through June 30, 2022:

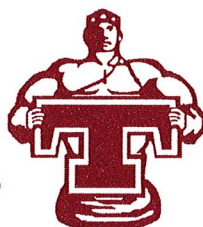
1. The Child Nutrition Cluster was understated by \$79,858
2. The Child Nutrition Discretionary Grants were understated by \$30,000
3. The Title I, Part A funds were understated by \$14,780
4. The Title II, Part A funds were understated by \$2,715
5. The Disaster Grants Public Assistance funds were understated by \$24,620
6. The Education Stabilization Fund was overstated by \$247,646
7. The Special Education Cluster was overstated by \$52,934

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

**Views of Responsible Official:** We concur with the finding.

**Description of Corrective Action Plan:** The control deficiencies identified in the audit report and a risk assessment of our policies and procedures for the preparation of the SEFA, we will address those identified risks with the modification of the current procedures and creation of new procedures where needed regarding the internal controls in place. The updated procedures will result in the accurate reporting of the SEFA. The Business Manager will have the Deputy Treasurer review the financial records and the grant files for comparison. Errors will be identified and eliminated before they are reported.

**Responsible Party and Timeline for Completion:** Amy Milner, Business Manager. Timeline for Completion: August 15<sup>th</sup>, 2023.



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## FINDING 2022-002

### Information on the federal program:

Subject: Child Nutrition Cluster – Internal Controls  
Federal Agency: Department of Agriculture  
Federal Program: School Breakfast Program, National School Lunch Program  
Assistance Listing Numbers: 10.553, 10.555, 10.559  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Reporting  
Audit Finding: Material Weakness

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

**Context:** We noted that for two claims in a sample of four, the meal counts were over/under claimed for the month. We noted that in October 2020 the School Corporation had overclaimed lunches by four meals and breakfast by one meal and in April 2022, the School Corporation had overclaimed breakfast by 358 meals and underclaimed lunches by 182 meals.

**Views of Responsible Official:** We concur with the finding.

**Description of Corrective Action Plan:** We had changed software from Comalex to Mosaic during the audit period. We quickly found that Mosaic did not have the capabilities, processes, or correct reporting that Comalex had. Heartland Corp. owns both software products, we were insured that Mosaic was a far superior software – we found the opposite within 4 months we switched back to Comalex. Processes and reports are more clearly defined and “cleaner accounting”.

**Responsible Party and Timeline for Completion:** Amy Milner, Business Manager. Corrective action has already been in place for several months.

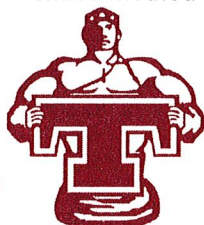
## FINDING 2022-003

### Information on the federal program:

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

**Condition:** An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the Child Nutrition Program and Procurement and Suspension and Debarment compliance requirements for purchases made outside of the purchasing cooperative.

**Context:** During the audit period, the School Corporation had purchases between \$10,000 and \$150,000 from two vendors which fall under the small purchase method for federal and state procurement regulations



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and were charged to Fund 0800 – School Lunch Fund. For one vendor selected for testing, documentation was not presented to verify the School Corporation had performed checks to assure the vendor was not suspended or debarred prior to entering into the transaction in order to satisfy the suspended and debarment requirements.

**Views of Responsible Official:** We concur with the finding.

**Description of Corrective Action Plan:** The Superintendent and Business Manager will modify the procedures for Suspension & Debarment for all bidders related to any contract to be funded under the Federal Grants within the System For Award Management (SAM). The Business Manager will keep a log in the grant file to certify compliance of vendors. The Business Manager will have the Superintendent review this log, along with presenting it to the School Board annually for their review.

**Responsible Party and Timeline for Completion:** Amy Milner, Business Manager. Timeline for Completion: April 14, 2023.

