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April 12, 2023

To: The Officials of the Southwestern Consolidated School District of Shelby County
Southwestern Consolidated School District of Shelby County
3406 W 600 S
Shelbyville, IN 46176

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Southwestern Consolidated School District of Shelby County. 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 present fairly, in all material respects, the cash and investment balances of the School Corporation as of June 30, 2022, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2020 to June 30, 2022 in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

We call your attention to the findings included in the report on pages 33 through 39. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 40 through 44.

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

In addition to the report presented herein, a Supplemental Report for Southwestern Consolidated School District of Shelby County 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.

Tammy R. White, CPA
Deputy State Examiner

SOUTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
Shelby County, Indiana

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

SOUTHWESTERN CONSOLIDATED SCHOOL SHELBY COUNTY
Shelby 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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SOUTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
SCHEDULE OF OFFICIALS (Unaudited)
For the period July 1, 2020 to June 30, 2022

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Bonnie Thopy	07-01-20 to 06-30-22
Superintendent of Schools	Curtis Chase Joshua Edwards	07-01-20 to 02-25-22 03-09-22 to 06-30-22
President of the School Board	Jim Emerick	07-01-20 to 06-30-22



INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
Southwestern Consolidated School District of Shelby County
Shelby 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 Southwestern Consolidated School District of Shelby County (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 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.

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 prescribed 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.

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.

(Continued)

Responsibilities of Management for the Financial Statement

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

Auditor's 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 purposes 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.

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.

(Continued)

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 28, 2023, on our consideration of the School Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.


Crowe LLP

Indianapolis, Indiana
March 28, 2023

SOUTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
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	\$ 1,524,946	\$ 3,770,303	\$ 3,236,363	\$ 20,424	\$ 2,079,310	\$ 4,087,640	\$ 3,115,443	\$ (200,000)	\$ 2,851,507
Debt Service	159,436	743,948	685,500	-	217,884	760,390	753,620	-	224,654
Operations	1,484,081	2,011,364	2,398,216	-	1,097,229	1,943,058	2,221,814	200,000	1,018,473
Local Rainy Day	1,546,344	-	-	-	1,546,344	-	-	-	1,546,344
Construction	700,000	-	5,457	-	694,543	-	149,180	-	545,363
School Lunch	79,732	384,308	313,128	-	150,912	417,857	362,500	-	206,269
Prepaid Lunch	-	69,893	60,145	-	9,747	38,508	38,290	-	9,966
Textbook Rental	5,503	-	5,503	-	-	-	-	-	-
Curricular Materials Rental	54,067	96,281	91,752	-	58,596	76,225	60,415	-	74,406
Child Care Program	13,752	15,206	24,464	-	4,494	17,431	20,006	-	1,919
Educational License Plates	456	-	-	-	456	-	-	-	456
School Library Printed Material	33,766	-	32,516	-	1,250	-	1,250	-	-
Donations Gifts And Trusts	1,628	800	-	-	2,428	2,719	1,907	-	3,240
Clark Estate	58,902	10,549	16,678	-	52,773	21,974	11,771	-	62,976
Greenhouse	7,217	11,802	6,967	-	12,052	10,009	12,514	-	9,547
Formative Assessment	1,909	2,472	4,381	-	-	-	-	-	-
Medicaid Reimbursement	18,375	13,336	14,429	-	17,282	12,204	10,674	-	18,812
Secured Schools Safety Grant	(16,275)	28,577	12,302	-	-	10,926	17,269	-	(6,343)
Early Intervention Grant	-	1,392	1,392	-	-	-	-	-	-
Early Intervention Grant	-	-	-	-	-	1,219	1,219	-	-
Non-English Speaking Program	31	-	31	-	-	-	-	-	-
Career And Technical Performance Grant	8,076	-	850	-	7,226	-	1,410	-	5,816
Teacher Appreciation Grant	-	20,424	-	(20,424)	-	21,383	21,383	-	-
High Ability Students	16,516	21,438	13,181	-	24,773	23,417	48,221	-	(31)
State Connectivity Grant	14,777	11,520	-	-	26,297	11,520	-	-	37,817
Title I 19/20	(16,913)	36,215	19,302	-	-	-	-	-	-
Title I 20/21	-	32,601	68,391	-	(35,790)	49,974	14,184	-	-
Title I	-	-	-	-	-	9,644	52,673	-	(43,029)
Title Iv 2019	-	-	2,500	-	(2,500)	3,602	1,102	-	-
Student Support Title Iv	-	9,521	9,521	-	-	479	479	-	-
Medicaid Reimbursement-Federal	4,593	11,730	7,516	-	8,807	5,317	4,644	-	9,480
Title Ii Part A Ends 9/21	-	1,575	1,575	-	-	16,450	16,450	-	-
Title Ii Part A Supporting Effective I	-	-	-	-	-	1,344	6,463	-	(5,119)
Title Ii Part A Supporting Effective I	(8,840)	7,570	(1,270)	-	-	-	-	-	-
Small And Rural Grant 19/20	-	38,998	38,998	-	-	-	-	-	-
Small Rural Grant 20/21	-	33,922	33,643	-	279	-	279	-	-
Rural Schools-Direct	-	-	-	-	-	35,854	35,854	-	-
ESSER III	-	-	-	-	-	16,376	377,148	-	(360,772)
ESSER II	-	-	2,244	-	(2,244)	186,263	184,019	-	-
ESSER I	-	-	83,258	-	(83,258)	83,258	-	-	-
Clearing Account	6,433	964,618	959,035	-	12,016	930,748	932,103	-	10,661
Fringe Benefit Clearing	-	67	67	-	-	61	61	-	-
Totals	\$ 5,698,512	\$ 8,350,430	\$ 8,148,035	\$ -	\$ 5,900,906	\$ 8,795,850	\$ 8,474,345	\$ -	\$ 6,222,412

See notes to financial statement.

SOUTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022 and for the Period of
July 1, 2021 to 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.

(Continued)

SOUTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022 and for the Period of
July 1, 2021 to 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.

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:

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

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

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

(Continued)

SOUTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022 and for the Period of
July 1, 2021 to June 30, 2022

NOTE 2 - BUDGETS

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

NOTE 3 - PROPERTY TAXES

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

The School Corporation held cash deposits and certificates of deposit with financial institutions that maintained FDIC and PDIF coverages, as applicable. The School Corporation held no investments for the period under audit.

NOTE 5 - RISK MANAGEMENT

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

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

(Continued)

SOUTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022 and for the Period of
July 1, 2021 to June 30, 2022

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 year-end.

NOTE 7 - HOLDING CORPORATION

The School Corporation has entered into a series of capital leases with the Southwestern Schools Improvement Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments for the period July 1, 2020 to June 30, 2021 totaled \$685,500. Lease payments for the period July 1, 2021 to June 30, 2022 totaled \$744,750.

NOTE 8 - PENSION PLANS

Public Employees' Retirement Fund

Plan Description

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

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

The Retirement Savings Plan for Public Employees (My Choice) is a multiple-employer defined contribution plan. It is administered through the INPRS Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the School Corporation authority to contribute to the plan.

New employees hired have a one-time election to join either the PERF Hybrid or the My Choice.

Financial Report

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

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

(Continued)

SOUTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022 and for the Period of
July 1, 2021 to June 30, 2022

NOTE 8 - PENSION PLANS (Continued)

Contributions

Members' contributions are set by state statute at 3 percent of compensation for both the defined contribution component of PERF Hybrid and My Choice. The employer may elect to make the contribution on behalf of the member of the defined contribution component of PERF Hybrid and My Choice members may receive additional employer contribution in lieu of the PERF DB. Contributions to the PERF DB are determined by INPRS Board based on actuarial valuation.

Teachers' Retirement Fund

Plan Description

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

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

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

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

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

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

(Continued)

SOUTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022 and for the Period of
July 1, 2021 to June 30, 2022

NOTE 8 - PENSION PLANS (Continued)

Financial Report

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

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

Contributions

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

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

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

SUPPLEMENTARY INFORMATION

SOUTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2020 through June 30, 2021

	Education	Debt Service	Operations	Local Rainy Day	Construction	School Lunch	Prepaid Lunch	Textbook Rental	Curricular Materials Rental	Child Care Program	Educational License Plates
Cash and investments - beginning	\$ 1,524,946	\$ 159,436	\$ 1,484,081	\$ 1,546,344	\$ 700,000	\$ 79,732	\$ -	\$ 5,503	\$ 54,067	\$ 13,752	\$ 456
Receipts:											
Local sources	100,476	743,948	1,988,670	-	-	68,852	69,893	-	96,281	15,206	-
Intermediate sources	49	-	-	-	-	-	-	-	-	-	-
State sources	3,662,829	-	-	-	-	4,170	-	-	-	-	-
Federal sources	-	-	-	-	-	311,286	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	6,949	-	22,694	-	-	-	-	-	-	-	-
Total receipts	3,770,303	743,948	2,011,364	-	-	384,308	69,893	-	96,281	15,206	-
Disbursements:											
Instruction	2,536,895	-	-	-	-	-	-	5,503	91,752	24,278	-
Support services	629,385	-	1,983,961	-	-	-	-	-	-	186	-
Noninstructional services	70,083	-	25,917	-	-	313,128	60,145	-	-	-	-
Facilities acquisition and construction	-	-	388,338	-	5,457	-	-	-	-	-	-
Debt services	-	685,500	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	3,236,363	685,500	2,398,216	-	5,457	313,128	60,145	5,503	91,752	24,464	-
Excess (deficiency) of receipts over disbursements	533,940	58,448	(386,852)	-	(5,457)	71,180	9,747	(5,503)	4,529	(9,258)	-
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	20,424	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	20,424	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	554,364	58,448	(386,852)	-	(5,457)	71,180	9,747	(5,503)	4,529	(9,258)	-
Cash and investments - ending	\$ 2,079,310	\$ 217,884	\$ 1,097,229	\$ 1,546,344	\$ 694,543	\$ 150,912	\$ 9,747	\$ -	\$ 58,596	\$ 4,494	\$ 456

(Continued)

SOUTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2020 through June 30, 2021

	School Library Printed Material	Donations Gifts And Trusts	Clark Estate	Greenhouse	Formative Assessment	Medicaid Reimbursement	Secured Schools Safety Grant	Early Intervention Grant	Early Intervention Grant	Non-English Speaking Program	Career And Technical Performance Grant
Cash and investments - beginning	\$ 33,766	\$ 1,628	\$ 58,902	\$ 7,217	\$ 1,909	\$ 18,375	\$ (16,275)	\$ -	\$ -	\$ 31	\$ 8,076
Receipts:											
Local sources	-	800	765	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	2,472	13,336	28,577	1,392	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	9,784	11,802	-	-	-	-	-	-	-
Total receipts	-	800	10,549	11,802	2,472	13,336	28,577	1,392	-	-	-
Disbursements:											
Instruction	6,795	-	16,678	-	2,472	14,429	-	1,392	-	-	-
Support services	25,721	-	-	6,967	1,909	-	12,302	-	-	31	850
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	32,516	-	16,678	6,967	4,381	14,429	12,302	1,392	-	31	850
Excess (deficiency) of receipts over disbursements	(32,516)	800	(6,129)	4,835	(1,909)	(1,093)	16,275	-	-	(31)	(850)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(32,516)	800	(6,129)	4,835	(1,909)	(1,093)	16,275	-	-	(31)	(850)
Cash and investments - ending	\$ 1,250	\$ 2,428	\$ 52,773	\$ 12,052	\$ -	\$ 17,282	\$ -	\$ -	\$ -	\$ -	\$ 7,226

