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April 12, 2023

To: The Officials of the Flat Rock-Haw Creek School Corporation
Flat Rock-Haw Creek School Corporation
9423 N. State Road 9
Hope, IN 47246

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

We call your attention to the findings included in the report on pages 40 through 46. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 47 through 49.

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 Flat Rock-Haw Creek School Corporation was prepared in accordance with the guidelines established by the State Board of Accounts.

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

A handwritten signature in black ink that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

FLAT ROCK-HAW CREEK SCHOOL CORPORATION
Bartholomew County, Indiana

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

FLAT ROCK-HAW CREEK SCHOOL CORPORATION
Bartholomew 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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FLAT ROCK-HAW CREEK SCHOOL CORPORATION
SCHEDULE OF OFFICIALS (Unaudited)
For the period July 1, 2020 to June 30, 2022

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Melissa Dempsey	07-01-20 to 06-30-22
Superintendent of Schools	Shawn Price	07-01-20 to 06-30-22
President of the School Board	Chad Miller Brian Rose	07-01-20 to 12-31-21 01-01-22 to 06-30-22

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
Flat Rock-Haw Creek School Corporation
Bartholomew 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 Flat Rock-Haw Creek School Corporation (the School Corporation) as of June 30, 2022 and for the period of July 1, 2020 to June 30, 2022, and the related notes to the financial statement.

Unmodified Opinion on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinions

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

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

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

(Continued)

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

Responsibilities of Management for the Financial Statement

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

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

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

Supplementary Information

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

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 30, 2023 on our consideration of the School Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
March 30, 2023

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

Fund	Cash and	Receipts	Disbursements	Other	Cash and	Receipts	Disbursements	Other	Cash and
	Investments			Financing	Investments			Financing	Investments
	07-01-2020			Sources (Uses)	06-30-2021			Sources (Uses)	06-30-2022
Education	\$ 2,159,750	\$ 6,697,326	\$ 5,748,907	\$ (1,250,000)	\$ 1,858,169	\$ 7,109,871	\$ 6,171,100	\$ (1,000,000)	\$ 1,796,940
Debt Service	76,092	397,735	369,855	-	103,972	398,331	406,607	-	95,696
Retirement/Severance Bond Debt Service	6,164	-	-	-	6,164	-	-	-	6,164
Referendum - Exempt Capital	701,681	1,647,361	1,520,000	-	829,042	1,566,687	1,520,000	-	875,729
Operations	460,758	1,545,802	2,241,782	1,203,837	968,615	1,465,571	2,285,762	951,800	1,100,224
Local Rainy Day	776,210	-	12,745	50,000	813,465	-	30,000	50,000	833,465
School Lunch	94,923	506,939	394,251	-	207,611	574,763	477,095	-	305,279
Curricular Materials Rental	199,415	34,527	233,942	-	-	20,629	20,629	-	-
Levy Excess	9,881	-	-	-	9,881	-	-	-	9,881
Heritage Grant-Elem Curriculum	-	800	-	-	800	-	675	-	125
Heritage Grant-Hamilton Biog	-	800	-	-	800	-	762	-	38
Heritage Grant-Smart Sensors	-	-	-	-	-	8,380	-	-	8,380
Educational License Plates	3,794	-	1	-	3,793	600	-	-	4,393
School Library Printed Material	5,973	-	-	-	5,973	-	-	-	5,973
Early Intervention	2,792	-	2,792	-	-	3,076	542	-	2,534
Signs For Trees	500	-	-	-	500	-	500	-	-
Books	34	-	-	-	34	-	34	-	-
Monsanto Grant	1,318	-	-	-	1,318	-	1,318	-	-
Project Lead	5,029	-	-	-	5,029	-	5,029	-	-
Workforce Grant	531	-	-	-	531	-	531	-	-
School Safety	1,558	-	-	-	1,558	-	1,558	-	-
Safe Routes To School	76	-	-	-	76	-	76	-	-
Local Manufacturing	75	-	-	-	75	-	75	-	-
Student Benefit	285	-	-	-	285	-	-	-	285
Welding Grant	-	4,060	-	-	4,060	-	675	-	3,385
Logitech Grant	-	2,200	-	-	2,200	-	2,200	-	-
Kilps Calm Down Grant	-	1,025	-	-	1,025	-	1,012	-	13
Paper Recycling Grant	-	1,000	-	-	1,000	-	-	-	1,000
Library Biography Grant	-	800	-	-	800	-	-	-	800
Heritage A Bee	1,687	-	-	-	1,687	-	-	-	1,687
Heritage Agri Generator	3,774	-	-	-	3,774	-	-	-	3,774
Heritage Robotics	2	-	-	-	2	-	-	-	2
Heritage Collaborative Workshop	2,900	-	-	-	2,900	-	-	-	2,900
Graduate Challenge	1,000	-	-	-	1,000	-	-	-	1,000
Heritage Ag Landscape	3,000	-	1,100	-	1,900	-	779	-	1,121
Heritage Indiana Manufacture	8	-	-	-	8	-	-	-	8
Heritage Develop Assets	786	-	-	-	786	-	-	-	786
Endowment Middle School Lead	2,024	-	500	-	1,524	-	1,524	-	-
Endowment Elem Library Expansion	4	-	-	-	4	-	-	-	4
Endowment Ag Learning Lab	1,000	-	-	-	1,000	-	-	-	1,000
Formative Assessment	23,563	9,743	12,548	-	20,758	11,909	14,167	-	18,500

(Continued)

