



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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April 11, 2023

To: The Officials of the Jennings County School Corporation
Jennings County School Corporation
34 W. Main St.
North Vernon, IN 47265

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Jennings County School Corporation. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period July 1, 2019 to June 30, 2021. Per the *Independent Auditor's Report*, the financial statement referred to above present fairly, in all material respects, the cash and investment balances of the School Corporation as of June 30, 2021, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2019 to June 30, 2021 in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

We call your attention to the findings included in the report on pages 37 through 41. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 42-44.

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 Jennings County 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

JENNINGS COUNTY SCHOOL CORPORATION
Jennings County, Indiana

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

JENNINGS COUNTY SCHOOL CORPORATION
Jennings County, Indiana

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

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

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Philip Marsh	07-01-19 to 06-30-21
Superintendent of Schools	Teresa A. Brown	07-01-19 to 06-30-21
President of the School Board	Pat Sullivan	01-01-19 to 06-30-21

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
Jennings County School Corporation
Jennings County, Indiana

Report on the Financial Statement

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

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

(Continued)

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the School Corporation as of June 30, 2021, or changes in net position for the period of July 1, 2019 to June 30, 2021.

Unmodified Opinion on Regulatory Basis of Accounting

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

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The accompanying Schedule of Expenditures of Federal Awards as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Schedule of Officials, Supplementary Information Schedules, and State Reporting Information are presented for purposes of additional analysis and are not a required part of the financial statement.

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement as a whole.

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

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2023, on our consideration of the School Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
March 31, 2023

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

Fund	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments
	07-01-2019	Receipts	Disbursements		06-30-2020	Receipts	Disbursements		
Education	\$ 3,838,468	\$ 30,159,653	\$ 28,385,468	\$ (2,598,959)	\$ 3,013,694	\$ 28,940,702	\$ 27,529,799	\$ (1,000,000)	\$ 3,424,597
Debt Service	1,303,236	3,098,567	3,476,833	-	924,970	4,071,453	3,609,564	-	1,386,859
Retirement/Severance Bond Fund	28,086	170,624	195,376	(3,334)	-	-	-	-	-
Operations	3,507,403	7,614,267	10,707,127	3,179,534	3,594,077	9,301,532	9,810,791	1,000,000	4,084,818
Local Rainy Day	3,176,947	661,352	3,715,180	-	123,119	2,900,000	427,000	-	2,596,119
Construction	10,100,487	182,175	6,636,094	-	3,646,568	-	3,584,514	-	62,054
2019 Sports/Led/Ms/Misc	-	2,060,654	-	-	2,060,654	-	2,108,781	-	(48,127)
2017E Sports Complex	-	112,300	-	-	112,300	-	-	-	112,300
School Lunch	602,264	2,212,130	2,360,966	-	453,428	2,158,619	2,344,323	-	267,724
Curricular Materials Rental	33,225	1,633,484	793,339	-	873,370	682,241	1,329,131	-	226,480
Self-Insurance	63,440	4,930,619	4,965,656	-	28,403	4,756,426	4,777,183	-	7,646
Child Care Program	150	182,876	94,736	-	88,290	33,444	120,212	-	1,522
Child Care Program	75,620	-	-	(75,620)	-	-	-	-	-
Tech Device Insurance	30,849	105,342	58,471	-	77,720	115,021	121,148	-	71,593
Educational License Plates	6,313	-	-	-	6,313	-	-	-	6,313
Donation Regular	(20,190)	16,187	(6,127)	-	2,124	33,736	19,664	-	16,196
Lifeskills Botvin Grant Jchs	-	-	-	-	-	2,770	-	-	2,770
Alternative Education	-	33,126	33,126	-	-	27,973	27,973	-	-
Welfare Activities	-	-	-	-	-	25,000	4,127	-	20,873
State Instructional Support	-	150,000	100,000	-	50,000	50,000	100,000	-	-
It-Cyber Security Grant	-	25,000	25,000	-	-	-	-	-	-
Formative Assessment	-	-	-	-	-	43,795	36,438	-	7,357
Comprehensive Counseling	(1)	1	-	-	-	-	-	-	-
High Ability Grant 2018-2019	12,798	(26,420)	(13,622)	-	-	-	-	-	-
Common School Loan-Technology	(416,400)	822,660	406,260	-	-	-	-	-	-
Adult And Continuing Education	(7,700)	336,432	347,857	-	(19,125)	407,584	423,639	-	(35,180)
Hse High School Equivalency	324	5,458	3,505	-	2,277	9,939	5,815	-	6,401
Adult Ed Nextlevel Jobs	-	99,160	-	-	99,160	41,200	141,200	-	(840)
Medicaid Reimbursement	328,371	64,853	-	(347,151)	46,073	30,784	-	-	76,857
Secured Schools Safety Grant	(13,413)	110,000	76,157	-	20,430	114,783	246,808	-	(111,595)
Safe School Haven	226	-	226	-	-	-	-	-	-
Early Intervention	17,289	15,808	21,832	-	11,265	-	10,133	-	1,132
Early Intervention Grant	-	-	-	-	-	12,854	-	-	12,854
School Intervention And Counseling	290,531	-	158,599	-	131,932	-	16,154	-	115,778
Non English Speaking Grant	19,725	31,331	24,978	-	26,078	-	3,445	-	22,633
Nesp 20-21	-	-	-	-	-	32,673	11,198	-	21,475
Career & Technical Ed. Grant	10,853	2,000	12,853	-	-	-	-	-	-
Teacher Appreciation Grant	945	152,173	2,077	(151,041)	-	147,605	147,308	-	297
High Ability Students	-	70,515	48,074	-	22,441	37,296	43,524	-	16,213
State Connectivity	3,715	-	3,715	-	-	-	-	-	-
Digital Learning Grant	(60,834)	-	(60,834)	-	-	-	-	-	-

(Continued)