(Continued)

SOUTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2020 through June 30, 2021

	Teacher Appreciation Grant	High Ability Students	State Connectivity Grant	Title I 19/20	Title I 20/21	Title I	Title Iv 2019	Student Support Title Iv	Medicaid Reimbursement- Federal	Title li Part A Ends 9/21	Title li Part A Supporting Effective I
Cash and investments - beginning	\$ -	\$ 16,516	\$ 14,777	\$ (16,913)	\$ -	\$ -	\$ -	\$ -	\$ 4,593	\$ -	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	20,424	21,438	11,520	-	-	-	-	-	-	-	-
Federal sources	-	-	-	36,215	32,601	-	-	9,521	11,730	1,575	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	20,424	21,438	11,520	36,215	32,601	-	-	9,521	11,730	1,575	-
Disbursements:											
Instruction	-	13,181	-	14,938	33,744	-	2,500	-	6,595	-	-
Support services	-	-	-	4,364	34,647	-	-	-	921	1,575	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	9,521	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	13,181	-	19,302	68,391	-	2,500	9,521	7,516	1,575	-
Excess (deficiency) of receipts over disbursements	20,424	8,257	11,520	16,913	(35,790)	-	(2,500)	-	4,214	-	-
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	(20,424)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(20,424)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	8,257	11,520	16,913	(35,790)	-	(2,500)	-	4,214	-	-
Cash and investments - ending	\$ -	\$ 24,773	\$ 26,297	\$ -	\$ (35,790)	\$ -	\$ (2,500)	\$ -	\$ 8,807	\$ -	\$ -

(Continued)

SOUTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2020 through June 30, 2021

	Title Ii Part A Supporting Effective I	Small And Rural Grant 19/20	Small Rural Grant 20/21	Rural Schools- Direct	ESSER III	ESSER II	ESSER I	Clearing Account	Fringe Benefit Clearing	Totals
Cash and investments - beginning	\$ (8,840)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,433	\$ -	\$ 5,698,512
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	3,084,891
Intermediate sources	-	-	-	-	-	-	-	-	-	49
State sources	-	-	-	-	-	-	-	-	-	3,766,158
Federal sources	7,570	38,998	33,922	-	-	-	-	-	-	483,418
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	964,618	67	1,015,914
Total receipts	7,570	38,998	33,922	-	-	-	-	964,618	67	8,350,430
Disbursements:										
Instruction	-	-	-	-	-	2,244	78,758	-	-	2,852,154
Support services	(1,270)	-	-	-	-	-	4,500	-	-	2,706,049
Noninstructional services	-	-	-	-	-	-	-	-	-	469,273
Facilities acquisition and construction	-	38,998	33,643	-	-	-	-	-	-	475,957
Debt services	-	-	-	-	-	-	-	-	-	685,500
Nonprogrammed charges	-	-	-	-	-	-	-	959,035	67	959,102
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	(1,270)	38,998	33,643	-	-	2,244	83,258	959,035	67	8,148,035
Excess (deficiency) of receipts over disbursements	8,840	-	279	-	-	(2,244)	(83,258)	5,583	-	202,394
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	20,424
Transfers out	-	-	-	-	-	-	-	-	-	(20,424)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	8,840	-	279	-	-	(2,244)	(83,258)	5,583	-	202,394
Cash and investments - ending	\$ -	\$ -	\$ 279	\$ -	\$ -	\$ (2,244)	\$ (83,258)	\$ 12,016	\$ -	\$ 5,900,906

SOUTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
 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	Operations	Local Rainy Day	Construction	School Lunch	Prepaid Lunch	Textbook Rental	Curricular Materials Rental	Child Care Program	Educational License Plates
Cash and investments - beginning	\$ 2,079,310	\$ 217,884	\$ 1,097,229	\$ 1,546,344	\$ 694,543	\$ 150,912	\$ 9,747	\$ -	\$ 58,596	\$ 4,494	\$ 456
Receipts:											
Local sources	33,365	760,390	1,940,234	-	-	42,019	38,508	-	76,225	17,431	-
Intermediate sources	47	-	-	-	-	-	-	-	-	-	-
State sources	4,053,781	-	-	-	-	3,448	-	-	-	-	-
Federal sources	-	-	-	-	-	372,390	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	447	-	2,824	-	-	-	-	-	-	-	-
Total receipts	4,087,640	760,390	1,943,058	-	-	417,857	38,508	-	76,225	17,431	-
Disbursements:											
Instruction	2,408,296	-	-	-	-	-	-	-	60,415	20,006	-
Support services	618,343	-	1,909,260	-	-	-	-	-	-	-	-
Noninstructional services	88,804	-	25,299	-	-	362,500	38,290	-	-	-	-
Facilities acquisition and construction	-	-	287,255	-	149,180	-	-	-	-	-	-
Debt services	-	753,620	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	3,115,443	753,620	2,221,814	-	149,180	362,500	38,290	-	60,415	20,006	-
Excess (deficiency) of receipts over disbursements	972,197	6,770	(278,756)	-	(149,180)	55,357	219	-	15,810	(2,575)	-
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	200,000	-	-	-	-	-	-	-	-
Transfers out	(200,000)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(200,000)	-	200,000	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	772,197	6,770	(78,756)	-	(149,180)	55,357	219	-	15,810	(2,575)	-
Cash and investments - ending	\$ 2,851,507	\$ 224,654	\$ 1,018,473	\$ 1,546,344	\$ 545,363	\$ 206,269	\$ 9,966	\$ -	\$ 74,406	\$ 1,919	\$ 456