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

Fund	Cash and Investments	Receipts	Disbursements	Other Financing	Cash and Investments	Receipts	Disbursements	Other Financing	Cash and Investments
	07-01-2020			Sources (Uses)	06-30-2021			Sources (Uses)	06-30-2022
Special Education Excess Costs	\$ -	\$ 14,632	\$ -	\$ -	\$ 14,632	\$ 3,124	\$ -	\$ -	\$ 17,756
Student Learning Recovery Grant	-	-	-	-	-	-	301	-	(301)
Computer Consortium/Ed Tech Advance	(62,672)	94,200	96,439	-	(64,911)	95,100	112,006	-	(81,817)
Drug Free Communities	21,544	-	1	-	21,543	-	-	-	21,543
Medicaid Reimbursement	198,131	37,211	-	-	235,342	36,120	-	-	271,462
Secured Schools Safety Grant	11,250	33,750	-	-	45,000	38,615	-	-	83,615
School Intervention And Counseling	(2,340)	15,059	16,216	-	(3,497)	20,750	17,523	-	(270)
Career And Technical Performance Grant	22,906	-	-	-	22,906	-	-	-	22,906
Teacher Appreciation Grant	-	36,771	36,771	-	-	36,123	36,123	-	-
High Ability Students	37,958	23,042	19,425	-	41,575	25,756	20,248	-	47,083
State Connectivity Grant	26,434	-	-	-	26,434	9,439	17,971	-	17,902
Project Lead The Way	(2,400)	-	-	-	(2,400)	-	(2,400)	-	-
Title I	(31,352)	74,205	103,702	-	(60,849)	75,432	115,796	-	(101,213)
Other Federal Training Program	5,560	-	-	-	5,560	-	-	-	5,560
Student Support Title Iv	-	14,047	18,334	-	(4,287)	-	5,549	-	(9,836)
Title Ii Part A Supporting Effective I	(45,274)	13,620	16,603	-	(48,257)	29,303	32,557	-	(51,511)
Title Ii Part B Math And Science Nclb	5,397	-	-	-	5,397	-	5,397	-	-
ESSER III	-	-	-	-	-	-	104,885	-	(104,885)
ESSER II	-	-	-	-	-	-	207,168	-	(207,168)
Prepaid School Lunch Accounts	33,759	38,683	2,118	-	70,324	30,098	-	-	100,422
Payroll Withholdings	25,400	1,322,686	1,298,942	-	49,144	1,539,033	1,544,959	-	43,218
Health Life Ltd	8,992	-	-	-	8,992	-	-	-	8,992
Tax Sheltered Annuities	1,865	-	-	-	1,865	-	-	-	1,865
Non Reimbursed Medical	30	-	-	-	30	-	-	-	30
Dollars For Scholars	182	-	-	-	182	-	-	-	182
School Principals Assoc	60	-	-	-	60	-	-	-	60
Garnish Corp Debt	316	-	-	-	316	-	-	-	316
Teacher Dues	511	-	-	-	511	-	-	-	511
Totals	\$ 4,802,844	\$ 12,568,024	\$ 12,146,974	\$ 3,837	\$ 5,227,731	\$ 13,098,710	\$ 13,160,733	\$ 1,800	\$ 5,167,508

See notes to financial statement.

FLAT ROCK-HAW CREEK SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022, and for the period July 1, 2020 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.

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

(Continued)

FLAT ROCK-HAW CREEK SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022, and for the period July 1, 2020 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.

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

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

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

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

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

(Continued)

FLAT ROCK-HAW CREEK SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022, and for the period July 1, 2020 to June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

NOTE 2 - RECLASSIFICATION

Certain prior year balances have been reclassified to conform to the current fiscal year presentation. The reclassifications had no effect on total opening cash balances. The clearing fund which was previously reported in the aggregate amount of \$71,115 at June 30, 2020, has been reclassified to the following individual fund balances at July 1, 2020 to reflect the nature of the clearing fund activity as follows:

Prepaid School Lunch Accounts	\$	33,759
Payroll Withholdings		25,400
Health Life Ltd		8,992
Tax Sheltered Annuities		1,865
Non Reimbursed Medical		30
Dollars For Scholars		182
School Principals Assoc		60
Garnish Corp Debt		316
Teacher Dues		511
	<u>\$</u>	<u>71,115</u>

NOTE 3 - 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.

(Continued)

FLAT ROCK-HAW CREEK SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022, and for the period July 1, 2020 to June 30, 2022

NOTE 4 - 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 5 - DEPOSITS AND INVESTMENTS

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

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

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

NOTE 6 - RISK MANAGEMENT

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

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

NOTE 7 - CASH BALANCE DEFICITS

The financial statement contain some funds with deficits in cash. This is a result of certain funds being set up for reimbursable grants, but for which reimbursement was not yet received by June 30, 2020, and 2021.

(Continued)

NOTE 8 - HOLDING CORPORATION

The School Corporation has entered into a capital lease with the Multi-School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments for the period July 1, 2020 to June 30, 2021 totaled \$1,785,000. Lease payments for the period July 1, 2021 to June 30, 2022 totaled \$1,789,000.

