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April 12, 2023

To: The Officials of the Wawasee Community School Corporation  
Wawasee Community School Corporation  
801 S. Sycamore Street  
Syracuse, IN 46567

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

We call your attention to the findings included in the report on pages 40 through 54. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 55 through 65.

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

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

Tammy R. White, CPA  
Deputy State Examiner

**WAWASEE COMMUNITY SCHOOL CORPORATION**  
Kosciusko County, Indiana

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

WAWASEE COMMUNITY SCHOOL CORPORATION  
Kosciusko County, Indiana

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

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

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<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	James Flecker	07-01-19 to 06-30-21
Superintendent of Schools	Dr. Thomas R. Edington Dr. Stephen Troyer	07-01-19 to 12-31-20 01-01-21 to 06-30-21
President of the School Board	Rebecca L. Linnemeier Don Bokhart	07-01-17 to 12-31-20 01-01-21 to 12-31-24

## INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance  
Wawasee Community School Corporation  
Kosciusko County, Indiana

**Report on the Financial Statement**

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

***Management's Responsibility for the Financial Statement***

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

***Auditor's Responsibility***

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

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

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

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

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

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(Continued)

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

### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

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

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

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

### ***Other Matters***

#### ***Supplementary Information***

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

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

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

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

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

  
Crowe LLP

Indianapolis, Indiana  
March 31, 2023

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

Fund	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments
	07-01-2019	Receipts	Disbursements		06-30-2020	Receipts	Disbursements		
Education	\$ 2,566,165.00	\$ 20,184,688	\$ 18,671,464	\$ (958,997)	\$ 3,120,392	\$ 19,789,864	\$ 18,098,390	\$ (2,900,000)	\$ 1,911,866
Debt Service	2,937,045	7,382,664	6,668,558	1,324,403	4,975,554	8,605,776	9,738,372	(379,641)	3,463,317
Operations	4,904,673	8,519,069	12,600,684	6,671,427	7,494,485	9,281,962	10,199,170	(39,414)	6,537,863
Rainy Day	2,968,587	-	682,419	-	2,286,168	37,911	563,415	360,264	2,120,928
401 (A) Plan	15,886	2	15,888	-	-	-	-	-	-
Construction Bond 2018	7,626,696	6,619	4,733,871	-	2,899,444	-	1,862,645	-	1,036,799
Bond 2019	-	-	490,035	1,246,485	756,450	-	113,321	-	643,129
Construction Bond 2020	-	-	-	-	-	-	182,465	2,200,000	2,017,535
Go Bond 2020	-	-	-	-	-	10,597	593,499	3,120,256	2,537,354
School Lunch	177,454	1,253,561	1,344,985	60,000	146,030	1,660,689	1,448,637	-	358,082
Curricular Materials	161,476	257,580	775,334	293,024	(63,254)	348,868	1,070,059	379,641	(404,804)
Self Insurance	3,889,151	4,421,189	5,399,976	435,365	3,345,729	3,374,324	6,056,764	2,600,000	3,263,289
Area Vocational	-	64,763	64,763	-	-	114,411	114,411	-	-
Childcare Provider Training	-	-	-	-	-	1,565	1,494	-	71
Kccf Childcare Grant	-	-	-	-	-	220,183	172,203	-	47,980
Early Learning Center	-	4,275	-	-	4,275	23,988	28,263	-	-
Staff Child Care	-	350	-	-	350	28,354	28,704	-	-
Early Child Initiatives	-	-	-	-	-	16,375	16,398	-	(23)
Early Childhood Training	-	-	-	-	-	5,000	4,937	-	63
Syracuse Building Funds	-	-	11,179	98,500	87,321	-	-	-	87,321
Syracuse Funds	-	-	5,000	93,570	88,570	-	-	-	88,570
License Plate Fees	582	374	750	-	206	338	-	-	544
Views On Learning 19-20	25,000	-	6,223	-	18,777	-	8,400	-	10,377
20-21 Views On Learning	-	25,000	-	-	25,000	-	-	-	25,000
Views On Learning 21-22	-	-	-	-	-	25,000	-	-	25,000
Wactc Donation	6,385	-	133	-	6,252	4,750	8,296	-	2,706
Kccf Counseling Support	9,401	-	9,026	-	375	-	-	-	375
Lilly Comprehensive Counseling Grant	215,751	-	102,331	-	113,420	-	124,968	-	(11,548)
K-Kids Lakeland Donation	-	3,349	130	-	3,219	-	3,219	-	-
Lead Learners 18-19	38,917	-	11,788	-	27,129	-	27,129	-	-
K21 Health Sciences Education	(11,138)	14,143	3,005	-	-	-	-	-	-
Dekko-Deeper Learning Conferen	-	3,500	3,274	-	226	-	-	-	226
TCU Savings	5	-	-	-	5	-	-	-	5
Korenstra Donation	-	-	-	-	-	9,000	1,266	-	7,734
17-18 Dekko Arts Grant	3,648	-	6	-	3,642	-	-	-	3,642
Dekko Arts Grant 18-19	10,210	-	5,502	-	4,708	-	1,207	-	3,501
United Way Start Up Grant	-	-	-	-	-	5,000	2,159	-	2,841
Kdg. Countdown 2021	-	-	-	-	-	-	5,081	-	(5,081)
19 United Way Kdg.Countdown	(1,445)	3,853	2,408	-	-	-	-	-	-
Kdg. Countdown 2020	-	-	-	-	-	5,000	4,287	-	713
Private Foundation Fund	5,000	19,000	19,000	-	5,000	-	-	-	5,000

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

Fund	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments
	07-01-2019	Receipts	Disbursements		06-30-2020	Receipts	Disbursements		
Dekko Fostering Innovation	\$ 99,180	\$ -	\$ 26,566	\$ -	\$ 72,614	\$ -	\$ -	\$ -	\$ 72,614
2019 Dekko Eco Challenge Grant	-	5,000	5,000	-	-	-	-	-	-
18-19 Lead Learners Program	30,346	14,109	44,455	-	-	-	-	-	-
Lead Learners 19-20	16,000	79,583	70,813	-	24,770	2,000	20,438	(6,737)	(405)
Lead Learners 20-21	-	-	-	-	-	88,561	74,215	6,737	21,083
Lead Learners 21-22	-	-	-	-	-	30,000	-	-	30,000
High Ability 19-20	-	40,592	32,205	-	8,387	-	6,582	-	1,805
High Ability 20-21	-	-	-	-	-	32,146	14,902	-	17,244
Formative Assessment 20-21	-	-	-	-	-	29,755	21,505	-	8,250
Formative Assessment Grant	-	36,001	36,001	-	-	-	-	-	-
Medicaid Reimb. - State	1,137	3,241	-	(4,378)	-	15,221	15,221	-	-
Secured Schools Safety	(100,000)	50,000	25,000	50,000	(25,000)	25,000	33,781	-	(33,781)
Stem Stipends	-	-	-	-	-	-	13,109	-	(13,109)
18-19 Alternative Ed. Grant	-	14,012	14,012	-	-	-	-	-	-
Early Intervention 19-20	9,360	10,308	13,544	-	6,124	-	2,100	-	4,024
Early Intervention Grant Pt li	247	-	247	-	-	-	-	-	-
18-19 Non-Engl Speaking Prog.	825	-	825	-	-	-	-	-	-
Non-English Speaking 19-20	-	27,921	25,132	-	2,789	-	2,789	-	-
Non-English Speaking 20-21	-	-	-	-	-	27,734	10,910	-	16,824
Cte Performance Grant	4,182	-	3,134	-	1,048	-	41	-	1,007
2019 Tchr Appreciation Grant	-	106,851	106,851	-	-	-	-	-	-
Tag 2020	-	-	-	-	-	105,653	123,189	-	(17,536)
High Ability Students	6,348	-	6,348	-	-	-	-	-	-
Connectivity Grant	5,357	11,084	14,372	-	2,069	14,667	4,872	-	11,864
18-19 Title I	(39,192)	126,921	87,729	-	-	-	-	-	-
Title I 19-20	-	297,433	373,166	-	(75,733)	95,816	22,262	-	(2,179)
Title I 20-21	-	-	-	-	-	286,880	320,962	-	(34,082)
Sch.Age Sp. Needs 18-19	(45,102)	190,993	146,040	-	(149)	1,169	7,051	-	(6,031)
Sch.Age Sp. Needs 19-20	-	429,805	472,422	-	(42,617)	155,421	124,966	-	(12,162)
Sch.Age Sp. Needs 20-21	-	-	-	-	-	485,659	514,369	-	(28,710)
18-19 Preschool Special Needs	(1,079)	548	(531)	-	-	-	-	-	-
Presch. Sp. Needs 19-20	-	13,888	14,597	-	(709)	292	(417)	-	-
Presch. Sp. Needs 20-21	-	-	-	-	-	13,220	13,930	-	(710)
18-19 Cte Incentive	7,938	-	2,168	-	5,770	-	-	-	5,770
Title Iv Part A 18-20	-	19,647	19,647	-	-	3,871	3,871	-	-
Title Iv Part A 19-21	-	-	1,387	-	(1,387)	1,387	-	-	-
Perkins Summer Bridge	-	-	-	-	-	1,393	1,393	-	-
Perkins Assessment 19-20	-	-	1,425	-	(1,425)	-	600	-	(2,025)
Perkins Assessment 20-21	-	-	-	-	-	-	2,200	-	(2,200)
Perkins Covid-19 Assist.	-	-	-	-	-	6,483	6,523	-	(40)
18-19 Perkins Grant	(23,227)	38,938	15,711	-	-	-	-	-	-

(Continued)

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

Fund	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments
	07-01-2019	Receipts	Disbursements		06-30-2020	Receipts	Disbursements		
Perkins Grant 19-20	\$ -	\$ 14,758	\$ 72,493	\$ -	\$ (57,735)	\$ 71,341	\$ 10,748	\$ -	\$ 2,858
Perkins Grant 20-21	-	-	-	-	-	37,547	74,682	-	(37,135)
Medicaid Reimb. - Federal	11,092	6,248	6,715	62	10,687	39,218	13,984	-	35,921
Mac Reimb. - Federal	28,104	22,465	6,471	78	44,176	37,997	2,357	-	79,816
Title Ii Part A, Supporting Effective Instruction	(549)	28,047	27,498	-	-	-	-	-	-
Title Ii 18-20	-	2,880	8,278	-	(5,398)	31,952	39,509	-	(12,955)
Title Ii 19-21	-	-	-	-	-	16,988	5,383	-	11,605
Title Ii Part A 21-23	-	-	-	-	-	1,000	-	-	1,000
17-19 Title III	(4,830)	-	(4,830)	-	-	-	-	-	-
Title Iii 20-22	-	-	-	-	-	-	4,200	-	(4,200)
ESSER II	-	-	-	-	-	-	52,431	-	(52,431)
CRF	-	-	143,491	-	(143,491)	-	(128,588)	-	(14,903)
ESSER I	-	-	-	-	-	266,739	270,064	-	(3,325)
Prepaid School Meals	31,953	174,460	159,575	-	46,838	103,250	63,053	-	87,035
Clearing	73,758	5,776,013	5,777,305	-	72,466	371,657	390,539	-	53,584
Totals	\$ 25,661,297	\$ 49,705,725	\$ 59,382,994	\$ 9,309,539	\$ 25,293,567	\$ 45,968,972	\$ 52,638,885	\$ 5,341,106	\$ 23,964,760

See notes to financial statement.