(Continued)

SOUTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2021 through June 30, 2022

	School Library Printed Material	Donations Gifts And Trusts	Clark Estate	Greenhouse	Formative Assessment	Medicaid Reimbursement	Secured Schools Safety Grant	Early Intervention Grant	Early Intervention Grant	Non-English Speaking Program	Career And Technical Performance Grant
Cash and investments - beginning	\$ 1,250	\$ 2,428	\$ 52,773	\$ 12,052	\$ -	\$ 17,282	\$ -	\$ -	\$ -	\$ -	\$ 7,226
Receipts:											
Local sources	-	2,719	21,974	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	12,204	10,926	-	1,219	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	10,009	-	-	-	-	-	-	-
Total receipts	-	2,719	21,974	10,009	-	12,204	10,926	-	1,219	-	-
Disbursements:											
Instruction	153	1,907	11,771	-	-	10,674	-	-	1,219	-	-
Support services	1,097	-	-	8,041	-	-	17,269	-	-	-	1,410
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	4,473	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,250	1,907	11,771	12,514	-	10,674	17,269	-	1,219	-	1,410
Excess (deficiency) of receipts over disbursements	(1,250)	812	10,203	(2,505)	-	1,530	(6,343)	-	-	-	(1,410)
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	(1,250)	812	10,203	(2,505)	-	1,530	(6,343)	-	-	-	(1,410)
Cash and investments - ending	\$ -	\$ 3,240	\$ 62,976	\$ 9,547	\$ -	\$ 18,812	\$ (6,343)	\$ -	\$ -	\$ -	\$ 5,816

(Continued)

SOUTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2021 through June 30, 2022

	Teacher Appreciation Grant	High Ability Students	State Connectivity Grant	Title I 19/20	Title I 20/21	Title I	Title Iv 2019	Student Support Title Iv	Medicaid Reimbursement- Federal	Title li Part A Ends 9/21	Title li Part A Supporting Effective I
Cash and investments - beginning	\$ -	\$ 24,773	\$ 26,297	\$ -	\$ (35,790)	\$ -	\$ (2,500)	\$ -	\$ 8,807	\$ -	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	21,383	23,417	11,520	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	49,974	9,644	3,602	479	5,317	16,450	1,344
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	21,383	23,417	11,520	-	49,974	9,644	3,602	479	5,317	16,450	1,344
Disbursements:											
Instruction	21,383	48,221	-	-	5,552	49,907	1,102	-	4,032	-	-
Support services	-	-	-	-	84	2,766	-	-	612	16,450	6,463
Noninstructional services	-	-	-	-	8,548	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	479	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	21,383	48,221	-	-	14,184	52,673	1,102	479	4,644	16,450	6,463
Excess (deficiency) of receipts over disbursements	-	(24,804)	11,520	-	35,790	(43,029)	2,500	-	673	-	(5,119)
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	-	(24,804)	11,520	-	35,790	(43,029)	2,500	-	673	-	(5,119)
Cash and investments - ending	\$ -	\$ (31)	\$ 37,817	\$ -	\$ -	\$ (43,029)	\$ -	\$ -	\$ 9,480	\$ -	\$ (5,119)

(Continued)

SOUTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2021 through June 30, 2022

	Title Ii Part A Supporting Effective I	Small And Rural Grant 19/20	Small Rural Grant 20/21	Rural Schools- Direct	ESSER III	ESSER II	ESSER I	Clearing Account	Fringe Benefit Clearing	Totals
Cash and investments - beginning	\$ -	\$ -	\$ 279	\$ -	\$ -	\$ (2,244)	\$ (83,258)	\$ 12,016	\$ -	\$ 5,900,906
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	2,932,865
Intermediate sources	-	-	-	-	-	-	-	-	-	47
State sources	-	-	-	-	-	-	-	-	-	4,137,898
Federal sources	-	-	-	35,854	16,376	186,263	83,258	-	-	780,951
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	930,748	61	944,089
Total receipts	-	-	-	35,854	16,376	186,263	83,258	930,748	61	8,795,850
Disbursements:										
Instruction	-	-	-	35,854	41,853	19,062	-	-	-	2,741,407
Support services	-	-	-	-	-	93,789	-	-	-	2,675,584
Noninstructional services	-	-	-	-	-	-	-	-	-	523,441
Facilities acquisition and construction	-	-	279	-	335,295	71,168	-	-	-	848,129
Debt services	-	-	-	-	-	-	-	-	-	753,620
Nonprogrammed charges	-	-	-	-	-	-	-	932,103	61	932,164
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	279	35,854	377,148	184,019	-	932,103	61	8,474,345
Excess (deficiency) of receipts over disbursements	-	-	(279)	-	(360,772)	2,244	83,258	(1,355)	-	321,505
Other financing sources (uses)										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	200,000
Transfers out	-	-	-	-	-	-	-	-	-	(200,000)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(279)	-	(360,772)	2,244	83,258	(1,355)	-	321,505
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ (360,772)	\$ -	\$ -	\$ 10,661	\$ -	\$ 6,222,412

SOUTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2022

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 316,981	\$ 415,264

SOUTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
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:				
Ricoh	Lease 5 copiers	\$ 8,249	7/1/2020	7/1/2025
Southwestern Multi-School Building Corporation	Series 2016 First Mortgage Bonds	215,000	7/15/2017	1/15/2023
Southwestern Multi-School Building Corporation	Series 2020 First Mortgage Bonds	<u>725,000</u>	7/15/2022	1/15/2031
Total of annual lease payments		<u>\$ 948,249</u>		

SOUTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
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	\$ 446,100
Infrastructure	458,660
Buildings	7,676,087
Improvements other than buildings	642,284
Machinery, equipment, and vehicles	1,304,757
Construction in progress	4,000,000
Books and other	<u>93,074</u>
 Total governmental activities	 <u>14,620,962</u>
 Total capital assets	 <u>\$ 14,620,962</u>

SOUTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
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.

SOUTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period 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 7-1-2020 - 6-30-2022
Department of Agriculture						
Child Nutrition Cluster	Indiana Department of Education					
School Breakfast Program		10.553	FY 2021, FY 2022	\$ 44,585	\$ 59,154	\$ 103,739
National School Lunch Program		10.555	FY 2021, FY 2022	266,701	313,236	579,937
Commodities		10.555	FY 2021, FY 2022	28,742	35,279	64,021
Total - Child Nutrition Cluster				<u>340,028</u>	<u>407,669</u>	<u>747,697</u>
Total - Department of Agriculture				<u>340,028</u>	<u>407,669</u>	<u>747,697</u>
Department of Education						
Special Education Cluster (IDEA)	Indiana Department of Education					
Special Education Grants to States						
IDEA, Part B		84.027	19611-031-PN01	11	-	11
IDEA, Part B		84.027	20611-031-PN01	33,394	-	33,394
IDEA, Part B		84.027	21611-031-PN01	100,625	27,056	127,681
IDEA, Part B		84.027	22611-031-PN01	-	110,758	110,758
COVID-19 - IDEA, Part B		84.027	22611-031-ARP	-	7,595	7,595
Total - Special Education Grants to States				<u>134,030</u>	<u>145,409</u>	<u>279,439</u>
Special Education Preschool Grants	Indiana Department of Education					
IDEA, Preschool		84.173	19619-031-PN01	1	-	1
IDEA, Preschool		84.173	20619-031-PN01	2,281	-	2,281
IDEA, Preschool		84.173	21619-031-PN01	5,941	2,255	8,196
IDEA, Preschool		84.173	22619-031-PN01	-	6,717	6,717
Total - Special Education Preschool Grants				<u>8,223</u>	<u>8,972</u>	<u>17,195</u>
Total - Special Education Cluster(IDEA)				<u>142,253</u>	<u>154,381</u>	<u>296,634</u>
Title I Grants to Local Educational Agencies	Indiana Department of Education					
Title I, Part A		84.010	S010A190014	36,215	-	36,215
Title I, Part A		84.010	S010A200014	32,601	49,974	82,575
Title I, Part A		84.010	S010A210014	-	9,644	9,644
Total - Title I Part A Cluster/Title I Grant to Local Educational Agencies				<u>68,816</u>	<u>59,618</u>	<u>128,434</u>

(Continued)

SOUTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period 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 7-1-2020 - 6-30-2022
Rural Education	Indiana Department of Education					
REAP 2019-2021		84.358	S358A193169	\$ 38,998	\$ -	\$ 38,998
REAP 2020-2022		84.358	S358A203169	33,922	-	33,922
REAP 2021-2023		84.358	S358A213169	-	35,854	35,854
Total - Rural Education				<u>72,920</u>	<u>35,854</u>	<u>108,774</u>
Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II, Part A		84.367	S367A180013	7,570	-	7,570
Title II, Part A		84.367	S367A190013	1,575	16,450	18,025
Title II, Part A		84.367	S367A200013	-	1,344	1,344
Total - Supporting Effective Instruction State Grants				<u>9,145</u>	<u>17,794</u>	<u>26,939</u>
Student Support and Academic Enrichment Program	Indiana Department of Education					
Title IV, Part A		84.424	S424A190015	-	3,602	3,602
Title IV Part A 20		84.424	S424A200015	9,521	479	10,000
Total - FY 2020 Title IV				<u>9,521</u>	<u>4,081</u>	<u>13,602</u>
COVID-19 - Education Stabilization Fund	Indiana Department of Education					
Elementary and Secondary School Emergency Relief (ESSER I) Fund		84.425D	S425D200013	-	83,258	83,258
Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D	S425D200013	-	186,263	186,263
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund		84.425U	S425U210013	-	16,376	16,376
Total - COVID-19 - Education Stabilization Fund				<u>-</u>	<u>285,897</u>	<u>285,897</u>
Total - Department of Education				<u>302,655</u>	<u>557,625</u>	<u>860,280</u>
Total federal awards expended				<u>\$ 642,683</u>	<u>\$ 965,294</u>	<u>\$ 1,607,977</u>

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

SOUTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period of July 1, 2020 to 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 Earlywood Educational Services Special Education Cooperative (Cooperative). As a result, some activity for the Special Education Cluster (IDEA) that is presented as federal awards expended in the SEFA is not presented as receipts and disbursements in the financial statement for the School Corporation. This activity is reported on the financial statement of the Cooperative.

NOTE 4 - OTHER INFORMATION

The School Corporation did not have any subrecipient activity for the period July 1, 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
Southwestern Consolidated School District of Shelby County
Shelby 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 Southwestern Consolidated School District of Shelby County ("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, and have issued our report thereon dated March 28, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2022-001 that we consider to be a material weakness.

