



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B61257

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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

April 13, 2023

To: The Officials of the South Adams Schools
South Adams Schools
1075 Starfire Way
Berne, IN 46711

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

We call your attention to the findings included in the report on pages 42 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 61.

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

In addition to the report presented herein, a Supplemental Report for South Adams Schools was prepared in accordance with the guidelines established by the State Board of Accounts.

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

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

Tammy R. White, CPA
Deputy State Examiner

SOUTH ADAMS SCHOOLS
Adams County, Indiana

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

SOUTH ADAMS SCHOOLS
Adams County, Indiana

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

CONTENTS

SCHEDULE OF OFFICIALS (Unaudited)	1
INDEPENDENT AUDITOR'S REPORT	2
FINANCIAL STATEMENT	
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS	5
NOTES TO FINANCIAL STATEMENT	7
OTHER INFORMATION	
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS (Unaudited).....	13
SCHEDULE OF LEASES AND DEBT (Unaudited).....	29
SCHEDULE OF CAPITAL ASSETS (Unaudited).....	30
STATE REPORTING INFORMATION (Unaudited)	31
SUPPLEMENTARY INFORMATION	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	32
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	35
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	36
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE	38
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	41

SOUTH ADAMS SCHOOLS
SCHEDULE OF OFFICIALS (Unaudited)
For the period July 1, 2020 through June 30, 2022

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Becky Biberstein	07-01-20 to 10-31-21
	Heidi Sprunger	11-01-21 to 06-30-22
Superintendent of Schools	Michelle Clouser-Penrod	07-01-20 to 06-30-22
President of the School Board	Arlene Amstutz	07-01-20 to 06-30-22

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
South Adams Schools
Adams County, Indiana

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

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

Unmodified Opinion on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinions

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

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

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

(Continued)

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

Responsibilities of Management for the Financial Statement

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

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

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

Supplementary Information

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

(Continued)

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

Other Information

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

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

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2023, on our consideration of the School Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
March 23, 2023

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

Fund	Cash and Investments			Other Financing		Cash and Investments			Other Financing		Cash and Investments	
	07-01-2020	Receipts	Disbursements	Sources (Uses)	06-30-2021	Receipts	Disbursements	Sources (Uses)	06-30-2022			
Education	\$ 1,105,681	\$ 8,684,509	\$ 8,098,577	\$ -	\$ 1,691,613	\$ 9,521,917	\$ 8,178,711	\$ (499,297)	\$ 2,535,522			
Debt Service	1,162,327	1,757,080	1,665,634	-	1,253,773	1,694,387	1,666,418	-	1,281,742			
Operations	1,431,790	2,996,279	3,268,106	280	1,160,243	2,972,078	2,785,057	500,710	1,847,974			
Local Rainy Day	2,030,440	-	186,655	-	1,843,785	75,633	290,896	-	1,628,522			
Post-Retirement/Severance Future Be	21,599	49,454	49,454	-	21,599	200	-	-	21,799			
School Lunch	63,777	466,216	432,513	-	97,480	738,593	562,122	-	273,951			
Curricular Materials Rental	383,058	165,878	288,914	188	260,210	158,929	174,625	-	244,514			
Joint Operations-Area Vocational Ed	1,024	-	-	-	1,024	-	902	-	122			
Other Local Funds	2,557	6,000	-	-	8,557	-	3,984	-	4,573			
Educational License Plates	113	56	19	-	150	19	-	-	169			
Donations Gifts And Trusts	3,067	-	-	-	3,067	1,556	434	-	4,189			
Recreational Activities	573	-	-	-	573	-	573	-	-			
Formative Assessment	4,708	12,864	17,572	-	-	11,684	11,684	-	-			
Medicaid Reimbursement	49,502	7,338	13,085	-	43,755	24,399	21,745	-	46,409			
Secured Schools Safety Grant	(18,990)	40,738	29,721	-	(7,973)	27,389	35,445	-	(16,029)			
Prime Math Grant	-	161	161	-	-	-	-	-	-			
Early Intervention Grant	3,591	4,348	6,342	-	1,597	4,636	6,233	-	-			
Non-English Speaking Program 4	9,664	52,534	42,815	-	19,383	-	19,383	-	-			
Non-English Speaking Program 5	-	-	-	-	-	52,766	44,827	-	7,939			
Career And Technical Performance Gr	10,704	-	7,120	-	3,584	-	2,063	-	1,521			
Teacher Appreciation Grant	-	44,945	44,945	-	-	46,457	46,457	-	-			
High Ability Students	5,721	24,372	30,093	-	-	27,050	27,050	-	-			
Unassigned State Funds	6,555	11,864	6,555	-	11,864	12,760	15,089	-	9,535			
Project Lead The Way	-	-	-	-	-	1,380	1,380	-	-			
Title I	(82,973)	1,013,830	1,008,635	-	(77,778)	1,075,200	1,069,613	-	(72,191)			
Student Support Title Iv	(3,207)	55,159	58,726	-	(6,774)	187,148	185,841	-	(5,467)			
Vocational And Technology Board Gra	-	21,699	21,749	-	(50)	11,284	22,073	-	(10,839)			
Title Ii Part A Supporting Effect 1	-	-	-	-	-	61,312	72,345	-	(11,033)			
Title Ii A 2019	(10,763)	144,791	145,663	-	(11,635)	11,635	-	-	-			
Title Ii Part A Supporting Effect 2	-	-	-	-	-	81,604	81,604	-	-			
Rural Schools And Low Income Progra	-	-	-	-	-	10,482	20,271	-	(9,789)			
Rural & Low 19-20	(5,424)	23,288	32,968	-	(15,104)	15,104	-	-	-			
Title Iii English Language Acquisi	(885)	10,645	10,459	-	(699)	11,083	11,636	-	(1,252)			
Cares 3.0	-	-	-	-	-	2,320,454	2,648,660	-	(328,206)			
Cares 2	-	801,503	905,190	-	(103,687)	1,345,760	1,258,588	-	(16,515)			
Education Stabilization R	(17,140)	657,547	679,704	-	(39,297)	195,474	156,177	-	-			
Fema	-	28,268	28,268	-	-	-	-	-	-			
Lunch Program Clrg Acct	16,504	7,510	911	-	23,103	36,956	50,227	-	9,832			
Dots In Blue Water	117	-	-	-	117	-	-	-	117			
Techn Accident	52,283	-	13,991	18,765	57,057	-	5,723	1,015	52,349			
Senior Laptop Purchase	10,400	-	-	800	11,200	-	-	1,545	12,745			
Migrant Clearing	3,698	-	-	-	3,698	-	-	-	3,698			
Misc. -In & Out	(105,131)	117,499	2,367	-	10,001	10,420	30,742	-	(10,321)			
Grant Awards	2,938	5,788	11,469	-	(2,743)	-	-	2,743	-			
2018 Acf Grants	3,501	7,745	-	-	11,246	-	7,350	(2,743)	1,153			
Acf Stogdill Memorial	-	-	-	-	-	-	4,950	-	(4,950)			