WAWASEE COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2021 and the Period of July 1, 2019 to June 30, 2021

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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

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

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

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

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

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

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

*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.

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(Continued)

WAWASEE COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2021 and the Period of July 1, 2019 to June 30, 2021

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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(Continued)

WAWASEE COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2021 and the Period of July 1, 2019 to June 30, 2021

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**NOTE 2 - BUDGETS**

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

**NOTE 3 - PROPERTY TAXES**

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

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

**NOTE 5 - RISK MANAGEMENT**

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

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

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(Continued)

WAWASEE COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2021 and the Period of July 1, 2019 to June 30, 2021

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**NOTE 6 - CASH BALANCE DEFICITS**

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

**NOTE 7 - HOLDING CORPORATION**

The School Corporation has entered into a series of capital leases with the Wawasee High School Building Corporation and Wawasee Community School Corporation New Elem. And Remodeling Building Corporation (the lessors). The lessors were organized as a not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessors have been determined to be a related-party of the School Corporation. Lease payments to the holding corporations for the period July 1, 2019 to June 30, 2020 totaled \$4,333,980. Lease payments to the holding corporations for the period July 1, 2020 to June 30, 2021 totaled \$4,402,950

**NOTE 8 - PENSION PLANS**

**Public Employees' Retirement Fund**

*Plan Description*

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

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

*Financial Report*

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

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

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(Continued)

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

*Contributions*

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

**Teachers' Retirement Fund**

*Plan Descriptions*

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

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

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

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

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

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

*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

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(Continued)

WAWASEE COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2021 and the Period of July 1, 2019 to June 30, 2021

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

*Contributions*

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

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

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

**NOTE 9 - SUBSEQUENT EVNETS**

In October 2021, the School Corporation issued General Obligation Bonds of 2021 in the amount of \$3,500,000 for the renovation and improvements to facilities at Wawasee Community School Corporation including roofing, equipment purchases, and bus purchases.

In December 2021, the School Corporation entered into a capital lease with Wawasee High School Building Corporation to refinance \$1.2 million of the Series 2011 Bonds previously issued. The lease arrangement requires annual lease payments totaling approximately \$131,000 beginning December 31, 2021 through December 31, 2031.

In December 2022, the School Corporation issued General Obligation Bonds of 2022 in the amount of \$5,635,000 for the renovation and improvements to facilities including interior renovations and HVAC replacement.

**SUPPLEMENTARY INFORMATION**

WAWASEE COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 July 1, 2019 through June 30, 2020

	Education	Debt Service	Operations	Rainy Day	401 (A) Plan	Construction Bond 2018	Bond 2019	School Lunch	Curricular Materials	Self Insurance	Area Vocational
Cash and investments - beginning	\$ 2,566,165	\$ 2,937,045	\$ 4,904,673	\$ 2,968,587	\$ 15,886	\$ 7,626,696	\$ -	\$ 177,454	\$ 161,476	\$ 3,889,151	\$ -
Receipts:											
Local sources	370,623	7,382,664	7,448,928	-	2	6,619	-	383,905	153,448	4,421,189	64,763
Intermediate sources	1,076	-	-	-	-	-	-	-	-	-	-
State sources	19,802,578	-	-	-	-	-	-	15,956	104,132	-	-
Federal sources	-	-	-	-	-	-	-	864,570	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	10,411	-	1,070,141	-	-	-	-	(10,870)	-	-	-
Total receipts	20,184,688	7,382,664	8,519,069	-	2	6,619	-	1,253,561	257,580	4,421,189	64,763
Disbursements:											
Instruction	14,841,567	-	-	-	-	-	-	-	-	-	64,763
Support services	2,798,863	37,693	8,687,170	-	15,888	-	-	-	775,334	-	-
Noninstructional services	114,526	-	426,812	-	-	-	-	1,344,985	-	-	-
Facilities acquisition and construction	-	-	818,406	682,419	-	4,733,871	490,035	-	-	-	-
Debt services	916,508	6,630,865	2,668,296	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	5,399,976	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	18,671,464	6,668,558	12,600,684	682,419	15,888	4,733,871	490,035	1,344,985	775,334	5,399,976	64,763
Excess (deficiency) of receipts over disbursements	1,513,224	714,106	(4,081,615)	(682,419)	(15,886)	(4,727,252)	(490,035)	(91,424)	(517,754)	(978,787)	-
Other financing sources (uses):											
Proceeds of long-term debt	901,765	1,617,427	5,336,592	-	-	-	1,246,485	-	-	-	-
Sale of capital assets	-	-	15,200	-	-	-	-	-	-	-	-
Transfers in	4,238	-	1,865,000	-	-	-	-	60,000	293,024	435,365	-
Transfers out	(1,865,000)	(293,024)	(545,365)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(958,997)	1,324,403	6,671,427	-	-	-	1,246,485	60,000	293,024	435,365	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	554,227	2,038,509	2,589,812	(682,419)	(15,886)	(4,727,252)	756,450	(31,424)	(224,730)	(543,422)	-
Cash and investments - ending	\$ 3,120,392	\$ 4,975,554	\$ 7,494,485	\$ 2,286,168	\$ -	\$ 2,899,444	\$ 756,450	\$ 146,030	\$ (63,254)	\$ 3,345,729	\$ -

(Continued)

WAWASEE COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 July 1, 2019 through June 30, 2020

	Early Learning Center	Staff Child Care	Syracuse Building Funds	Syracuse Funds	License Plate Fees	Views On Learning 19-20	20-21 Views On Learning	Wactc Donation	Kccf Counseling Support	Lilly Comprehensive Counseling Grant	K-Kids Lakeland Donation	Lead Learners 18-19
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 582	\$ 25,000	\$ -	\$ 6,385	\$ 9,401	\$ 215,751	\$ -	\$ 38,917
Receipts:												
Local sources	4,275	350	-	-	-	-	25,000	-	-	-	3,349	-
Intermediate sources	-	-	-	-	374	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	4,275	350	-	-	374	-	25,000	-	-	-	3,349	-
Disbursements:												
Instruction	-	-	1,800	-	-	-	-	133	9,026	102,331	-	-
Support services	-	-	9,379	5,000	-	6,223	-	-	-	-	130	11,788
Noninstructional services	-	-	-	-	750	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	11,179	5,000	750	6,223	-	133	9,026	102,331	130	11,788
Excess (deficiency) of receipts over disbursements	4,275	350	(11,179)	(5,000)	(376)	(6,223)	25,000	(133)	(9,026)	(102,331)	3,219	(11,788)
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	98,500	93,570	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	98,500	93,570	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,275	350	87,321	88,570	(376)	(6,223)	25,000	(133)	(9,026)	(102,331)	3,219	(11,788)
Cash and investments - ending	\$ 4,275	\$ 350	\$ 87,321	\$ 88,570	\$ 206	\$ 18,777	\$ 25,000	\$ 6,252	\$ 375	\$ 113,420	\$ 3,219	\$ 27,129

(Continued)

WAWASEE COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 July 1, 2019 through June 30, 2020

	K21 Health Sciences Education	Dekko-Deeper Learning Conferen	TCU Savings	17-18 Dekko Arts Grant	Dekko Arts Grant 18-19	19 United Way Kdg.Countdown	Private Foundation Fund	Dekko Fostering Innovation	2019 Dekko Eco Challenge Grant	18-19 Lead Learners Program	Lead Learners 19-20
Cash and investments - beginning	\$ (11,138)	\$ -	\$ 5	\$ 3,648	\$ 10,210	\$ (1,445)	\$ 5,000	\$ 99,180	\$ -	\$ 30,346	\$ 16,000
Receipts:											
Local sources	14,143	3,500	-	-	-	3,853	19,000	-	5,000	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	14,109	79,583
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	14,143	3,500	-	-	-	3,853	19,000	-	5,000	14,109	79,583
Disbursements:											
Instruction	3,005	-	-	6	5,502	2,408	19,000	26,384	5,000	-	-
Support services	-	3,274	-	-	-	-	-	182	-	44,455	70,813
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	3,005	3,274	-	6	5,502	2,408	19,000	26,566	5,000	44,455	70,813
Excess (deficiency) of receipts over disbursements	11,138	226	-	(6)	(5,502)	1,445	-	(26,566)	-	(30,346)	8,770
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	11,138	226	-	(6)	(5,502)	1,445	-	(26,566)	-	(30,346)	8,770
Cash and investments - ending	\$ -	\$ 226	\$ 5	\$ 3,642	\$ 4,708	\$ -	\$ 5,000	\$ 72,614	\$ -	\$ -	\$ 24,770

(Continued)

WAWASEE COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 July 1, 2019 through June 30, 2020

	High Ability 19-20	Formative Assessment Grant	Medicaid Reimb. - State	Secured Schools Safety	18-19 Alternative Ed. Grant	Early Intervention 19-20	Early Intervention Grant Pt li	18-19 Non-Engl Speaking Prog.	Non-English Speaking 19-20	Instruction	2019 Tchr Appreciation Grant
Cash and investments - beginning	\$ -	\$ -	\$ 1,137	\$ (100,000)	\$ -	\$ 9,360	\$ 247	\$ 825	\$ -	\$ 4,182	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	40,592	36,001	3,241	50,000	14,012	10,308	-	-	27,921	-	106,851
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>40,592</b>	<b>36,001</b>	<b>3,241</b>	<b>50,000</b>	<b>14,012</b>	<b>10,308</b>	<b>-</b>	<b>-</b>	<b>27,921</b>	<b>-</b>	<b>106,851</b>
Disbursements:											
Instruction	32,205	-	-	-	14,012	-	-	-	24,934	3,134	106,851
Support services	-	36,001	-	-	-	13,544	247	825	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	198	-	-
Facilities acquisition and construction	-	-	-	25,000	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>32,205</b>	<b>36,001</b>	<b>-</b>	<b>25,000</b>	<b>14,012</b>	<b>13,544</b>	<b>247</b>	<b>825</b>	<b>25,132</b>	<b>3,134</b>	<b>106,851</b>
Excess (deficiency) of receipts over disbursements	8,387	-	3,241	25,000	-	(3,236)	(247)	(825)	2,789	(3,134)	-
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	50,000	-	-	-	-	-	-	-
Transfers out	-	-	(4,378)	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(4,378)</b>	<b>50,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	8,387	-	(1,137)	75,000	-	(3,236)	(247)	(825)	2,789	(3,134)	-
Cash and investments - ending	\$ 8,387	\$ -	\$ -	\$ (25,000)	\$ -	\$ 6,124	\$ -	\$ -	\$ 2,789	\$ 1,048	\$ -