NOTE 9 - PENSION PLANS

Public Employees' Retirement Fund

Plan Description

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

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

Financial Report

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

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

Contributions

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

NOTE 9 - PENSION PLANS (Continued)

Teachers' Retirement Fund

Plan Descriptions

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

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

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

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

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

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

Financial Report

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

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

(Continued)

FLAT ROCK-HAW CREEK SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022, and for the period July 1, 2020 to June 30, 2022

NOTE 9 - PENSION PLANS (Continued)

Contributions

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

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

	Education	Debt Service	Retirement/Severance Bond Debt Service	Referendum - Exempt Capital	Operations	Local Rainy Day	School Lunch	Curricular Materials Rental	Levy Excess	Heritage Grant- Elem Curriculum	Heritage Grant- Hamilton Biog
Cash and investments - beginning	\$ 2,159,750	\$ 76,092	\$ 6,164	\$ 701,681	\$ 460,758	\$ 776,210	\$ 94,923	\$ 199,415	\$ 9,881	\$ -	\$ -
Receipts:											
Local sources	11,077	397,735	-	1,647,361	1,521,439	-	378,514	-	-	800	800
Intermediate sources	88	-	-	-	-	-	-	-	-	-	-
State sources	6,686,161	-	-	-	-	-	4,700	34,527	-	-	-
Federal sources	-	-	-	-	-	-	123,725	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	24,363	-	-	-	-	-	-
Total receipts	6,697,326	397,735	-	1,647,361	1,545,802	-	506,939	34,527	-	800	800
Disbursements:											
Instruction	4,155,781	-	-	-	-	-	-	-	-	-	-
Support services	1,503,150	-	-	-	2,155,603	-	1,009	233,942	-	-	-
Noninstructional services	89,976	-	-	-	-	-	393,242	-	-	-	-
Facilities acquisition and construction	-	-	-	-	86,179	12,745	-	-	-	-	-
Debt services	-	369,855	-	1,520,000	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	5,748,907	369,855	-	1,520,000	2,241,782	12,745	394,251	233,942	-	-	-
Excess (deficiency) of receipts over disbursements	948,419	27,880	-	127,361	(695,980)	(12,745)	112,688	(199,415)	-	800	800
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	3,837	-	-	-	-	-	-
Transfers in	-	-	-	-	1,250,000	50,000	-	-	-	-	-
Transfers out	(1,250,000)	-	-	-	(50,000)	-	-	-	-	-	-
Total other financing sources (uses)	(1,250,000)	-	-	-	1,203,837	50,000	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(301,581)	27,880	-	127,361	507,857	37,255	112,688	(199,415)	-	800	800
Cash and investments - ending	\$ 1,858,169	\$ 103,972	\$ 6,164	\$ 829,042	\$ 968,615	\$ 813,465	\$ 207,611	\$ -	\$ 9,881	\$ 800	\$ 800

(Continued)

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

	Educational License Plates	School Library Printed Material	Early Intervention	Signs For Trees	Books	Monsanto Grant	Project Lead	Workforce Grant	School Safety	Safe Routes To School	Local Manufacturing
Cash and investments - beginning	\$ 3,794	\$ 5,973	\$ 2,792	\$ 500	\$ 34	\$ 1,318	\$ 5,029	\$ 531	\$ 1,558	\$ 76	\$ 75
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-	-	-	-	-
Disbursements:											
Instruction	1	-	-	-	-	-	-	-	-	-	-
Support services	-	-	2,792	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	1	-	2,792	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	(1)	-	(2,792)	-	-	-	-	-	-	-	-
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)	-	(2,792)	-	-	-	-	-	-	-	-
Cash and investments - ending	\$ 3,793	\$ 5,973	\$ -	\$ 500	\$ 34	\$ 1,318	\$ 5,029	\$ 531	\$ 1,558	\$ 76	\$ 75

(Continued)

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

	Student Benefit	Welding Grant	Logitech Grant	Kilps Calm Down Grant	Paper Recycling Grant	Library Biography Grant	Heritage A Bee	Heritage Agri Generator	Heritage Robotics	Heritage Collaborative Workshop	Graduate Challenge
Cash and investments - beginning	\$ 285	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,687	\$ 3,774	\$ 2	\$ 2,900	\$ 1,000
Receipts:											
Local sources	-	4,060	2,200	1,025	1,000	800	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	4,060	2,200	1,025	1,000	800	-	-	-	-	-
Disbursements:											
Instruction	-	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	4,060	2,200	1,025	1,000	800	-	-	-	-	-
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	-	4,060	2,200	1,025	1,000	800	-	-	-	-	-
Cash and investments - ending	\$ 285	\$ 4,060	\$ 2,200	\$ 1,025	\$ 1,000	\$ 800	\$ 1,687	\$ 3,774	\$ 2	\$ 2,900	\$ 1,000

(Continued)

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

	Heritage Ag Landscape	Heritage Indiana Manufacture	Heritage Develop Assets	Endowment Middle School Lead	Endowment Elem Library Expansion	Endowment Ag Learning Lab	Formative Assessment	Special Education Excess Costs	Computer Consortium/Ed Tech Advance	Drug Free Communities	Medicaid Reimbursement
Cash and investments - beginning	\$ 3,000	\$ 8	\$ 786	\$ 2,024	\$ 4	\$ 1,000	\$ 23,563	\$ -	\$ (62,672)	\$ 21,544	\$ 198,131
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	9,743	14,632	94,200	-	37,211
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	9,743	14,632	94,200	-	37,211
Disbursements:											
Instruction	-	-	-	500	-	-	10,591	-	-	1	-
Support services	1,100	-	-	-	-	-	1,957	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	96,439	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,100	-	-	500	-	-	12,548	-	96,439	1	-
Excess (deficiency) of receipts over disbursements	(1,100)	-	-	(500)	-	-	(2,805)	14,632	(2,239)	(1)	37,211
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	(1,100)	-	-	(500)	-	-	(2,805)	14,632	(2,239)	(1)	37,211
Cash and investments - ending	\$ 1,900	\$ 8	\$ 786	\$ 1,524	\$ 4	\$ 1,000	\$ 20,758	\$ 14,632	\$ (64,911)	\$ 21,543	\$ 235,342

(Continued)