(Continued)

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

Fund	Cash and Investments			Other Financing	Cash and Investments			Other Financing	Cash and Investments
	07-01-2020	Receipts	Disbursements	Sources (Uses)	06-30-2021	Receipts	Disbursements	Sources (Uses)	06-30-2022
Federal Withholding	\$ -	\$ 855,585	\$ 855,585	\$ -	\$ -	\$ 606,937	\$ 606,937	\$ -	\$ -
Social Security Taxes (Old)	-	-	-	-	-	-	-	-	-
Classified Soc Sec	-	298,346	298,346	-	-	220,929	221,007	-	(78)
Certified Soc Sec	-	630,299	630,299	-	-	427,884	427,805	-	79
Indiana Taxes	2,861	238,221	218,103	-	22,979	258,937	281,531	-	385
Ohio Taxes	(2,861)	-	3,282	-	(6,143)	8,483	2,731	-	(391)
County Withholding	-	125,659	116,782	-	8,877	136,729	145,606	-	-
Insurance	80,372	288,110	352,153	-	16,329	-	16,329	-	-
Afa N125	423	38,666	37,152	-	1,937	26,816	28,270	-	483
Allied Retiree Health	2,052	66,312	42,883	-	25,481	55,523	50,996	-	30,008
Afa Accident	-	33,762	32,097	-	1,665	23,007	24,894	-	(222)
Texas Life	-	4,188	3,654	-	534	9,661	9,793	-	402
Afa Group Hosp S125	208	1,789	1,957	-	40	4,400	4,230	-	210
Health Nwd	-	40,569	34,381	-	6,188	72,324	62,190	-	16,322
Health Hdhp1	-	60,578	50,584	-	9,994	131,179	116,628	-	24,545
Health Hdhp2	-	57,966	48,558	-	9,408	109,945	100,446	-	18,907
Admin Health	9,244	200,481	170,692	-	39,033	159,665	103,568	-	95,130
Aul Dep Life	79	1,813	2,085	-	(193)	1,517	1,324	-	-
Aul X-Life	1,841	25,688	26,672	-	857	19,671	18,823	-	1,705
Afa Hsa -Empl	258	189,790	154,593	-	35,455	156,968	192,423	-	-
S125 Med Reimb	741	18,846	18,634	-	953	9,969	10,692	-	230
Afa 135 Cancer	65	73,748	70,419	-	3,394	41,376	44,678	-	92
N125 Cancer	243	7,859	7,645	-	457	6,115	6,539	-	33
Afa S125 Dep Care	142	9,300	9,725	-	(283)	417	417	-	(283)
Admin Hsa	-	12,365	10,461	-	1,904	7,695	9,568	-	31
Equitable Life	-	2,520	2,380	-	140	1,680	1,820	-	-
Amerprise	-	1,800	1,600	-	200	1,200	1,400	-	-
Met Life	-	1,836	1,734	-	102	1,209	1,311	-	-
Pac Life	(50)	245,668	231,127	-	14,491	169,064	183,555	-	-
Am Fid Annuity	(100)	40,792	38,500	-	2,192	29,581	29,581	-	2,192
Allied Benefit Employee	-	-	-	-	-	-	-	-	-
Life Employee Share	388	219	607	-	-	202	202	-	-
Miscellaneous Deductions	-	-	-	-	-	-	-	-	-
S Adams Scholarship	-	5,029	4,785	-	244	3,871	4,115	-	-
United Way	122	2,354	2,385	-	91	1,628	1,693	-	26
Vol Retirement	-	-	-	-	-	-	-	-	-
Vol Trf	-	9,899	9,899	-	-	7,446	7,446	-	-
Vol Perf	-	22,070	22,070	-	-	17,694	17,694	-	-
Aul Vtl Dependent	263	5,483	5,875	-	(129)	2,368	2,239	-	-
Garnish Wages	-	3,884	3,884	-	-	2,558	2,558	-	-
Garnish Child Support	210	4,443	4,302	-	351	4,743	5,094	-	-
Child Support Fee	-	3,650	3,107	-	543	2,122	2,610	-	55
Wage Assignment	-	-	-	-	-	350	350	-	-
Tbr Pay Deductions	475	159	-	-	634	-	634	-	-
Totals	\$ 6,238,355	\$ 20,849,654	\$ 20,637,378	\$ 20,033	\$ 6,470,664	\$ 23,487,612	\$ 22,270,605	\$ 3,973	\$ 7,691,644

See notes to financial statement.

SOUTH ADAMS SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022, and for the period July 1, 2020 through June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

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

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

(Continued)

SOUTH ADAMS SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022, and for the period July 1, 2020 through June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

(Continued)

SOUTH ADAMS SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022, and for the period July 1, 2020 through June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

NOTE 2 - BUDGETS

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

NOTE 3 - PROPERTY TAXES

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

(Continued)

NOTE 5 - RISK MANAGEMENT

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

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

NOTE 6 - CASH BALANCE DEFICITS

The financial statement contain some funds with deficits in cash. This is a result of certain funds being set up for reimbursable grants, but for which reimbursement was not yet received by June 30, 2021, and 2022. Deficits in other fund balances, including the Ohio Taxes, Afa S125 Dependent Care, Adult Dependent Life, Adult Volunteer Dependent, Miscellaneous In & Out, Accf Stogdill Memorial, Classified Social Security, and Afa Accident 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 capital lease with the South Adams School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the fiscal years ending June 30, 2021 and 2022, totaled \$1,654,000 and \$1,655,000, respectively.