(Continued)

WAWASEE COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 July 1, 2019 through June 30, 2020

	High Ability Students	Connectivity Grant	18-19 Title I	Title I 19-20	Sch.Age Sp. Needs 18-19	Sch.Age Sp. Needs 19-20	18-19 Preschool Special Needs	Presch. Sp. Needs 19-20	18-19 Cte Incentive	Title Iv Part A 18-20	Title Iv Part A 19- 21
Cash and investments - beginning	\$ 6,348	\$ 5,357	\$ (39,192)	\$ -	\$ (45,102)	\$ -	\$ (1,079)	\$ -	\$ 7,938	\$ -	\$ -
Receipts:											
Local sources	-	-	-	220	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	11,084	-	-	-	-	-	-	-	-	-
Federal sources	-	-	126,921	297,213	190,993	429,805	548	13,888	-	19,647	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	11,084	126,921	297,433	190,993	429,805	548	13,888	-	19,647	-
Disbursements:											
Instruction	6,348	-	51,933	322,511	70,119	352,241	(531)	14,597	2,168	-	-
Support services	-	14,372	29,333	47,793	75,921	120,181	-	-	-	19,647	1,387
Noninstructional services	-	-	6,463	2,862	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	6,348	14,372	87,729	373,166	146,040	472,422	(531)	14,597	2,168	19,647	1,387
Excess (deficiency) of receipts over disbursements	(6,348)	(3,288)	39,192	(75,733)	44,953	(42,617)	1,079	(709)	(2,168)	-	(1,387)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,348)	(3,288)	39,192	(75,733)	44,953	(42,617)	1,079	(709)	(2,168)	-	(1,387)
Cash and investments - ending	\$ -	\$ 2,069	\$ -	\$ (75,733)	\$ (149)	\$ (42,617)	\$ -	\$ (709)	\$ 5,770	\$ -	\$ (1,387)

(Continued)

WAWASEE COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 July 1, 2019 through June 30, 2020

	Perkins Assessment 19- 20	18-19 Perkins Grant	Perkins Grant 19-20	Medicaid Reimb. - Federal	Mac Reimb. - Federal	Title II Part A, Supporting Effective Instruction	Title II 18-20	17-19 Title III	CRF	Prepaid School Meals	Clearing	Totals
Cash and investments - beginning	\$ -	\$ (23,227)	\$ -	\$ 11,092	\$ 28,104	\$ (549)	\$ -	\$ (4,830)	\$ -	\$ 31,953	\$ 73,758	\$ 25,661,297
Receipts:												
Local sources	-	-	2,400	-	-	-	-	-	-	-	-	20,313,231
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	95,142
State sources	-	-	-	-	-	-	-	-	-	-	-	20,222,676
Federal sources	-	38,938	12,358	6,248	22,465	28,047	2,880	-	-	-	-	2,054,521
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	174,460	5,776,013	7,020,155
<b>Total receipts</b>	<b>-</b>	<b>38,938</b>	<b>14,758</b>	<b>6,248</b>	<b>22,465</b>	<b>28,047</b>	<b>2,880</b>	<b>-</b>	<b>-</b>	<b>174,460</b>	<b>5,776,013</b>	<b>49,705,725</b>
Disbursements:												
Instruction	1,425	15,711	72,493	-	6,471	-	-	(4,170)	24,065	-	-	16,197,442
Support services	-	-	-	6,715	-	25,491	8,278	(660)	-	-	-	12,865,267
Noninstructional services	-	-	-	-	-	-	-	-	119,426	-	-	2,016,022
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	6,749,731
Debt services	-	-	-	-	-	-	-	-	-	-	-	10,215,669
Nonprogrammed charges	-	-	-	-	-	2,007	-	-	-	159,575	5,777,305	11,338,863
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>1,425</b>	<b>15,711</b>	<b>72,493</b>	<b>6,715</b>	<b>6,471</b>	<b>27,498</b>	<b>8,278</b>	<b>(4,830)</b>	<b>143,491</b>	<b>159,575</b>	<b>5,777,305</b>	<b>59,382,994</b>
Excess (deficiency) of receipts over disbursements	(1,425)	23,227	(57,735)	(467)	15,994	549	(5,398)	4,830	(143,491)	14,885	(1,292)	(9,677,269)
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	9,102,269
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	207,270
Transfers in	-	-	-	62	78	-	-	-	-	-	-	2,707,767
Transfers out	-	-	-	-	-	-	-	-	-	-	-	(2,707,767)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62</b>	<b>78</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,309,539</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,425)	23,227	(57,735)	(405)	16,072	549	(5,398)	4,830	(143,491)	14,885	(1,292)	(367,730)
Cash and investments - ending	\$ (1,425)	\$ -	\$ (57,735)	\$ 10,687	\$ 44,176	\$ -	\$ (5,398)	\$ -	\$ (143,491)	\$ 46,838	\$ 72,466	\$ 25,293,567

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

	Education	Debt Service	Operations	Rainy Day	Construction Bond 2018	Bond 2019	Construction Bond 2020	Go Bond 2020	School Lunch	Curricular Materials	Self Insurance
Cash and investments - beginning	\$ 3,120,392	\$ 4,975,554	\$ 7,494,485	\$ 2,286,168	\$ 2,899,444	\$ 756,450	\$ -	\$ -	\$ 146,030	\$ (63,254)	\$ 3,345,729
Receipts:											
Local sources	429,613	8,605,776	8,095,776	-	-	-	-	10,597	1,282,004	242,409	3,374,324
Intermediate sources	96	-	-	-	-	-	-	-	-	-	-
State sources	19,355,375	-	-	-	-	-	-	-	15,153	106,459	-
Federal sources	-	-	-	37,911	-	-	-	-	363,372	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	4,780	-	1,186,186	-	-	-	-	-	160	-	-
Total receipts	19,789,864	8,605,776	9,281,962	37,911	-	-	-	10,597	1,660,689	348,868	3,374,324
Disbursements:											
Instruction	14,387,436	-	-	-	-	-	-	-	-	-	-
Support services	2,594,879	-	6,649,947	-	-	-	-	-	-	1,070,059	-
Noninstructional services	213,310	-	502,362	-	-	-	-	-	1,448,637	-	-
Facilities acquisition and construction	-	-	378,565	563,415	1,862,645	113,321	182,465	593,499	-	-	-
Debt services	902,765	9,738,372	2,668,296	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	6,056,764
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	18,098,390	9,738,372	10,199,170	563,415	1,862,645	113,321	182,465	593,499	1,448,637	1,070,059	6,056,764
Excess (deficiency) of receipts over disbursements	1,691,474	(1,132,596)	(917,208)	(525,504)	(1,862,645)	(113,321)	(182,465)	(582,902)	212,052	(721,191)	(2,682,440)
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	2,200,000	3,120,256	-	-	-
Sale of capital assets	-	-	20,850	-	-	-	-	-	-	-	-
Transfers in	-	-	2,900,000	360,264	-	-	-	-	-	379,641	2,600,000
Transfers out	(2,900,000)	(379,641)	(2,960,264)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(2,900,000)	(379,641)	(39,414)	360,264	-	-	2,200,000	3,120,256	-	379,641	2,600,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,208,526)	(1,512,237)	(956,622)	(165,240)	(1,862,645)	(113,321)	2,017,535	2,537,354	212,052	(341,550)	(82,440)
Cash and investments - ending	\$ 1,911,866	\$ 3,463,317	\$ 6,537,863	\$ 2,120,928	\$ 1,036,799	\$ 643,129	\$ 2,017,535	\$ 2,537,354	\$ 358,082	\$ (404,804)	\$ 3,263,289

(Continued)

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

	Area Vocational	Childcare Provider Training	Kccf Childcare Grant	Early Learning Center	Staff Child Care	Early Child Initiatives	Early Childhood Training	Syracuse Building Funds	Syracuse Funds	Covid19 Expense Fund	License Plate Fees
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 4,275	\$ 350	\$ -	\$ -	\$ 87,321	\$ 88,570	\$ -	\$ 206
Receipts:											
Local sources	114,411	1,565	220,183	23,988	28,354	16,375	5,000	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	338
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	114,411	1,565	220,183	23,988	28,354	16,375	5,000	-	-	-	338
Disbursements:											
Instruction	114,411	1,494	171,268	-	28,704	16,398	4,937	-	-	-	-
Support services	-	-	935	28,263	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	114,411	1,494	172,203	28,263	28,704	16,398	4,937	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	71	47,980	(4,275)	(350)	(23)	63	-	-	-	338
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	-	71	47,980	(4,275)	(350)	(23)	63	-	-	-	338
Cash and investments - ending	\$ -	\$ 71	\$ 47,980	\$ -	\$ -	\$ (23)	\$ 63	\$ 87,321	\$ 88,570	\$ -	\$ 544

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

	Views On Learning 19-20	20-21 Views On Learning	Views On Learning 21-22	Wactc Donation	#REF!	Lilly Comprehensive Counseling Grant	K-Kids Lakeland Donation	Lead Learners 18-19	Dekko-Deeper Learning Conferen	TCU Savings	Korenstra Donation
Cash and investments - beginning	\$ 18,777	\$ 25,000	\$ -	\$ 6,252	\$ 375	\$ 113,420	\$ 3,219	\$ 27,129	\$ 226	\$ 5	\$ -
Receipts:											
Local sources	-	-	25,000	-	-	-	-	-	-	-	9,000
Intermediate sources	-	-	-	4,750	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	25,000	4,750	-	-	-	-	-	-	9,000
Disbursements:											
Instruction	-	-	-	8,296	-	124,968	-	-	-	-	1,266
Support services	8,400	-	-	-	-	-	3,219	27,129	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	8,400	-	-	8,296	-	124,968	3,219	27,129	-	-	1,266
Excess (deficiency) of receipts over disbursements	(8,400)	-	25,000	(3,546)	-	(124,968)	(3,219)	(27,129)	-	-	7,734
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	(8,400)	-	25,000	(3,546)	-	(124,968)	(3,219)	(27,129)	-	-	7,734
Cash and investments - ending	\$ 10,377	\$ 25,000	\$ 25,000	\$ 2,706	\$ 375	\$ (11,548)	\$ -	\$ -	\$ 226	\$ 5	\$ 7,734