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

Fund	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments
	07-01-2019	Receipts	Disbursements		06-30-2020	Receipts	Disbursements		
Project Lead The Way	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,400	\$ -	\$ (2,400)
Museums And The Web	-	3,500	3,496	-	4	-	-	-	4
Crusade For Children Grant	-	-	-	-	-	-	5,086	-	(5,086)
Other State	(22,993)	58,753	22,749	-	13,011	-	13,011	-	-
Title I 2018-2019	(82,575)	144,405	(2,717)	-	64,547	(64,547)	2,896	-	(2,896)
Title I 2019-2020	-	912,035	807,802	-	104,233	288,520	395,067	-	(2,314)
Title I 2020-2021	-	-	-	-	-	426,951	574,037	-	(147,086)
Other Federal Community Programs	-	100,000	12,797	-	87,203	(11,634)	99,257	-	(23,688)
Mckinney Vento 19-20	641	11,635	1,924	-	10,352	13,634	17,419	-	6,567
Part B 611 Fy 2019	(104,501)	412,913	265,798	-	42,614	488,219	732,108	-	(201,275)
Part B 611 Fy 2020	(23,225)	1,207,903	830,637	-	354,041	475,669	834,333	-	(4,623)
Part B 619 Fy 2021	(31,807)	131,807	32,606	-	67,394	65,397	132,791	-	-
Title Iv Stem	(27,856)	162,675	54,037	-	80,782	23,394	117,415	-	(13,239)
Title Iv 18-19	13,617	81,989	37,285	-	58,321	42,316	102,237	-	(1,600)
Title Iv Fy20	-	-	-	-	-	-	236	-	(236)
Nat. School Lunch Equip. Grant	-	50,789	50,789	-	-	-	-	-	-
Medicaid Reimbursement-Federal	12,042	155,869	79,901	-	88,010	139,422	23,254	-	204,178
Title li Part A Fy18	-	121,474	33,935	-	87,539	21,414	118,760	-	(9,807)
Title li Part A Fy19	-	-	-	-	-	16,604	49,802	-	(33,198)
Teacher Leaders Bootcamp	-	100,000	3,024	-	96,976	10,251	108,827	-	(1,600)
Title li Part A 2020	-	-	-	-	-	64,104	85,540	-	(21,436)
Title lia Pbl Training Grant	-	-	-	-	-	2,000	2,323	-	(323)
Title lii English Language Acquisition	4,144	4,897	8,926	-	115	-	-	-	115
ESSER II	-	-	-	-	-	-	1,265,414	-	(1,265,414)
Governor's Emergency Education Relief (GEER)	-	-	-	-	-	605,277	655,983	-	(50,706)
ESSER I	-	-	-	-	-	293,417	618,109	-	(324,692)
Prepaid School Lunch Accounts	2,483	573,457	577,650	-	(1,710)	119,128	118,374	-	(956)
Federal Tax Clearing	-	2,003,177	2,003,177	-	-	1,932,457	1,932,457	-	-
Social Security Clearing	-	1,858,957	1,858,957	-	-	1,913,790	1,913,790	-	-
State Tax Clearing	-	782,706	782,706	-	-	804,110	804,110	-	-
County Tax Clearing	-	627,658	627,658	-	-	580,791	580,791	-	-
Teacher Retirement Clearing	-	19,706	19,706	-	-	23,618	23,618	-	-
Perf Clearing	-	212,801	212,801	-	-	221,914	221,914	-	-
Group Insurance Clearing	-	2,002,108	2,002,108	-	-	1,952,693	1,952,635	-	58
Annuities Clearing	-	402,289	402,289	-	-	414,258	414,258	-	-
Garnishments Clearing	-	20,642	20,642	-	-	29,360	29,360	-	-
United Way Clearing	-	9,480	9,480	-	-	6,836	6,836	-	-
Other Clearing	-	18,433	18,433	-	-	19,775	19,775	-	-
Totals	\$ 22,672,697	\$ 67,224,385	\$ 73,351,518	\$ 3,429	\$ 16,548,993	\$ 64,896,568	\$ 70,974,095	\$ -	\$ 10,471,466

See notes to financial statement.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

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

(Continued)

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Continued)

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

NOTE 2 - BUDGETS

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

NOTE 3 - PROPERTY TAXES

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

NOTE 5 - RISK MANAGEMENT

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

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

(Continued)

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

NOTE 6 - CASH BALANCE DEFICITS

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

NOTE 7 - HOLDING CORPORATION

The School Corporation has entered into a series of capital leases with the JC School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments for the period July 1, 2019 to June 30, 2020 totaled \$3,065,500. Lease payments for the period July 1, 2020 to June 30, 2021 totaled \$3,209,000.

NOTE 8 - PENSION PLANS

Public Employees' Retirement Fund

Plan Description

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

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

Financial Report

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

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

Contributions

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

(Continued)

NOTE 8 - PENSION PLANS (Continued)

Teachers' Retirement Fund

Plan Descriptions

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

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

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

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

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

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

Financial Report

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

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

(Continued)

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

NOTE 8 - PENSION PLANS (Continued)

Contributions

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

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

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

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS

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

NOTE 10 – SUBSEQUENT EVENTS

In May 2022, the School Corporation closed on the Common School Loan B0338 in the amount of \$399,790. The proceeds will be used to aid in the purchase of technology throughout the School Corporation.

SUPPLEMENTARY INFORMATION

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

	Education	Debt Service	Retirement/Severance Bond Fund	Operations	Local Rainy Day	Construction	2019 Sports/Led/Ms/Misc	2017E Sports Complex	School Lunch	Curricular Materials Rental	Self-Insurance
Cash and investments - beginning	\$ 3,838,468	\$ 1,303,236	\$ 28,086	\$ 3,507,403	\$ 3,176,947	\$ 10,100,487	\$ -	\$ -	\$ 602,264	\$ 33,225	\$ 63,440
Receipts:											
Local sources	698,008	3,098,567	48,441	7,576,364	95,350	115,394	2,060,654	112,300	606,105	124,217	4,930,619
Intermediate sources	1,094	-	-	-	-	-	-	-	-	-	-
State sources	29,416,607	-	-	250	-	-	-	-	18,110	195,947	-
Federal sources	-	-	-	-	-	66,781	-	-	1,587,915	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	566,002	-	-	-	-	1,304,999	-
Other receipts	43,944	-	122,183	37,653	-	-	-	-	-	8,321	-
Total receipts	30,159,653	3,098,567	170,624	7,614,267	661,352	182,175	2,060,654	112,300	2,212,130	1,633,484	4,930,619
Disbursements:											
Instruction	20,551,173	-	-	-	-	-	-	-	-	-	-
Support services	7,348,445	-	-	8,943,528	449,039	-	-	-	665	248,339	18,145
Noninstructional services	485,850	-	-	39,554	-	-	-	-	2,360,301	-	-
Facilities acquisition and construction	-	-	-	1,724,045	40,141	6,636,094	-	-	-	-	-
Debt services	-	3,476,833	195,376	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	4,947,511
Interfund loans	-	-	-	-	3,226,000	-	-	-	-	545,000	-
Total disbursements	28,385,468	3,476,833	195,376	10,707,127	3,715,180	6,636,094	-	-	2,360,966	793,339	4,965,656
Excess (deficiency) of receipts over disbursements	1,774,185	(378,266)	(24,752)	(3,092,860)	(3,053,828)	(6,453,919)	2,060,654	112,300	(148,836)	840,145	(35,037)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	3,429	-	-	-	-	-	-	-
Transfers in	151,041	-	-	3,176,105	-	-	-	-	-	-	-
Transfers out	(2,750,000)	-	(3,334)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(2,598,959)	-	(3,334)	3,179,534	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(824,774)	(378,266)	(28,086)	86,674	(3,053,828)	(6,453,919)	2,060,654	112,300	(148,836)	840,145	(35,037)
Cash and investments - ending	\$ 3,013,694	\$ 924,970	\$ -	\$ 3,594,077	\$ 123,119	\$ 3,646,568	\$ 2,060,654	\$ 112,300	\$ 453,428	\$ 873,370	\$ 28,403