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.

NOTE 8 - PENSION PLANS (Continued)

Financial Report

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

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

Contributions

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

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.

(Continued)

SOUTH ADAMS SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022, and for the period July 1, 2020 through June 30, 2022

NOTE 8 - PENSION PLANS (Continued)

Financial Report

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

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

Contributions

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

In September 2022, the Holding Corporation closed on the Ad Valorem Property Tax First Mortgage Bonds, Series 2022 in the amount of \$5,525,000. The School Corporation is the lessee of the bonds, and the proceeds will be used for renovation, improvements and expansion of school facilities, and the construction of a multi-function space.

SUPPLEMENTARY INFORMATION

SOUTH ADAMS SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
 AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2020 through June 30, 2021

	Education	Debt Service	Operations	Local Rainy Day	Post-Retirement/Severance Future Be	School Lunch	Curricular Materials Rental	Joint Operations- Area Vocational Ed	Other Local Funds	Educational License Plates	Donations Gifts And Trusts
Cash and investments - beginning	\$ 1,105,681	\$ 1,162,327	\$ 1,431,790	\$ 2,030,440	\$ 21,599	\$ 63,777	\$ 383,058	\$ 1,024	\$ 2,557	\$ 113	\$ 3,067
Receipts:											
Local sources	367,937	1,757,080	2,996,219	-	-	23,003	110,916	-	6,000	-	-
Intermediate sources	169	-	-	-	-	-	-	-	-	56	-
State sources	8,309,468	-	-	-	-	4,827	43,328	-	-	-	-
Federal sources	-	-	-	-	-	431,935	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	6,935	-	60	-	49,454	6,451	11,634	-	-	-	-
Total receipts	8,684,509	1,757,080	2,996,279	-	49,454	466,216	165,878	-	6,000	56	-
Disbursements:											
Instruction	6,178,903	-	-	-	49,454	-	-	-	-	-	-
Support services	1,727,773	-	2,714,958	186,655	-	19,028	288,914	-	-	-	-
Noninstructional services	191,901	-	-	-	-	413,485	-	-	-	-	-
Facilities acquisition and construction	-	-	553,148	-	-	-	-	-	-	-	-
Debt services	-	1,665,634	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	19	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	8,098,577	1,665,634	3,268,106	186,655	49,454	432,513	288,914	-	-	19	-
Excess (deficiency) of receipts over disbursements	585,932	91,446	(271,827)	(186,655)	-	33,703	(123,036)	-	6,000	37	-
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	280	-	-	-	188	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	280	-	-	-	188	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	585,932	91,446	(271,547)	(186,655)	-	33,703	(122,848)	-	6,000	37	-
Cash and investments - ending	\$ 1,691,613	\$ 1,253,773	\$ 1,160,243	\$ 1,843,785	\$ 21,599	\$ 97,480	\$ 260,210	\$ 1,024	\$ 8,557	\$ 150	\$ 3,067

(Continued)

SOUTH ADAMS SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
 AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2020 through June 30, 2021

	Recreational Activities	Formative Assessment	Medicaid Reimbursement	Secured Schools Safety Grant	Prime Math Grant	Early Intervention Grant	Non-English Speaking Program 4	Non-English Speaking Program 5	Career And Technical Performance Gr	Teacher Appreciation Grant	High Ability Students
Cash and investments - beginning	\$ 573	\$ 4,708	\$ 49,502	\$ (18,990)	\$ -	\$ 3,591	\$ 9,664	\$ -	\$ 10,704	\$ -	\$ 5,721
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	12,864	7,338	40,738	161	4,348	52,534	-	-	44,945	24,372
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	12,864	7,338	40,738	161	4,348	52,534	-	-	44,945	24,372
Disbursements:											
Instruction	-	-	-	-	-	-	41,613	-	-	44,945	24,093
Support services	-	17,572	13,085	29,721	161	6,342	602	-	7,120	-	6,000
Noninstructional services	-	-	-	-	-	-	600	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	17,572	13,085	29,721	161	6,342	42,815	-	7,120	44,945	30,093
Excess (deficiency) of receipts over disbursements	-	(4,708)	(5,747)	11,017	-	(1,994)	9,719	-	(7,120)	-	(5,721)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(4,708)	(5,747)	11,017	-	(1,994)	9,719	-	(7,120)	-	(5,721)
Cash and investments - ending	\$ 573	\$ -	\$ 43,755	\$ (7,973)	\$ -	\$ 1,597	\$ 19,383	\$ -	\$ 3,584	\$ -	\$ -

(Continued)

SOUTH ADAMS SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
 AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2020 through June 30, 2021

	Unassigned State Funds	Project Lead The Way	Title I	Student Support Title Iv	Vocational And Technology Board Gra	Title Ii Part A Supporting Effect 1	Title Ii A 2019	Title Ii Part A Supporting Effect 2	Rural Schools And Low Income Progra	Rural & Low 19- 20	Title Iii English Language Acquisi
Cash and investments - beginning	\$ 6,555	\$ -	\$ (82,973)	\$ (3,207)	\$ -	\$ -	\$ (10,763)	\$ -	\$ -	\$ (5,424)	\$ (885)
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	11,864	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	1,013,830	55,159	21,699	-	144,791	-	-	23,288	10,645
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	11,864	-	1,013,830	55,159	21,699	-	144,791	-	-	23,288	10,645
Disbursements:											
Instruction	-	-	826,869	8,581	21,749	-	140,676	-	-	-	9,307
Support services	6,555	-	179,379	50,145	-	-	4,987	-	-	24,616	-
Noninstructional services	-	-	2,387	-	-	-	-	-	-	8,352	1,152
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	6,555	-	1,008,635	58,726	21,749	-	145,663	-	-	32,968	10,459
Excess (deficiency) of receipts over disbursements	5,309	-	5,195	(3,567)	(50)	-	(872)	-	-	(9,680)	186
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	5,309	-	5,195	(3,567)	(50)	-	(872)	-	-	(9,680)	186
Cash and investments - ending	\$ 11,864	\$ -	\$ (77,778)	\$ (6,774)	\$ (50)	\$ -	\$ (11,635)	\$ -	\$ -	\$ (15,104)	\$ (699)