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

	17-18 Dekko Arts Grant	Dekko Arts Grant 18-19	United Way Start Up Grant	Kdg. Countdown 2021	Kdg. Countdown 2020	Private Foundation Fund	Dekko Fostering Innovation	Lead Learners 19-20	Lead Learners 20-21	Lead Learners 21-22	High Ability 19- 20
Cash and investments - beginning	\$ 3,642	\$ 4,708	\$ -	\$ -	\$ -	\$ 5,000	\$ 72,614	\$ 24,770	\$ -	\$ -	\$ 8,387
Receipts:											
Local sources	-	-	5,000	-	5,000	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	2,000	88,561	30,000	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	5,000	-	5,000	-	-	2,000	88,561	30,000	-
Disbursements:											
Instruction	-	1,207	2,159	5,081	4,287	-	-	-	-	-	6,582
Support services	-	-	-	-	-	-	-	20,438	74,215	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	1,207	2,159	5,081	4,287	-	-	20,438	74,215	-	6,582
Excess (deficiency) of receipts over disbursements	-	(1,207)	2,841	(5,081)	713	-	-	(18,438)	14,346	30,000	(6,582)
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	6,737	-	-
Transfers out	-	-	-	-	-	-	-	(6,737)	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	(6,737)	6,737	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(1,207)	2,841	(5,081)	713	-	-	(25,175)	21,083	30,000	(6,582)
Cash and investments - ending	\$ 3,642	\$ 3,501	\$ 2,841	\$ (5,081)	\$ 713	\$ 5,000	\$ 72,614	\$ (405)	\$ 21,083	\$ 30,000	\$ 1,805

(Continued)

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

	High Ability 20-21	Formative Assessment 20-21	Medicaid Reimb. - State	Secured Schools Safety	Stem Stipends	Early Intervention 19-20	Non-English Speaking 19-20	Non-English Speaking 20-21	Instruction	Tag 2020	Connectivity Grant
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (25,000)	\$ -	\$ 6,124	\$ 2,789	\$ -	\$ 1,048	\$ -	\$ 2,069
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	32,146	29,755	15,221	25,000	-	-	-	27,734	-	105,653	14,667
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>32,146</b>	<b>29,755</b>	<b>15,221</b>	<b>25,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,734</b>	<b>-</b>	<b>105,653</b>	<b>14,667</b>
Disbursements:											
Instruction	14,902	-	-	-	-	-	1,137	10,610	41	123,189	-
Support services	-	21,505	15,221	-	13,109	2,100	1,650	300	-	-	4,872
Noninstructional services	-	-	-	-	-	-	2	-	-	-	-
Facilities acquisition and construction	-	-	-	33,781	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>14,902</b>	<b>21,505</b>	<b>15,221</b>	<b>33,781</b>	<b>13,109</b>	<b>2,100</b>	<b>2,789</b>	<b>10,910</b>	<b>41</b>	<b>123,189</b>	<b>4,872</b>
Excess (deficiency) of receipts over disbursements	17,244	8,250	-	(8,781)	(13,109)	(2,100)	(2,789)	16,824	(41)	(17,536)	9,795
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	17,244	8,250	-	(8,781)	(13,109)	(2,100)	(2,789)	16,824	(41)	(17,536)	9,795
Cash and investments - ending	\$ 17,244	\$ 8,250	\$ -	\$ (33,781)	\$ (13,109)	\$ 4,024	\$ -	\$ 16,824	\$ 1,007	\$ (17,536)	\$ 11,864

(Continued)

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

	Title I 19-20	Title I 20-21	Sch.Age Sp. Needs 18-19	Sch.Age Sp. Needs 19-20	Sch.Age Sp. Needs 20-21	Presch. Sp. Needs 19-20	Presch. Sp. Needs 20-21	18-19 Cte Incentive	Title Iv Part A 18- 20	Title Iv Part A 19- 21
Cash and investments - beginning	\$ (75,733)	\$ -	\$ (149)	\$ (42,617)	\$ -	\$ (709)	\$ -	\$ 5,770	\$ -	\$ (1,387)
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	95,816	286,880	1,169	155,421	485,659	292	13,220	-	3,871	1,387
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	95,816	286,880	1,169	155,421	485,659	292	13,220	-	3,871	1,387
Disbursements:										
Instruction	20,830	311,998	-	76,546	385,285	(417)	13,930	-	-	-
Support services	1,432	8,964	7,051	48,420	129,084	-	-	-	3,871	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	22,262	320,962	7,051	124,966	514,369	(417)	13,930	-	3,871	-
Excess (deficiency) of receipts over disbursements	73,554	(34,082)	(5,882)	30,455	(28,710)	709	(710)	-	-	1,387
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	73,554	(34,082)	(5,882)	30,455	(28,710)	709	(710)	-	-	1,387
Cash and investments - ending	\$ (2,179)	\$ (34,082)	\$ (6,031)	\$ (12,162)	\$ (28,710)	\$ -	\$ (710)	\$ 5,770	\$ -	\$ -

(Continued)

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

	Perkins Summer Bridge	Perkins Assessment 19- 20	Perkins Assessment 20- 21	Perkins Covid-19 Assist.	Perkins Grant 19- 20	Perkins Grant 20- 21	Medicaid Reimb. - Federal	Mac Reimb. - Federal	Title li 18-20	Title li 19-21
Cash and investments - beginning	\$ -	\$ (1,425)	\$ -	\$ -	\$ (57,735)	\$ -	\$ 10,687	\$ 44,176	\$ (5,398)	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	1,393	-	-	6,483	71,341	37,547	39,218	37,997	31,952	16,988
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	1,393	-	-	6,483	71,341	37,547	39,218	37,997	31,952	16,988
Disbursements:										
Instruction	1,393	600	2,200	6,523	10,748	74,682	-	2,357	-	-
Support services	-	-	-	-	-	-	13,984	-	36,850	5,383
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	2,659	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,393	600	2,200	6,523	10,748	74,682	13,984	2,357	39,509	5,383
Excess (deficiency) of receipts over disbursements	-	(600)	(2,200)	(40)	60,593	(37,135)	25,234	35,640	(7,557)	11,605
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	-	(600)	(2,200)	(40)	60,593	(37,135)	25,234	35,640	(7,557)	11,605
Cash and investments - ending	\$ -	\$ (2,025)	\$ (2,200)	\$ (40)	\$ 2,858	\$ (37,135)	\$ 35,921	\$ 79,816	\$ (12,955)	\$ 11,605

(Continued)

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

	Title li Part A 21- 23	Title lii 20-22	ESSER II	CRF	ESSER I	Prepaid School Meals	Clearing	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (143,491)	\$ -	\$ 46,838	\$ 72,466	\$ 25,293,567
Receipts:								
Local sources	-	-	-	-	-	103,250	-	22,597,625
Intermediate sources	-	-	-	-	-	-	-	125,745
State sources	-	-	-	-	-	-	-	19,727,163
Federal sources	1,000	-	-	-	266,739	-	-	1,955,656
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	371,657	1,562,783
Total receipts	1,000	-	-	-	266,739	103,250	371,657	45,968,972
Disbursements:								
Instruction	-	4,200	52,431	(39,701)	85,520	-	-	16,037,498
Support services	-	-	-	170	158,587	-	-	10,950,037
Noninstructional services	-	-	-	(119,426)	25,957	63,053	-	2,133,895
Facilities acquisition and construction	-	-	-	30,369	-	-	-	3,758,060
Debt services	-	-	-	-	-	-	-	13,309,433
Nonprogrammed charges	-	-	-	-	-	-	390,539	6,449,962
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	4,200	52,431	(128,588)	270,064	63,053	390,539	52,638,885
Excess (deficiency) of receipts over disbursements	1,000	(4,200)	(52,431)	128,588	(3,325)	40,197	(18,882)	(6,669,913)
Other financing sources (uses)								
Proceeds of long-term debt	-	-	-	-	-	-	-	5,320,256
Sale of capital assets	-	-	-	-	-	-	-	20,850
Transfers in	-	-	-	-	-	-	-	6,246,642
Transfers out	-	-	-	-	-	-	-	(6,246,642)
Total other financing sources (uses)	-	-	-	-	-	-	-	5,341,106
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,000	(4,200)	(52,431)	128,588	(3,325)	40,197	(18,882)	(1,328,807)
Cash and investments - ending	\$ 1,000	\$ (4,200)	\$ (52,431)	\$ (14,903)	\$ (3,325)	\$ 87,035	\$ 53,584	\$ 23,964,760

WAWASEE COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF PAYABLES AND RECEIVABLES  
June 30, 2021

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<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ <u>1,061,304</u>	\$ <u>347,597</u>

WAWASEE COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF LEASES AND DEBT  
June 30, 2021

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
Wawasee High School Building Corporation	Construct new Elementary School and remodel other school buildings	\$ 2,814,000	7/7/2016	7/15/2024
Wawasee High School Building Corporation	Construct New Elementary School and remodel other school buildings	66,000	7/7/2016	7/15/2027
Wawasee High School Building Corporation	Renovation of Wawasee High School Kitchen	132,500	12/22/2011	1/15/2032
Wawasee High School Building Corporation	Renovations to Wawasee High School	161,263	5/29/2014	1/15/2034
Wawasee High School Building Corporation	Renovations to Wawasee High School and Wawasee Middle School	165,850	8/26/2020	1/15/2028
Wawasee High School Building Corporation	Renovate & improve facilities construct solar safety improvements	698,000	10/9/2018	7/15/2038
Wawasee High School Building Corporation	Construct new Elementary School and remodel other school buildings	1,397,500	12/3/2015	1/15/2036
Wawasee High School Building Corporation	Remodel school buildings	<u>900,000</u>	8/3/2017	1/15/2037
Total governmental activities		<u>6,335,113</u>		
Total of annual lease payments		<u>\$ 6,335,113</u>		

<u>Type</u>	<u>Description of Debt</u>	<u>Ending Principal Balance</u>	<u>Principal and Interest Due Within One Year</u>
Governmental activities:			
General Obligation Bonds	General Obligation Bond of 2013	\$ 580,000	\$ 159,525
General Obligation Bonds	Renovation of heating and air mechanical systems at Wawasee Qualified School Construction Bond (QSCB) Middle	621,000	212,137
General Obligation Bonds	Renovations and improvement of facilities	420,000	424,200
General Obligation Bonds	Renovations and Improvements of Facilities	<u>2,668,838</u>	<u>2,710,000</u>
Total governmental activities		<u>4,289,838</u>	<u>3,505,862</u>
Totals		<u>\$ 4,289,838</u>	<u>\$ 3,505,862</u>

WAWASEE COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF CAPITAL ASSETS  
June 30, 2021

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 1,161,608
Infrastructure	4,168,440
Buildings	81,961,003
Machinery, equipment, and vehicles	<u>15,944,359</u>
Total governmental activities	<u>103,235,410</u>
Total capital assets	<u>\$ 103,235,410</u>