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

	Secured Schools Safety Grant	School Intervention And Counseling	Career And Technical Performance Grant	Teacher Appreciation Grant	High Ability Students	State Connectivity Grant	Project Lead The Way	Title I	Other Federal Training Program	Student Support Title Iv	Title Ii Part A Supporting Effective I
Cash and investments - beginning	\$ 11,250	\$ (2,340)	\$ 22,906	\$ -	\$ 37,958	\$ 26,434	\$ (2,400)	\$ (31,352)	\$ 5,560	\$ -	\$ (45,274)
Receipts:											
Local sources	-	15,059	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	33,750	-	-	36,771	23,042	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	74,205	-	14,047	13,620
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	33,750	15,059	-	36,771	23,042	-	-	74,205	-	14,047	13,620
Disbursements:											
Instruction	-	-	-	36,771	19,425	-	-	98,319	-	17,560	6,078
Support services	-	16,216	-	-	-	-	-	5,383	-	774	10,525
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	16,216	-	36,771	19,425	-	-	103,702	-	18,334	16,603
Excess (deficiency) of receipts over disbursements	33,750	(1,157)	-	-	3,617	-	-	(29,497)	-	(4,287)	(2,983)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	33,750	(1,157)	-	-	3,617	-	-	(29,497)	-	(4,287)	(2,983)
Cash and investments - ending	\$ 45,000	\$ (3,497)	\$ 22,906	\$ -	\$ 41,575	\$ 26,434	\$ (2,400)	\$ (60,849)	\$ 5,560	\$ (4,287)	\$ (48,257)

(Continued)

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

	Title li Part B Math And Science Nclb	Prepaid School Lunch Accounts	Payroll Withholdings	Health Life Ltd	Tax Sheltered Annuities	Non Reimbursed Medical	Dollars For Scholars	School Principals Assoc	Garnish Corp Debt	Teacher Dues	Totals
Cash and investments - beginning	\$ 5,397	\$ 33,759	\$ 25,400	\$ 8,992	\$ 1,865	\$ 30	\$ 182	\$ 60	\$ 316	\$ 511	\$ 4,802,844
Receipts:											
Local sources	-	38,683	-	-	-	-	-	-	-	-	4,020,553
Intermediate sources	-	-	-	-	-	-	-	-	-	-	88
State sources	-	-	-	-	-	-	-	-	-	-	6,974,737
Federal sources	-	-	-	-	-	-	-	-	-	-	225,597
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	1,322,686	-	-	-	-	-	-	-	1,347,049
Total receipts	-	38,683	1,322,686	-	-	-	-	-	-	-	12,568,024
Disbursements:											
Instruction	-	-	-	-	-	-	-	-	-	-	4,345,027
Support services	-	-	-	-	-	-	-	-	-	-	3,932,451
Noninstructional services	-	-	-	-	-	-	-	-	-	-	483,218
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	195,363
Debt services	-	-	-	-	-	-	-	-	-	-	1,889,855
Nonprogrammed charges	-	2,118	1,298,942	-	-	-	-	-	-	-	1,301,060
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	2,118	1,298,942	-	-	-	-	-	-	-	12,146,974
Excess (deficiency) of receipts over disbursements	-	36,565	23,744	-	-	-	-	-	-	-	421,050
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	3,837
Transfers in	-	-	-	-	-	-	-	-	-	-	1,300,000
Transfers out	-	-	-	-	-	-	-	-	-	-	(1,300,000)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	3,837
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	36,565	23,744	-	-	-	-	-	-	-	424,887
Cash and investments - ending	\$ 5,397	\$ 70,324	\$ 49,144	\$ 8,992	\$ 1,865	\$ 30	\$ 182	\$ 60	\$ 316	\$ 511	\$ 5,227,731

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

	Education	Debt Service	Retirement/Severance Bond Debt Service	Referendum - Exempt Capital	Operations	Local Rainy Day	School Lunch	Curricular Materials Rental	Levy Excess	Heritage Grant- Elem Curriculum
Cash and investments - beginning	\$ 1,858,169	\$ 103,972	\$ 6,164	\$ 829,042	\$ 968,615	\$ 813,465	\$ 207,611	\$ -	\$ 9,881	\$ 800
Receipts:										
Local sources	26,527	398,331	-	1,566,687	1,455,316	-	29,417	-	-	-
Intermediate sources	83	-	-	-	-	-	-	-	-	-
State sources	7,083,261	-	-	-	-	-	6,180	20,629	-	-
Federal sources	-	-	-	-	-	-	538,848	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	10,255	-	318	-	-	-
Total receipts	7,109,871	398,331	-	1,566,687	1,465,571	-	574,763	20,629	-	-
Disbursements:										
Instruction	4,519,871	-	-	-	-	-	-	-	-	675
Support services	1,563,016	-	-	-	2,143,213	-	15,722	20,629	-	-
Noninstructional services	88,213	-	-	-	-	-	461,373	-	-	-
Facilities acquisition and construction	-	-	-	-	142,549	30,000	-	-	-	-
Debt services	-	406,607	-	1,520,000	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	6,171,100	406,607	-	1,520,000	2,285,762	30,000	477,095	20,629	-	675
Excess (deficiency) of receipts over disbursements	938,771	(8,276)	-	46,687	(820,191)	(30,000)	97,668	-	-	(675)
Other financing sources (uses)										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	1,800	-	-	-	-	-
Transfers in	-	-	-	-	1,000,000	50,000	-	-	-	-
Transfers out	(1,000,000)	-	-	-	(50,000)	-	-	-	-	-
Total other financing sources (uses)	(1,000,000)	-	-	-	951,800	50,000	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(61,229)	(8,276)	-	46,687	131,609	20,000	97,668	-	-	(675)
Cash and investments - ending	\$ 1,796,940	\$ 95,696	\$ 6,164	\$ 875,729	\$ 1,100,224	\$ 833,465	\$ 305,279	\$ -	\$ 9,881	\$ 125

