



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513

Fax: (317) 232-4711

Web Site: www.in.gov/sboa

April 11, 2023

To: The Officials of the Lebanon Community School Corporation
Lebanon Community School Corporation
1810 North Grant St.
Lebanon, IN 46052

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

We call your attention to the findings included in the report on pages 40 through 50. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 56 through 61.

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 Lebanon Community School Corporation was prepared in accordance with the guidelines established by the State Board of Accounts.

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

Handwritten signature of Tammy R. White in cursive.

Tammy R. White, CPA
Deputy State Examiner

LEBANON COMMUNITY SCHOOL CORPORATION
Boone County, Indiana

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

LEBANON COMMUNITY SCHOOL CORPORATION
Boone County, Indiana

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

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LEBANON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF OFFICIALS (Unaudited)
For the period July 1, 2020 to June 30, 2022

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Charles Tait	07-01-20 to 05-06-22
	Doyle Dunshee	05-07-22 to 06-12-22
	Zach Dennis	06-13-22 to 06-30-22
Superintendent of Schools	Jon Milleman	07-01-20 to 06-30-22
President of the School Board	Michael Burtron	07-01-20 to 12-31-20
	Elizabeth Keith	01-01-21 to 06-30-22

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
Lebanon Community School Corporation
Boone County, Indiana

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

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

Unmodified Opinion on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the School Corporation as of June 30, 2022, or changes in net position for the period of July 1, 2020 to June 30, 2022.

Basis for Opinions

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

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

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

(Continued)

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

Responsibilities of Management for the Financial Statement

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statement that collectively comprise the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and are not a required part of the financial statement.

(Continued)

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

Other Information

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

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

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 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 22, 2023

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

Fund	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments
	07-01-2020	Receipts	Disbursements		06-30-2021	Receipts	Disbursements		
Education	\$ 3,313,770	\$ 23,892,849	\$ 20,230,185	\$ (3,113,572)	\$ 3,862,862	\$ 25,098,828	\$ 21,854,110	\$ (3,690,000)	\$ 3,417,580
Debt Service	1,004,678	5,091,602	4,435,061	(119,604)	1,541,615	6,672,799	6,309,020	(122,669)	1,782,725
Referendum - Exempt Capital	3,360,162	7,458,155	6,444,000	-	4,374,317	7,784,212	7,515,000	-	4,643,529
Operations	3,565,502	7,935,783	9,904,405	3,350,644	4,947,524	7,296,679	10,494,228	3,368,174	5,118,149
Local Rainy Day	3,183,996	-	100,000	60,500	3,144,496	-	-	355,504	3,500,000
2018 G O Bond	2,962,674	57,611	1,378,139	-	1,642,146	4,705	1,099,349	-	547,502
2020 G O Bond	4,389,612	9,895	4,097,865	-	301,642	1,188	302,817	-	13
2021 G O Bond	-	-	-	-	-	19,767	523,850	5,571,377	5,067,294
School Lunch	(11,361)	1,697,294	1,393,392	-	292,541	2,558,901	2,023,275	-	828,167
Curricular Materials Rental	365,602	387,699	823,931	285,292	214,662	400,517	366,046	122,718	371,851
Joint Service/Supply-Spec Ed C	310,483	1,394,500	1,435,622	250	269,611	1,669,780	1,528,371	-	411,020
Lef Grants	20,769	3,958	5,453	-	19,274	5,237	6,622	-	17,889
Career And Tech	7,336	100,000	101,664	(6,428)	(756)	-	-	756	-
Ed Support #1	78,437	48,864	62,781	664	65,184	51,192	31,488	(303)	84,585
Ed Support Account #2	66,758	23,508	14,802	-	75,464	23,070	26,640	(756)	71,138
Stokes Food Pantry	30,418	13,275	4,162	-	39,531	737	11,712	-	28,556
Lcsc Apple Aps	330	-	-	(330)	-	-	-	-	-
Community Foundation Donation /Gift	-	50,000	35,956	-	14,044	-	14,044	-	-
Read Up Program	7,247	-	-	-	7,247	-	1,273	-	5,974
Grad Coach Program 2021-2022	15,192	-	7,834	(2,358)	5,000	56,881	54,619	-	7,262
Grad Coach 2020-2021	6,382	40,569	49,309	2,358	-	-	-	-	-
Building Trades	(87,288)	2,000	61,397	220,743	74,058	-	224,012	20,000	(129,954)
Formative Assessment	-	35,447	41,960	-	(6,513)	42,304	44,559	-	(8,768)
Educational Technology Advance	(334,600)	666,600	332,000	-	-	332,600	332,600	-	-
State Medicaid	77,715	15,575	69,684	-	23,606	23,523	14,747	-	32,382
Secured Schools Safety Grant	-	50,000	50,000	-	-	50,000	44,362	-	5,638
Early Intervention Grant	-	-	-	-	-	11,100	11,175	-	(75)
Early Intervention Grant 2020-2021	-	10,432	10,432	-	-	-	-	-	-
Nesp	-	21,232	21,232	-	-	31,343	25,200	-	6,143
Teacher Appreciation Grant 2021	-	-	-	-	-	124,116	124,116	-	-
High Ability Students	19,268	34,391	32,490	-	21,169	39,602	37,590	303	23,484
State Connectivity Grant	11,083	11,864	-	-	22,947	12,760	-	-	35,707
Title I 2019-2020	(22,879)	112,368	89,489	-	-	-	-	-	-
Title I 2020-2021	-	232,036	259,750	-	(27,714)	134,078	106,364	-	-
Title I 2021-2022	-	-	-	-	-	143,057	235,368	-	(92,311)
Title I lumch 2019-2020	(21,241)	23,971	2,730	-	-	-	-	-	-
Title I lumch 2020-2021	-	39,202	52,238	-	(13,036)	22,787	9,751	-	-
Title I D 2021-2022	-	-	-	-	-	38,888	64,371	-	(25,483)
Lcsc Idea 611 Grant Fy 2020	(48,240)	171,933	159,321	-	(35,628)	35,628	-	-	-
Lcsc Idea 611 Grant Fy 2021	-	802,025	837,258	-	(35,233)	68,272	33,039	-	-
Idea 611 Fy 2022 Lcsc	-	-	-	-	-	648,390	756,281	-	(107,891)
Lcsc Idea 619 Grant Fy 2020	(620)	620	-	-	-	-	-	-	-
Lcsc Idea 619 Grant Fy 2021	-	28,151	28,151	-	-	-	-	-	-
Idea 619 Fy 2022 Lcsc	-	-	-	-	-	5,285	15,895	-	(10,610)

(Continued)

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

Fund	Cash and Investments		Other Financing		Cash and Investments		Other Financing		Cash and Investments	
	07-01-2020	Receipts	Disbursements	Sources (Uses)	06-30-2021	Receipts	Disbursements	Sources (Uses)	06-30-2022	
Idea-611 Flow Thru	\$ -	\$ 2,392,931	\$ 2,392,931	\$ -	\$ -	\$ 2,278,961	\$ 2,451,628	\$ -	\$ (172,667)	
Idea 619	-	73,010	73,010	-	-	69,275	69,489	-	(214)	
Title Iv 2018	(9,611)	26,742	17,131	-	-	-	-	-	-	
Title Iv Fy 19 7/1/2019-9/30-2022	(8,600)	10,958	10,484	-	(8,126)	8,126	10,453	-	(10,453)	
Title Iv Grant 2020 - 2022	-	3,716	9,578	-	(5,862)	5,862	12,318	-	(12,318)	
Title Iv 2021-2023	-	-	-	-	-	-	12,064	-	(12,064)	
Federal Medicaid	316,239	40,110	310,773	-	45,576	61,994	1,631	-	105,939	
Title Iia 2019-2022	(51,821)	58,713	42,852	-	(35,960)	51,313	15,353	-	-	
Title Iia Teacher Leadership	-	-	-	-	-	3,817	3,583	-	234	
Title Iia 2020-2022	-	-	11,032	-	(11,032)	94,845	83,813	-	-	
Title Iia 2018-2020	(12,507)	13,076	569	-	-	-	-	-	-	
Title Iia 2021-2023	-	-	-	-	-	-	39,195	-	(39,195)	
Arp 611	-	-	-	-	-	130,828	161,302	-	(30,474)	
Arp 619	-	-	-	-	-	-	8,026	-	(8,026)	
ESSER III	-	-	395,694	-	(395,694)	872,242	626,006	-	(149,458)	
ESSER II	-	262,725	283,401	-	(20,676)	553,960	723,645	-	(190,361)	
Governor's Emergency Education Relief (GEER)	-	68,019	73,723	-	(5,704)	15,867	14,666	-	(4,503)	
ESSER I	-	303,236	330,642	-	(27,406)	36,951	9,545	-	-	
Prepaid School Lunch Accounts	48,492	152,343	161,728	-	39,107	233,864	240,694	-	32,277	
Fed Tax Wthd	-	1,807,108	1,807,108	-	-	1,948,231	1,948,231	-	-	
F I C A Wthd	(196)	1,588,726	1,588,530	-	-	1,741,590	1,741,871	-	(281)	
State Tax Wthd	(33)	656,619	656,586	-	-	725,575	725,516	-	59	
Local Taxes	(15)	303,696	303,681	-	-	336,643	336,616	-	27	
Voluntary Retirement Contr	-	10,994	10,994	-	-	11,733	11,733	-	-	
Health Insurance	23,411	452,381	459,530	-	16,262	488,500	492,182	-	12,580	
Tax Sheltered Annuities	-	822,929	822,929	-	-	961,770	961,770	-	-	
Garnishment	-	23,115	23,115	-	-	23,256	23,256	-	-	
Dental Insurance	12,261	198,023	198,574	-	11,710	199,750	199,812	-	11,648	
Life Insurance	42	1,166	1,072	-	136	1,011	1,003	-	144	
L T D Insurance	1,970	17,871	21,684	-	(1,843)	19,398	16,316	-	1,239	
Vision Insurance	1,600	38,265	38,342	-	1,523	38,616	38,754	-	1,385	
Aflac Premiums	592	1,759	1,759	-	592	1,759	1,759	-	592	
American Fidelity Premiums	274	183,505	183,460	-	319	206,876	206,937	-	258	
Texas Life Insurance	-	56,269	56,269	-	-	67,525	67,525	-	-	
Voluntary Life Insurance	1,751	33,305	33,067	-	1,989	33,322	32,692	-	2,619	
Hsa-Health Savings Account	-	-	-	-	-	200	-	-	200	
United Way	-	2,218	2,218	-	-	2,394	2,394	-	-	
Non-Reimbursable Medical	-	56,479	56,479	-	-	53,137	53,137	-	-	
Miscellaneous	-	719	719	-	-	432	432	-	-	
Lef Donations	-	4,815	4,815	-	-	5,506	5,506	-	-	
Totals	\$ 22,595,034	\$ 60,128,950	\$ 62,957,172	\$ 678,159	\$ 20,444,971	\$ 64,693,355	\$ 65,592,747	\$ 5,625,104	\$ 25,170,683	