(Continued)

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

	Child Care Program	Child Care Program	Tech Device Insurance	Educational License Plates	Donation Regular	Alternative Education	State Instructional Support	It-Cyber Security Grant	Comprehensive Counseling	High Ability Grant 2018-2019	Common School Loan-Technology
Cash and investments - beginning	\$ 150	\$ 75,620	\$ 30,849	\$ 6,313	\$ (20,190)	\$ -	\$ -	\$ -	\$ (1)	\$ 12,798	\$ (416,400)
Receipts:											
Local sources	-	-	10	-	16,187	-	-	-	1	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	61,876	-	-	-	-	33,126	50,000	25,000	-	(26,420)	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	121,000	-	-	-	-	-	100,000	-	-	-	-
Other receipts	-	-	105,332	-	-	-	-	-	-	-	822,660
Total receipts	182,876	-	105,342	-	16,187	33,126	150,000	25,000	1	(26,420)	822,660
Disbursements:											
Instruction	73,736	-	-	-	-	33,126	-	-	-	(13,622)	-
Support services	-	-	58,471	-	(6,127)	-	100,000	25,000	-	-	406,260
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	21,000	-	-	-	-	-	-	-	-	-	-
Total disbursements	94,736	-	58,471	-	(6,127)	33,126	100,000	25,000	-	(13,622)	406,260
Excess (deficiency) of receipts over disbursements	88,140	-	46,871	-	22,314	-	50,000	-	1	(12,798)	416,400
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	(75,620)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(75,620)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	88,140	(75,620)	46,871	-	22,314	-	50,000	-	1	(12,798)	416,400
Cash and investments - ending	\$ 88,290	\$ -	\$ 77,720	\$ 6,313	\$ 2,124	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -

(Continued)

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

	Adult And Continuing Education	Hse High School Equivalency	Adult Ed Nextlevel Jobs	Medicaid Reimbursement	Secured Schools Safety Grant	Safe School Haven	Early Intervention	School Intervention And Counseling	Non English Speaking Grant	Career & Technical Ed. Grant	Teacher Appreciation Grant
Cash and investments - beginning	\$ (7,700)	\$ 324	\$ -	\$ 328,371	\$ (13,413)	\$ 226	\$ 17,289	\$ 290,531	\$ 19,725	\$ 10,853	\$ 945
Receipts:											
Local sources	60,007	5,458	99,160	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	64,853	10,000	-	15,808	-	31,331	2,000	152,173
Federal sources	76,425	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	200,000	-	-	-	100,000	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	336,432	5,458	99,160	64,853	110,000	-	15,808	-	31,331	2,000	152,173
Disbursements:											
Instruction	347,857	3,505	-	-	-	-	21,832	-	24,978	-	2,077
Support services	-	-	-	-	76,157	226	-	158,599	-	12,853	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	347,857	3,505	-	-	76,157	226	21,832	158,599	24,978	12,853	2,077
Excess (deficiency) of receipts over disbursements	(11,425)	1,953	99,160	64,853	33,843	(226)	(6,024)	(158,599)	6,353	(10,853)	150,096
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(347,151)	-	-	-	-	-	-	(151,041)
Total other financing sources (uses)	-	-	-	(347,151)	-	-	-	-	-	-	(151,041)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(11,425)	1,953	99,160	(282,298)	33,843	(226)	(6,024)	(158,599)	6,353	(10,853)	(945)
Cash and investments - ending	\$ (19,125)	\$ 2,277	\$ 99,160	\$ 46,073	\$ 20,430	\$ -	\$ 11,265	\$ 131,932	\$ 26,078	\$ -	\$ -

(Continued)

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

	High Ability Students	State Connectivity	Digital Learning Grant	Museums And The Web	Other State	Title I 2018- 2019	Title I 2019- 2020	Other Federal Community Programs	Mckinney Vento 19-20	Part B 611 Fy 2019	Part B 611 Fy 2020
Cash and investments - beginning	\$ -	\$ 3,715	\$ (60,834)	\$ -	\$ (22,993)	\$ (82,575)	\$ -	\$ -	\$ 641	\$ (104,501)	\$ (23,225)
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	3,500	-	-	-	-	-	-	-
State sources	70,515	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	58,753	144,405	712,035	-	11,635	312,913	707,903
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	200,000	100,000	-	100,000	500,000
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	70,515	-	-	3,500	58,753	144,405	912,035	100,000	11,635	412,913	1,207,903
Disbursements:											
Instruction	48,074	-	-	-	-	(3,531)	420,113	-	-	196,704	577,243
Support services	-	3,715	(60,834)	3,496	22,749	814	380,286	12,797	1,924	69,094	253,394
Noninstructional services	-	-	-	-	-	-	7,403	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	48,074	3,715	(60,834)	3,496	22,749	(2,717)	807,802	12,797	1,924	265,798	830,637
Excess (deficiency) of receipts over disbursements	22,441	(3,715)	60,834	4	36,004	147,122	104,233	87,203	9,711	147,115	377,266
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	22,441	(3,715)	60,834	4	36,004	147,122	104,233	87,203	9,711	147,115	377,266
Cash and investments - ending	\$ 22,441	\$ -	\$ -	\$ 4	\$ 13,011	\$ 64,547	\$ 104,233	\$ 87,203	\$ 10,352	\$ 42,614	\$ 354,041

(Continued)

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

	Part B 619 Fy 2021	Title Iv Stem	Title Iv 18-19	Nat. School Lunch Equip. Grant	Medicaid Reimbursement- Federal	Title li Part A Fy18	Teacher Leaders Bootcamp	Title Iii English Language Acquisition	Prepaid School Lunch Accounts	Federal Tax Clearing	Social Security Clearing
Cash and investments - beginning	\$ (31,807)	\$ (27,856)	\$ 13,617	\$ -	\$ 12,042	\$ -	\$ -	\$ 4,144	\$ 2,483	\$ -	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	4,897	-	-	-
Federal sources	31,807	44,664	-	50,789	155,869	21,474	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	100,000	118,011	81,989	-	-	100,000	100,000	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	573,457	2,003,177	1,858,957
Total receipts	131,807	162,675	81,989	50,789	155,869	121,474	100,000	4,897	573,457	2,003,177	1,858,957
Disbursements:											
Instruction	32,606	-	-	-	-	-	-	8,926	-	-	-
Support services	-	54,037	37,285	-	79,901	28,337	3,024	-	-	-	-
Noninstructional services	-	-	-	50,789	-	5,598	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	577,650	2,003,177	1,858,957
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	32,606	54,037	37,285	50,789	79,901	33,935	3,024	8,926	577,650	2,003,177	1,858,957
Excess (deficiency) of receipts over disbursements	99,201	108,638	44,704	-	75,968	87,539	96,976	(4,029)	(4,193)	-	-
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	99,201	108,638	44,704	-	75,968	87,539	96,976	(4,029)	(4,193)	-	-
Cash and investments - ending	\$ 67,394	\$ 80,782	\$ 58,321	\$ -	\$ 88,010	\$ 87,539	\$ 96,976	\$ 115	\$ (1,710)	\$ -	\$ -