(Continued)

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

	Heritage Grant- Hamilton Biog	Heritage Grant- Smart Sensors	Educational License Plates	School Library Printed Material	Early Intervention	Signs For Trees	Books	Monsanto Grant	Project Lead	Workforce Grant
Cash and investments - beginning	\$ 800	\$ -	\$ 3,793	\$ 5,973	\$ -	\$ 500	\$ 34	\$ 1,318	\$ 5,029	\$ 531
Receipts:										
Local sources	-	8,380	-	-	-	-	-	-	-	-
Intermediate sources	-	-	600	-	-	-	-	-	-	-
State sources	-	-	-	-	3,076	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	8,380	600	-	3,076	-	-	-	-	-
Disbursements:										
Instruction	-	-	-	-	309	-	-	-	-	-
Support services	762	-	-	-	233	500	34	1,318	5,029	531
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	762	-	-	-	542	500	34	1,318	5,029	531
Excess (deficiency) of receipts over disbursements	(762)	8,380	600	-	2,534	(500)	(34)	(1,318)	(5,029)	(531)
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	(762)	8,380	600	-	2,534	(500)	(34)	(1,318)	(5,029)	(531)
Cash and investments - ending	\$ 38	\$ 8,380	\$ 4,393	\$ 5,973	\$ 2,534	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

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

	School Safety	Safe Routes To School	Local Manufacturing	Student Benefit	Welding Grant	Logitech Grant	Kilps Calm Down Grant	Paper Recycling Grant	Library Biography Grant	Heritage A Bee
Cash and investments - beginning	\$ 1,558	\$ 76	\$ 75	\$ 285	\$ 4,060	\$ 2,200	\$ 1,025	\$ 1,000	\$ 800	\$ 1,687
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-	-	-	-
Disbursements:										
Instruction	-	-	-	-	-	-	-	-	-	-
Support services	1,558	76	75	-	675	2,200	1,012	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,558	76	75	-	675	2,200	1,012	-	-	-
Excess (deficiency) of receipts over disbursements	(1,558)	(76)	(75)	-	(675)	(2,200)	(1,012)	-	-	-
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	(1,558)	(76)	(75)	-	(675)	(2,200)	(1,012)	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 285	\$ 3,385	\$ -	\$ 13	\$ 1,000	\$ 800	\$ 1,687

(Continued)

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

	Heritage Agri Generator	Heritage Robotics	Heritage Collaborative Workshop	Graduate Challenge	Heritage Ag Landscape	Heritage Indiana Manufacture	Heritage Develop Assets	Endowment Middle School Lead	Endowment Elem Library Expansion	Endowment Ag Learning Lab
Cash and investments - beginning	\$ 3,774	\$ 2	\$ 2,900	\$ 1,000	\$ 1,900	\$ 8	\$ 786	\$ 1,524	\$ 4	\$ 1,000
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-	-	-	-
Disbursements:										
Instruction	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	779	-	-	1,524	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	779	-	-	1,524	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	(779)	-	-	(1,524)	-	-
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	-	-	-	-	(779)	-	-	(1,524)	-	-
Cash and investments - ending	\$ 3,774	\$ 2	\$ 2,900	\$ 1,000	\$ 1,121	\$ 8	\$ 786	\$ -	\$ 4	\$ 1,000

(Continued)

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

	Formative Assessment	Special Education Excess Costs	Student Learning Recovery Grant	Computer Consortium/Ed Tech Advance	Drug Free Communities	Medicaid Reimbursement	Secured Schools Safety Grant	School Intervention And Counseling	Career And Technical Performance Grant	Teacher Appreciation Grant	High Ability Students
Cash and investments - beginning	\$ 20,758	\$ 14,632	\$ -	\$ (64,911)	\$ 21,543	\$ 235,342	\$ 45,000	\$ (3,497)	\$ 22,906	\$ -	\$ 41,575
Receipts:											
Local sources	-	-	-	-	-	-	-	20,750	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	11,909	3,124	-	95,100	-	36,120	38,615	-	-	36,123	25,756
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	11,909	3,124	-	95,100	-	36,120	38,615	20,750	-	36,123	25,756
Disbursements:											
Instruction	7,095	-	301	-	-	-	-	-	-	36,123	20,248
Support services	7,072	-	-	-	-	-	-	17,523	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	112,006	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	14,167	-	301	112,006	-	-	-	17,523	-	36,123	20,248
Excess (deficiency) of receipts over disbursements	(2,258)	3,124	(301)	(16,906)	-	36,120	38,615	3,227	-	-	5,508
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,258)	3,124	(301)	(16,906)	-	36,120	38,615	3,227	-	-	5,508
Cash and investments - ending	\$ 18,500	\$ 17,756	\$ (301)	\$ (81,817)	\$ 21,543	\$ 271,462	\$ 83,615	\$ (270)	\$ 22,906	\$ -	\$ 47,083

(Continued)