See notes to financial statement.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

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

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

(Continued)

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

NOTE 2 - BUDGETS

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

NOTE 3 - PROPERTY TAXES

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

The School Corporation held cash deposits with financial institutions that maintained FDIC and PDIF coverages, as applicable. The School Corporation held investments for the period under audit.

(Continued)

NOTE 5 - RISK MANAGEMENT

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

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

NOTE 6 - CASH BALANCE DEFICITS

The financial statement 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, 2021, and 2022. Deficits in other fund balances, including the LTD Insurance and FICA Withheld funds, were the result of disbursements exceeding receipts due to under-estimating current requirements for some funds. These deficits are to be prepaid from future receipts.

NOTE 7 - HOLDING CORPORATION

The School Corporation has entered into a series of capital leases with the Lebanon Middle 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, 2020 through June 30, 2021 totaled \$7,513,000. Lease payments for the period July 1, 2021 through June 30, 2022 totaled \$7,515,000.

NOTE 8 - RELATED PARTY TRANSACTIONS

During the audit period, the School Corporation paid a company that employs one of the School Corporation's board members for insurance coverage. Payments for the period July 1, 2020 to December 31, 2020 during the individual's tenure on the board totaled \$254,089.

NOTE 9 - PENSION PLANS

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.

(Continued)

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

NOTE 9 - PENSION PLANS (Continued)

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

Contributions

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

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

(Continued)

NOTE 9 - PENSION PLANS (Continued)

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

Additional Pension Plan

The School Corporation also contributes to an additional pension plan unique to the School Corporation. Information regarding this plan may be obtained from the School Corporation.

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS

The School Corporation provides to eligible retirees and their spouses the following benefits: medical, dental, vision, and life insurance. Retirees pay for these benefits. Information regarding these benefits can be obtained by contacting the School Corporation.

NOTE 11 - SUBSEQUENT EVENTS

In November 2022, the School Corporation issued General Obligation Bonds in the amount of \$3,500,000 to finance the renovation and improvements to school facilities, including the purchase of equipment.

In November 2022, the School Corporation entered into a capital lease with the Lebanon Middle School Building Corporation to finance construction of a new elementary school building and capital improvements at various School Corporation facilities. The lease arrangement requires annual lease payments totaling approximately \$109,991,500 over the life of the lease beginning June 30, 2025 through June 30, 2047.

SUPPLEMENTARY INFORMATION

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

	Education	Debt Service	Referendum - Exempt Capital	Operations	Local Rainy Day	2018 G O Bond	2020 G O Bond	2021 G O Bond	School Lunch	Curricular Materials Rental	Joint Service/Supply- Spec Ed C
Cash and investments - beginning	\$ 3,313,770	\$ 1,004,678	\$ 3,360,162	\$ 3,565,502	\$ 3,183,996	\$ 2,962,674	\$ 4,389,612	\$ -	\$ (11,361)	\$ 365,602	\$ 310,483
Receipts:											
Local sources	231,883	5,069,335	7,458,155	7,854,283	-	57,611	9,895	-	189,201	295,796	1,394,500
Intermediate sources	-	-	-	384	-	-	-	-	-	-	-
State sources	23,660,966	-	-	-	-	-	-	-	18,758	91,903	-
Federal sources	-	-	-	-	-	-	-	-	1,489,335	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	22,267	-	81,116	-	-	-	-	-	-	-
Total receipts	23,892,849	5,091,602	7,458,155	7,935,783	-	57,611	9,895	-	1,697,294	387,699	1,394,500
Disbursements:											
Instruction	15,417,810	-	-	-	-	-	-	-	-	12,119	23,500
Support services	4,339,229	-	-	8,455,659	100,000	422,986	-	-	1,128	238,381	1,412,122
Noninstructional services	473,146	-	-	8,353	-	-	-	-	1,363,830	-	-
Facilities acquisition and construction	-	-	-	1,440,393	-	955,153	4,097,865	-	28,434	573,431	-
Debt services	-	4,435,061	6,444,000	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	20,230,185	4,435,061	6,444,000	9,904,405	100,000	1,378,139	4,097,865	-	1,393,392	823,931	1,435,622
Excess (deficiency) of receipts over disbursements	3,662,664	656,541	1,014,155	(1,968,622)	(100,000)	(1,320,528)	(4,087,970)	-	303,902	(436,232)	(41,122)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	230,644	60,500	-	-	-	-	165,688	250
Transfers in	6,428	-	-	3,120,000	-	-	-	-	-	119,604	-
Transfers out	(3,120,000)	(119,604)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(3,113,572)	(119,604)	-	3,350,644	60,500	-	-	-	-	285,292	250
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	549,092	536,937	1,014,155	1,382,022	(39,500)	(1,320,528)	(4,087,970)	-	303,902	(150,940)	(40,872)
Cash and investments - ending	\$ 3,862,862	\$ 1,541,615	\$ 4,374,317	\$ 4,947,524	\$ 3,144,496	\$ 1,642,146	\$ 301,642	\$ -	\$ 292,541	\$ 214,662	\$ 269,611

(Continued)

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

	Lef Grants	Career And Tech	Ed Support #1	Ed Support Account #2	Stokes Food Pantry	Lcsc Apple Aps	Community Foundation Donation /Gift	Read Up Program	Grad Coach Program 2021- 2022	Grad Coach 2020-2021	Building Trades
Cash and investments - beginning	\$ 20,769	\$ 7,336	\$ 78,437	\$ 66,758	\$ 30,418	\$ 330	\$ -	\$ 7,247	\$ 15,192	\$ 6,382	\$ (87,288)
Receipts:											
Local sources	3,958	100,000	48,864	23,508	13,275	-	50,000	-	-	40,569	2,000
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	3,958	100,000	48,864	23,508	13,275	-	50,000	-	-	40,569	2,000
Disbursements:											
Instruction	5,453	101,664	8,589	-	4,162	-	-	-	7,834	49,309	61,397
Support services	-	-	54,192	14,802	-	-	35,956	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	5,453	101,664	62,781	14,802	4,162	-	35,956	-	7,834	49,309	61,397
Excess (deficiency) of receipts over disbursements	(1,495)	(1,664)	(13,917)	8,706	9,113	-	14,044	-	(7,834)	(8,740)	(59,397)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	334	-	-	-	-	-	-	-	220,743
Transfers in	-	-	330	-	-	-	-	-	5,000	7,358	-
Transfers out	-	(6,428)	-	-	-	(330)	-	-	(7,358)	(5,000)	-
Total other financing sources (uses)	-	(6,428)	664	-	-	(330)	-	-	(2,358)	2,358	220,743
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,495)	(8,092)	(13,253)	8,706	9,113	(330)	14,044	-	(10,192)	(6,382)	161,346
Cash and investments - ending	\$ 19,274	\$ (756)	\$ 65,184	\$ 75,464	\$ 39,531	\$ -	\$ 14,044	\$ 7,247	\$ 5,000	\$ -	\$ 74,058

(Continued)

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

	Formative Assessment	Educational Technology Advance	State Medicaid	Secured Schools Safety Grant	Early Intervention Grant	Early Intervention Grant 2020- 2021	Nesp	Teacher Appreciation Grant 2021	High Ability Students	State Connectivity Grant	Title I 2019- 2020
Cash and investments - beginning	\$ -	\$ (334,600)	\$ 77,715	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,268	\$ 11,083	\$ (22,879)
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	35,447	666,600	15,575	50,000	-	10,432	21,232	-	34,391	11,864	-
Federal sources	-	-	-	-	-	-	-	-	-	-	112,368
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	35,447	666,600	15,575	50,000	-	10,432	21,232	-	34,391	11,864	112,368
Disbursements:											
Instruction	41,960	-	-	-	-	10,432	21,232	-	32,490	-	40,140
Support services	-	-	69,684	50,000	-	-	-	-	-	-	30,108
Noninstructional services	-	-	-	-	-	-	-	-	-	-	19,241
Facilities acquisition and construction	-	332,000	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	41,960	332,000	69,684	50,000	-	10,432	21,232	-	32,490	-	89,489
Excess (deficiency) of receipts over disbursements	(6,513)	334,600	(54,109)	-	-	-	-	-	1,901	11,864	22,879
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	(6,513)	334,600	(54,109)	-	-	-	-	-	1,901	11,864	22,879
Cash and investments - ending	\$ (6,513)	\$ -	\$ 23,606	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,169	\$ 22,947	\$ -

(Continued)