(Continued)

SOUTH ADAMS SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
 AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2020 through June 30, 2021

	Cares 3.0	Cares 2	Education Stabilization R	Fema	Lunch Program Clrg Acct	Dots In Blue Water	Techn Accident	Senior Laptop Purchase	Migrant Clearing	Misc. -In & Out	Grant Awards
Cash and investments - beginning	\$ -	\$ -	\$ (17,140)	\$ -	\$ 16,504	\$ 117	\$ 52,283	\$ 10,400	\$ 3,698	\$ (105,131)	\$ 2,938
Receipts:											
Local sources	-	-	-	-	7,510	-	-	-	-	117,499	5,788
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	801,503	657,547	28,268	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	801,503	657,547	28,268	7,510	-	-	-	-	117,499	5,788
Disbursements:											
Instruction	-	806,929	323,889	-	-	-	-	-	-	2,367	3,724
Support services	-	98,261	348,622	28,268	911	-	13,991	-	-	-	7,745
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	7,193	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	905,190	679,704	28,268	911	-	13,991	-	-	2,367	11,469
Excess (deficiency) of receipts over disbursements	-	(103,687)	(22,157)	-	6,599	-	(13,991)	-	-	115,132	(5,681)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	18,765	800	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	18,765	800	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(103,687)	(22,157)	-	6,599	-	4,774	800	-	115,132	(5,681)
Cash and investments - ending	\$ -	\$ (103,687)	\$ (39,297)	\$ -	\$ 23,103	\$ 117	\$ 57,057	\$ 11,200	\$ 3,698	\$ 10,001	\$ (2,743)

(Continued)

SOUTH ADAMS SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
 AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2020 through June 30, 2021

	2018 Accf Grants	Accf Stogdill Memorial	Federal Withholding	Social Security Taxes (Old)	Classified Soc Sec	Certified Soc Sec	Indiana Taxes	Ohio Taxes	County Withholding	Insurance	Afa N125
Cash and investments - beginning	\$ 3,501	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,861	\$ (2,861)	\$ -	\$ 80,372	\$ 423
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	7,745	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	855,585	-	298,346	630,299	238,221	-	125,659	288,110	38,666
Total receipts	7,745	-	855,585	-	298,346	630,299	238,221	-	125,659	288,110	38,666
Disbursements:											
Instruction	-	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	855,585	-	298,346	630,299	218,103	3,282	116,782	352,153	37,152
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	855,585	-	298,346	630,299	218,103	3,282	116,782	352,153	37,152
Excess (deficiency) of receipts over disbursements	7,745	-	-	-	-	-	20,118	(3,282)	8,877	(64,043)	1,514
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	7,745	-	-	-	-	-	20,118	(3,282)	8,877	(64,043)	1,514
Cash and investments - ending	\$ 11,246	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,979	\$ (6,143)	\$ 8,877	\$ 16,329	\$ 1,937

(Continued)

SOUTH ADAMS SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
 AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2020 through June 30, 2021

	Allied Retiree Health	Afa Accident	Texas Life	Afa Group Hosp S125	Health Nwd	Health Hdhp1	Health Hdhp2	Admin Health	Aul Dep Life	Aul X-Life	Afa Hsa -Empl	S125 Med Reimb
Cash and investments - beginning	\$ 2,052	\$ -	\$ -	\$ 208	\$ -	\$ -	\$ -	\$ 9,244	\$ 79	\$ 1,841	\$ 258	\$ 741
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	66,312	33,762	4,188	1,789	40,569	60,578	57,966	200,481	1,813	25,688	189,790	18,846
Total receipts	66,312	33,762	4,188	1,789	40,569	60,578	57,966	200,481	1,813	25,688	189,790	18,846
Disbursements:												
Instruction	-	-	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	42,883	32,097	3,654	1,957	34,381	50,584	48,558	170,692	2,085	26,672	154,593	18,634
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	42,883	32,097	3,654	1,957	34,381	50,584	48,558	170,692	2,085	26,672	154,593	18,634
Excess (deficiency) of receipts over disbursements	23,429	1,665	534	(168)	6,188	9,994	9,408	29,789	(272)	(984)	35,197	212
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	23,429	1,665	534	(168)	6,188	9,994	9,408	29,789	(272)	(984)	35,197	212
Cash and investments - ending	\$ 25,481	\$ 1,665	\$ 534	\$ 40	\$ 6,188	\$ 9,994	\$ 9,408	\$ 39,033	\$ (193)	\$ 857	\$ 35,455	\$ 953

(Continued)

SOUTH ADAMS SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
 AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2020 through June 30, 2021

	Afa 135 Cancer	N125 Cancer	Afa S125 Dep Care	Admin Hsa	Equitable Life	Amerprise	Met Life	Pac Life	Am Fid Annuity	Allied Benefit Employee	Life Employee Share	Miscellaneous Deductions
Cash and investments - beginning	\$ 65	\$ 243	\$ 142	\$ -	\$ -	\$ -	\$ -	\$ (50)	\$ (100)	\$ -	\$ 388	\$ -
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	73,748	7,859	9,300	12,365	2,520	1,800	1,836	245,668	40,792	-	219	-
Total receipts	73,748	7,859	9,300	12,365	2,520	1,800	1,836	245,668	40,792	-	219	-
Disbursements:												
Instruction	-	-	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	70,419	7,645	9,725	10,461	2,380	1,600	1,734	231,127	38,500	-	607	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	70,419	7,645	9,725	10,461	2,380	1,600	1,734	231,127	38,500	-	607	-
Excess (deficiency) of receipts over disbursements	3,329	214	(425)	1,904	140	200	102	14,541	2,292	-	(388)	-
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	3,329	214	(425)	1,904	140	200	102	14,541	2,292	-	(388)	-
Cash and investments - ending	\$ 3,394	\$ 457	\$ (283)	\$ 1,904	\$ 140	\$ 200	\$ 102	\$ 14,491	\$ 2,192	\$ -	\$ -	\$ -