WAWASEE COMMUNITY SCHOOL CORPORATION  
STATE REPORTING INFORMATION  
July 1, 2019 - June 30, 2021

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*Financial Statement and Accompanying Notes:*

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

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

*Indiana Department of Education Reporting:*

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

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

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

WAWASEE COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the period July 1, 2019 through June 30, 2021

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-20	Total Federal Awards Expended 06-30-21	Total Federal Awards Expended 07-01-19 to 06-30-21
<u>Department of Agriculture</u>						
Child Nutrition Cluster	Indiana Department of Education					
School Breakfast Program		10.553	FY2020, FY2021	\$ 94,964	\$ 224,457	\$ 319,421
National School Lunch Program		10.555	FY2020, FY2021	472,754	1,161,888	1,634,642
Commodities		10.555	FY2020, FY2021	124,538	141,367	265,905
Summer Food Service Program for Children		10.559	FY2020, FY2021	<u>287,537</u>	<u>183,030</u>	<u>470,567</u>
Total - Child Nutrition Cluster				<u>979,793</u>	<u>1,710,742</u>	<u>2,690,535</u>
Total - Department of Agriculture				<u>979,793</u>	<u>1,710,742</u>	<u>2,690,535</u>
<u>Department of Education</u>						
Special Education Cluster (IDEA)	Indiana Department of Education					
Special Education Grants to States						
IDEA-Part B		84.027	19611-113-PN01	190,994	1,169	192,163
IDEA-Part B		84.027	20611-113-PN01	429,805	155,421	585,226
IDEA-Part B		84.027	21611-113-PN01	<u>-</u>	<u>485,659</u>	<u>485,659</u>
Total - Special Education Grants to States				<u>620,799</u>	<u>642,249</u>	<u>1,263,048</u>
Special Education - Preschool Grants	Indiana Department of Education					
IDEA-Preschool		84.173	19619-113-PN01	546	-	546
IDEA-Preschool		84.173	20619-113-PN01	13,888	292	14,180
IDEA-Preschool		84.173	21619-113-PN01	<u>-</u>	<u>13,220</u>	<u>13,220</u>
Total - Special Education - Preschool Grants				<u>14,434</u>	<u>13,512</u>	<u>27,946</u>
Total - Special Education Cluster (IDEA)				<u>635,233</u>	<u>655,761</u>	<u>1,290,994</u>
Title I Grants to Local Educational Agencies	Indiana Department of Education					
Title I, Part A		84.010	S010A180014	126,925	-	126,925
Title I, Part A		84.010	S010A190014	<u>297,212</u>	<u>382,696</u>	<u>679,908</u>
Total - Title I Grants to Local Educational Agencies				<u>424,137</u>	<u>382,696</u>	<u>806,833</u>

(Continued)

WAWASEE COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the period July 1, 2019 through June 30, 2021

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-20	Total Federal Awards Expended 06-30-21	Total Federal Awards Expended 07-01-19 to 06-30-21
Career and Technical Education Basic Grants	Indiana Governor's Workforce Cabinet					
Perkins Grant		84.048	19-4700-4345	\$ 38,939	\$ 37,547	\$ 76,486
Perkins Grant		84.048	20-0512-4345	12,358	72,734	85,092
Perkins CTE COVID-19 Assistance Grant		84.048	21-0512-C013	-	6,483	6,483
Total - Career and Technical Education Basic Grants to States				<u>51,297</u>	<u>116,764</u>	<u>168,061</u>
Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II, Part A		84.367	S367A170013	28,048	16,988	45,036
Title II, Part A		84.367	S367A180013	2,880	32,952	35,832
Total - Supporting Effective Instruction State Grants				<u>30,928</u>	<u>49,940</u>	<u>80,868</u>
Student Support and Academic Enrichment Program	Indiana Department of Education					
Title IV, Part A		84.424	S424A180015	19,647	3,871	23,518
Title IV, Part A		84.424	S424A190015	-	1,387	1,387
Total - Student Support and Academic Enrichment Program				<u>19,647</u>	<u>5,258</u>	<u>24,905</u>
COVID-19 - Education Stabilization Fund	Indiana Department of Education					
Elementary and Secondary School Emergency Relief (ESSER I) Fund		84.425D	S425D200013	-	266,739	266,739
Total - COVID-19 - Education Stabilization Fund				<u>-</u>	<u>266,739</u>	<u>266,739</u>
Total - Department of Education				<u>1,161,242</u>	<u>1,477,158</u>	<u>2,638,400</u>
<u>Department of Health and Human Services</u>						
Medicaid Cluster	Indiana Office of Medical Policy and Planning					
Medicaid		93.778	FY2020, FY2021	28,713	77,215	105,928
Total - Department of Health and Human Services				<u>28,713</u>	<u>77,215</u>	<u>105,928</u>
Total federal awards expended				<u>\$ 2,169,748</u>	<u>\$ 3,265,115</u>	<u>\$ 5,434,863</u>

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

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

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*A. Basis of Presentation*

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

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

*B. Other Significant Accounting Policies*

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

**NOTE 2 - INDIRECT COST RATE**

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

**NOTE 3 - OTHER INFORMATION**

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

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  
Wawasee Community School Corporation  
Kosciusko 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 Wawasee Community School Corporation (“School Corporation”), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School Corporation as of June 30, 2021 and for the period July 1, 2019 to June 30, 2021 and the related notes to the financial statement, which collectively comprise the School Corporation’s financial statement, and have issued our report thereon dated March 31, 2023.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial 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 2021-001 and 2021-002 that we consider to be material weaknesses.

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(Continued)

## Compliance and Other Matters

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

## Management's Response to Finding

The School Corporation's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The School Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on 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 31, 2023

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

Those Charged with Governance  
Wawasee Community School Corporation  
Kosciusko County, Indiana

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

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

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Basis for Qualified Opinion on the Child Nutrition Cluster***

As described in the accompanying schedule of findings and questioned costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with Child Nutrition Cluster (ALNs: 10.553, 10.555, 10.559) requirements as described in finding number 2021-004 for Cash Management and finding number 2021-006 for Program Income, consequently we were unable to determine whether the School Corporation complied with those requirements applicable to that program.

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(Continued)

### ***Qualified Opinion on the Child Nutrition Cluster***

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Child Nutrition Cluster for the period July 1, 2019 to June 30, 2021.

### ***Basis for Qualified Opinion on Title I Grants to Local Educational Agencies***

As described in the accompanying schedule of findings and questioned costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with Title I Grants to Local Educational Agencies (ALN: 84.010) requirements as described in finding number 2021-007 for Activities Allowed and Unallowed and Allowable Costs/Cost Principles, consequently we were unable to determine whether the School Corporation complied with those requirements applicable to that program.

### ***Qualified Opinion on the Title I Grants to Local Educational Agencies***

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Title I Grants to Local Educational Agencies for the period July 1, 2019 to June 30, 2021.

### ***Basis for Qualified Opinion on the Education Stabilization Fund***

As described in the accompanying schedule of findings and questioned costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with the Education Stabilization Fund (ALN: 84.425D) requirements as described in finding number 2021-009 for Activities Allowed and Unallowed and Allowable Costs/Cost Principles, consequently we were unable to determine whether the School Corporation complied with those requirements applicable to that program.

### ***Qualified Opinion on the Education Stabilization Fund***

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Education Stabilization Fund for the period July 1, 2019 to June 30, 2021.

### ***Other Matters***

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

## Report on Internal Control Over Compliance

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

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2021-003, 2021-004, 2021-005, 2021-006, 2021-007, 2021-008, and 2021-009 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-010 to be a significant deficiency.

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

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

*Crowe LLP*

Crowe LLP

Indianapolis, Indiana  
March 31, 2023

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

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**Section I – Summary of Auditor’s Results**

***Financial Statement***

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

Internal control over financial reporting:

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

Noncompliance material to financial statement noted?	_____	Yes	<u>  X  </u>	No
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***Federal Awards***

Internal control over major programs:

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

Type of auditor’s report issued on compliance for major programs:	Child Nutrition Cluster: <span style="float: right;">Qualified</span> Title I Grants to Local Educational Agencies: <span style="float: right;">Qualified</span> COVID-19 – Education Stabilization Fund: <span style="float: right;">Qualified</span>
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Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	<u>  X  </u>	Yes	_____	No
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Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.559	Child Nutrition Cluster
84.010	Title I Grants to Local Educational Agencies
84.425D	COVID-19 - Education Stabilization Fund

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

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

WAWASEE COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
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**Section II – Financial Statement Findings**

**FINDING 2021-001**

Subject: Financial Transactions and Reporting  
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. . . ."

**Condition:** There was a deficiency in the internal control system of the School Corporation related to financial transactions and reporting. The School Corporation had not separated incompatible activities related to receipts and other financing sources.

**Cause:** Management had not established a system of internal control that would have ensured segregation of duties within key financial processes. The School Corporation also experienced turnover in key positions resulting in a lack of segregation of duties.

**Context:** The Deputy Treasurer posted receipts, which would include other financing sources, into the accounting software. There was no documentation of an internal control design and implementation over receipts to show that there was an oversight, approval, or review process in place to ensure receipts and other financing sources were properly posted.

We also noted there was no documented, secondary review of monthly bank reconciliations during the audit period and there was no formal, documented review of the Annual Financial Report (AFR) 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).

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(Continued)

WAWASEE COMMUNITY SCHOOL CORPORATION  
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July 1, 2019 to June 30, 2021

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

**FINDING 2021-001** (Continued)

**Effect:** The failure to establish a system of internal controls could enable material misstatements or irregularities to remain undetected. The failure to monitor the internal control system placed the School Corporation at risk that controls may not be either designed properly or operating effectively to provide reasonable assurance that controls will prevent, or detect and correct, material misstatements in a timely manner.

**Identification as a repeat finding, if applicable:** Yes, see Finding 2019-001.

**Recommendation:** We recommend management implement an internal control to provide a secondary, documented review of receipt transactions posted to the funds ledger. We also recommend formal documentation be maintained to support a secondary, documented review of monthly bank reconciliations performed and the AFR financial statement submission to ensure amounts reported are accurate and agree to underlying fund ledgers.

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

**FINDING 2021-002**

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 reproduced here for reference purposes: . . .

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

2 CFR 200.508 states in part:

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(Continued)

WAWASEE COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
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**Section II – Financial Statement Findings** (Continued)

**FINDING 2021-002** (Continued)

"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.

(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 Assistance Listings Number or other identifying number when the Assistance Listings 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.