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

	Title I 2020-2021	Title I 2021-2022	Title I lumch 2019-2020	Title I lumch 2020-2021	Title I D 2021-2022	Lcsc Idea 611 Grant Fy 2020	Lcsc Idea 611 Grant Fy 2021	Idea 611 Fy 2022 Lcsc	Lcsc Idea 619 Grant Fy 2020	Lcsc Idea 619 Grant Fy 2021	Idea 619 Fy 2022 Lcsc
Cash and investments - beginning	\$ -	\$ -	\$ (21,241)	\$ -	\$ -	\$ (48,240)	\$ -	\$ -	\$ (620)	\$ -	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	232,036	-	23,971	39,202	-	171,933	802,025	-	620	28,151	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	232,036	-	23,971	39,202	-	171,933	802,025	-	620	28,151	-
Disbursements:											
Instruction	173,932	-	2,730	49,547	-	102,734	815,283	-	-	27,180	-
Support services	5,525	-	-	2,691	-	56,587	21,975	-	-	971	-
Noninstructional services	80,293	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	259,750	-	2,730	52,238	-	159,321	837,258	-	-	28,151	-
Excess (deficiency) of receipts over disbursements	(27,714)	-	21,241	(13,036)	-	12,612	(35,233)	-	620	-	-
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	(27,714)	-	21,241	(13,036)	-	12,612	(35,233)	-	620	-	-
Cash and investments - ending	\$ (27,714)	\$ -	\$ -	\$ (13,036)	\$ -	\$ (35,628)	\$ (35,233)	\$ -	\$ -	\$ -	\$ -

(Continued)

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

	Idea-611 Flow Thru	Idea 619	Title Iv 2018	Title Iv Fy 19 7/1/2019-9/30- 2022	Title Iv Grant 2020 - 2022	Title Iv 2021- 2023	Federal Medicaid	Title lia 2019- 2022	Title lia Teacher Leadership	Title lia 2020- 2022	Title lia 2018- 2020
Cash and investments - beginning	\$ -	\$ -	\$ (9,611)	\$ (8,600)	\$ -	\$ -	\$ 316,239	\$ (51,821)	\$ -	\$ -	\$ (12,507)
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	2,392,931	73,010	26,742	10,958	3,716	-	40,110	58,713	-	-	13,076
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	2,392,931	73,010	26,742	10,958	3,716	-	40,110	58,713	-	-	13,076
Disbursements:											
Instruction	-	-	-	10,484	3,716	-	-	42,131	-	-	-
Support services	2,392,931	73,010	17,131	-	5,862	-	327,748	721	-	11,032	569
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	(16,975)	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	2,392,931	73,010	17,131	10,484	9,578	-	310,773	42,852	-	11,032	569
Excess (deficiency) of receipts over disbursements	-	-	9,611	474	(5,862)	-	(270,663)	15,861	-	(11,032)	12,507
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	-	-	9,611	474	(5,862)	-	(270,663)	15,861	-	(11,032)	12,507
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (8,126)	\$ (5,862)	\$ -	\$ 45,576	\$ (35,960)	\$ -	\$ (11,032)	\$ -

(Continued)

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

	Title lia 2021- 2023	Arp 611	Arp 619	ESSER III	ESSER II	Governor's Emergency Education Relief (GEER)	ESSER I	Prepaid School Lunch Accounts	Fed Tax Wthd	F I C A Wthd	State Tax Wthd
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,492	\$ -	\$ (196)	\$ (33)
Receipts:											
Local sources	-	-	-	-	-	-	-	152,343	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	262,725	68,019	303,236	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	1,807,108	1,588,726	656,619
Total receipts	-	-	-	-	262,725	68,019	303,236	152,343	1,807,108	1,588,726	656,619
Disbursements:											
Instruction	-	-	-	79,162	64,035	73,723	158,549	-	-	-	-
Support services	-	-	-	67,036	84,743	-	125,659	1,677	-	-	-
Noninstructional services	-	-	-	-	-	-	46,434	160,051	-	-	-
Facilities acquisition and construction	-	-	-	249,496	134,623	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	1,807,108	1,588,530	656,586
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	395,694	283,401	73,723	330,642	161,728	1,807,108	1,588,530	656,586
Excess (deficiency) of receipts over disbursements	-	-	-	(395,694)	(20,676)	(5,704)	(27,406)	(9,385)	-	196	33
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	-	-	-	(395,694)	(20,676)	(5,704)	(27,406)	(9,385)	-	196	33
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (395,694)	\$ (20,676)	\$ (5,704)	\$ (27,406)	\$ 39,107	\$ -	\$ -	\$ -

(Continued)

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

	Local Taxes	Voluntary Retirement Contr	Health Insurance	Tax Sheltered Annuities	Garnishment	Dental Insurance	Life Insurance	L T D Insurance	Vision Insurance	Aflac Premiums	American Fidelity Premiums
Cash and investments - beginning	\$ (15)	\$ -	\$ 23,411	\$ -	\$ -	\$ 12,261	\$ 42	\$ 1,970	\$ 1,600	\$ 592	\$ 274
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	303,696	10,994	452,381	822,929	23,115	198,023	1,166	17,871	38,265	1,759	183,505
Total receipts	303,696	10,994	452,381	822,929	23,115	198,023	1,166	17,871	38,265	1,759	183,505
Disbursements:											
Instruction	-	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	303,681	10,994	459,530	822,929	23,115	198,574	1,072	21,684	38,342	1,759	183,460
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	303,681	10,994	459,530	822,929	23,115	198,574	1,072	21,684	38,342	1,759	183,460
Excess (deficiency) of receipts over disbursements	15	-	(7,149)	-	-	(551)	94	(3,813)	(77)	-	45
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	15	-	(7,149)	-	-	(551)	94	(3,813)	(77)	-	45
Cash and investments - ending	\$ -	\$ -	\$ 16,262	\$ -	\$ -	\$ 11,710	\$ 136	\$ (1,843)	\$ 1,523	\$ 592	\$ 319

(Continued)

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

	Texas Life Insurance	Voluntary Life Insurance	Hsa-Health Savings Account	United Way	Non- Reimbursable Medical	Miscellaneous	Lef Donations	Totals
Cash and investments - beginning	\$ -	\$ 1,751	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,595,034
Receipts:								
Local sources	-	-	-	-	-	-	-	22,995,176
Intermediate sources	-	-	-	-	-	-	-	384
State sources	-	-	-	-	-	-	-	24,617,168
Federal sources	-	-	-	-	-	-	-	6,152,877
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other receipts	56,269	33,305	-	2,218	56,479	719	4,815	6,363,345
Total receipts	56,269	33,305	-	2,218	56,479	719	4,815	60,128,950
Disbursements:								
Instruction	-	-	-	-	-	-	-	17,441,297
Support services	-	-	-	-	-	-	-	18,420,115
Noninstructional services	-	-	-	-	-	-	-	2,151,348
Facilities acquisition and construction	-	-	-	-	-	-	-	7,794,420
Debt services	-	-	-	-	-	-	-	10,879,061
Nonprogrammed charges	56,269	33,067	-	2,218	56,479	719	4,815	6,270,931
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	56,269	33,067	-	2,218	56,479	719	4,815	62,957,172
Excess (deficiency) of receipts over disbursements	-	238	-	-	-	-	-	(2,828,222)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	678,159
Transfers in	-	-	-	-	-	-	-	3,258,720
Transfers out	-	-	-	-	-	-	-	(3,258,720)
Total other financing sources (uses)	-	-	-	-	-	-	-	678,159
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	238	-	-	-	-	-	(2,150,063)
Cash and investments - ending	\$ -	\$ 1,989	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,444,971

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

	Education	Debt Service	Referendum - Exempt Capital	Operations	Local Rainy Day	2018 G O Bond	2020 G O Bond	2021 G O Bond	School Lunch	Curricular Materials Rental	Joint Service/Supply- Spec Ed C
Cash and investments - beginning	\$ 3,862,862	\$ 1,541,615	\$ 4,374,317	\$ 4,947,524	\$ 3,144,496	\$ 1,642,146	\$ 301,642	\$ -	\$ 292,541	\$ 214,662	\$ 269,611
Receipts:											
Local sources	237,806	6,672,799	7,784,212	7,117,136	-	4,705	1,188	19,767	291,960	299,665	1,669,780
Intermediate sources	-	-	-	267	-	-	-	-	-	-	-
State sources	24,861,022	-	-	-	-	-	-	-	16,787	99,074	-
Federal sources	-	-	-	71,170	-	-	-	-	2,250,154	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	108,106	-	-	-	-	-	1,778	-
Total receipts	25,098,828	6,672,799	7,784,212	7,296,679	-	4,705	1,188	19,767	2,558,901	400,517	1,669,780
Disbursements:											
Instruction	16,494,148	-	-	-	-	-	-	-	-	45,754	24,500
Support services	4,822,416	-	-	9,016,376	-	236,746	-	-	3,561	193,457	1,503,871
Noninstructional services	537,546	-	-	13,937	-	-	-	-	2,017,778	-	-
Facilities acquisition and construction	-	-	-	1,463,915	-	862,603	302,817	523,850	1,936	126,835	-
Debt services	-	6,309,020	7,515,000	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	21,854,110	6,309,020	7,515,000	10,494,228	-	1,099,349	302,817	523,850	2,023,275	366,046	1,528,371
Excess (deficiency) of receipts over disbursements	3,244,718	363,779	269,212	(3,197,549)	-	(1,094,644)	(301,629)	(504,083)	535,626	34,471	141,409
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	5,571,377	-	-	-
Sale of capital assets	-	-	-	33,678	-	-	-	-	-	49	-
Transfers in	-	-	-	3,690,000	355,504	-	-	-	-	122,669	-
Transfers out	(3,690,000)	(122,669)	-	(355,504)	-	-	-	-	-	-	-
Total other financing sources (uses)	(3,690,000)	(122,669)	-	3,368,174	355,504	-	-	5,571,377	-	122,718	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(445,282)	241,110	269,212	170,625	355,504	(1,094,644)	(301,629)	5,067,294	535,626	157,189	141,409
Cash and investments - ending	\$ 3,417,580	\$ 1,782,725	\$ 4,643,529	\$ 5,118,149	\$ 3,500,000	\$ 547,502	\$ 13	\$ 5,067,294	\$ 828,167	\$ 371,851	\$ 411,020