(Continued)

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

	State Tax Clearing	County Tax Clearing	Teacher Retirement Clearing	Perf Clearing	Group Insurance Clearing	Annuities Clearing	Garnishments Clearing	United Way Clearing	Other Clearing	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,672,697
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	19,646,842
Intermediate sources	-	-	-	-	-	-	-	-	-	4,594
State sources	-	-	-	-	-	-	-	-	-	30,126,073
Federal sources	-	-	-	-	-	-	-	-	-	3,983,368
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	3,792,001
Other receipts	782,706	627,658	19,706	212,801	2,002,108	402,289	20,642	9,480	18,433	9,671,507
Total receipts	782,706	627,658	19,706	212,801	2,002,108	402,289	20,642	9,480	18,433	67,224,385
Disbursements:										
Instruction	-	-	-	-	-	-	-	-	-	22,324,797
Support services	-	-	-	-	-	-	-	-	-	18,729,619
Noninstructional services	-	-	-	-	-	-	-	-	-	2,949,495
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	8,400,280
Debt services	-	-	-	-	-	-	-	-	-	3,672,209
Nonprogrammed charges	782,706	627,658	19,706	212,801	2,002,108	402,289	20,642	9,480	18,433	13,483,118
Interfund loans	-	-	-	-	-	-	-	-	-	3,792,000
Total disbursements	782,706	627,658	19,706	212,801	2,002,108	402,289	20,642	9,480	18,433	73,351,518
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-	-	-	(6,127,133)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	3,429
Transfers in	-	-	-	-	-	-	-	-	-	3,327,146
Transfers out	-	-	-	-	-	-	-	-	-	(3,327,146)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	3,429
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	-	-	-	-	(6,123,704)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,548,993

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

	Education	Debt Service	Retirement/Severance Bond Fund	Operations	Local Rainy Day	Construction	2019 Sports/Led/Ms/Misc	2017E Sports Complex	School Lunch	Curricular Materials Rental
Cash and investments - beginning	\$ 3,013,694	\$ 924,970	\$ -	\$ 3,594,077	\$ 123,119	\$ 3,646,568	\$ 2,060,654	\$ 112,300	\$ 453,428	\$ 873,370
Receipts:										
Local sources	635,012	4,071,453	-	9,277,775	-	-	-	-	154,294	126,864
Intermediate sources	952	-	-	-	-	-	-	-	-	-
State sources	28,254,683	-	-	364	-	-	-	-	18,096	188,292
Federal sources	-	-	-	-	-	-	-	-	1,985,359	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	2,900,000	-	-	-	-	361,000
Other receipts	50,055	-	-	23,393	-	-	-	-	870	6,085
Total receipts	28,940,702	4,071,453	-	9,301,532	2,900,000	-	-	-	2,158,619	682,241
Disbursements:										
Instruction	19,985,235	-	-	60,000	-	-	-	-	-	-
Support services	6,889,683	-	-	8,930,899	-	-	-	-	-	329,131
Noninstructional services	654,881	-	-	7,524	-	-	-	-	2,344,323	-
Facilities acquisition and construction	-	-	-	812,368	-	3,584,514	2,108,781	-	-	-
Debt services	-	3,609,564	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	427,000	-	-	-	-	1,000,000
Total disbursements	27,529,799	3,609,564	-	9,810,791	427,000	3,584,514	2,108,781	-	2,344,323	1,329,131
Excess (deficiency) of receipts over disbursements	1,410,903	461,889	-	(509,259)	2,473,000	(3,584,514)	(2,108,781)	-	(185,704)	(646,890)
Other financing sources (uses)										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	1,000,000	-	-	-	-	-	-
Transfers out	(1,000,000)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,000,000)	-	-	1,000,000	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	410,903	461,889	-	490,741	2,473,000	(3,584,514)	(2,108,781)	-	(185,704)	(646,890)
Cash and investments - ending	\$ 3,424,597	\$ 1,386,859	\$ -	\$ 4,084,818	\$ 2,596,119	\$ 62,054	\$ (48,127)	\$ 112,300	\$ 267,724	\$ 226,480

(Continued)

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

	Self-Insurance	Child Care Program	Tech Device Insurance	Educational License Plates	Donation Regular	Lifeskills Botvin Grant Jchs	Alternative Education	Welfare Activities	State Instructional Support	Formative Assessment
Cash and investments - beginning	\$ 28,403	\$ 88,290	\$ 77,720	\$ 6,313	\$ 2,124	\$ -	\$ -	\$ -	\$ 50,000	\$ -
Receipts:										
Local sources	4,756,426	-	-	-	33,736	2,770	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	(32,556)	-	-	-	-	27,973	25,000	-	43,795
Federal sources	-	-	-	-	-	-	-	-	50,000	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	66,000	-	-	-	-	-	-	-	-
Other receipts	-	-	115,021	-	-	-	-	-	-	-
Total receipts	4,756,426	33,444	115,021	-	33,736	2,770	27,973	25,000	50,000	43,795
Disbursements:										
Instruction	-	20,212	-	-	-	-	27,973	-	-	-
Support services	22,046	-	121,148	-	19,664	-	-	-	-	36,438
Noninstructional services	-	-	-	-	-	-	-	4,127	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	4,755,137	-	-	-	-	-	-	-	-	-
Interfund loans	-	100,000	-	-	-	-	-	-	100,000	-
Total disbursements	4,777,183	120,212	121,148	-	19,664	-	27,973	4,127	100,000	36,438
Excess (deficiency) of receipts over disbursements	(20,757)	(86,768)	(6,127)	-	14,072	2,770	-	20,873	(50,000)	7,357
Other financing sources (uses)										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	77,719	-	-	-	-	-	-	-
Transfers out	-	-	(77,719)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(20,757)	(86,768)	(6,127)	-	14,072	2,770	-	20,873	(50,000)	7,357
Cash and investments - ending	\$ 7,646	\$ 1,522	\$ 71,593	\$ 6,313	\$ 16,196	\$ 2,770	\$ -	\$ 20,873	\$ -	\$ 7,357