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. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2022-002 to be a significant deficiency.

(Continued)

Report on Compliance and Other Matters

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

School Corporation's Response to Finding

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

Purpose of this Report

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


Crowe LLP

Indianapolis, Indiana
March 28, 2023



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

Those Charged with Governance
Southwestern Consolidated School District of Shelby County
Shelby County, Indiana

Report on Compliance for Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the School Corporation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for 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.

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.

(Continued)

Auditor's Responsibilities for the Audit of Compliance

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

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 2022-003 and 2022-004 to be material weaknesses.

(Continued)

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

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

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

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


Crowe LLP

Indianapolis, Indiana
March 28, 2023

SOUTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the period of July 1, 2020 through 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?	<u> X </u>	Yes	_____ No
Significant deficiencies identified not considered to be material weaknesses?	<u> X </u>	Yes	_____ None Reported
Noncompliance material to financial statement noted?	_____	Yes	<u> X </u> No

Federal Awards

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

Identification of major programs:

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

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

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

SOUTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the period of July 1, 2020 through June 30, 2022

Section II – Financial Statement Findings

FINDING 2022-001

Subject: Preparation of the Annual Financial Report
Audit Finding: Material Weakness

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

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

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

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

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

2 CFR 200.508 states in part:

"The auditee must: . . .

(b) Prepare appropriate financial statements, ..."

Condition: The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Annual Financial Report (AFR).

Cause: Management had not established a system of internal control that would have ensured proper reporting of the AFR. For fiscal year 2021, it was the first year the AFR was required to be prepared directly by the School Corporation instead of from semi-annual findings with Indiana Department of Education. There was not an appropriate review of the activity posted on the AFR.

Context: The AFR entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and investment Balances – Regulatory Basis (the financial statement). The AFR was reviewed prior to submission. However, it was not reviewed in enough detail to prevent the following errors in the financial statement:

- 1) The beginning cash balance at July 1, 2020 reported in Gateway was understated by \$179,302 compared to the audited balance from the prior report. This was primarily due to the School Corporation not including balances for the School Lunch, Prepaid Lunch, and Curricular Materials Rental Extracurricular Account funds in the AFR submission.

(Continued)

SOUTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the period of July 1, 2020 through June 30, 2022

Section II – Financial Statement Findings (Continued)

FINDING 2022-001 (Continued)

- 2) For the period of July 1, 2020 through June 30, 2021, receipts and disbursements were understated by \$108,692 and \$28,475, respectively. The net impact on cash and investment balances reported in Gateway as of June 30, 2021 was an understatement of \$80,217. This was primarily due to the School Corporation omitting the activity for the School Lunch, Prepaid Lunch, and Curricular Materials Rental ECA funds in the AFR submission.
- 3) For the period of July 1, 2021 through June 30, 2022, receipts were understated by \$17,282 and disbursements were overstated by \$53,838. The net impact on cash and investment balances reported in Gateway as of June 30, 2022 was an understatement of \$71,120. This was primarily due to the School Corporation omitting the activity for the School Lunch, Prepaid Lunch, and Curricular Materials Rental ECA funds in the AFR submission.

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

Effect: Without a proper system of internal control in place that operated effectively, material misstatements of the financial statement could remain undetected.

Identification as a repeat finding: No

Recommendation: We recommended that the School Corporation's management establish a formal review over the AFR Financial Statement Submission to ensure amounts reported are accurate and agree to underlying funds ledgers. The School Corporation should establish a documented, secondary review to ensure the amounts reported on the financial statements agree to the supporting ledger fund detail.

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

FINDING 2022-002

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

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

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

(Continued)

SOUTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the period of July 1, 2020 through June 30, 2022

Section II – Financial Statement Findings (Continued)

FINDING 2022-002 (Continued)

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

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

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

2 CFR 200.508 states in part:

"The auditee must: . . .

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

2 CFR 200.510(b) states:

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

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

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

(3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.

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

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

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

(Continued)

SOUTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the period of July 1, 2020 through June 30, 2022

Section II – Financial Statement Findings (Continued)

FINDING 2022-002 (Continued)

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. The SEFA was reviewed prior to submission. However, it was not reviewed in enough detail to prevent the following errors that resulted in the net overstatement of the total federal awards expended on the SEFA by \$24,774 for the period July 1, 2020, through June 30, 2022:

- 1) The Child Nutrition Cluster expenditures were understated by \$29,262 for 2020-2021 and overstated by \$4,062 for 2021-2022, for a total net understatement of \$25,200.
- 2) The Title I, Part A expenditures were duplicated for 2021-2022, which resulted in an overstatement of \$49,974.

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

Effect: Without a proper system of internal control in place that operated effectively, misstatements of the SEFA remained undetected.

Identification as a repeat finding, if applicable: No

Recommendation: We recommended that the School Corporation's management establish a formal review over the SEFA to ensure amounts reported are accurate. This review should include a detailed tie out to federal receipts recorded within the funds ledger and non-financial information reported on the SEFA including Assistance Listing Numbers, Pass-Through Entity, and Pass-Through Numbers.

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

(Continued)

SOUTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the period of July 1, 2020 through June 30, 2022

Section III – Federal Award Findings and Questioned Costs

FINDING 2022-003

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

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

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

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

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

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

Questioned Costs: There were \$60 of known questioned costs identified. The known questioned costs were calculated taking the number of meals (both breakfast and lunch) overclaimed or underclaimed times the IDOE reimbursement rates for lunch and breakfast for the month tested. The net overclaimed reimbursement amount for the four months tested was \$60.