(Continued)

SOUTH ADAMS SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
 AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2020 through June 30, 2021

	S Adams Scholarship	United Way	Vol Retirement	Vol Trf	Vol Perf	Aul Vtl Dependent	Garnish Wages	Garnish Child Support	Child Support Fee	Wage Assignment	Tbr Pay Deductions	Totals
Cash and investments - beginning	\$ -	\$ 122	\$ -	\$ -	\$ -	\$ 263	\$ -	\$ 210	\$ -	\$ -	\$ 475	\$ 6,238,355
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	5,391,952
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	225
State sources	-	-	-	-	-	-	-	-	-	-	-	8,564,532
Federal sources	-	-	-	-	-	-	-	-	-	-	-	3,188,665
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	5,029	2,354	-	9,899	22,070	5,483	3,884	4,443	3,650	-	159	3,704,280
Total receipts	5,029	2,354	-	9,899	22,070	5,483	3,884	4,443	3,650	-	159	20,849,654
Disbursements:												
Instruction	-	-	-	-	-	-	-	-	-	-	-	8,483,099
Support services	-	-	-	-	-	-	-	-	-	-	-	5,781,411
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	617,877
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	560,341
Debt services	-	-	-	-	-	-	-	-	-	-	-	1,665,634
Nonprogrammed charges	4,785	2,385	-	9,899	22,070	5,875	3,884	4,302	3,107	-	-	3,529,016
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	4,785	2,385	-	9,899	22,070	5,875	3,884	4,302	3,107	-	-	20,637,378
Excess (deficiency) of receipts over disbursements	244	(31)	-	-	-	(392)	-	141	543	-	159	212,276
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	20,033
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	20,033
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	244	(31)	-	-	-	(392)	-	141	543	-	159	232,309
Cash and investments - ending	\$ 244	\$ 91	\$ -	\$ -	\$ -	\$ (129)	\$ -	\$ 351	\$ 543	\$ -	\$ 634	\$ 6,470,664

SOUTH ADAMS SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2021 through June 30, 2022

	Education	Debt Service	Operations	Local Rainy Day	Post-Retirement/Severance Future Benefits	School Lunch	Curricular Materials Rental	Joint Operations- Area Vocational Ed	Other Local Funds	Educational License Plates	Donations Gifts And Trusts
Cash and investments - beginning	\$ 1,691,613	\$ 1,253,773	\$ 1,160,243	\$ 1,843,785	\$ 21,599	\$ 97,480	\$ 260,210	\$ 1,024	\$ 8,557	\$ 150	\$ 3,067
Receipts:											
Local sources	382,760	1,694,387	2,959,894	75,633	-	49,543	101,900	-	-	-	550
Intermediate sources	198	-	-	-	-	-	-	-	-	19	-
State sources	9,017,726	-	-	-	-	6,543	44,977	-	-	-	-
Federal sources	-	-	-	-	-	674,157	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	121,233	-	12,184	-	200	8,350	12,052	-	-	-	1,006
Total receipts	9,521,917	1,694,387	2,972,078	75,633	200	738,593	158,929	-	-	19	1,556
Disbursements:											
Instruction	6,437,754	-	-	-	-	-	-	902	3,984	-	-
Support services	1,531,041	-	2,641,371	290,896	-	17,545	174,625	-	-	-	-
Noninstructional services	209,916	-	-	-	-	544,577	-	-	-	-	434
Facilities acquisition and construction	-	-	143,686	-	-	-	-	-	-	-	-
Debt services	-	1,666,418	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	8,178,711	1,666,418	2,785,057	290,896	-	562,122	174,625	902	3,984	-	434
Excess (deficiency) of receipts over disbursements	1,343,206	27,969	187,021	(215,263)	200	176,471	(15,696)	(902)	(3,984)	19	1,122
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	703	-	710	-	-	-	-	-	-	-	-
Transfers in	10,029	-	500,000	-	-	-	-	-	-	-	-
Transfers out	(510,029)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(499,297)	-	500,710	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	843,909	27,969	687,731	(215,263)	200	176,471	(15,696)	(902)	(3,984)	19	1,122
Cash and investments - ending	\$ 2,535,522	\$ 1,281,742	\$ 1,847,974	\$ 1,628,522	\$ 21,799	\$ 273,951	\$ 244,514	\$ 122	\$ 4,573	\$ 169	\$ 4,189

(Continued)

SOUTH ADAMS SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2021 through June 30, 2022

	Recreational Activities	Formative Assessment	Medicaid Reimbursement	Secured Schools Safety Grant	Prime Math Grant	Early Intervention Grant	Non-English Speaking Program 4	Non-English Speaking Program 5	Career And Technical Performance Gr	Teacher Appreciation Grant	High Ability Students	Unassigned State Funds
Cash and investments - beginning	\$ 573	\$ -	\$ 43,755	\$ (7,973)	\$ -	\$ 1,597	\$ 19,383	\$ -	\$ 3,584	\$ -	\$ -	\$ 11,864
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	11,684	24,399	27,389	-	4,636	-	52,766	-	46,457	27,050	12,760
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	11,684	24,399	27,389	-	4,636	-	52,766	-	46,457	27,050	12,760
Disbursements:												
Instruction	-	-	-	-	-	4,636	19,383	44,201	1,025	46,457	23,887	-
Support services	-	11,684	21,745	35,445	-	1,597	-	-	1,038	-	3,163	15,089
Noninstructional services	573	-	-	-	-	-	-	626	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	573	11,684	21,745	35,445	-	6,233	19,383	44,827	2,063	46,457	27,050	15,089
Excess (deficiency) of receipts over disbursements	(573)	-	2,654	(8,056)	-	(1,597)	(19,383)	7,939	(2,063)	-	-	(2,329)
Other financing sources (uses)												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	10,029	-	-
Transfers out	-	-	-	-	-	-	-	-	-	(10,029)	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(573)	-	2,654	(8,056)	-	(1,597)	(19,383)	7,939	(2,063)	-	-	(2,329)
Cash and investments - ending	\$ -	\$ -	\$ 46,409	\$ (16,029)	\$ -	\$ -	\$ -	\$ 7,939	\$ 1,521	\$ -	\$ -	\$ 9,535