(Continued)

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

	Comprehensive Counseling	Adult And Continuing Education	Hse High School Equivalency	Adult Ed Nextlevel Jobs	Medicaid Reimbursement	Secured Schools Safety Grant	Early Intervention Early Intervention	Early Intervention Grant	School Intervention And Counseling	Non English Speaking Grant
Cash and investments - beginning	\$ -	\$ (19,125)	\$ 2,277	\$ 99,160	\$ 46,073	\$ 20,430	\$ 11,265	\$ -	\$ 131,932	\$ 26,078
Receipts:										
Local sources	-	158,942	9,939	41,200	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	30,784	114,783	-	12,854	-	-
Federal sources	-	248,642	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	407,584	9,939	41,200	30,784	114,783	-	12,854	-	-
Disbursements:										
Instruction	-	323,639	5,815	41,200	-	-	10,133	-	-	3,445
Support services	-	-	-	-	-	146,808	-	-	16,154	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	100,000	-	100,000	-	100,000	-	-	-	-
Total disbursements	-	423,639	5,815	141,200	-	246,808	10,133	-	16,154	3,445
Excess (deficiency) of receipts over disbursements	-	(16,055)	4,124	(100,000)	30,784	(132,025)	(10,133)	12,854	(16,154)	(3,445)
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	-	(16,055)	4,124	(100,000)	30,784	(132,025)	(10,133)	12,854	(16,154)	(3,445)
Cash and investments - ending	\$ -	\$ (35,180)	\$ 6,401	\$ (840)	\$ 76,857	\$ (111,595)	\$ 1,132	\$ 12,854	\$ 115,778	\$ 22,633

(Continued)

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

	Nesp 20-21	Teacher Appreciation Grant	High Ability Students	Project Lead The Way	Museums And The Web	Crusade For Children Grant	Other State	Title I 2018-2019	Title I 2019-2020	Title I 2020-2021
Cash and investments - beginning	\$ -	\$ -	\$ 22,441	\$ -	\$ 4	\$ -	\$ 13,011	\$ 64,547	\$ 104,233	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	32,673	147,605	37,296	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	(64,547)	288,520	426,951
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	32,673	147,605	37,296	-	-	-	-	(64,547)	288,520	426,951
Disbursements:										
Instruction	11,125	147,308	43,524	-	-	-	-	2,896	112,610	295,346
Support services	73	-	-	2,400	-	5,086	13,011	-	78,568	274,745
Noninstructional services	-	-	-	-	-	-	-	-	3,889	3,946
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	200,000	-
Total disbursements	11,198	147,308	43,524	2,400	-	5,086	13,011	2,896	395,067	574,037
Excess (deficiency) of receipts over disbursements	21,475	297	(6,228)	(2,400)	-	(5,086)	(13,011)	(67,443)	(106,547)	(147,086)
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	21,475	297	(6,228)	(2,400)	-	(5,086)	(13,011)	(67,443)	(106,547)	(147,086)
Cash and investments - ending	\$ 21,475	\$ 297	\$ 16,213	\$ (2,400)	\$ 4	\$ (5,086)	\$ -	\$ (2,896)	\$ (2,314)	\$ (147,086)

(Continued)

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

	Other Federal Community Programs	Mckinney Vento 19-20	Part B 611 Fy 2019	Part B 611 Fy 2020	Part B 619 Fy 2021	Title Iv Stem	Title Iv 18-19	Title Iv Fy20	Medicaid Reimbursement- Federal	Title li Part A Fy18
Cash and investments - beginning	\$ 87,203	\$ 10,352	\$ 42,614	\$ 354,041	\$ 67,394	\$ 80,782	\$ 58,321	\$ -	\$ 88,010	\$ 87,539
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	(11,634)	13,634	488,219	475,669	65,397	23,394	42,316	-	139,422	21,414
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	(11,634)	13,634	488,219	475,669	65,397	23,394	42,316	-	139,422	21,414
Disbursements:										
Instruction	-	-	539,237	98,427	32,791	-	-	-	-	-
Support services	(743)	17,419	92,871	235,906	-	17,415	2,237	-	23,254	20,711
Noninstructional services	-	-	-	-	-	-	-	236	-	(1,951)
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	100,000	-	100,000	500,000	100,000	100,000	100,000	-	-	100,000
Total disbursements	99,257	17,419	732,108	834,333	132,791	117,415	102,237	236	23,254	118,760
Excess (deficiency) of receipts over disbursements	(110,891)	(3,785)	(243,889)	(358,664)	(67,394)	(94,021)	(59,921)	(236)	116,168	(97,346)
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	(110,891)	(3,785)	(243,889)	(358,664)	(67,394)	(94,021)	(59,921)	(236)	116,168	(97,346)
Cash and investments - ending	\$ (23,688)	\$ 6,567	\$ (201,275)	\$ (4,623)	\$ -	\$ (13,239)	\$ (1,600)	\$ (236)	\$ 204,178	\$ (9,807)

(Continued)

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

	Title li Part A Fy19	Teacher Leaders Bootcamp	Title li Part A 2020	Title lia Pbl Training Grant	Title lii English Language Acquisition	ESSER II	Governor's Emergency Education Relief (GEER)	ESSER I	Prepaid School Lunch Accounts	Federal Tax Clearing	Social Security Clearing
Cash and investments - beginning	\$ -	\$ 96,976	\$ -	\$ -	\$ 115	\$ -	\$ -	\$ -	\$ (1,710)	\$ -	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	119,128	-	-
Federal sources	16,604	10,251	64,104	2,000	-	-	605,277	293,417	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	1,932,457	1,913,790
Total receipts	16,604	10,251	64,104	2,000	-	-	605,277	293,417	119,128	1,932,457	1,913,790
Disbursements:											
Instruction	-	-	85,540	-	-	830,311	130,881	276,036	-	-	-
Support services	41,328	8,827	-	2,323	-	431,045	525,102	342,073	-	-	-
Noninstructional services	8,474	-	-	-	-	4,058	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	118,374	1,932,457	1,913,790
Interfund loans	-	100,000	-	-	-	-	-	-	-	-	-
Total disbursements	49,802	108,827	85,540	2,323	-	1,265,414	655,983	618,109	118,374	1,932,457	1,913,790
Excess (deficiency) of receipts over disbursements	(33,198)	(98,576)	(21,436)	(323)	-	(1,265,414)	(50,706)	(324,692)	754	-	-
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	(33,198)	(98,576)	(21,436)	(323)	-	(1,265,414)	(50,706)	(324,692)	754	-	-
Cash and investments - ending	\$ (33,198)	\$ (1,600)	\$ (21,436)	\$ (323)	\$ 115	\$ (1,265,414)	\$ (50,706)	\$ (324,692)	\$ (956)	\$ -	\$ -

(Continued)