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

	Lef Grants	Career And Tech	Ed Support #1	Ed Support Account #2	Stokes Food Pantry	Lcsc Apple Aps	Community Foundation Donation /Gift	Read Up Program	Grad Coach Program 2021-2022	Grad Coach 2020-2021	Building Trades	Formative Assessment	Educational Technology Advance
Cash and investments - beginning	\$ 19,274	\$ (756)	\$ 65,184	\$ 75,464	\$ 39,531	\$ -	\$ 14,044	\$ 7,247	\$ 5,000	\$ -	\$ 74,058	\$ (6,513)	\$ -
Receipts:													
Local sources	5,237	-	51,192	23,070	737	-	-	-	56,881	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	42,304	332,600
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	5,237	-	51,192	23,070	737	-	-	-	56,881	-	-	42,304	332,600
Disbursements:													
Instruction	6,622	-	8,093	-	11,712	-	-	1,273	54,619	-	223,662	35,225	-
Support services	-	-	23,395	26,640	-	-	14,044	-	-	-	-	9,334	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	350	-	332,600
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	6,622	-	31,488	26,640	11,712	-	14,044	1,273	54,619	-	224,012	44,559	332,600
Excess (deficiency) of receipts over disbursements	(1,385)	-	19,704	(3,570)	(10,975)	-	(14,044)	(1,273)	2,262	-	(224,012)	(2,255)	-
Other financing sources (uses)													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	20,000	-	-
Transfers in	-	756	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(303)	(756)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	756	(303)	(756)	-	-	-	-	-	-	20,000	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,385)	756	19,401	(4,326)	(10,975)	-	(14,044)	(1,273)	2,262	-	(204,012)	(2,255)	-
Cash and investments - ending	\$ 17,889	\$ -	\$ 84,585	\$ 71,138	\$ 28,556	\$ -	\$ -	\$ 5,974	\$ 7,262	\$ -	\$ (129,954)	\$ (8,768)	\$ -

(Continued)

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

	State Medicaid	Secured Schools Safety Grant	Early Intervention Grant	Early Intervention Grant 2020- 2021	Nesp	Teacher Appreciation Grant 2021	High Ability Students	State Connectivity Grant	Title I 2019- 2020	Title I 2020- 2021	Title I 2021- 2022	Title I lunch 2019-2020	Title I lunch 2020-2021
Cash and investments - beginning	\$ 23,606	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,169	\$ 22,947	\$ -	\$ (27,714)	\$ -	\$ -	\$ (13,036)
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	23,523	50,000	11,100	-	31,343	124,116	39,602	12,760	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	134,078	143,057	-	22,787
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	23,523	50,000	11,100	-	31,343	124,116	39,602	12,760	-	134,078	143,057	-	22,787
Disbursements:													
Instruction	6,017	-	11,175	-	25,200	124,116	37,590	-	-	59,352	164,730	-	9,751
Support services	8,730	44,362	-	-	-	-	-	-	-	37,446	3,404	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	8,615	67,234	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	951	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	14,747	44,362	11,175	-	25,200	124,116	37,590	-	-	106,364	235,368	-	9,751
Excess (deficiency) of receipts over disbursements	8,776	5,638	(75)	-	6,143	-	2,012	12,760	-	27,714	(92,311)	-	13,036
Other financing sources (uses)													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	303	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	303	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	8,776	5,638	(75)	-	6,143	-	2,315	12,760	-	27,714	(92,311)	-	13,036
Cash and investments - ending	\$ 32,382	\$ 5,638	\$ (75)	\$ -	\$ 6,143	\$ -	\$ 23,484	\$ 35,707	\$ -	\$ -	\$ (92,311)	\$ -	\$ -

(Continued)

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

	Title I D 2021-2022	Lcsc Idea 611 Grant Fy 2020	Lcsc Idea 611 Grant Fy 2021	Idea 611 Fy 2022 Lcsc	Lcsc Idea 619 Grant Fy 2020	Lcsc Idea 619 Grant Fy 2021	Idea 619 Fy 2022 Lcsc	Idea-611 Flow Thru	Idea 619	Title Iv 2018	Title Iv Fy 19 7/1/2019-9/30-2022
Cash and investments - beginning	\$ -	\$ (35,628)	\$ (35,233)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,126)
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	38,888	35,628	68,272	648,390	-	-	5,285	2,278,961	69,275	-	8,126
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	38,888	35,628	68,272	648,390	-	-	5,285	2,278,961	69,275	-	8,126
Disbursements:											
Instruction	54,553	-	33,039	756,281	-	-	15,538	-	-	-	10,453
Support services	9,818	-	-	-	-	-	357	2,451,628	69,489	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	64,371	-	33,039	756,281	-	-	15,895	2,451,628	69,489	-	10,453
Excess (deficiency) of receipts over disbursements	(25,483)	35,628	35,233	(107,891)	-	-	(10,610)	(172,667)	(214)	-	(2,327)
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	(25,483)	35,628	35,233	(107,891)	-	-	(10,610)	(172,667)	(214)	-	(2,327)
Cash and investments - ending	\$ (25,483)	\$ -	\$ -	\$ (107,891)	\$ -	\$ -	\$ (10,610)	\$ (172,667)	\$ (214)	\$ -	\$ (10,453)

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

	Title Iv Grant 2020 - 2022	Title Iv 2021- 2023	Federal Medicaid	Title lia 2019- 2022	Title lia Teacher Leadership	Title lia 2020- 2022	Title lia 2018- 2020	Title lia 2021- 2023	Arp 611	Arp 619	ESSER III	ESSER II
Cash and investments - beginning	\$ (5,862)	\$ -	\$ 45,576	\$ (35,960)	\$ -	\$ (11,032)	\$ -	\$ -	\$ -	\$ -	\$ (395,694)	\$ (20,676)
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	5,862	-	61,994	51,313	3,817	94,845	-	-	130,828	-	872,242	553,960
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	5,862	-	61,994	51,313	3,817	94,845	-	-	130,828	-	872,242	553,960
Disbursements:												
Instruction	5,006	-	-	15,186	-	-	-	-	19,291	7,835	508,567	461,178
Support services	7,312	12,064	1,631	167	3,583	83,813	-	39,195	-	191	30,493	262,467
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	142,011	-	86,946	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	12,318	12,064	1,631	15,353	3,583	83,813	-	39,195	161,302	8,026	626,006	723,645
Excess (deficiency) of receipts over disbursements	(6,456)	(12,064)	60,363	35,960	234	11,032	-	(39,195)	(30,474)	(8,026)	246,236	(169,685)
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	(6,456)	(12,064)	60,363	35,960	234	11,032	-	(39,195)	(30,474)	(8,026)	246,236	(169,685)
Cash and investments - ending	\$ (12,318)	\$ (12,064)	\$ 105,939	\$ -	\$ 234	\$ -	\$ -	\$ (39,195)	\$ (30,474)	\$ (8,026)	\$ (149,458)	\$ (190,361)

(Continued)

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

	Governor's Emergency Education Relief (GEER)	ESSER I	Prepaid School Lunch Accounts	Fed Tax Wthd	F I C A Wthd	State Tax Wthd	Local Taxes	Voluntary Retirement Contr	Health Insurance	Tax Sheltered Annuities	Garnishment	Dental Insurance	Life Insurance
Cash and investments - beginning	\$ (5,704)	\$ (27,406)	\$ 39,107	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,262	\$ -	\$ -	\$ 11,710	\$ 136
Receipts:													
Local sources	-	-	233,864	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	15,867	36,951	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	1,948,231	1,741,590	725,575	336,643	11,733	488,500	961,770	23,256	199,750	1,011
Total receipts	15,867	36,951	233,864	1,948,231	1,741,590	725,575	336,643	11,733	488,500	961,770	23,256	199,750	1,011
Disbursements:													
Instruction	14,666	3,556	-	-	-	-	-	-	-	-	-	-	-
Support services	-	5,989	1,426	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	239,268	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	1,948,231	1,741,871	725,516	336,616	11,733	492,182	961,770	23,256	199,812	1,003
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	14,666	9,545	240,694	1,948,231	1,741,871	725,516	336,616	11,733	492,182	961,770	23,256	199,812	1,003
Excess (deficiency) of receipts over disbursements	1,201	27,406	(6,830)	-	(281)	59	27	-	(3,682)	-	-	(62)	8
Other financing sources (uses)													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,201	27,406	(6,830)	-	(281)	59	27	-	(3,682)	-	-	(62)	8
Cash and investments - ending	\$ (4,503)	\$ -	\$ 32,277	\$ -	\$ (281)	\$ 59	\$ 27	\$ -	\$ 12,580	\$ -	\$ -	\$ 11,648	\$ 144

(Continued)