Context: For all four monthly claims selected for testing, there was no formal evidence of the sponsor claim reimbursement summary being reviewed by someone independent of who prepared the sponsor claim reimbursement summary prior to submission.

Additionally, we noted that for one claim in the sample of four, the meal counts were overclaimed for the month. In October 2020, the School Corporation overclaimed breakfast by 43 meals and underclaimed lunch by 11 meals.

Identification as a repeat finding, if applicable: No.

(Continued)

SOUTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the period of July 1, 2020 through June 30, 2022

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

FINDING 2022-003 (Continued)

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

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

FINDING 2022-004

Subject: COVID-19 – Education Stabilization Fund – Reporting, Equipment and Real Property Management
Federal Agency: Department of Education
Federal Program: COVID-19 – Education Stabilization Fund
Assistance Listing Number: 84.425D
Federal Award Numbers and Years (or Other Identifying Numbers): S425D200013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting, Equipment and Real Property Management
Audit Finding: Material Weakness

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.302(b) states in part:

"The financial management system of each non-Federal entity must provide for the following:

(2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.328 Financial reporting"

34 CFR 76.722 states:

"A State may require a subgrantee to submit reports in a manner and format that assists the State in complying with the requirements under 34 CFR 76.720 and in carrying out other responsibilities under the program."

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

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

(Continued)

SOUTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the period of July 1, 2020 through June 30, 2022

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

FINDING 2022-004 (Continued)

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

Questioned Costs: There were no questioned costs identified.

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 Reporting compliance requirements.

Reporting

The School Corporation was required to submit two Annual Data Reports to the Indiana Department of Education (IDOE) to meet federal reporting requirements for ESSER grant awards. The first report was for the period of March 13, 2020 to September 30, 2020 and was due by January 21, 2021. The second report was for the period of October 1, 2020 to June 30, 2021 and was due by May 13, 2022.

For both reports that were submitted, there was segregation of duties between the preparation of the report and the review and submission of the report by someone other than the preparer. However, the review was not sufficient to prevent the following error:

- In the second report, the amounts reported as expended did not agree to the underlying expenditure records of the School Corporation for ESSER I and ESSER II awards. Per discussion with the Treasurer, the amount in the report included expenditures through the report due date of May 13, 2022 rather than through the reporting period end date of June 30, 2021. This resulted in an overstatement of expenditures of \$83,000 for ESSER I and \$184,000 for ESSER II.

Equipment and Real Property Management

During our testing of equipment and real property management, it was noted that the School Corporation had not conducted a physical inventory during the last two years as required.

Identification as a repeat finding: No.

Recommendation:

Reporting: We recommended someone other than the preparer of the report perform a documented review prior to submission to validate the accuracy and completeness of the data submitted.

Equipment and Real Property Management: We recommended that the School Corporation conduct a physical inventory at least once every two years to comply with the federal and state requirements.

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



Mr. Joshua Edwards
Superintendent

Mrs. Bonnie Thopy
Treasurer

Mr. Travis Oliver
Facilities Director

Mrs. Belinda Head
Deputy Treasurer

Mrs. Susan Neville
Technology Director

CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS
June 30, 2022

FINDING 2022-001

Subject: Preparation of the Annual Financial Report
Audit Findings: Material Weakness

Condition: The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Annual Financial Report (AFR).

Context: The AFR entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and investment Balances – Regulatory Basis (the financial statement). The AFR was reviewed prior to submission. However, it was not reviewed in enough detail to prevent the following errors in the financial statement:

- 1) The beginning cash balance at July 1, 2020 reported in Gateway was understated by \$179,302 compared to the audited balance from the prior report. This was primarily due to the School Corporation not including balances for the School Lunch, Prepaid Lunch, and Curricular Materials Rental Extracurricular Account funds in the AFR submission.
- 2) For the period of July 1, 2020 through June 30, 2021, receipts and disbursements were understated by \$108,692 and \$28,475, respectively. The net impact on cash and investment balances reported in Gateway as of June 30, 2021 was an understatement of \$80,217. This was primarily due to the School Corporation omitting the activity for the School Lunch, Prepaid Lunch, and Curricular Materials Rental ECA funds in the AFR submission.
- 3) For the period of July 1, 2021 through June 30, 2022, receipts were understated by \$17,282 and disbursements were overstated by \$53,838. The net impact on cash and investment balances reported in Gateway as of June 30, 2022 was an understatement of \$71,120. This was primarily due to the School Corporation omitting the activity for the School Lunch, Prepaid Lunch, and Curricular Materials Rental ECA funds in the AFR submission.

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

Views of Responsible Officials and Planned Corrective Actions: We concur with the finding.



Southwestern Consolidated School District of Shelby County



Mr. Joshua Edwards
Superintendent

Mrs. Bonnie Thopy
Treasurer

Mr. Travis Oliver
Facilities Director

Mrs. Belinda Head
Deputy Treasurer

Mrs. Susan Neville
Technology Director

FINDING 2022-001 (Continued)

Description of Corrective Action Plan:

In an effort to correct this mistake, the treasurer, Bonnie Thopy, will verify the beginning balances to ensure that cafeteria and textbook amounts are included in the totals for the annual financial report. She will compare Form 9 amounts with the AFR for more accurate reporting. Southwestern Superintendent, Joshua Edwards will review and sign off on a paper copy before the report is submitted. This signed copy will be kept on file at the administration building for proof of review.