(Continued)

SOUTH ADAMS SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2021 through June 30, 2022

	Project Lead The Way	Title I	Student Support Title Iv	Vocational And Technology Board Gra	Title Ii Part A Supporting Effect 1	Title Ii A 2019	Title Ii Part A Supporting Effect 2	Rural Schools And Low Income Progra	Rural & Low 19- 20	Title Iii English Language Acquisi	Cares 3.0
Cash and investments - beginning	\$ -	\$ (77,778)	\$ (6,774)	\$ (50)	\$ -	\$ (11,635)	\$ -	\$ -	\$ (15,104)	\$ (699)	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	1,380	-	-	-	-	-	-	-	-	-	-
Federal sources	-	1,075,200	187,148	11,284	61,312	11,635	81,604	10,482	15,104	11,083	2,320,454
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	1,380	1,075,200	187,148	11,284	61,312	11,635	81,604	10,482	15,104	11,083	2,320,454
Disbursements:											
Instruction	-	891,257	21,272	22,073	69,438	-	79,845	-	-	11,636	297,933
Support services	1,380	170,371	164,569	-	2,907	-	1,759	11,078	-	-	418,438
Noninstructional services	-	7,985	-	-	-	-	-	9,193	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	1,932,289
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,380	1,069,613	185,841	22,073	72,345	-	81,604	20,271	-	11,636	2,648,660
Excess (deficiency) of receipts over disbursements	-	5,587	1,307	(10,789)	(11,033)	11,635	-	(9,789)	15,104	(553)	(328,206)
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	-	5,587	1,307	(10,789)	(11,033)	11,635	-	(9,789)	15,104	(553)	(328,206)
Cash and investments - ending	\$ -	\$ (72,191)	\$ (5,467)	\$ (10,839)	\$ (11,033)	\$ -	\$ -	\$ (9,789)	\$ -	\$ (1,252)	\$ (328,206)

(Continued)

SOUTH ADAMS SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2021 through June 30, 2022

	Cares 2	Education Stabilization R	Fema	Lunch Program Clrg Acct	Dots In Blue Water	Techn Accident	Senior Laptop Purchase	Migrant Clearing	Misc. -In & Out	Grant Awards	2018 Accf Grants
Cash and investments - beginning	\$ (103,687)	\$ (39,297)	\$ -	\$ 23,103	\$ 117	\$ 57,057	\$ 11,200	\$ 3,698	\$ 10,001	\$ (2,743)	\$ 11,246
Receipts:											
Local sources	-	-	-	36,956	-	-	-	-	10,420	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	1,345,760	195,474	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	1,345,760	195,474	-	36,956	-	-	-	-	10,420	-	-
Disbursements:											
Instruction	824,959	69,318	-	-	-	-	-	-	30,742	-	-
Support services	425,629	86,859	-	1,098	-	5,723	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	7,350
Facilities acquisition and construction	8,000	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	49,129	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,258,588	156,177	-	50,227	-	5,723	-	-	30,742	-	7,350
Excess (deficiency) of receipts over disbursements	87,172	39,297	-	(13,271)	-	(5,723)	-	-	(20,322)	-	(7,350)
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	1,015	1,545	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	2,743	-
Transfers out	-	-	-	-	-	-	-	-	-	-	(2,743)
Total other financing sources (uses)	-	-	-	-	-	1,015	1,545	-	-	2,743	(2,743)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	87,172	39,297	-	(13,271)	-	(4,708)	1,545	-	(20,322)	2,743	(10,093)
Cash and investments - ending	\$ (16,515)	\$ -	\$ -	\$ 9,832	\$ 117	\$ 52,349	\$ 12,745	\$ 3,698	\$ (10,321)	\$ -	\$ 1,153

(Continued)

SOUTH ADAMS SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2021 through June 30, 2022

	Accf Stogdill Memorial	Federal Withholding	Social Security Taxes (Old)	Classified Soc Sec	Certified Soc Sec	Indiana Taxes	Ohio Taxes	County Withholding	Insurance	Afa N125	Allied Retiree Health	Afa Accident
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,979	\$ (6,143)	\$ 8,877	\$ 16,329	\$ 1,937	\$ 25,481	\$ 1,665
Receipts:												
Local sources	-	-	-	-	-	-	7,429	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	606,937	-	220,929	427,884	258,937	1,054	136,729	-	26,816	55,523	23,007
Total receipts	-	606,937	-	220,929	427,884	258,937	8,483	136,729	-	26,816	55,523	23,007
Disbursements:												
Instruction	4,950	-	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	606,937	-	221,007	427,805	281,531	2,731	145,606	16,329	28,270	50,996	24,894
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	4,950	606,937	-	221,007	427,805	281,531	2,731	145,606	16,329	28,270	50,996	24,894
Excess (deficiency) of receipts over disbursements	(4,950)	-	-	(78)	79	(22,594)	5,752	(8,877)	(16,329)	(1,454)	4,527	(1,887)
Other financing sources (uses)												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,950)	-	-	(78)	79	(22,594)	5,752	(8,877)	(16,329)	(1,454)	4,527	(1,887)
Cash and investments - ending	\$ (4,950)	\$ -	\$ -	\$ (78)	\$ 79	\$ 385	\$ (391)	\$ -	\$ -	\$ 483	\$ 30,008	\$ (222)