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

	L T D Insurance	Vision Insurance	Aflac Premiums	American Fidelity Premiums	Texas Life Insurance	Voluntary Life Insurance	Hsa-Health Savings Account	United Way	Non- Reimbursable Medical	Miscellaneous	Lef Donations	Totals
Cash and investments - beginning	\$ (1,843)	\$ 1,523	\$ 592	\$ 319	\$ -	\$ 1,989	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,444,971
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	24,469,999
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	267
State sources	-	-	-	-	-	-	-	-	-	-	-	25,644,231
Federal sources	-	-	-	-	-	-	-	-	-	-	-	7,601,750
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	19,398	38,616	1,759	206,876	67,525	33,322	200	2,394	53,137	432	5,506	6,977,108
Total receipts	19,398	38,616	1,759	206,876	67,525	33,322	200	2,394	53,137	432	5,506	64,693,355
Disbursements:												
Instruction	-	-	-	-	-	-	-	-	-	-	-	19,248,688
Support services	-	-	-	-	-	-	-	-	-	-	-	18,923,405
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	2,884,378
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	3,843,863
Debt services	-	-	-	-	-	-	-	-	-	-	-	13,824,020
Nonprogrammed charges	16,316	38,754	1,759	206,937	67,525	32,692	-	2,394	53,137	432	5,506	6,868,393
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	16,316	38,754	1,759	206,937	67,525	32,692	-	2,394	53,137	432	5,506	65,592,747
Excess (deficiency) of receipts over disbursements	3,082	(138)	-	(61)	-	630	200	-	-	-	-	(899,392)
Other financing sources (uses)												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	5,571,377
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	53,727
Transfers in	-	-	-	-	-	-	-	-	-	-	-	4,169,232
Transfers out	-	-	-	-	-	-	-	-	-	-	-	(4,169,232)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	5,625,104
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,082	(138)	-	(61)	-	630	200	-	-	-	-	4,725,712
Cash and investments - ending	\$ 1,239	\$ 1,385	\$ 592	\$ 258	\$ -	\$ 2,619	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ 25,170,683

LEBANON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2022

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
LEBANON MIDDLE SCHOOL BUILDING CORPORATION	BUILDING CONSTRUCTION/ REMODELING	\$ 7,517,000	1/10/2012	1/10/2024
Total governmental activities		<u>7,517,000</u>		
Total of annual lease payments		<u>\$ 7,517,000</u>		

<u>Description of Debt</u>		<u>Ending Principal Balance</u>	<u>Principal and Interest Due Within One Year</u>
<u>Type</u>	<u>Purpose</u>		
Governmental activities:			
General Obligation Bonds	Buildiing and property improvements/ maintenance/repairs	\$ 1,425,000	\$ 1,425,000
General Obligation Bonds	Building and property improvements/ maintenance/repairs	5,535,000	2,806,268
General Obligation Bonds	Building and property maintenance/ repairs/bus purchases	1,315,000	1,315,000
Notes and Loans Payable	Common School Tech Loan	<u>665,900</u>	<u>665,900</u>
Total governmental activities		<u>8,940,900</u>	<u>6,212,168</u>
Totals		<u>\$ 8,940,900</u>	<u>\$ 6,212,168</u>

LEBANON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2022

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	\$ 1,657,485
Infrastructure	4,296,740
Buildings	105,192,830
Improvements other than buildings	2,050,369
Machinery, equipment, and vehicles	10,372,505
Construction in progress	158,312
Other Non-Depreciable Assets	<u>5,000</u>
 Total governmental activities	 <u>123,733,241</u>
 Total capital assets	 <u>\$ 123,733,241</u>

LEBANON COMMUNITY SCHOOL CORPORATION
STATE REPORTING INFORMATION
July 1, 2020 - June 30, 2022

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.

LEBANON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period of July 1, 2020 through June 30, 2022

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-21	Total Federal Awards Expended 06-30-22	Total Federal Awards Expended 07-01-2020 to 06-30-22
Department of Agriculture						
Child Nutrition Cluster	Indiana Department of Education					
School Breakfast Program		10.553	FY2021, FY2022	\$ 33,175	\$ 541,929	\$ 575,104
National School Lunch Program		10.555	FY2021, FY2022	103,182	1,668,088	1,771,270
Commodities		10.555	FY2021, FY2022	143,260	220,828	364,088
Summer Food Service Program for Children		10.559	FY2021, FY2022	1,333,065	40,137	1,373,202
Total - Child Nutrition Cluster				<u>1,612,682</u>	<u>2,470,982</u>	<u>4,083,664</u>
Child Nutrition Discretionary Grants Limited Availability	Indiana Department of Education	10.579	FY2021, FY2022	19,913	-	19,913
Total - Department of Agriculture				<u>1,632,595</u>	<u>2,470,982</u>	<u>4,103,577</u>
Department of Education						
Special Education Cluster (IDEA)						
Special Education Grants to States	Indiana Department of Education					
IDEA, Part B		84.027	20611-095-PN01	171,933	35,628	207,561
IDEA, Part B		84.027	21611-095-PN01	802,025	68,272	870,297
COVID-19 - IDEA, Part B		84.027	22611-095-ARP	-	130,828	130,828
IDEA, Part B		84.027	22611-095-PN01	-	648,286	648,286
Total - Special Education Grants to States				<u>973,958</u>	<u>883,014</u>	<u>1,856,972</u>
Special Education Preschool Grants	Indiana Department of Education					
IDEA, Preschool		84.173	20619-095-PN01	620	-	620
IDEA, Preschool		84.173	21619-095-PN01	28,151	-	28,151
IDEA, Preschool		84.173	22619-095-PN01	-	5,285	5,285
Total - Special Education Preschool Grants				<u>28,771</u>	<u>5,285</u>	<u>34,056</u>
Total - Special Education Cluster (IDEA)				<u>1,002,729</u>	<u>888,299</u>	<u>1,891,028</u>
Title I Grants to Local Educational Agencies	Indiana Department of Education					
Title I, Part A		84.010	S010A190014	112,368	143,057	255,425
Title I, Part A		84.010	S010A200014	232,036	134,078	366,114
Total - Title I Grants to Local Educational Agencies				<u>344,404</u>	<u>277,135</u>	<u>621,539</u>
Title I State Agency Program for Neglected and Delinquent Children and Youth	Indiana Department of Education					
Title I, Part D		84.013	S010A190014	23,971	-	23,971
Title I, Part D		84.013	S010A200014	39,202	22,787	61,989
Title I, Part D		84.013	S010A210014	-	38,888	38,888
Total - Title I State Agency Program for Neglected and Delinquent Children and Youth				<u>63,173</u>	<u>61,675</u>	<u>124,848</u>

(Continued)

LEBANON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period of July 1, 2020 through June 30, 2022

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-21	Total Federal Awards Expended 06-30-22	Total Federal Awards Expended 07-01-2020 to 06-30-22
Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II, Part A		84.367	FY2021, FY2022	\$ -	\$ 3,817	\$ 3,817
Title II, Part A		84.367	S367A180013	13,076	-	13,076
Title II, Part A		84.367	S367A190013	58,713	51,313	110,026
Title II, Part A		84.367	S367A200013	-	94,845	94,845
Total - Supporting Effective Instruction State Grants				<u>71,789</u>	<u>149,975</u>	<u>221,764</u>
Student Support and Academic Enrichment Program	Indiana Department of Education					
Title IV, Part A		84.424	S424A180015	26,742	-	26,742
Title IV, Part A		84.424	S424A190015	10,958	8,126	19,084
Title IV, Part A		84.424	S424A200015	3,716	5,862	9,578
Total - Student Support and Academic Enrichment Program				<u>41,416</u>	<u>13,988</u>	<u>55,404</u>
COVID-19 - Education Stabilization Fund	Indiana Department of Education					
Governor's Emergency Education Relief (GEER) Fund		84.425C	S425C200018	68,019	15,867	83,886
Elementary and Secondary School Emergency Relief (ESSER I) Fund		84.425D	S425D200013	303,236	36,951	340,187
Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D	S425D200013	262,725	553,960	816,685
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund		84.425U	S425U210013	-	872,242	872,242
Total - COVID-19 - Education Stabilization Fund				<u>633,980</u>	<u>1,479,020</u>	<u>2,113,000</u>
Total - Department of Education				<u>2,157,491</u>	<u>2,870,092</u>	<u>5,027,583</u>
<u>Department of Health and Human Services</u>						
Medicaid Cluster	Indiana Department of Education					
Medical Assistance Program		93.778	FY2021, FY2022	40,110	61,994	102,104
Total - Medicaid Cluster				<u>40,110</u>	<u>61,994</u>	<u>102,104</u>
Total - Department of Health and Human Services				<u>40,110</u>	<u>61,994</u>	<u>102,104</u>
<u>Department of Homeland Security</u>						
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Indiana Department of Education	97.036	FY2022	-	71,170	71,170
Total - Department of Homeland Security				<u>-</u>	<u>71,170</u>	<u>71,170</u>
Total federal awards expended				<u>\$ 3,830,196</u>	<u>\$ 5,474,238</u>	<u>\$ 9,304,434</u>

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

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

NOTE 1 - BASIS OF PRESENTATION

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the period of July 1, 2020 to June 30, 2022. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

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

B. Other Significant Accounting Policies

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

NOTE 2 - INDIRECT COST RATE

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

NOTE 3 - SPECIAL EDUCATION COOPERATIVE

The School Corporation is a member of the Boone-Clinton-Northwest Hendricks Joint Service Cooperative (Cooperative) and serves as its fiscal agent. As a result, some activity for the Special Education Cluster (IDEA) that is presented as receipts and disbursements in the financial statement is not presented on the SEFA. This activity is reported on the SEFAs of the member school corporations as appropriate.

NOTE 4 - OTHER INFORMATION

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

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
Lebanon Community School Corporation
Boone 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 Lebanon Community School Corporation ("School Corporation"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School Corporation as of June 30, 2022 and for the period July 1, 2020 to June 30, 2022 and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement, and have issued our report thereon dated March 22, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

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

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

(Continued)

Report on Compliance and Other Matters

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

Purpose of this Report

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

Crowe LLP
Crowe LLP

Indianapolis, Indiana
March 22, 2023

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

Those Charged with Governance
Lebanon Community School Corporation
Boone County, Indiana

Report on Compliance for Each Major Federal Program

Adverse and Unmodified Opinions

We have audited the School Corporation's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the School Corporation's major federal programs for the period of July 1, 2020 to June 30, 2022. The School Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Adverse Opinion on the Special Education Cluster (IDEA)

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the School Corporation did not comply in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Special Education Cluster (IDEA) for the period of July 1, 2020 to June 30, 2022.