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(Continued)

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

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

**FINDING 2021-002** (Continued)

**Context:** The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. There was no secondary, documented review of the SEFA to ensure its accuracy and completeness. Due to the lack of effective internal controls, the following errors resulted in the understatement of the total federal awards reported on the SEFA by \$593,760 for the period July 1, 2019 through June 30, 2021:

1. The Child Nutrition Cluster funds were understated by \$489,060 including Commodities.
2. The Medicaid Cluster funds were understated by \$105,928.
3. The Title I Grants to Local Educational Agencies funds were overstated by \$221.
4. The Career and Technical Education Basic Grant funds were overstated by \$1,007.

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 operate effectively, material misstatements of the SEFA could go undetected.

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

**Recommendation:** We recommended that the School Corporation's management establish a formal review over the SEFA to ensure amounts reported are accurate and complete. This review should include a reconciliation of federal receipts on the funds ledger compared to amounts reported in Gateway. We recommend this review be formally documented.

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

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(Continued)

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

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

**FINDING 2021-003**

**Information on the federal program:**

Subject: Child Nutrition Cluster - Internal Controls  
Federal Agency: Department of Agriculture  
Federal Program: School Breakfast Program, National School Lunch Program, Summer Food Service Program for Children  
Assistance Listing Number: 10.553, 10.555, 10.559  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Activities Allowed and Unallowed, Allowable Costs/Costs 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 in order to ensure compliance with requirements related to the grant agreement and the activities allowed or unallowed and allowable costs/cost principles compliance requirement.

**Cause:** Management had not developed a system of internal controls to document approval of disbursements.

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

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

**Context:** During the testing of vendor disbursements charged to Fund 0800, Food Service, we noted five instances in a sample of 40 vendor disbursements in which the accounts payable voucher did not have a documented approval. We also only noted one instance in testing of payroll disbursements, where an employee did not have a signed pay rate form to support the rate paid for the time period selected.

**Identification as a repeat finding, if applicable:** Yes, see Finding 2019-004.

**Recommendation:** We recommend that the School Corporation establish a review control to document approvals for all vouchers. Contracts or pay rate change forms should be maintained to support pay rates for all employees in the Food Service Department.

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

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(Continued)

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

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

**FINDING 2021-004**

**Information on the federal program:**

Subject: Child Nutrition Cluster  
Federal Agency: Department of Agriculture  
Federal Program: School Breakfast Program, National School Lunch Program, Summer Food Service Program for Children  
Assistance Listing Number: 10.553, 10.555, 10.559  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Cash Management  
Audit Finding: Material Weakness, Qualified Opinion

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

- (b) 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). . . ."

7 CFR 225.15(c) states in part:

*"Records and claims.*

- (1) Sponsors shall maintain accurate records justifying all meals claimed . . ."

**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 cash management compliance requirement.

**Cause:** The School Corporation's management could not locate documentation for claim reimbursements submitted to the Indiana Department of Education.

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

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

**Context:** We selected four months during the audit period to test monthly claim reimbursements submitted. We noted for three months management was unable to locate support documentation of the claim reimbursement to support a secondary, documented review of the meals claimed prior to submission of the claim. For two of the months selected, the School Corporation could not provide underlying records of meal counts claimed for reimbursement.

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

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(Continued)

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

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

**FINDING 2021-004** (Continued)

**Recommendation:** We recommend that the School Corporation establish a review control to verify the reimbursement claims are accurate and complete prior to submission. This review should be documented, and all supporting documentation of meals claimed should be maintained.

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

**FINDING 2021-005**

**Information on the federal program:**

Subject: Child Nutrition Cluster – Internal Controls

Federal Agency: Department of Agriculture

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

Assistance Listing Number: 10.553, 10.555, 10.559

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Eligibility, Special Tests and Provisions – Verification of Free and Reduced-Price Applications

Audit Finding: Material Weakness

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

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

**Condition:** An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Eligibility and Special Test and Provisions – Verifications of Free and Reduced-Price Applications compliance requirements.

**Cause:** The School Corporation's management could not locate supporting documentation for certain sample selections.

**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.

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

**Context:**

**Eligibility:** During the testing of 60 students selected for eligibility determinations, the School Corporation was unable to locate the application for two students to support the review of application and eligibility determination made for the 2019-2020 school year.

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(Continued)

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

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

**FINDING 2021-005** (Continued)

*Verification of Free and Reduced-Price Applications:* During the testing of four students selected for verification of application data, the School Corporation was unable to locate verification documentation for two students obtained from the parent/guardian during the verification process to support the change in eligibility status.

The lack of controls was isolated to the 2019-2020 school year. The School Corporation accepted federal waivers as a result of the COVID-19 pandemic and provided free meals to all students, therefore, eligibility and verification processes were not applicable for the 2020-2021 school year.

**Identification as a repeat finding, if applicable:** Yes, see Finding 2019-006.

**Recommendation:** We recommend the School Corporation's maintain all applications documenting eligibility determinations and ensure there is a documented review of the application for accuracy and completeness. Documentation for verification procedures should be maintained and reviewed by someone other than the individual making changes to eligibility status to ensure accurate determinations are made.

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

**FINDING 2021-006**

**Information on the federal program:**

Subject: Child Nutrition Cluster

Federal Agency: Department of Agriculture

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

Assistance Listing Number: 10.553, 10.555, 10.559

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Program Income

Audit Finding: Material Weakness, Qualified Opinion

**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). . . ."

7 CFR 210.14(c) states:

"*Financial assurances.* The school food authority shall meet the requirements of the State agency for compliance with § 210.19(a) including any separation of records of nonprofit school food service from records of any other food service which may be operated by the school food authority as provided in paragraph (a) of this section."

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(Continued)

WAWASEE COMMUNITY SCHOOL CORPORATION  
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July 1, 2019 to June 30, 2021

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

**FINDING 2021-006** (Continued)

7 CFR 210.14(f)(3) states: "All revenue from the sale of nonprogram foods shall accrue to the nonprofit school food service account of a participating school food authority."

7 CFR 220.7(e) states in part:

"Each school food authority approved to participate in the program shall enter into a written agreement with the State agency or the Department through the FNSRO, as applicable, that may be amended as necessary. . . . Such agreements shall provide that the School Food Authority shall, with respect to participating schools under its jurisdiction: . . .

(12) Maintain a financial management system as prescribed by the State agency, or FNSRO where applicable; . . ."

2 CFR 200.302(b) states in part:

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

(3) Records that identify adequately the source and application of funds for federally funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation. . . ."

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

**Cause:** The School Corporation's management had not developed or implemented a system of internal controls to ensure that adequate supporting documentation for program income was maintained related to the Program Income compliance requirement.

**Effect:** The failure to establish an effective internal control system and failure to maintain and provide supporting documentation for program income prevented the determination of the School Corporation's compliance with the Program Income compliance requirement.

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

**Context:** During testing of four months selected during the audit period to test program income receipted to Fund 0800, Food Service fund, we noted for three months selected there was no documented, secondary review of the monthly report utilized to receipt program income.

During compliance testing, it was noted that each member school of the School Corporation prepared a monthly report, based on number of meals served, and the School Corporation transferred money from the Prepaid Lunch fund (8400) to the School Lunch fund (800) based on this report. For the months selected for testing, the amount transferred per the ledger did not match the monthly reports, due to transfers made being based on a calculated number and not on actual meals served. Therefore, it could not be determined if program income was properly receipted.

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(Continued)

WAWASEE COMMUNITY SCHOOL CORPORATION  
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**Section III – Federal Award Findings and Questioned Costs** (Continued)

**FINDING 2021-006** (Continued)

The lack of controls was a systemic issue, which occurred throughout the audit period. The lack of adequate supporting documentation prevented the determination of the School Corporation's compliance with the Program Income compliance requirement.

**Identification as a repeat finding, if applicable:** Yes, see Finding 2019-003.

**Recommendation:** We recommended that the School Corporation's management establish controls related to the grant agreement and retain adequate supporting documentation to ensure compliance with the grant agreement and the Program Income compliance requirement. We recommend there be a secondary review of program income received to Fund 0800 on a monthly basis and a reconciliation of Fund 8400 to the subsidiary ledger be performed monthly.

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

**FINDING 2021-007**

**Information on the federal program:**

Subject: Title I Grants to Local Educational Agencies  
Federal Agency: Department of Education  
Federal Program: Title I Grants to Local Educational Agencies  
Assistance Listing Number: 84.010  
Federal Award Numbers and Years (or Other Identifying Numbers): S010A180014, S010A190014  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Activities Allowed or Unallowed, Allowable Costs – Costs Principles  
Audit Finding: Material Weakness, Qualified Opinion

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

"The non-Federal entity must:

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

2 CFR 200.403 states in part:

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

- (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.

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(Continued)

WAWASEE COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
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**Section III – Federal Award Findings and Questioned Costs** (Continued)

**FINDING 2021-007** (Continued)

- (b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items. . . .
- (g) Be adequately documented. . . ."

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

**Cause:** The School Corporation was unable to locate adequate supporting documentation to support payroll transactions charged to Title I grants during the audit period.

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

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

**Context:** During the testing of payroll disbursements charged to the Title I funds, the School Corporation was unable to locate pay distribution reports, payroll registers, and employee contracts for the payroll disbursements selected for testing, therefore, we were unable to test payroll controls over Title I disbursements and compliance with activities allowed or unallowed and allowable cost principles during the audit period.

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

**Recommendation:** We recommended that the School Corporation's management establish a system of internal controls related to ensure proper segregation of duties exist to maintain compliance with Title I requirements. We recommend all supporting documentation be maintained for payroll disbursements.

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

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(Continued)

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

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**Finding 2021-008**

**Information on the federal program:**

Subject: Title I Grants to Local Educational Agencies  
Federal Agency: Department of Education  
Federal Program: Title I Grants to Local Educational Agencies  
Assistance Listing Number: 84.010  
Federal Award Numbers and Years (or Other Identifying Numbers): S010A180014, S010A190014  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirements: Reporting, Special Tests and Provisions - Assessment System Security  
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, which would include segregation of duties, was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Reporting and the Special Tests and Provisions - Assessment System Security compliance requirements.

**Cause:** Management had not developed a system of internal controls that segregated key functions and to maintain supporting documentation for audit.

**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 listed above. A lack of segregation of duties within an internal control system could also allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

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

**Context:**

*Reporting*

The School Corporation had one person solely responsible for the preparation and submission of the Final Expenditure Reports. There were no review and approval controls in place to ensure that the submitted reports were accurate.

*Special Tests and Provisions – Assessment System Security Training*

The School Corporation did not have a control in place to ensure that all School Corporation staff that were required to take the training had done so. The School Corporation could not provide any documentation to support applicable training was completed during the audit period.

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(Continued)

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

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

**FINDING 2021-008** (Continued)

**Identification as a repeat finding:** Yes, see Finding 2019-002.

**Recommendation:** We recommended that the School Corporation's management establish a system of internal controls, including segregation of duties, related to the grant agreement and the compliance requirements listed above. A secondary, documented review of the Final Expenditure Reports should be implemented and maintained. Documentation to support Assessment System Security training should be maintained to provide evidence that all applicable training was completed.