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

	State Connectivity Grant	Project Lead The Way	Title I	Other Federal Training Program	Student Support Title Iv	Title Ii Part A Supporting Effective I	Title Ii Part B Math And Science Nclb	ESSER III	ESSER II	Prepaid School Lunch Accounts
Cash and investments - beginning	\$ 26,434	\$ (2,400)	\$ (60,849)	\$ 5,560	\$ (4,287)	\$ (48,257)	\$ 5,397	\$ -	\$ -	\$ 70,324
Receipts:										
Local sources	-	-	-	-	-	18	-	-	-	30,098
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	9,439	-	-	-	-	-	-	-	-	-
Federal sources	-	-	75,432	-	-	29,285	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	9,439	-	75,432	-	-	29,303	-	-	-	30,098
Disbursements:										
Instruction	-	-	110,413	-	5,549	3,752	-	104,885	173,415	-
Support services	-	(2,400)	5,383	-	-	28,805	5,397	-	33,753	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	17,971	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	17,971	(2,400)	115,796	-	5,549	32,557	5,397	104,885	207,168	-
Excess (deficiency) of receipts over disbursements	(8,532)	2,400	(40,364)	-	(5,549)	(3,254)	(5,397)	(104,885)	(207,168)	30,098
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	(8,532)	2,400	(40,364)	-	(5,549)	(3,254)	(5,397)	(104,885)	(207,168)	30,098
Cash and investments - ending	\$ 17,902	\$ -	\$ (101,213)	\$ 5,560	\$ (9,836)	\$ (51,511)	\$ -	\$ (104,885)	\$ (207,168)	\$ 100,422

(Continued)

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

	Payroll Withholdings	Health Life Ltd	Tax Sheltered Annuities	Non Reimbursed Medical	Dollars For Scholars	School Principals Assoc	Garnish Corp Debt	Teacher Dues	Totals
Cash and investments - beginning	\$ 49,144	\$ 8,992	\$ 1,865	\$ 30	\$ 182	\$ 60	\$ 316	\$ 511	\$ 5,227,731
Receipts:									
Local sources	-	-	-	-	-	-	-	-	3,535,524
Intermediate sources	-	-	-	-	-	-	-	-	683
State sources	-	-	-	-	-	-	-	-	7,369,332
Federal sources	-	-	-	-	-	-	-	-	643,565
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	1,539,033	-	-	-	-	-	-	-	1,549,606
Total receipts	1,539,033	-	-	-	-	-	-	-	13,098,710
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	4,982,636
Support services	-	-	-	-	-	-	-	-	3,854,419
Noninstructional services	-	-	-	-	-	-	-	-	549,586
Facilities acquisition and construction	-	-	-	-	-	-	-	-	302,526
Debt services	-	-	-	-	-	-	-	-	1,926,607
Nonprogrammed charges	1,544,959	-	-	-	-	-	-	-	1,544,959
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	1,544,959	-	-	-	-	-	-	-	13,160,733
Excess (deficiency) of receipts over disbursements	(5,926)	-	-	-	-	-	-	-	(62,023)
Other financing sources (uses)									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	1,800
Transfers in	-	-	-	-	-	-	-	-	1,050,000
Transfers out	-	-	-	-	-	-	-	-	(1,050,000)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	1,800
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,926)	-	-	-	-	-	-	-	(60,223)
Cash and investments - ending	\$ 43,218	\$ 8,992	\$ 1,865	\$ 30	\$ 182	\$ 60	\$ 316	\$ 511	\$ 5,167,508

FLAT ROCK-HAWCREEK SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2022

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 4,582	\$ 98,527

FLAT ROCK-HAWCREEK SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2022

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
Apple Financial Services	Ipads	\$ 65,058	4/30/2019	7/15/2022
Multi-School Bldg Corporation Series 2018	School Improvements	263,350	6/30/2019	12/31/2029
Multi-School Building Corporation	School Renovation/ Construction	1,520,000	7/10/2009	1/10/2030
Wells Fargo Financial Leasing	Copiers	<u>12,192</u>	8/15/2018	7/15/2023
Total governmental activities		<u>1,860,600</u>		
Total of annual lease payments		<u>\$ 1,860,600</u>		

<u>Description of Debt</u>		<u>Ending Principal Balance</u>	<u>Principal and Interest Due Within One Year</u>
<u>Type</u>	<u>Purpose</u>		
Governmental activities:			
Notes and Loans Payable	Common School - Technology Loans	<u>\$ 261,699</u>	<u>\$ 139,926</u>
Totals		<u>\$ 261,699</u>	<u>\$ 139,926</u>

FLAT ROCK-HAWCREEK SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2022

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 570,000
Infrastructure	189,750
Buildings	47,725,000
Improvements other than buildings	298,000
Machinery, equipment, and vehicles	1,074,909
Books and other	<u>7,157</u>
 Total governmental activities	 <u>49,864,816</u>
 Total capital assets	 <u>\$ 49,864,816</u>

FLAT ROCK-HAW CREEK SCHOOL CORPORATION
STATE REPORTING INFORMATION
July 1, 2020 - June 30, 2022

Financial Statement and Accompanying Notes:

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

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

Indiana Department of Education Reporting:

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

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

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

FLAT ROCK-HAWCREEK SCHOOL CORPORATION
 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 07-01-2020 to 06-30-22
<u>Department of Agriculture</u>						
Child Nutrition Cluster						
Food & Nutrition Service/ School Breakfast Program	Indiana Department of Education					
School Breakfast Program		10.553	FY2021, FY2022	\$ 30,230	\$ 134,139	\$ 164,369
National School Lunch Program		10.555	FY2021, FY2022	93,495	404,709	498,204
Commodities		10.559	FY2021, FY2022	44,042	52,180	96,222
Summer Food Services		10.559	FY2021, FY2022	374,511	20,008	394,519
Total - Child Nutrition Cluster				<u>542,278</u>	<u>611,036</u>	<u>1,153,314</u>
Total - Department of Agriculture				<u>542,278</u>	<u>611,036</u>	<u>1,153,314</u>
<u>Department of Education</u>						
Special Education Cluster(IDEA)						
Special Education Grants to States						
Special Ed-Part B	Indiana Department of Education	84.027	19611-031-PN01	19	-	19
Special Ed-Part B		84.027	20611-031-PN01	55,661	-	55,661
Special Ed-Part B		84.027	21611-031-PN01	184,706	49,664	234,370
Special Ed-Part B		84.027	22611-031-ARP	-	13,721	13,721
Special Ed-Part B		84.027	22611-031-PN01	-	212,983	212,983
Total - Special Education Grants to States				<u>240,386</u>	<u>276,368</u>	<u>516,754</u>
Special Education Preschool Grants						
Special Ed Preschool	Indiana Department of Education	84.173	19619-031-PN01	1	-	1
Special Ed Preschool		84.173	20619-031-PN01	2,598	-	2,598
Special Ed Preschool		84.173	21619-031-PN01	6,969	2,646	9,615
Special Ed Preschool		84.173	22619-031-PN01	-	8,041	8,041
Total - Special Education Preschool Grants				<u>9,568</u>	<u>10,687</u>	<u>20,255</u>
Total - Special Education Cluster(IDEA)				<u>249,954</u>	<u>287,055</u>	<u>537,009</u>
Title I Grants to Local Education Agencies						
Title I, Part A	Indiana Department of Education	84.010	S010A200014	74,203	75,432	149,635
Total - Title I Grants to Local Educational Agencies				<u>74,203</u>	<u>75,432</u>	<u>149,635</u>