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

	State Tax Clearing	County Tax Clearing	Teacher Retirement Clearing	Perf Clearing	Group Insurance Clearing	Annuities Clearing	Garnishments Clearing	United Way Clearing	Other Clearing	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,548,993
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	19,268,411
Intermediate sources	-	-	-	-	-	-	-	-	-	952
State sources	-	-	-	-	-	-	-	-	-	29,020,770
Federal sources	-	-	-	-	-	-	-	-	-	5,184,409
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	3,327,000
Other receipts	804,110	580,791	23,618	221,914	1,952,693	414,258	29,360	6,836	19,775	8,095,026
Total receipts	804,110	580,791	23,618	221,914	1,952,693	414,258	29,360	6,836	19,775	64,896,568
Disbursements:										
Instruction	-	-	-	-	-	-	-	-	-	23,083,684
Support services	-	-	-	-	-	-	-	-	-	18,645,622
Noninstructional services	-	-	-	-	-	-	-	-	-	3,029,507
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	6,505,663
Debt services	-	-	-	-	-	-	-	-	-	3,609,564
Nonprogrammed charges	804,110	580,791	23,618	221,914	1,952,635	414,258	29,360	6,836	19,775	12,773,055
Interfund loans	-	-	-	-	-	-	-	-	-	3,327,000
Total disbursements	804,110	580,791	23,618	221,914	1,952,635	414,258	29,360	6,836	19,775	70,974,095
Excess (deficiency) of receipts over disbursements	-	-	-	-	58	-	-	-	-	(6,077,527)
Other financing sources (uses)										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	1,077,719
Transfers out	-	-	-	-	-	-	-	-	-	(1,077,719)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	58	-	-	-	-	(6,077,527)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 58	\$ -	\$ -	\$ -	\$ -	\$ 10,471,466

JENNINGS COUNTY SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2021

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ <u>2,288,036</u>	\$ <u>4,758,865</u>

JENNINGS COUNTY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2021

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
JC School Building Corporation	Scipio-Brush-MS 2014 A	\$ 619,000	8/14/2014	1/5/2027
JC School Building Corporation	2014 HVAC A	189,000	6/19/2014	1/15/2028
JC School Building Corporation	2014 HVAC B	197,000	6/19/2014	1/15/2028
JC School Building Corporation	2014 HVAC C	219,000	6/19/2014	1/15/2028
JC School Building Corporation	2017 A	269,000	7/15/2018	1/15/2028
JC School Building Corporation	2017 B	206,500	7/15/2018	1/15/2028
JC School Building Corporation	2017 C	161,000	7/15/2018	1/15/2028
JC School Building Corporation	2017 D	241,000	7/15/2018	1/15/2028
JC School Building Corporation	2017 E	195,500	7/15/2018	1/15/2028
JC School Building Corporation	2019 A	342,500	7/15/2020	1/15/2032
JC School Building Corporation	2019 B	348,500	7/15/2020	1/15/2032
JC School Building Corporatoin	2018	<u>254,000</u>	7/15/2019	1/15/2029
Total governmental activities		<u>3,242,000</u>		
Total of annual lease payments		<u>\$ 3,242,000</u>		

JENNINGS COUNTY SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2021

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 9,315,000
Buildings	175,552,592
Improvements other than buildings	1,400,000
Machinery, equipment, and vehicles	6,784,498
Construction in progress	10,985,239
Books and other	<u>2,803,539</u>
Total governmental activities	<u>206,840,868</u>
Total capital assets	<u>\$ 206,840,868</u>

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

Financial Statement and Accompanying Notes:

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

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

Indiana Department of Education Reporting:

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

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

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

JENNINGS COUNTY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2020 and 2021

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-20	Total Federal Awards Expended 06-30-21	Total Federal Awards Expended 07-01-19 to 06-30-21
<u>Department of Agriculture</u>						
Child Nutrition Cluster	Indiana Department of Education					
Child Nutrition Discretionary Grant		10.579	FY 2020	\$ 50,789	\$ -	50,789
School Breakfast Program		10.553	FY2020, FY2021	462,572	517,908	980,480
National School Lunch Program		10.555	FY2020, FY2021	1,125,345	1,467,451	2,592,796
Commodities		10.555	FY2020, FY2021	179,219	221,176	400,394
Total - Child Nutrition Cluster				<u>1,817,925</u>	<u>2,206,535</u>	<u>4,024,459</u>
Total - Department of Agriculture				<u>1,817,925</u>	<u>2,206,535</u>	<u>4,024,459</u>
<u>Department of Education</u>						
Special Education Cluster(IDEA)	Indiana Department of Education					
Special Education Grants to States						
IDEA-Part B		84.027	18611-066-PN01	60,483	-	60,483
IDEA-Part B		84.027	19611-066-PN01	312,913	11,953	324,866
IDEA-Part B		84.027	20611-066-PN01	647,028	475,669	1,122,697
IDEA-Part B		84.027	21611-066-PN01	-	476,266	476,266
Total - Special Education Grants to States				<u>1,020,424</u>	<u>963,888</u>	<u>1,984,312</u>
Special Education - Preschool Grants	Indiana Department of Education					
IDEA-Preschool		84.173	20619-069-PN01	31,808	32,606	64,414
IDEA-Preschool		84.173	21619-069-PN01	-	32,791	32,791
Total - Special Education - Preschool Grants				<u>31,808</u>	<u>65,397</u>	<u>97,205</u>
Total - Special Education Cluster(IDEA)				<u>1,052,232</u>	<u>1,029,285</u>	<u>2,081,517</u>
Adult Education Grants to State	Indiana Department of Education					
Adult Education		84.002	AE1987	128,325	116,687	245,012
Adult Education		84.002	AE2087	-	131,955	131,955
Total - Adult Education Grants to States				<u>128,325</u>	<u>248,642</u>	<u>376,967</u>
Title I Grants to Local Educational Agencies	Indiana Department of Education					
Title I, Part A		84.010	S010A180014	15,310	-	15,310
Title I, Part A		84.010	S010A190014	686,582	288,520	975,102
Title I, Part A		84.010	S010A200014	-	426,951	426,951
Total - Title I Grants to Local Educational Agencies				<u>701,892</u>	<u>715,471</u>	<u>1,417,363</u>
Education for Homeless children and Youth	Indiana Department of Education					
McKinney-Vento for Homeless		84.196	7000S196A19015	11,634	-	11,634
Total - Education for Homeless children and Youth				<u>11,634</u>	<u>-</u>	<u>11,634</u>

(Continued)

JENNINGS COUNTY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2020 and 2021