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

**FINDING 2021-009**

**Information on the federal program:**

Subject: COVID-19 - Education Stabilization Fund

Federal Agency: Department of Education

Federal Program: Elementary and Secondary School Emergency Relief (ESSER) Fund

Assistance Listing Number: 84.425D

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Activities Allowed or Unallowed, Allowable Costs – Costs Principles

Audit Finding: Material Weakness, Qualified Opinion

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

"The non-Federal entity must:

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

2 CFR 200.403 states in part:

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

- (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
- (b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items. . . .
- (g) Be adequately documented. . . ."

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(Continued)

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

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

**FINDING 2021-009** (Continued)

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

**Cause:** The School Corporation was unable to locate payroll information for the audit period to support these disbursements charged to the ESSER I grant fund.

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

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

**Context:** During the testing of payroll disbursements charged to the ESSER grant award, we noted 8 instances out of 12 payroll transactions selected for testing where management was unable to locate pay distribution reports and payroll registers to test payroll controls and allowable costs during the audit period. The payroll transactions that were unable to be supported by documentation represented 35% of the Education Stabilization Fund disbursements reported on the SEFA for the audit period.

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

**Recommendation:** We recommended that the School Corporation's management establish a system of internal controls related to ensure proper segregation of duties exist to maintain compliance with COVID-19 Education Stabilization Fund requirements. We recommend all supporting documentation be maintained for payroll disbursements.

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

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(Continued)

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

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

**Finding 2021-010**

**Information on the federal program:**

Subject: Education Stabilization Fund – Internal Controls  
Federal Agency: Department of Education  
Federal Program: COVID-19 – Education Stabilization Fund  
Assistance Listing Number: 84.425D  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Reporting  
Audit Finding: Significant Deficiency

**Criteria:** 2 CFR 200.302(b) states in part:

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

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

34 CFR 76.722 states:

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

**Condition:** The School Corporation did not have a review control in place to ensure the annual data report was reviewed by someone other than the preparer.

**Cause:** There were not sufficient internal controls in place to ensure the Annual Data Report was reviewed by someone other than the preparer.

**Effect:** The Annual Data Report required to be submitted could be include inaccurate or incomplete data without a documented, secondary review to ensure the reports accuracy and completeness.

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

**Context:** The Annual Data Report for the period of March 13, 2020 to September 30, 2020 was due to the Indiana Department of Education (IDOE) by January 21, 2021. There was no documented review by someone other than the preparer of the report to ensure the information submitted was complete and accurate.

**Identification as a repeat finding:** No.

**Recommendation:** We recommend someone other than the preparer of the report perform a documented, secondary review prior to submission to validate the accuracy and completeness of the data submitted.

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

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# Wawasee Community School Corporation

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Mr. Wade Wirebaugh  
Director of Technology

## CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

June 30, 2022

### **FINDING 2021-001**

Subject: Financial Transactions and Reporting  
Audit Findings: Material Weakness

**Condition:** There was a deficiency in the internal control system of the School Corporation related to financial transactions and reporting. The School Corporation had not separated incompatible activities related to receipts and other financing sources.

**Context:** The Deputy Treasurer posted receipts, which would include other financing sources, into the accounting software. There was no documentation of an internal control design and implementation over receipts to show that there was an oversight, approval, or review process in place to ensure receipts and other financing sources were properly posted.

We also noted there was no documented, secondary review of monthly bank reconciliations during the audit period and there was no formal, documented review of the Annual Financial Report (AFR) 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).

**Views of Responsible Officials and Planned Corrective Actions:** Management agrees with the finding and a system will be put into place to provide for a formal, documented secondary review of the receipts and monthly bank reconciliations, as well as the Annual Financial Report. An internal sign-off form will be created and implemented to document the secondary review of each item.

### **Responsible party and timeline for completion:**

Contact Person Responsible for Corrective Action: Rachel Moore

Title of Contact Person: Treasurer

Anticipated Completion Date: April 2023

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## **FINDING 2021-002**

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

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

**Context:** The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. There was no secondary, documented review of the SEFA to ensure its accuracy and completeness. Due to the lack of effective internal controls, the following errors resulted in the understatement of the total federal awards reported on the SEFA by \$593,760 for the period July 1, 2019 through June 30, 2021:

1. The Child Nutrition Cluster funds were understated by \$489,060 including Commodities.
2. The Medicaid Cluster funds were understated by \$105,928.
3. The Title I Grants to Local Educational Agencies funds were overstated by \$221.
4. The Career and Technical Education Basic Grant funds were overstated by \$1,007.

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

**Views of Responsible Officials and Planned Corrective Actions:** Management agrees with the finding and a system will be put into place to provide for a formal, documented secondary review of the SEFA. An internal sign-off form will be created and implemented to document the secondary review of the SEFA.

### **Responsible party and timeline for completion:**

Contact Person Responsible for Corrective Action: Rachel Moore

Title of Contact Person: Treasurer

Anticipated Completion Date: April 2023

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## **Finding 2021-003**

### **Information on the federal program:**

Subject: Child Nutrition Cluster - Internal Controls

Federal Agency: Department of Agriculture

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

Assistance Listing Number: 10.553, 10.555, 10.559

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Activities Allowed and Unallowed, Allowable Costs/Costs Principles

Audit Finding: Material Weakness

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

**Context:** During the testing of vendor disbursements charged to Fund 0800, Food Service, we noted five instances in a sample of 40 vendor disbursements in which the accounts payable voucher did not have a documented approval. We also only noted one instance in testing of payroll disbursements, where an employee did not have a signed pay rate form to support the rate paid for the time period selected.

**Views of Responsible Officials and Planned Corrective Actions:** Management agrees with the finding and a system will be put into place to ensure that all accounts payable vouchers and claims are reviewed and approved. A system will be put into place to ensure that records are stored in accordance with all applicable retention schedules and guidelines.

### **Responsible party and timeline for completion:**

Contact Person Responsible for Corrective Action: Rachel Moore

Title of Contact Person: Treasurer

Anticipated Completion Date: April 2023

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## **FINDING 2021-004**

### **Information on the federal program:**

Subject: Child Nutrition Cluster

Federal Agency: Department of Agriculture

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

Assistance Listing Number: 10.553, 10.555, 10.559

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Cash Management

Audit Finding: Material Weakness, Qualified Opinion

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

**Context:** We selected four months during the audit period to test monthly claim reimbursements submitted. We noted for three months management was unable to locate support documentation of the claim reimbursement to support a secondary, documented review of the meals claimed prior to submission of the claim. For two of the months selected, the School Corporation could not provide underlying records of meal counts claimed for reimbursement.

**Views of Responsible Officials and Planned Corrective Actions:** Management agrees with the finding and a system will be put into place to provide for a formal, documented secondary review of the meals claimed for reimbursement. An internal sign-off form will be created and implemented to document the secondary review of the meals claimed for reimbursement. A system will be put into place to ensure that records are stored in accordance with all applicable retention schedules and guidelines.

### **Responsible party and timeline for completion:**

Contact Person Responsible for Corrective Action: Rachel Moore

Title of Contact Person: Treasurer

Anticipated Completion Date: April 2023

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## **FINDING 2021-005**

### **Information on the federal program:**

Subject: Child Nutrition Cluster – Internal Controls

Federal Agency: Department of Agriculture

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

Assistance Listing Number: 10.553, 10.555, 10.559

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Eligibility, Special Tests and Provisions – Verification of Free and Reduced-Price Applications

Audit Finding: Material Weakness

**Condition:** An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Eligibility and Special Test and Provisions – Verifications of Free and Reduced-Price Applications compliance requirements.

### **Context:**

*Eligibility:* During the testing of 60 students selected for eligibility determinations, the School Corporation was unable to locate the application for two students to support the review of application and eligibility determination made for the 2019-2020 school year.

*Verification of Free and Reduced-Price Applications:* During the testing of four students selected for verification of application data, the School Corporation was unable to locate verification documentation for two students obtained from the parent/guardian during the verification process to support the change in eligibility status.

The lack of controls was isolated to the 2019-2020 school year. The School Corporation accepted federal waivers as a result of the COVID-19 pandemic and provided free meals to all students, therefore, eligibility and verification processes were not applicable for the 2020-2021 school year.

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## **FINDING 2021-005** (Continued)

**Views of Responsible Officials and Planned Corrective Actions:** Management agrees with the finding and a system will be put into place to provide for a formal, documented secondary review of the application eligibility and verification processes. An internal sign-off form will be created and implemented to document the secondary review of the applications and verifications. A system will be put into place to ensure that records are stored in accordance with all applicable retention schedules and guidelines.

### **Responsible party and timeline for completion:**

Contact Person Responsible for Corrective Action: Rachel Moore

Title of Contact Person: Treasurer

Anticipated Completion Date: April 2023

## **FINDING 2021-006**

### **Information on the federal program:**

Subject: Child Nutrition Cluster

Federal Agency: Department of Agriculture

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

Assistance Listing Number: 10.553, 10.555, 10.559

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Program Income

Audit Finding: Material Weakness, Qualified Opinion

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

**Context:** During testing of four months selected during the audit period to test program income receipted to Fund 0800, Food Service fund, we noted for three months selected there was no documented, secondary review of the monthly report utilized to receipt program income.

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## **FINDING 2021-006** (Continued)

During compliance testing, it was noted that each member school of the School Corporation prepared a monthly report, based on number of meals served, and the School Corporation transferred money from the Prepaid Lunch fund (8400) to the School Lunch fund (800) based on this report. For the months selected for testing, the amount transferred per the ledger did not match the monthly reports, due to transfers made being based on a calculated number and not on actual meals served. Therefore, it could not be determined if program income was properly received.

The lack of controls was a systemic issue, which occurred throughout the audit period. The lack of adequate supporting documentation prevented the determination of the School Corporation's compliance with the Program Income compliance requirement.

**Views of Responsible Officials and Planned Corrective Actions:** Management agrees with the finding and a system will be put into place to ensure that reports will be generated from the point-of-sale software to provide supporting documentation of actual meals served. A system will be put into place to ensure that monthly receipts into the ledger are based off actual meals served. A system will be put into place to provide for a formal, documented secondary review of the monthly report utilized to receipt program income. An internal sign-off form will be created and implemented to document the secondary review of the monthly report utilized to receipt program income.