(Continued)

FLAT ROCK-HAWCREEK SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period July 1, 2020 through June 30, 2022

Federal Grantor Agency <u>Cluster Title/Program Title/Project Title</u>	<u>Pass-Through Entity or Direct Grant</u>	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended <u>06-30-21</u>	Total Federal Awards Expended <u>06-30-22</u>	Total Federal Awards Expended 07-01-2020 to <u>06-30-22</u>
Title II Supporting Effective Instruction State Grants Title II, Part A	Indiana Department of Education	84.367	S367A200013	\$ 13,619	\$ 29,285	\$ 42,904
Total - Title II Supporting Effective Instruction State Grants				<u>13,619</u>	<u>29,285</u>	<u>42,904</u>
Title IV Student Support and Academic Enrichment Program Title IV Part A	Indiana Department of Education	84.424	S424A180015	14,047	-	14,047
Total - Title IV Student Support and Academic Enrichment Program				<u>14,047</u>	<u>-</u>	<u>14,047</u>
Total - Department of Education				<u>351,823</u>	<u>391,772</u>	<u>743,595</u>
<u>Department of Health and Human Services</u>						
Medicaid Cluster Medical Assistance Program	Indiana Department of Education	93.778	FY2021, FY2022	31,477	25,645	57,122
Total - Department of Health and Human Services				<u>31,477</u>	<u>25,645</u>	<u>57,122</u>
Total federal awards expended				<u>\$ 925,578</u>	<u>\$ 1,028,453</u>	<u>\$ 1,954,031</u>

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

FLAT ROCK-HAW CREEK SCHOOL CORPORATION
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 - OTHER INFORMATION

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

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

The School Corporation is a member of the Earlywood Educational Services Cooperative (Cooperative), which operates the special education program for the School Corporation. As a result, some activity for the Special Education Cluster (IDEA) that is presented on the SEFA is not presented as receipts and disbursements in the financial statement for the School Corporation. This activity is reported on the financial statement of the Cooperative.

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

Those Charged with Governance
Flat Rock-Haw Creek School Corporation
Bartholomew 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 Flat Rock-Haw Creek School Corporation ("School Corporation"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School Corporation as of June 30, 2022 and for the period July 1, 2020 to June 30, 2022 and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement, and have issued our report thereon dated March 30, 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 certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2022-001 and 2022-002 that we consider to be material weaknesses.

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 Responses to Findings

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

Purpose of this Report

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

Crowe LLP
Crowe LLP

Indianapolis, Indiana
March 30, 2023

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

Those Charged with Governance
Flat Rock-Haw Creek School Corporation
Bartholomew County, Indiana

Report on Compliance for Major Federal Program***Qualified Opinion on Major Federal Program***

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

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion section of our report, the School Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Child Nutrition Cluster for the period of July 1, 2020 to June 30, 2022.

Basis for Qualified Opinion on Major Federal Program

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

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

Matter Giving Rise to Qualified Opinion on the Child Nutrition Cluster

As described in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding ALN 10.553 and 10.555 Child Nutrition Cluster as described in finding number 2022-004 for Reporting. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with the requirements applicable to that program.

(Continued)

Auditor's Responsibilities for the Audit of Compliance

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

Other Matters

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

(Continued)

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 a certain deficiency in internal control over compliance that we consider to be a material weakness.

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.

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

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

Crowe LLP
Crowe LLP

Indianapolis, Indiana
March 30, 2023

FLAT ROCK-HAW CREEK SCHOOL CORPORATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 July 1, 2020 to June 30, 2022

Section I – Summary of Auditor’s Results

Financial Statement

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

Federal Awards

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

Identification of major programs

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u> </u> Yes <u> X </u> No

(Continued)

FLAT ROCK-HAW CREEK SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 to June 30, 2022

Section II – Financial Statement Findings

FINDING 2022-001

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

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

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

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

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

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

2 CFR 200.508 states in part:

"The auditee must: . . .

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

2 CFR 200.510(b) states:

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

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

(Continued)

FLAT ROCK-HAW CREEK SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 to June 30, 2022

Section II – Financial Statement Findings (Continued)

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

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

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

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

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

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

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

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. There was no documented, formal review of the SEFA prior to submission. Additionally, the SEFA contained the following errors that resulted in the net understatement of the total federal awards expended on the SEFA by \$52,083 for the period July 1, 2020, through June 30, 2022:

1. The Title II Supporting Effective Instruction State Grants (84.367) expenditures were overstated by \$5,039
2. The Medicaid Cluster (93.778) expenditures were understated by \$57,122.

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

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

Identification as a repeat finding, if applicable: No.