Unmodified Opinion on Each of the Other Major Federal Programs

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 each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the period of July 1, 2020 to June 30, 2022.

Basis for Adverse and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

(Continued)

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

Matters Giving Rise to Adverse Opinion on the Special Education Cluster (IDEA)

As described in the accompanying schedule of findings and questioned costs, the School Corporation did not comply with requirements regarding the Special Education Cluster (IDEA) as described in finding numbers 2022-003 for Activities Allowed or Unallowed and Allowable Costs/Cost Principles; 2022-004 for Equipment Management; 2022-005 for Period of Performance; and 2022-006 for Procurement and Suspension and Debarment. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the School Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

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

(Continued)

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on each major federal program is not modified with respect to this matter.

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

Report on Internal Control Over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-001, 2022-002, 2022-003, 2022-004, 2022-005, and 2022-006 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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


Crowe LLP

Indianapolis, Indiana
March 22, 2023

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

Section I – Summary of Auditor’s Results

Financial Statement

Type of auditor’s report issued	Adverse as to GAAP, Unmodified as to regulatory basis		
Internal control over financial reporting			
Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____ No
Significant deficiencies identified not considered to be material weaknesses?	_____	Yes	_____ <u>X</u> _____ None Reported
Noncompliance material to financial statement noted?	_____	Yes	_____ <u>X</u> _____ No

Federal Awards

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

Identification of major programs

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.559, 10.579	Child Nutrition Cluster
84.425C, 84.425D, 84.425U	COVID-19 - Education Stabilization Fund
84.027, 84.173	Special Education Cluster (IDEA)

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

Auditee qualified as low-risk auditee?	_____	Yes	_____ <u>X</u> _____ No
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Section II – Financial Statement Findings

No matters are reportable.

(Continued)

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

Section III – Federal Award Findings and Questioned Costs

FINDING 2022-001

Subject: Medicaid – Eligibility, Other Matters
Federal Agency: US Department of Health and Human Services
Federal Program: Medicaid
Assistance Listing Number: 93.778
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Eligibility
Audit Findings: Material Weakness, Noncompliance

Criteria: 2 CFR section 200.303 states in part:

“The non-Federal entity must:

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

Condition: An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the eligibility compliance requirements that are performed by the Special Education Cooperative on behalf of the School Corporation.

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 enabled noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system allowed noncompliance with the compliance requirements and could allow 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: Known costs amounting to \$466,099 that were reimbursed.

Context: The School Corporation participates in a Special Education Co-op. In 2015, the Co-op provided an avenue, through a third-party company, for the member school districts to obtain reimbursement for Medicaid services. It was discovered in 2021 that the annual parental disclosure statements had not been completed for Medicaid eligibility compliance. Due to this oversight, each member school had to void transactions through the third-party company and pay back the amount of these transactions for the period August 9, 2015 through April 23, 2021.

The School Corporation’s amount owed was \$466,099 for the period identified during 2015-2021. The School Corporation completed a Voluntary Self-Disclosure of Provider of Overpayments Packet through the Indiana Family & Social Services Administration’s Office of Medicaid Policy and Planning Office to reimburse the amounts owed. The amount related to this period July 1, 2020 through June 30, 2022 was indeterminable. The full amount was paid back prior to June 30, 2021.

(Continued)

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

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

FINDING 2022-001 (continued)

Identification as a repeat finding, if applicable: No

Recommendation: We recommend the School Corporation appoint someone to oversee the Co-op and ensure the Co-op is following all required compliance requirements.

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

FINDING 2022-002

Subject: Child Nutrition Cluster – Internal Controls
Federal Agency: Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program, Summer Food Service Program for Children, Child Nutrition Discretionary Grants Limited Availability
Assistance Listing Number: 10.533, 10.555, 10.559, 10.579
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Finding: Material Weakness

Criteria: 2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 180.300 states:

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

You do this by:

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

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

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

(Continued)

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

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

FINDING 2022-002 (continued)

Effect: The failure to establish internal controls enabled noncompliance to go undetected. The failure to comply with the grant agreement and the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs: There were no questioned costs identified.

Context: The School Corporation contracts with a food service management company for the majority of food costs, labor costs, and operational costs, however in some cases the School Corporation will handle their own additional minor procurements outside of the food service management company. During the audit period, the School Corporation made one purchase between \$10,000 and \$150,000 which fell under the small purchase method for federal and state procurement regulations and was charged to Fund 0800 – School Lunch Fund. For that purchase, documentation was not presented to verify methods or rationale used to satisfy the procurement requirements, which require three quotes to be obtained prior to entering into a transaction. The transaction was incurred in July 2021 in the amount of \$21,668.

Identification as a repeat finding, if applicable: No

Recommendation: We recommended that the School Corporation's management establish and implement control procedures to ensure compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement. This should include obtaining at least three quotes for any disbursements charged to a federal fund and ensuring suspension and debarment checks are performed and documented prior to entering into the transaction.

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

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

FINDING 2022-003

Subject: Special Education Cluster – Activities Allowed or Unallowed, Allowable Costs/Cost Principles
Federal Agency: Department of Education
Federal Programs: Special Education Grants to States, Special Education_Preschool Grants
Assistance Listing Number: 84.027, 84.173
Federal Award Numbers and Years (or Other Identifying Numbers): FY21, FY22
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles
Audit Findings: Material Weakness

(Continued)

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

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

FINDING 2022-003 (continued)

Criteria: 2 CFR 200.303 states in part: “The non-federal Entity must:

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

2 CFR 200.303 states in part:

“Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:...

- (g) Be adequately documented...”

2 CFR 200.430(i) states 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 (for IHE, this per the IHE’s definition of IBS); ...
- (iv) 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...”

Condition: An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

Cause: The School Corporation’s management had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

Effect: The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements could have resulted in the loss of federal funds to the School Corporation.

(Continued)

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

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

FINDING 2022-003 (continued)

Questioned Costs: There were no questioned costs identified.

Context: The School Corporation is a member of a joint service cooperative (Cooperative). The Cooperative operated the special education programs on behalf of the School Corporation and managed the special education grant funds. Because the grant agreements were between the Indiana Department of Education and the School Corporation, the School Corporation was ultimately responsible for compliance with the grant agreement and the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

During fiscal year 2021, the School Corporation paid membership fees to the Cooperative out of federal Special Education funds. These membership fees made up approximately 48% of the total federal expenditures reimbursed during fiscal year 2021. The Cooperative accounted for state, local, and federal funds in a single fund. The fund did not separately account for each of the funding sources. This made it difficult to identify which expenditures were from federal funds, or to identify expenditures by federal program, award number, or years. Therefore, we could not test compliance for approximately 48% of the expenditures.

The lack of internal controls and noncompliance were systemic issues, which occurred specifically during fiscal year 2021. No reportable findings were noted for fiscal year 2022. During fiscal year 2022, the School Corporation started paying membership fees to the Cooperative out of the General Education fund instead of the Special Education funds. All sampled expenditures paid from Special Education funds and requested for reimbursement were determined to be allowable under the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

Identification as a repeat finding, if applicable: Yes, see Finding 2020-001.

Recommendation: As recommended, management implemented internal control procedures for the year ended June 30, 2022.

Views of Responsible Officials: Management agrees with this finding and has implemented their corrective action plan.

(Continued)

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

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

FINDING 2022-004

Subject: Special Education Cluster – Equipment Management
Federal Agency: Department of Education
Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants
AL Numbers: 84.027, 84.173
Federal Award Numbers and Years (or Other Identifying Numbers): FY21, FY22
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Equipment and Real Property Management
Audit Findings: Material Weakness

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

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

2 CFR 200.313 states in part:

". . . (b) . . . Other non-Federal entities must follow paragraphs (c) through (e) of this section.

- (d) *Management requirements.* Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, as a minimum, meet the following requirements:
 - (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property. . . ."

Condition: An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the equipment requirements of the Equipment and Real Property Management compliance requirement.

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

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

Questioned Costs: There were no questioned costs identified.

(Continued)

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

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

FINDING 2022-004 (continued)

Context: The School Corporation is a member of a joint service cooperative (Cooperative). The Cooperative operated the special education programs on behalf of the School Corporation and managed the special education grant funds. Because the grant agreements were between the Indiana Department of Education and the School Corporation, the School Corporation was ultimately responsible for compliance with the grant agreement and the Equipment and Real Property Management compliance requirement.

During fiscal year 2021, the School Corporation paid membership fees to the Cooperative out of federal Special Education funds. These membership fees made up approximately 48% of the total federal expenditures reimbursed during fiscal year 2021. The Cooperative accounted for state, local, and federal funds in a single fund. The fund did not separately account for each of the funding sources. This made it indeterminable whether equipment purchases were made by the Cooperative with federal funds, or to identify equipment expenditures by federal program, award number, or years. Therefore, we could not test compliance for approximately 48% of the expenditures.

The Cooperative did not have adequate procedures in place to ensure that equipment purchased with grant funds was properly recorded and maintained in the School Corporation's equipment records. The Cooperative also did not maintain records for the disposition of equipment purchased with federal grant funds. The lack of internal controls and noncompliance were systemic issues, which occurred specifically during fiscal year 2021. No reportable findings were noted for fiscal year 2022.

Identification as a repeat finding, if applicable: Yes, see Finding 2020-003.

Recommendation: It was recommended that the School Corporation's management establish effective internal controls to ensure compliance and comply with the Equipment and Real Property Management compliance requirement. As recommended, management implemented internal control procedures for the year ended June 30, 2022.

Views of Responsible Officials: Management agrees with the finding and has implemented their corrective action plan.