(Continued)

SOUTH ADAMS SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2021 through June 30, 2022

	Texas Life	Afa Group Hosp S125	Health Nwd	Health Hdhp1	Health Hdhp2	Admin Health	Aul Dep Life	Aul X-Life	Afa Hsa -Empl	S125 Med Reimb	Afa 135 Cancer
Cash and investments - beginning	\$ 534	\$ 40	\$ 6,188	\$ 9,994	\$ 9,408	\$ 39,033	\$ (193)	\$ 857	\$ 35,455	\$ 953	\$ 3,394
Receipts:											
Local sources	-	-	-	-	-	-	983	983	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	9,661	4,400	72,324	131,179	109,945	159,665	534	18,688	156,968	9,969	41,376
Total receipts	9,661	4,400	72,324	131,179	109,945	159,665	1,517	19,671	156,968	9,969	41,376
Disbursements:											
Instruction	-	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	9,793	4,230	62,190	116,628	100,446	103,568	1,324	18,823	192,423	10,692	44,678
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	9,793	4,230	62,190	116,628	100,446	103,568	1,324	18,823	192,423	10,692	44,678
Excess (deficiency) of receipts over disbursements	(132)	170	10,134	14,551	9,499	56,097	193	848	(35,455)	(723)	(3,302)
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	(132)	170	10,134	14,551	9,499	56,097	193	848	(35,455)	(723)	(3,302)
Cash and investments - ending	\$ 402	\$ 210	\$ 16,322	\$ 24,545	\$ 18,907	\$ 95,130	\$ -	\$ 1,705	\$ -	\$ 230	\$ 92

(Continued)

SOUTH ADAMS SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2021 through June 30, 2022

	N125 Cancer	Afa S125 Dep Care	Admin Hsa	Equitable Life	Amerprise	Met Life	Pac Life	Am Fid Annuity	Allied Benefit Employee	Life Employee Share	Miscellaneous Deductions
Cash and investments - beginning	\$ 457	\$ (283)	\$ 1,904	\$ 140	\$ 200	\$ 102	\$ 14,491	\$ 2,192	\$ -	\$ -	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	6,115	417	7,695	1,680	1,200	1,209	169,064	29,581	-	202	-
Total receipts	6,115	417	7,695	1,680	1,200	1,209	169,064	29,581	-	202	-
Disbursements:											
Instruction	-	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	6,539	417	9,568	1,820	1,400	1,311	183,555	29,581	-	202	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	6,539	417	9,568	1,820	1,400	1,311	183,555	29,581	-	202	-
Excess (deficiency) of receipts over disbursements	(424)	-	(1,873)	(140)	(200)	(102)	(14,491)	-	-	-	-
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	(424)	-	(1,873)	(140)	(200)	(102)	(14,491)	-	-	-	-
Cash and investments - ending	\$ 33	\$ (283)	\$ 31	\$ -	\$ -	\$ -	\$ -	\$ 2,192	\$ -	\$ -	\$ -

(Continued)

SOUTH ADAMS SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2021 through June 30, 2022

	S Adams Scholarship	United Way	Vol Retirement	Vol Trf	Vol Perf	Aul Vtl Dependent	Garnish Wages	Garnish Child Support	Child Support Fee	Wage Assignment	Tbr Pay Deductions	Totals
Cash and investments - beginning	\$ 244	\$ 91	\$ -	\$ -	\$ -	\$ (129)	\$ -	\$ 351	\$ 543	\$ -	\$ 634	\$ 6,470,664
Receipts:												
Local sources	-	-	-	-	-	983	2,048	-	-	-	-	5,324,469
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	217
State sources	-	-	-	-	-	-	-	-	-	-	-	9,277,767
Federal sources	-	-	-	-	-	-	-	-	-	-	-	6,000,697
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	3,871	1,628	-	7,446	17,694	1,385	510	4,743	2,122	350	-	2,884,462
Total receipts	3,871	1,628	-	7,446	17,694	2,368	2,558	4,743	2,122	350	-	23,487,612
Disbursements:												
Instruction	-	-	-	-	-	-	-	-	-	-	-	8,905,652
Support services	-	-	-	-	-	-	-	-	-	-	-	6,035,050
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	780,654
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	2,083,975
Debt services	-	-	-	-	-	-	-	-	-	-	-	1,666,418
Nonprogrammed charges	4,115	1,693	-	7,446	17,694	2,239	2,558	5,094	2,610	350	634	2,798,856
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	4,115	1,693	-	7,446	17,694	2,239	2,558	5,094	2,610	350	634	22,270,605
Excess (deficiency) of receipts over disbursements	(244)	(65)	-	-	-	129	-	(351)	(488)	-	(634)	1,217,007
Other financing sources (uses)												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	3,973
Transfers in	-	-	-	-	-	-	-	-	-	-	-	522,801
Transfers out	-	-	-	-	-	-	-	-	-	-	-	(522,801)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	3,973
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(244)	(65)	-	-	-	129	-	(351)	(488)	-	(634)	1,220,980
Cash and investments - ending	\$ -	\$ 26	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55	\$ -	\$ -	\$ 7,691,644

SOUTH ADAMS SCHOOLS
 SCHEDULE OF LEASES AND DEBT
 June 30, 2022

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities: South Adams Building Corporation	Ad Valorem Property Tax First Mortgage Refunding and Improvement Bonds Series 2016	\$ 1,655,000	8/24/2016	1/5/2032
Total of annual lease payments		<u>\$ 1,655,000</u>		

SOUTH ADAMS SCHOOLS
SCHEDULE OF CAPITAL ASSETS
June 30, 2022

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 309,986
Infrastructure	93,340
Buildings	68,461,711
Improvements other than buildings	3,421,538
Machinery, equipment, and vehicles	2,803,327
Books and other	<u>369,149</u>
 Total governmental activities	 <u>75,459,051</u>
 Total capital assets	 <u>\$ 75,459,051</u>