Responsible Party and Timeline for Completion:

Treasurer, Bonnie Thopy and Superintendent, Joshua Edwards – this corrective action will be in place for the review of the FY2023 AFR.

FINDING 2022-002

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

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

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. The SEFA was reviewed prior to submission. However, it was not reviewed in enough detail to prevent the following errors that resulted in the net overstatement of the total federal awards expended on the SEFA by \$24,774 for the period July 1, 2020, through June 30, 2022:

1. The Child Nutrition Cluster expenditures were understated by \$29,262 for 2020-2021 and overstated by \$4,062 for 2021-2022, for a total net understatement of \$25,200.
2. The Title I, Part A expenditures were duplicated for 2021-2022, which resulted in an overstatement of \$49,974.

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

Views of Responsible Officials and Planned Corrective Actions: We concur with the finding.

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Our mission is to encourage, challenge, explore, and strive for excellence.



Southwestern Consolidated School District of Shelby County



Mr. Joshua Edwards
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Mrs. Bonnie Thopy
Treasurer

Mr. Travis Oliver
Facilities Director

Mrs. Belinda Head
Deputy Treasurer

Mrs. Susan Neville
Technology Director

FINDING 2022-002 (Continued)

Description of Corrective Action Plan:

Southwestern staff who are involved with applying for and spending grant monies are currently working on a master spreadsheet that will have all grant information in one place for easier review. All grant information is to be kept current during the grant period. This spreadsheet will be completed before the next SEFA is to be prepared. Corporation treasurer, Bonnie Thopy, will verify that these numbers are checked against the fund report as a cross reference that the amounts are being reported correctly. This will provide an easier and more accurate document to be used for the SEFA report. Southwestern Superintendent, Joshua Edwards will review, compare the totals, and sign off on a paper copy before the report is submitted. This signed copy will be kept on file at the administration building.

Responsible Party and Timeline for Completion:

Treasurer, Bonnie Thopy and Superintendent, Joshua Edwards – this corrective action will be in place for the review of the FY2023 SEFA.

FINDING 2022-003

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

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

Context: For all four monthly claims selected for testing, there was no formal evidence of the sponsor claim reimbursement summary being reviewed by someone independent of who prepared the sponsor claim reimbursement summary prior to submission.

Additionally, we noted that for one claim in the sample of four, the meal counts were overclaimed for the month. In October 2020, the School Corporation overclaimed breakfast by 43 meals and underclaimed lunch by 11 meals.

Views of Responsible Officials and Planned Corrective Actions: We concur with the finding.

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Technology Director

FINDING 2022-003 (Continued)

Description of Corrective Action Plan:

Food Service Director, Brisha Dunbar will verify that the numbers she pulls from E-trition match the amounts that she is claiming for reimbursement. FSD completes a daily edit check form and compares totals to the monthly E-trition report. Once the food service director has the monthly forms completed Southwestern ECA treasurer, Amber Mitchell will review and compare totals before the numbers are submitted to the State. She will initial the totals form along with the FSD and these forms will be kept on file in the FSD's office.

Responsible Party and Timeline for Completion:

Food Service Director, Brisha Dunbar and ECA Treasurer, Amber Mitchell – these changes will be implemented effective March 2023.

FINDING 2022-004

Subject: COVID-19 – Education Stabilization Fund – Reporting, Equipment and Real Property Management

Federal Agency: Department of Education

Federal Program: COVID-19 – Education Stabilization Fund

Assistance Listing Number: 84.425D

Federal Award Numbers and Years (or Other Identifying Numbers): S425D200013

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting, Equipment and Real Property Management

Audit Finding: Material Weakness

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

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 Reporting compliance requirements.

Reporting

The School Corporation was required to submit two Annual Data Reports to the Indiana Department of Education (IDOE) to meet federal reporting requirements for ESSER grant awards. The first report was for the period of March 13, 2020 to September 30, 2020 and was due by January 21, 2021. The second report was for the period of October 1, 2020 to June 30, 2021 and was due by May 13, 2022.

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Technology Director

FINDING 2022-004 (Continued)

For both reports that were submitted, there was segregation of duties between the preparation of the report and the review and submission of the report by someone other than the preparer. However, the review was not sufficient to prevent the following error:

- In the second report, the amounts reported as expended did not agree to the underlying expenditure records of the School Corporation for ESSER I and ESSER II awards. Per discussion with the Treasurer, the amount in the report included expenditures through the report due date of May 13, 2022 rather than through the reporting period end date of June 30, 2021. This resulted in an overstatement of expenditures of \$83,000 for ESSER I and \$184,000 for ESSER II.

Equipment and Real Property Management

During our testing of equipment and real property management, it was noted that the School Corporation had not conducted a physical inventory during the last two years as required.

Views of Responsible Officials and Planned Corrective Actions: We concur with the finding.

Description of Corrective Action Plan:

For the upcoming year 3 ESSER report that is due by April 7th, the corporation treasurer will ensure that the data provided for the completion of this report only includes the correct time period information for July 1, 2021 through June 30, 2022. Southwestern superintendent, Josh Edwards, will verify the correct dates and amounts for the requested time period before submitting the report. Both the treasurer and the superintendent will review the form and sign a printed copy to be kept on file at the administration building.

Inventory has in the past only been taken within certain departments. A more complete inventory will be scheduled. Southwestern superintendent, Josh Edwards, and treasurer Bonnie Thopy will research the required criteria to become compliant. Once these parameters have been established they will work within the guidelines to ensure an inventory will be completed before the next audit period.

Responsible Party and Timeline for Completion:

Treasurer, Bonnie Thopy, and Superintendent, Josh Edwards – these changes will be implemented for FY2023.