(Continued)

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

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

FINDING 2022-005

Subject: Special Education Cluster – Period of Performance
Federal Agency: Department of Education
Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants
AL Numbers: 84.027, 84.173
Federal Award Numbers and Years (or Other Identifying Numbers): FY21, FY22
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Period of Performance
Audit Findings: Material Weakness

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

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

2 CFR 200.309 states:

“A non-Federal entity may charge to the Federal award only allowable costs incurred during the period of performance (except as described in § 200.461 Publication and printing costs) and any costs incurred before the Federal awarding agency or pass-through entity made the Federal award that were authorized by the Federal awarding agency or pass-through entity.”

2 CFR 200.343(b) states:

“Unless the Federal awarding agency or pass-through entity authorizes an extension, a non-Federal entity must liquidate all obligations incurred under the Federal award not later than 90 calendar days after the end date of the period of performance as specified in the terms and conditions of the Federal award.”

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

Cause: The School Corporation's management had not developed a system of internal controls that would have ensured that adequate records and documentation would be available to support compliance with the grant agreement and the period of performance requirements.

Effect: The failure to establish an effective internal control system and failure to maintain and provide records and documentation of expenditures by grant award, program, and years prevented the determination of the School Corporation's compliance with the Period of Performance compliance requirement.

Questioned Costs: There were no questioned costs identified.

(Continued)

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

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

FINDING 2022-005 (continued)

Context: The School Corporation was a member of a joint service cooperative (Cooperative). The Cooperative operated the special education programs on behalf of the School Corporation and managed the special education grant funds. Because the grant agreements were between the Indiana Department of Education and the School Corporation, the School Corporation was ultimately responsible for compliance with the grant agreement and the Period of Performance compliance requirement.

During fiscal year 2021, the School Corporation paid membership fees to the Cooperative out of federal Special Education funds. These membership fees made up approximately 48% of the total federal expenditures reimbursed during fiscal year 2021. The Cooperative accounted for state, local, and federal funds in a single fund. The fund did not separately account for each of the funding sources. This made it difficult to identify which expenditures were from federal funds, or to identify expenditures by federal program, award number, or years. Therefore, we could not test compliance with the period of performance requirements for approximately 48% of the expenditures.

The School Corporation did not have adequate procedures in place to ensure that the Cooperative complied with the period of performance requirements. The Cooperative did not have adequate procedures in place to ensure that costs were charged to the programs only during the period of performance, or that all obligations were liquidated within 90 days of the end of the period of performance.

The lack of internal controls and noncompliance were systemic issues, which occurred specifically during fiscal year 2021. No reportable findings were noted for fiscal year 2022.

Identification as a repeat finding, if applicable: Yes, see Finding 2020-004.

Recommendation: It was recommended that the School Corporation's management establish internal controls to ensure that records and documentation will be maintained and made available for audit related to the Period of Performance compliance requirements. As recommended, management implemented internal control procedures for the year ended June 30, 2022.

Views of Responsible Officials: Management agrees with the finding and has implemented their corrective action plan.

(Continued)

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

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

FINDING 2022-006

Subject: Special Education Cluster – Procurement and Suspension and Debarment
Federal Agency: Department of Education
Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants
AL Numbers: 84.027, 84.173
Federal Award Numbers and Years (or Other Identifying Numbers): FY21, FY22
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Noncompliance

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

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

2 CFR 200.318(a) states:

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

2 CFR 200.318(i) states:

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

2 CFR 180.300 states:

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

You do this by:

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

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

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

(Continued)

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

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

FINDING 2022-006 (continued)

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

Questioned Costs: There were no questioned costs identified.

Context: The School Corporation was a member of a joint service cooperative (Cooperative). The Cooperative operated the special education programs on behalf of the School Corporation and managed the special education grant funds. Because the grant agreements were between the Indiana Department of Education and the School Corporation, the School Corporation was ultimately responsible for compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

During fiscal year 2021, the School Corporation paid membership fees to the Cooperative out of federal Special Education funds. These membership fees made up approximately 48% of the total federal expenditures reimbursed during fiscal year 2021. The Cooperative accounted for state, local, and federal funds in a single fund. The fund did not separately account for each of the funding sources. This made it difficult to identify whether purchases were made by the Cooperative with federal funds, or to identify expenditures by federal program, award number, or years. Therefore, we could not test compliance with the period of performance requirements for approximately 48% of the expenditures.

The lack of internal controls and noncompliance were systemic issues, which occurred specifically during fiscal year 2021. No reportable findings were noted for fiscal year 2022.

Identification as a repeat finding, if applicable: Yes, see Finding 2020-005.

Recommendation: It was recommended that the School Corporation's management establish effective internal controls to ensure compliance and comply with the Procurement Suspension and Debarment compliance requirement. As recommended, management implemented internal control procedures for the year ended June 30, 2022.

Views of Responsible Officials: Management agrees with the finding and has implemented their corrective action plan.



**Administration Center
Office of the Superintendent**
1810 North Grant Street
Lebanon, IN 46052
Phone: 765-482-0380
Fax: 765-483-3053
www.leb.k12.in.us

SUMMARY SCHEDULE OF PROR AUDIT FINDINGS

FINDING 2020-001

Subject: Special Education Cluster - Activities Allowed or Unallowed, Allowable Costs/Cost Principles
Federal Agency: Department of Education
Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants
CFDA Numbers: 84.027, 84.173
Federal Award Numbers and Years (or Other Identifying Numbers): FY19, FY20
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles
Audit Findings: Material Weakness, Modified Opinion

Condition and Context

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

The School Corporation was a member of a joint service cooperative (Cooperative). The Cooperative operated the special education programs on behalf of the School Corporation and managed the special education grant funds. Because the grant agreements were between the Indiana Department of Education and the School Corporation, the School Corporation was ultimately responsible for compliance with the grant agreement and the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

The Cooperative accounted for state, local, and federal funds in a single fund. The fund did not separately account for each of the funding sources. This made it difficult to identify which expenditures were from federal funds, or to identify expenditures by federal program, award numbers, or years. Expenditures for activities and costs that would not be allowable with federal funds were found in two claims and three claims for fiscal years 2018-2019 and 2019-2020, respectively; however, we could not determine if they were paid with federal, state, or local funds. In addition, the Cooperative was not able to provide records that would support the activities performed by the employees whose salaries were charged to the grant.

The lack of internal controls and noncompliance were systemic issues, which occurred throughout the audit period.

Status

This finding was recurring for the audit period – see Finding 2022-003.

Dr. Jon A. Milleman
Superintendent

Zach Dennis
Chief Financial Officer

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Director of Technology

Kristen Scott
Career Engagement Coordinator



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FINDING 2020-002

Subject: Special Education Cluster - Cash Management
Federal Agency: Department of Education
Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants
CFDA Numbers: 84.027, 84.173
Federal Award Numbers and Years (or Other Identifying Numbers): FY19, FY20
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Cash Management
Audit Findings: Material Weakness, Modified Opinion

Condition and Context

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 Cash Management compliance requirement.

The School Corporation was a member of a joint service cooperative (Cooperative). The Cooperative operated the special education programs on behalf of the School Corporation and managed the special education grant funds. Because the grant agreements were between the Indiana Department of Education (IDOE) and the School Corporation, the School Corporation was ultimately responsible for compliance with the grant agreement and the Cash Management compliance requirement.

The School Corporation did not have adequate procedures in place to ensure that the Cooperative complied with the cash management requirements. The Cooperative did not have adequate procedures in place to ensure that services were rendered and costs were incurred and paid prior to the School Corporation's request for reimbursement from the IDOE.

The Cooperative prepared a yearly budget and charged each member school a quarterly membership fee based on the budget. These membership fees were used to pay the special education costs of the Cooperative. The membership fees were due at the beginning of each quarter and were paid in advance of services rendered. The Cooperative did not perform a reconciliation of the budget to the actual program expenditures. Based on these procedures, the School Corporation paid the Cooperative and requested reimbursement from the IDOE for special education services in advance of the services provided.

The lack of internal controls and noncompliance were systemic issues, which occurred throughout the audit period.

Status

The cash management attribute was not applicable to the Special Education Cluster major program, therefore it was not tested during the audit period.

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FINDING 2020-003

Subject: Special Education Cluster - Equipment Management
Federal Agency: Department of Education
Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants
CFDA Numbers: 84.027, 84.173
Federal Award Numbers and Years (or Other Identifying Numbers): FY19, FY20
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Equipment and Real Property Management
Audit Findings: Material Weakness, Modified Opinion

Condition and Context

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 equipment requirements of the Equipment and Real Property Management compliance requirement.

The School Corporation was a member of a joint service cooperative (Cooperative). The Cooperative operated the special education programs on behalf of the School Corporation and managed the special education grant funds. Because the grant agreements were between the Indiana Department of Education and the School Corporation, the School Corporation was ultimately responsible for compliance with the grant agreement and the Equipment and Real Property Management compliance requirement.

The School Corporation did not have adequate procedures in place to ensure that the Cooperative complied with the equipment requirements. The Cooperative did not have adequate procedures in place to ensure that equipment purchased with grant funds was properly recorded and maintained in the School Corporation's equipment records. The Cooperative also did not maintain records for the disposition of equipment purchased with federal grant funds.

The lack of internal controls and noncompliance were systemic issues, which occurred throughout the audit period.

Status

This finding was recurring for the audit period – see Finding 2022-004.

Dr. Jon A. Milleman
Superintendent

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FINDING 2020-004

Subject: Special Education Cluster - Period of Performance
Federal Agency: Department of Education
Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants
CFDA Numbers: 84.027, 84.173
Federal Award Numbers and Years (or Other Identifying Numbers): FY19, FY20
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Period of Performance
Audit Findings: Material Weakness, Modified Opinion

Condition and Context

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Period of Performance compliance requirement.

The School Corporation was a member of a joint service cooperative (Cooperative). The Cooperative operated the special education programs on behalf of the School Corporation and managed the special education grant funds. Because the grant agreements were between the Indiana Department of Education and the School Corporation, the School Corporation was ultimately responsible for compliance with the grant agreement and the Period of Performance compliance requirement.