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

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

(Continued)

FLAT ROCK-HAW CREEK SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 to June 30, 2022

Section II – Financial Statement Findings (Continued)

FINDING 2022-002

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

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

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

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

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

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

2 CFR 200.508 states in part:

"The auditee must: . . .

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

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.

(Continued)

FLAT ROCK-HAW CREEK SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 to June 30, 2022

Section II – Financial Statement Findings (Continued)

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) For the period of July 1, 2020 to June 30, 2021, the School Corporation improperly understated the activity in the textbook rental fund which understated receipt and disbursement amounts by \$134,096 and \$119,466 respectively. The beginning July 1, 2020 balance of \$199,415 was improperly excluded as well. The ending cash as of June 30, 2021 in the textbook rental fund was understated by \$214,045.
- 2) For the period of July 1, 2021 to June 30, 2022, the School Corporation improperly understated the activity in the textbook rental fund which understated receipt and disbursement amounts by \$107,784 and \$125,640 respectively. The beginning July 1, 2021 balance was understated by \$214,045. The ending cash as of June 30, 2022 in the textbook rental fund was understated by \$196,189.

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 remained undetected. The financial statement contained the errors identified in the Context section.

Identification as a repeat finding, if applicable: 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 fund ledgers. The School Corporation should establish a documented, secondary review to ensure the amounts reported on the financial statement agree to the supporting fund ledger detail.

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

(Continued)

FLAT ROCK-HAW CREEK SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 to June 30, 2022

Section III – Federal Award Findings and Questioned Costs

FINDING 2022-003

Information on the federal program:

Subject: Child Nutrition Cluster - Internal Controls
Federal Agency: Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program, Summer Food Program
Assistance Listing Number: 10.553, 10.555, 10.559
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Activities Allowed or Unallowed, Allowable Costs/Cost Principles
Audit Finding: Material Weakness

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

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

Condition: An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the activities allowed or unallowed and allowable costs/cost principle compliance requirements.

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

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

Questioned Costs: \$15,223.

Context: We noted that there was no primary, documented review for seventeen of the twenty-four sample vendor child nutrition cluster accounts payable vouchers. Additionally, one of the vouchers was an improper transfer of child nutrition cluster funding to pay off student's outstanding textbook rental fees. The transfer was made for students who had both a positive lunch balance and who had outstanding textbook fees. The total amount transferred in the audit period was \$15,223.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommend that the School Corporation establish a documented, primary review of all child nutrition cluster account payable claims before they are paid. Additionally, we recommend the School Corporation transfer the textbook rental funds back to the school lunch fund for the improper transfer that was made.

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

(Continued)

FLAT ROCK-HAW CREEK SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 to June 30, 2022

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

Finding 2022-004

Information on the federal program:

Subject: Child Nutrition Cluster – Reporting
Federal Agency: Department of Education
Federal Program: School Breakfast Program, National School Lunch Program, Summer Food Program
Assistance Listing Number: 10.553, 10.555, 10.559
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Finding: Material Weakness, Modified Opinion, Noncompliance

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

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

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

Cause: The School Corporation's management had not developed a system of internal controls to ensure 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 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: \$23,217.

Context: We noted that for all sponsor claim reimbursements in a sample of four claims, the sponsor claim reimbursement was prepared without a secondary, documented review before the submission of the claim to ensure the accuracy of the sponsor claim reimbursement summary.

Additionally, the amount of meals claimed on each sponsor claim did not agree to the supporting meal system reports. The net overstatement of meals claimed for the four claims sampled was 5,962 meals resulting in an over reimbursement amount of \$23,217.

Identification as a repeat finding, if applicable: No.

(Continued)

FLAT ROCK-HAW CREEK SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 to June 30, 2022

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

Recommendation: We recommended that the School Corporation implement a documented, formal review of the claims before they are submitted for reimbursement.

Views of Responsible Officials and Planned Corrective Actions: For the views of the responsible officials, refer to the Corrective Action Plan that is part of this report.

Shawn R. Price Ed.S.
Superintendent

Jeff Cleland
Business Advisor

Melissa Dempsey
Business Manager

Flat Rock-Hawcreek School Corporation

Joyce Garrison
Secretary

CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

June 30, 2022

Finding 2022-001 – Preparation of the Schedule of Expenditures of Federal Awards

Contact Person Responsible for Corrective Action: Melissa Dempsey
Contact Phone Number: 812-546-2000

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The Schedule of Expenditures of Federal Awards will include all Federal Awards. The SEFA will be verified with a sign-off by the Superintendent and compared to the supporting funds ledger.

Anticipated Completion Date: FY23 SEFA

Finding 2022-002 – Preparation of the Annual Financial Report

Contact Person Responsible for Corrective Action: Melissa Dempsey
Contact Phone Number: 812-546-2000

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The Annual Financial Report will be verified against the supporting funds ledger and signed off on by the reviewer.

Anticipated Completion Date: FY23 AFR

Finding 2022-003 – Child Nutrition Cluster - Activities Allowed or Unallowed, Allowable Costs/Cost Principles

Contact Person Responsible for Corrective Action: Melissa Dempsey
Contact Phone Number: 812-546-2000

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The School Corporation will establish a documented review of all Child Nutrition Cluster account payable claims before they are paid. Additionally, the School Corporation will transfer funds to replenish the school lunch fund.

Anticipated Completion Date: June 2023

Finding 2022-004 – Child Nutrition Cluster - Reporting

Contact Person Responsible for Corrective Action: Melissa Dempsey

Contact Phone Number: 812-546-2000

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The School Lunch reimbursement claims will be reviewed by a secondary individual prior to submission to IDOE and signed off on to document the review.

Anticipated Completion Date: April 2023