## **Responsible party and timeline for completion:**

Contact Person Responsible for Corrective Action: Rachel Moore

Title of Contact Person: Treasurer

Anticipated Completion Date: April 2023

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## **FINDING 2021-007**

### **Information on the federal program:**

Subject: Title I Grants to Local Educational Agencies

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

Assistance Listing Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): S010A180014, S010A190014

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Activities Allowed or Unallowed, Allowable Costs – Costs Principles

Audit Finding: Material Weakness, Qualified Opinion

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

**Context:** During the testing of payroll disbursements charged to the Title I funds, the School Corporation was unable to locate pay distribution reports, payroll registers, and employee contracts for the payroll disbursements selected for testing, therefore, we were unable to test payroll controls over Title I disbursements and compliance with activities allowed or unallowed and allowable cost principles during the audit period.

**Views of Responsible Officials and Planned Corrective Actions:** Management agrees with the finding and a system will be put into place to ensure that records are stored in accordance with all applicable retention schedules and guidelines.

### **Responsible party and timeline for completion:**

Contact Person Responsible for Corrective Action: Rachel Moore

Title of Contact Person: Treasurer

Anticipated Completion Date: April 2023

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## **FINDING 2021-008**

### **Information on the federal program:**

Subject: Title I Grants to Local Educational Agencies

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

Assistance Listing Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): S010A180014, S010A190014

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Reporting, Special Tests and Provisions - Assessment System Security

Audit Finding: Material Weakness

**Condition:** An effective internal control system, which would include segregation of duties, was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Reporting and the Special Tests and Provisions - Assessment System Security compliance requirements.

### **Context:**

#### *Reporting*

The School Corporation had one person solely responsible for the preparation and submission of the Final Expenditure Reports. There were no review and approval controls in place to ensure that the submitted reports were accurate.

#### *Special Tests and Provisions – Assessment System Security Training*

The School Corporation did not have a control in place to ensure that all School Corporation staff that were required to take the training had done so. The School Corporation could not provide any documentation to support applicable training was completed during the audit period.

**Views of Responsible Officials and Planned Corrective Actions:** Management agrees with the finding and a system will be put into place to provide for documentation of the staff training. A system will be put into place to ensure that the documentation is stored in accordance with all applicable retention schedules and guidelines.

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## **FINDING 2021-008** (Continued)

### **Responsible party and timeline for completion:**

Contact Person Responsible for Corrective Action: Rachel Moore

Title of Contact Person: Treasurer

Anticipated Completion Date: April 2023

## **FINDING 2021-009**

### **Information on the federal program:**

Subject: COVID-19 - Education Stabilization Fund

Federal Agency: Department of Education

Federal Program: Elementary and Secondary School Emergency Relief (ESSER) Fund

Assistance Listing Number: 84.425D

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Activities Allowed or Unallowed, Allowable Costs – Costs Principles

Audit Finding: Material Weakness, Qualified Opinion

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

**Context:** During the testing of payroll disbursements charged to the ESSER grant award, we noted 8 instances out of 12 payroll transactions selected for testing where management was unable to locate pay distribution reports and payroll registers to test payroll controls and allowable costs during the audit period. The payroll transactions that were unable to be supported by documentation represented 35% of the Education Stabilization Fund disbursements reported on the SEFA for the audit period.

**Views of Responsible Officials and Planned Corrective Actions:** Management agrees with the finding and a system will be put into place to ensure that records are stored in accordance with all applicable retention schedules and guidelines.

### **Responsible party and timeline for completion:**

Contact Person Responsible for Corrective Action: Rachel Moore

Title of Contact Person: Treasurer

Anticipated Completion Date: April 2023

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## **FINDING 2021-010**

### **Information on the federal program:**

Subject: Education Stabilization Fund – Internal Controls  
Federal Agency: Department of Education  
Federal Program: COVID-19 – Education Stabilization Fund  
Assistance Listing Number: 84.425D  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Reporting  
Audit Finding: Significant Deficiency

**Condition:** The School Corporation did not have a review control in place to ensure the annual data report was reviewed by someone other than the preparer and that the report was submitted timely.

**Context:** The Annual Data Report for the period of March 13, 2020 to September 30, 2020 was due to the Indiana Department of Education (IDOE) by January 21, 2021. There was no documented review by someone other than the preparer of the report to ensure the information submitted was complete and accurate.

**Views of Responsible Officials and Planned Corrective Actions:** Management agrees with the finding and a system will be put into place to provide for a formal, documented review of the Annual Data Report. An internal sign-off form will be created and implemented to document the secondary review of the Annual Data Report and its timely submission. A system will be put into place to ensure that records are stored in accordance with all applicable retention schedules and guidelines.

### **Responsible party and timeline for completion:**

Contact Person Responsible for Corrective Action: Rachel Moore  
Title of Contact Person: Treasurer  
Anticipated Completion Date: April 2023

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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2019-001**

Subject: Financial Transactions and Reporting  
Audit Finding: Material Weakness

**Condition and Context:** There was a deficiency in the internal control system of the School Corporation related to financial transactions and reporting. The School Corporation had not separated incompatible activities related to receipts and other financing sources. The Deputy Treasurer posted receipts, which would include other financing sources, into the accounting software. There was no tangible evidence of an internal control system over receipts to show that there was an oversight, approval, or review process in place to ensure receipts and other financing sources were properly posted.

**Status:** Not resolved. See Finding 2021-001.

### **FINDING 2019-002**

Subject: Title I Grants to Local Educational Agencies - Reporting and Special Tests  
and Provisions - Annual Report Card/High School Graduation Rate

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

Assistance Listing Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): S010A150014,  
S010A160014, S010A170014, S010A180014

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Reporting, Special Tests and Provisions – Annual Report Card/High  
School Graduation Rate

Audit Finding: Material Weakness

**Condition and Context:** An effective internal control system, which would include segregation of duties, was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Reporting and Special Tests and Provisions - Annual Report Card/High School Graduation Rate compliance requirements.

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## **FINDING 2019-002** (Continued)

### *Reporting*

The School Corporation had one person solely responsible for the preparation and submission of the Monthly Reimbursement Request and Final Expenditure Reports. There were no controls in place to ensure that the submitted reports were accurate.

### *Special Tests and Provisions - Annual Report Card/High School Graduation Rate*

The School Corporation had one person solely responsible for entering mobility codes into the system. There were no controls in place to ensure that the submitted reports were accurate.

This was a systemic issue which occurred throughout the audit period.

**Status:** Partially resolved. See Finding 2021-008.

## **FINDING 2019-003**

Subject: Child Nutrition Cluster - Program Income

Federal Agency: Department of Agriculture

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

Assistance Listing Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2018, FY 2019

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Program Income

Audit Findings: Material Weakness, Modified Opinion

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

# Wawasee Community School Corporation

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## **FINDING 2019-003** (Continued)

Each member school of the School Corporation prepared a monthly report, based on number of meals served, and the School Corporation transferred money from the Prepaid Lunch fund (8400) to the School Lunch fund (800) based on this report. Monthly reports were not printed or kept as supporting documentation for 20 out of the 24 months in the audit period. For those months that supporting documentation was kept, the amount transferred per the ledger did not match the monthly reports, due to transfers made being based on a calculated number and not on actual meals served. Therefore, it could not be determined if program income was properly received.

The lack of controls was a systemic issue, which occurred throughout the audit period. The lack of adequate supporting documentation prevented the determination of the School Corporation's compliance with the Program Income compliance requirement.

**Status:** Not resolved. See Finding 2021-006.

## **FINDING 2019-004**

Subject: Child Nutrition Cluster - Allowable Costs/Cost Principles

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program, Summer Food Service Program

Assistance Listing Numbers: 10.553, 10.555, 10.559

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Other Matters

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

Management of the School Corporation had not established an effective internal control system to ensure that only allowable and adequately documented disbursements were paid with the Food Service Program funds. Funds related to food service were used to pay a portion of an administrative employee's salary for fiscal years 2017-2018 and 2018-2019. The administrative employee did not maintain Personnel Activity Reports to support the distribution of a portion of their salary from the School Lunch fund. A total of \$24,850 was paid out of the School Lunch fund for administrative salaries. Additionally, the School Corporation used food service funds to cover negative student lunch accounts as a direct expense. A total of \$3,861 was paid directly from the School Lunch fund to cover negative student balances.

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## **FINDING 2019-004** (Continued)

The School Corporation did not have controls in place to ensure that transfers made from the School Lunch fund (800) were for the benefit of the food service program. Transfers were made from the School Lunch fund (800) to cover the negative student lunch accounts in the Prepaid Lunch fund. Thus, the negative student balances were being accounted for in the School Lunch fund (800). A total of \$8,862 was transferred out of the School Lunch fund to cover negative student balances.

The lack of controls was a systemic issue throughout the audit period. The noncompliance was limited to the expenditures noted above.

**Status:** Partially resolved. See Finding 2021-003.

## **FINDING 2019-005**

Subject: Child Nutrition Cluster - Special Tests and Provisions - School Food Accounts

Federal Agency: Department of Agriculture

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

Assistance Listing Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2018, FY 2019

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - School Food Accounts

Audit Findings: Material Weakness, Modified Opinion

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

### *Transfers*

The School Corporation did not have controls in place to ensure that transfers made from the School Lunch fund (800) were for the benefit of the food service program. Transfers were made from the School Lunch fund (800) to cover negative student accounts. Thus, the negative student balances were being accounted for in the School Lunch fund (800).

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## **FINDING 2019-005** (Continued)

### *Rebates*

The School Corporation did not have controls in place to ensure that rebates received by check were properly documented and recorded. The School Corporation was unable to provide records or supporting documentation of rebates received by check. Therefore, we are unable to determine if rebates were properly accounted for.

The lack of controls and noncompliance were systemic issues throughout the audit period. The lack of supporting documentation was limited to the rebates noted above.

**Status:** Resolved.

## **FINDING 2019-006**

Subject: Child Nutrition Cluster - Special Tests and Provisions -  
Verification of Free and Reduced-Price Applications

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

Assistance Listing Numbers: 10.553, 10.555

Federal Award Number and Year (or Other Identifying Number): FY 2018

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Verification of Free and Reduced-Price Applications

Audit Findings: Material Weakness, Other Matters

**Condition and Context:** An effective internal control system, which would include segregation of duties, was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Verification of Free and Reduced-Price Applications compliance requirement.

The School Corporation did not have an effective control in place to ensure that the verification process was properly performed. Of the verified applications tested during the fiscal year 2017-2018, 40 percent were not properly verified.

The lack of controls and noncompliance was isolated to 2017-2018.

**Status:** Not resolved. See Finding 2021-005.

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## **FINDING 2019-007**

Subject: Child Nutrition Cluster - Procurement and Suspension and Debarment

Federal Agency: Department of Agriculture

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

Assistance Listing Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2018, FY 2019

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Other Matters

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

The School Corporation had not established an effective system of internal controls to ensure that proper procurement methods were selected prior to purchasing goods related to small purchases. There was one person solely responsible for selecting vendors, with no oversight or review of the vendor selected. The School Corporation did not properly obtain rates or quotes from an adequate number of qualified sources.

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

**Status:** Resolved.