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-20	Total Federal Awards Expended 06-30-21	Total Federal Awards Expended 07-01-19 to 06-30-21
English Language Acquisition State Grants Title III, Part A	Indiana Department of Education	84.365	01118-038-PN01	\$ 4,897	\$ -	\$ 4,897
Supporting Effective Instruction State Grants Title II, Part A Title II, Part A Title II, Part A	Indiana Department of Education	84.367 84.367 84.367	S367A180013 S367A190013 S367A200013	112,171 - -	21,414 16,604 76,353	133,585 16,604 76,353
Total - Supporting Effective Instruction State Grants				<u>112,171</u>	<u>114,371</u>	<u>226,542</u>
Student Support and Academic Enrichment Program Title IV, Part A Title IV, Part A Title IV, Part A	Indiana Department of Education	84.424 84.424 84.424	S424A170015 S424A180015 S424A190015	44,665 - -	- 42,316 23,394	44,665 42,316 23,394
Total - Student Support and Academic Enrichment Program				<u>44,665</u>	<u>65,710</u>	<u>110,375</u>
COVID-19 - Education Stabilization Fund Governor's Emergency Education Relief (GEER) Fund Elementary and Secondary School Emergency Relief (ESSER) Fund	Indiana Department of Education	84.425C 84.425D	S425C200018 S425D200013	- -	605,277 293,417	605,277 293,417
Total - COVID-19 - Education Stabilization Fund				<u>-</u>	<u>898,694</u>	<u>898,694</u>
Disability Insurance/SSI Cluster Social Security Administration Social Security Disability Insurance	Indiana Department of Education	96.001	FY2020, FY2021	840	714	1,554
Total - Social Security Administration				<u>840</u>	<u>714</u>	<u>1,554</u>
Total - Department of Education				<u>2,056,656</u>	<u>3,072,887</u>	<u>5,129,543</u>
<u>Department of Health and Human Services</u>						
Medicaid Cluster Medical Assistance Program Medical Assistance Program	Indiana Department of Education	93.778	FY2020, FY2021	176,828	131,524	308,352
Total - Medicaid Cluster				<u>176,828</u>	<u>131,524</u>	<u>308,352</u>
Total - Department of Health and Human Services				<u>176,828</u>	<u>131,524</u>	<u>308,352</u>
Total federal awards expended				<u>\$ 4,051,409</u>	<u>\$ 5,410,946</u>	<u>\$ 9,462,354</u>

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

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

NOTE 1 - BASIS OF PRESENTATION

A. Basis of Presentation

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

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

B. Other Significant Accounting Policies

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

NOTE 2 - INDIRECT COST RATE

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

NOTE 3 - OTHER INFORMATION

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

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENT PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Those Charged with Governance
Jennings County School Corporation
Jennings 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 Jennings County School Corporation ("School Corporation"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School Corporation as of June 30, 2021 and for the period July 1, 2019 to June 30, 2021 and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement, and have issued our report thereon dated March 31, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, 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 statements, 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 statements 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2021-001, that we consider to be a significant deficiency.

(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

School Corporation's Response to Finding

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

Purpose of this Report

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


Crowe LLP

Indianapolis, Indiana
March 31, 2023

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

Those Charged with Governance
Jennings County School Corporation
Jennings County, Indiana

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

(Continued)

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is 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 deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2021-002 to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2021-003 to be a significant deficiency.

The School Corporation's response to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Crowe LLP
Crowe LLP

Indianapolis, Indiana
March 31, 2023

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

SECTION 1 – SUMMARY OF AUDITORS’ RESULTS:

Financial Statement

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

Internal control over financial reporting:

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

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

Internal control over major programs:

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

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)?	_____	X	Yes	_____	No
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Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.579	Child Nutrition Cluster
84.027, 84.173	Special Education Cluster
84.425C, 84.425D	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	_____	X	No
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(Continued)

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

SECTION 2 – FINDINGS RELATED TO THE FINANCIAL STATEMENTS THAT ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

FINDING 2021-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Significant Deficiency

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.

(Continued)

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

SECTION 2 – FINDINGS RELATED TO THE FINANCIAL STATEMENTS THAT ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (Continued)

FINDING 2021-001 (Continued)

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

(3) Provide total Federal awards expended for each individual Federal program and the 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. There was no formal evidence that the SEFA was reviewed prior to submission. The following errors were noted that resulted in the gross overstatement of the federal awards by \$422,086 and the gross understatement of federal awards by \$347,524. The net overstatement of the total federal awards expended on the SEFA was \$74,562 for the period July 1, 2019 through June 30, 2021:

1. The Child Nutrition Cluster expenditures were overstated by \$229,218
2. The Special Education Cluster expenditures were understated by \$31,808
3. The Title I expenditures were overstated by \$64,547
4. The McKinney-Vento for Homeless expenditures were overstated by \$11,634
5. The Title II Supporting Effective Instruction State Grants expenditures were understated by \$7,364
6. The Adult Education Grants to State expenditures were overstated by \$116,687
7. The Medicaid Cluster expenditures were understated by 308,352

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: Yes. Identified as Finding 2019-001 in the prior audit report.

(Continued)

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

SECTION 2 – FINDINGS RELATED TO THE FINANCIAL STATEMENTS THAT ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (Continued)

FINDING 2021-001 (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 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FINDING 2021-002

Information on the federal program:

Subject: Child Nutrition Cluster - Internal Controls
Federal Agency: Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program, Child Nutrition Discretionary Grant
Assistance Listing Number: 10.553, 10.555, 10.579
Federal Award Numbers and Years (Or Other Identifying Numbers): FY2020, FY2021
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Eligibility
Audit Finding: Material Weakness

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

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

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

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

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

Questioned Costs: There were no questioned costs identified.

(Continued)

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

SECTION 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

FINDING 2021-002 (Continued)

Context: During sample testing of 34 non-direct certified students for eligibility, we noted there was no documented review by someone other than the individual making the eligibility determination.

Identification as a repeat finding, if applicable: No.

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

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

Finding 2021-003

Information on the federal program:

Subject: Special Education Cluster – Allowable Costs/Cost Principles
Federal Agency: Department of Education
Federal Program: Special Education Cluster
Assistance Listing Number: 84.027, 84.173
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Allowable Costs/Cost Principles
Audit Finding: Significant Deficiency

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). . . ."

2 CFR 200.430 state in part:

"Standards for Documentation of Personnel Expenses (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- (ii) Be incorporated into the official records of the non-Federal entity;
- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities . . .

(Continued)

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

SECTION 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding 2021-003 (Continued)

- (vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity. . . ."

Indiana Department of Education Onsite Fiscal Monitoring Document - Monitoring Topic 1-Compliance with compensation for personnel services requirements, page 2 states:

"Show evidence that personnel in 'split-funded' positions maintain Program Activity Reports (PAR)/Time and Effort logs and evidence that personnel paid 100% with federal funds complete accurate and timely 'Semi-Annual Certification' forms."