The School Corporation did not have adequate procedures in place to ensure that the Cooperative complied with the period of performance requirements. The Cooperative did not have adequate procedures in place to ensure that costs were charged to the programs only during the period of performance, or that all obligations were liquidated within 90 days of the end of the period of performance.

Status

This finding was recurring for the audit period – see Finding 2022-005.

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FINDING 2020-005

Subject: Special Education Cluster - Procurement and Suspension and Debarment
Federal Agency: Department of Education
Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants
CFDA Numbers: 84.027, 84.173
Federal Award Numbers and Years (or Other Identifying Numbers): FY19, FY20
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Modified Opinion

Condition and Context

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

The School Corporation was a member of a joint service cooperative (Cooperative). The Cooperative operated the special education programs on behalf of the School Corporation and managed the special education grant funds. Because the grant agreements were between the Indiana Department of Education and the School Corporation, the School Corporation was ultimately responsible for compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

The School Corporation did not have adequate procedures in place to ensure that the Cooperative complied with the Procurement and Suspension and Debarment compliance requirement. Because the School Corporation's share of special education program payments to the Cooperative was billed as membership fees, the Cooperative did not consider the expenditures associated with the Cooperative to be from federal grant funds. Therefore, the Cooperative did not establish internal controls to ensure compliance, nor did they perform procedures to comply, with the Procurement and Suspension and Debarment compliance requirement.

The School Corporation made purchases with special education funds separate from the joint services of which they were a part. The School Corporation was not obtaining required quotes for purchases which qualified as small purchase procurements items.

The School Corporation was not checking whether applicable vendors were not suspended or debarred as required prior to making purchases using the special education funds.

The lack of internal controls and noncompliance were systemic issues, which occurred throughout the audit period.

Status

This finding was recurring for the audit period – see Finding 2022-006.

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CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS
June 30, 2022

Finding 2022-001

Subject: Medicaid – Eligibility, Other Matters
Audit Findings: Material Weakness

Condition: An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the eligibility compliance requirements that are performed by the Special Education Cooperative on behalf of the School Corporation.

Context: The School Corporation participates in a Special Education Co-op. In 2015, the Co-op provided an avenue through a third-party company, for the member school districts to obtain reimbursement for Medicaid services. It was discovered in 2021 that the yearly parental disclosure statements had not been completed for Medicaid eligibility compliance. Due to this oversight, each member school has had to void transactions through the third-party company and pay back the amount of these transactions from August 9, 2015 through April 23, 2021.

The School Corporation's amount owed was \$466,099 for the period identified during 2015-2021. The School Corporation completed a Voluntary Self-Disclosure of Provider of Overpayments Packet through the Indiana Family & Social Services Administration's Office of Medicaid Policy and Planning Office to reimburse the amounts owed. The amount related to this period July 1, 2020 through June 30, 2022 was indeterminable. The full amount was paid back prior to June 30, 2021.

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Parental disclosure statements are completed annually for Medicaid eligibility compliance. This has already been implemented.

Responsible Party and Timeline for Completion: Madeline Sandberg, Director of BCNWH Joint Services, 7/1/2021

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FINDING 2022-002

Subject: Child Nutrition Cluster – Internal Controls
Audit Finding: Material Weakness

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

Context: The School Corporation contracts with a food service management company for the majority of food costs, labor costs, and operational costs, however in some cases the School Corporation will handle their own additional minor procurements outside of the food service management company. During the audit period, the School Corporation made one purchase between \$10,000 and \$150,000 which fell under the small purchase method for federal and state procurement regulations and was charged to Fund 0800 – School Lunch Fund. For that purchase, documentation was not presented to verify methods or rationale used to satisfy the procurement requirements, which require three quotes to be obtained prior to entering into a transaction. The transaction was incurred in July 2021 in the amount of \$21,668.

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Quotes will be sought for all purchases that fall within the small purchase threshold according to federal and state procurement regulations.

Responsible Party and Timeline for Completion: Zach Dennis, CFO, 7/1/2022

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FINDING 2022-003

Subject: Special Education Cluster – Activities Allowed or Unallowed, Allowable Costs/Cost Principles
Audit Findings: Material Weakness

Condition: An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

Context: The School Corporation is a member of a joint service cooperative (Cooperative). The Cooperative operated the special education programs on behalf of the School Corporation and managed the special education grant funds. Because the grant agreements were between the Indiana Department of Education and the School Corporation, the School Corporation was ultimately responsible for compliance with the grant agreement and the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

During fiscal year 2021, the School Corporation paid membership fees to the Cooperative out of federal Special Education funds. These membership fees made up approximately 48% of the total federal expenditures reimbursed during fiscal year 2021. The Cooperative accounted for state, local, and federal funds in a single fund. The fund did not separately account for each of the funding sources. This made it difficult to identify which expenditures were from federal funds, or to identify expenditures by federal program, award number, or years. Therefore, we could not test compliance for approximately 48% of the expenditures.

The lack of internal controls and noncompliance were systemic issues, which occurred specifically during fiscal year 2021. No reportable findings were noted for fiscal year 2022. During fiscal year 2022, the School Corporation started paying membership fees to the Cooperative out of the General Education fund instead of the Special Education funds. All sampled expenditures paid from Special Education funds and requested for reimbursement were determined to be allowable under the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Members of the cooperative are no longer paying their cooperative member fees with federal funds. This was resolved effective 7/1/2021.

Responsible Party and Timeline for Completion: Zach Dennis, CFO, 7/1/2021

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FINDING 2022-004

Subject: Special Education Cluster – Equipment Management
Audit Findings: Material Weakness

Condition: An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the equipment requirements of the Equipment and Real Property Management compliance requirement.

Context: The School Corporation is a member of a joint service cooperative (Cooperative). The Cooperative operated the special education programs on behalf of the School Corporation and managed the special education grant funds. Because the grant agreements were between the Indiana Department of Education and the School Corporation, the School Corporation was ultimately responsible for compliance with the grant agreement and the Equipment and Real Property Management compliance requirement.

During fiscal year 2021, the School Corporation paid membership fees to the Cooperative out of federal Special Education funds. These membership fees made up approximately 48% of the total federal expenditures reimbursed during fiscal year 2021. The Cooperative accounted for state, local, and federal funds in a single fund. The fund did not separately account for each of the funding sources. This made it indeterminable whether equipment purchases were made by the Cooperative with federal funds, or to identify equipment expenditures by federal program, award number, or years. Therefore, we could not test compliance for approximately 48% of the expenditures.

The Cooperative did not have adequate procedures in place to ensure that equipment purchased with grant funds was properly recorded and maintained in the School Corporation's equipment records. The Cooperative also did not maintain records for the disposition of equipment purchased with federal grant funds. The lack of internal controls and noncompliance were systemic issues, which occurred specifically during fiscal year 2021. No reportable findings were noted for fiscal year 2022.

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Members of the cooperative are no longer paying their cooperative member fees with federal funds. This was resolved effective 7/1/2021.

Responsible Party and Timeline for Completion: Zach Dennis, CFO, 7/1/2021

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FINDING 2022-005

Subject: Special Education Cluster – Period of Performance
Audit Findings: Material Weakness

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

Context: The School Corporation was a member of a joint service cooperative (Cooperative). The Cooperative operated the special education programs on behalf of the School Corporation and managed the special education grant funds. Because the grant agreements were between the Indiana Department of Education and the School Corporation, the School Corporation was ultimately responsible for compliance with the grant agreement and the Period of Performance compliance requirement.

During fiscal year 2021, the School Corporation paid membership fees to the Cooperative out of federal Special Education funds. These membership fees made up approximately 48% of the total federal expenditures reimbursed during fiscal year 2021. The Cooperative accounted for state, local, and federal funds in a single fund. The fund did not separately account for each of the funding sources. This made it difficult to identify which expenditures were from federal funds, or to identify expenditures by federal program, award number, or years. Therefore, we could not test compliance with the period of performance requirements for approximately 48% of the expenditures.

The School Corporation did not have adequate procedures in place to ensure that the Cooperative complied with the period of performance requirements. The Cooperative did not have adequate procedures in place to ensure that costs were charged to the programs only during the period of performance, or that all obligations were liquidated within 90 days of the end of the period of performance.

The lack of internal controls and noncompliance were systemic issues, which occurred specifically during fiscal year 2021. No reportable findings were noted for fiscal year 2022.

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Members of the cooperative are no longer paying their cooperative member fees with federal funds. This was resolved effective 7/1/2021.

Responsible Party and Timeline for Completion: Zach Dennis, CFO, 7/1/2021

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FINDING 2022-006

Subject: Special Education Cluster – Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Adverse Opinion

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

Context: The School Corporation was a member of a joint service cooperative (Cooperative). The Cooperative operated the special education programs on behalf of the School Corporation and managed the special education grant funds. Because the grant agreements were between the Indiana Department of Education and the School Corporation, the School Corporation was ultimately responsible for compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

During fiscal year 2021, the School Corporation paid membership fees to the Cooperative out of federal Special Education funds. These membership fees made up approximately 48% of the total federal expenditures reimbursed during fiscal year 2021. The Cooperative accounted for state, local, and federal funds in a single fund. The fund did not separately account for each of the funding sources. This made it difficult to identify whether purchases were made by the Cooperative with federal funds, or to identify expenditures by federal program, award number, or years. Therefore, we could not test compliance with the period of performance requirements for approximately 48% of the expenditures.

The lack of internal controls and noncompliance were systemic issues, which occurred specifically during fiscal year 2021. No reportable findings were noted for fiscal year 2022.

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Members of the cooperative are no longer paying their cooperative member fees with federal funds. This was resolved effective 7/1/2021.

Responsible Party and Timeline for Completion: Zach Dennis, CFO, 7/1/2021

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