Condition: The School Corporation had not established an effective internal control system related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

The School Corporation failed to comply with the allowable costs/cost principle requirements that employees who work 100 percent of their time on a federal award maintain semiannual certifications as required by the pass-through agency, and that employees who work on a federal award and a non-federal award have Program Activity Reports or equivalent documentation to support the distribution of their salaries or wages.

Cause: The School Corporation's management had not developed an effective system of internal controls that would have ensured compliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

Effect: The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement or 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: Semiannual certifications are required by the pass-through agency. The required supporting documentation (Personnel Activity Reports, Semi-Annual Certifications, or equivalent documentation) for 4 of 5 payroll periods selected for testing were not properly maintained.

Identification as a repeat finding: No.

Recommendation: We recommended that the School Corporations' management establish controls to ensure compliance and comply with the Allowable Costs/Cost Principles compliance requirement including maintaining Personnel Activity Reports, Semi-Annual Certifications, or equivalent documentation to support payroll charges allocated to federal grants.

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



JENNINGS COUNTY SCHOOL CORPORATION

OFFICE OF THE SUPERINTENDENT

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Nicole Johnson, Superintendent

CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

June 30, 2021

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FINDING 2021-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Significant Deficiency

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. There was no formal evidence that the SEFA was reviewed prior to submission. The following errors were noted that resulted in the net overstatement of the total federal awards expended on the SEFA by \$74,562 for the period July 1, 2019 through June 30, 2021:

1. The Child Nutrition Cluster expenditures were overstated by \$229,218
2. The Special Education Cluster expenditures were understated by \$31,808
3. The Title I expenditures were overstated by \$64,547
4. The McKinney-Vento for Homeless expenditures were overstated by \$11,634
5. The Title II Supporting Effective Instruction State Grants expenditures were understated by \$7,364
6. The Adult Education Grants to State expenditures were overstated by \$116,687
7. The Medicaid Cluster expenditures were understated by 308,352

Views of Responsible Officials: We concur with the finding.

Description of Corrective Action Plan:

The process of completing the SEFA (grants) portion of the Gateway Annual Financial Report will be changed. The last 3 years the Business Manager would enter the expenditures into Gateway for the Schedule of Expenditures of Federal Awards (SEFA) by taking the dollar figure receipted into Komputrol during the given time period in both the Disbursements and Receipts columns. This created a mismatch between the SEFA report and the Form 9 data submitted for expenses during that same period. This year the Business Manager will enter the receipts from Komputrol in the Receipts column and the expenditures in the Disbursements column. The Business Manager will also have the Deputy Treasurer review all entries before submission to the State.

Responsible Party and Timeline for Completion:

Business Manager, Philip Marsh, will be responsible for this to be done starting the 2022-2023 Schedule of Expenditures of Federal Awards that will be submitted as part of the Gateway AFR completed in August of 2023.

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June 30, 2021

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FINDING 2021-002

Information on the federal program:

Subject: Child Nutrition Cluster - Internal Controls

Federal Agency: Department of Agriculture

Federal Program: School Breakfast Program, National School Lunch Program, Child Nutrition Discretionary Grant

Assistance Listing Number: 10.553, 10.555, 10.579

Federal Award Numbers and Years (Or Other Identifying Numbers): FY2020, FY2021

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Eligibility

Audit Finding: Material Weakness

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

Context: During testing of 34 non-direct certified students for eligibility, we noted there was no documented review by someone other than the individual making the eligibility determination.

Views of Responsible Officials: We concur with the finding.

Description of Corrective Action Plan:

The Food Service Department will start the following process when entering income information into the computer system for Student families. The Food Service Bookkeeper, Barb Miller, will enter the information and sign-off on the entries. The Food Service Director, Stacie Green, will then review information entered and sign-off on the entries.

Responsible Party and Timeline for Completion:

Food Service Director, Stacie Green, will be responsible for this to be done. This procedure was started in the Fall of the 2021-2022 School Year.



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June 30, 2021

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Finding 2021-003

Information on the federal program:

Subject: Special Education Cluster – Allowable Costs/Cost Principles
Federal Agency: Department of Education
Federal Program: Special Education Cluster
Assistance Listing Number: 84.027, 84.173
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Allowable Costs/Cost Principles
Audit Finding: Significant Deficiency

Condition: The School Corporation had not established an effective internal control system related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

The School Corporation failed to comply with the allowable costs/cost principle requirements that employees who work 100 percent of their time on a federal award maintain semiannual certifications as required by the pass-through agency, and that employees who work on a federal award and a non-federal award have Program Activity Reports or equivalent documentation to support the distribution of their salaries or wages.

Context: Semiannual certifications are required by the pass-through agency. The required supporting documentation (Personnel Activity Reports, Semi-Annual Certifications, or equivalent documentation) for 4 of 5 payroll periods selected for testing were not properly maintained.

Views of Responsible Officials: We concur with the finding.

Description of Corrective Action Plan:

The Director of Special Service will implement a semi-annual report that he will sign-off on and send to the principals of each school to review and sign-off to confirm information is correct.

Responsible Party and Timeline for Completion:

Special Education Director, Todd Ebinger, will be responsible for this to be done. This procedure was started the 2020-2021 school year.

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2019-001

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

Condition and Context: The School Corporation did not have a proper system of internal control in place related to the Schedule of Expenditures of Federal Awards (SEFA). The Treasurer was the person solely responsible for entering and submitting the federal award information on the Indiana Gateway for Government Units financial reporting system, which is the source of the SEFA. There was no segregation of duties documented, such as an oversight, review, approval process, or other compensating control to prevent and correct errors prior to submission.

Status: Not resolved. Identified as finding 2021-001 in the current year audit report.

FINDING 2019-002

Information on the federal program:

Subject: Child Nutrition Cluster - Eligibility
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
Assistance Listing Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY 17-18, FY 18-19
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Eligibility
Audit Finding: Material Weakness

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

Two employees were responsible for entering income information into the computer system that was used to determine eligibility; however, there was no oversight or review to ensure the information they entered was correct.

Status: Not resolved. Identified as finding 2021-002 in the current year audit report.

FINDING 2019-003

Information on the federal program:

Subject: Special Education Cluster (IDEA) - Period of Performance
Federal Agency: Department of Education
Federal Program: Special Education Grants to States
Assistance Listing Number: 84.027
Federal Award Number and Year (or Other Identifying Number): 18611-066-PN01
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Period of Performance
Audit Findings: Material Weakness, Other Matters

Condition and Context: The School Corporation had not established an effective internal control system related to the grant agreement and the Period of Performance compliance requirement.

The School Corporation did not comply with the Period of Performance compliance requirement that all obligations for expenditures made from program funds be incurred and expended within the period of performance. The obligation and/or payment of the claims did not occur within the period of performance for transactions charged and recorded in the computerized accounting system.

Status: Resolved.