SOUTH ADAMS SCHOOLS
STATE REPORTING INFORMATION
July 1, 2020 - June 30, 2022

Financial Statement and Accompanying Notes:

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

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

Indiana Department of Education Reporting:

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

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

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

SOUTH ADAMS SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2021 and 2022

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-21	Total Federal Awards Expended 06-30-22	Total Federal Awards Expended 07-01-20 through 06-30-22
<u>Department of Agriculture</u>						
Child Nutrition Cluster						
Child Nutrition	Indiana Department of Education					
School Breakfast Program		10.553	FY2021,2022	\$ 30,730	\$ 63,217	\$ 93,947
School Lunch Program		10.555	FY2021,2022	401,205	610,940	1,012,145
Commodities		10.555	FY2021,2022	<u>57,564</u>	<u>68,491</u>	<u>126,055</u>
Total - Child Nutrition Cluster				<u>489,499</u>	<u>742,648</u>	<u>1,232,147</u>
Total - Department of Agriculture				<u>489,499</u>	<u>742,648</u>	<u>1,232,147</u>
<u>Department of Education</u>						
Special Education Cluster(IDEA)						
Special Education Grants to States	Indiana Department of Education					
IDEA-Part B		84.027	19611-001-PN01	76,731	-	76,731
IDEA-Part B		84.027	20611-001-PN01	352,382	36,836	389,218
IDEA-Part B		84.027	21611-001-PN01	12,065	369,890	381,955
IDEA-Part B		84.027	22611-001-PN01	-	8,544	8,544
IDEA-Part B		84.027	22611-001-ARP	<u>-</u>	<u>5,302</u>	<u>5,302</u>
Total - Special Education Grants to States				<u>441,178</u>	<u>420,572</u>	<u>861,750</u>
Special Education Preschool Grants	Indiana Department of Education					
IDEA-Preschool		84.173	19619-001-PN01	913	-	913
IDEA-Preschool		84.173	20619-001-PN01	11,087	-	11,087
IDEA-Preschool		84.173	21619-001-PN01	10,804	4,112	14,916
IDEA-Preschool		84.173	22619-001-PN01	<u>-</u>	<u>12,092</u>	<u>12,092</u>
Total - Special Education Preschool Grants				<u>22,804</u>	<u>16,204</u>	<u>39,008</u>
Total - Special Education Cluster(IDEA)				<u>463,982</u>	<u>436,776</u>	<u>900,758</u>
Title I Grants to Local Educational Agencies	Indiana Department of Education					
Title I, Part A		84.010	S0101A200014	1,013,830	-	1,013,830
Title I, Part A		84.010	S0101A210014	<u>-</u>	<u>1,075,200</u>	<u>1,075,200</u>
Total - Title I Grants to Local Educational Agencies				<u>1,013,830</u>	<u>1,075,200</u>	<u>2,089,030</u>

(Continued)

SOUTH ADAMS SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2021 and 2022

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-21	Total Federal Awards Expended 06-30-22	Total Federal Awards Expended 07-01-20 through 06-30-22
Career and Technical Education - Basic Grants to State	Bluffton-Harrison MSD					
Perkins V		84.048	20-05128445	\$ 21,699	\$ -	\$ 21,699
Perkins V		84.048	21-0512-8445	<u>-</u>	<u>21,699</u>	<u>21,699</u>
Total - Career and Technical Education - Basic Grants to State				<u>21,699</u>	<u>21,699</u>	<u>43,398</u>
Rural Education	Indiana Department of Education					
Rural & Low Income		84.358	S358B200014	23,288	-	23,288
Rural & Low Income		84.358	S358B210014	<u>-</u>	<u>25,586</u>	<u>25,586</u>
Total - Rural Education				<u>23,288</u>	<u>25,586</u>	<u>48,874</u>
English Language Acquisition State Grants	Indiana Department of Education					
Title III, Part A		84.365	S365A200014	<u>10,645</u>	<u>11,083</u>	<u>21,728</u>
Total - English Language Acquisition State Grants				<u>10,645</u>	<u>11,083</u>	<u>21,728</u>
Title II Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II, Part A		84.367	S367A210013	<u>144,791</u>	<u>154,550</u>	<u>299,341</u>
Total - Title II Supporting Effective Instruction State Grants				<u>144,791</u>	<u>154,550</u>	<u>299,341</u>
Title IV Student Support and Academic Enrichment Program	Indiana Department of Education					
Title IV, Part A		84.424	S424A190015	<u>55,159</u>	<u>187,148</u>	<u>242,307</u>
Total - Title IV Student Support and Academic Enrichment Program				<u>55,159</u>	<u>187,148</u>	<u>242,307</u>
COVID-19 - Education Stabilization Fund	Indiana Department of Education					
Elementary and Secondary School Emergency Relief (ESSER I) Fund		84.425D	S425D200013	-	195,474	195,474
Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D	S425D210013	1,459,050	1,345,760	2,804,810
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund		84.425U	S425U200013	<u>-</u>	<u>2,320,454</u>	<u>2,320,454</u>
Total - COVID-19 - Education Stabilization Fund				<u>1,459,050</u>	<u>3,861,688</u>	<u>5,320,738</u>
Total - Department of Education				<u>3,192,444</u>	<u>5,773,730</u>	<u>8,966,174</u>

(Continued)

SOUTH ADAMS SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2021 and 2022

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-21	Total Federal Awards Expended 06-30-22	Total Federal Awards Expended 07-01-20 through 06-30-22
<u>Department of Health and Human Services</u>						
Medicaid Cluster	Indiana Department of Education					
Medical Assistance Program		93.778	FY2021, FY2022	\$ 15,251	\$ 7,648	\$ 22,899
Total - Medicaid Cluster				<u>15,251</u>	<u>7,648</u>	<u>22,899</u>
Total - Department of Health and Human Services				<u>15,251</u>	<u>7,648</u>	<u>22,899</u>
<u>Department of Homeland Security</u>						
Federal Emergency Management Agency (FEMA) COVID-19 - FEMA Public Assistance Grant	Indiana Department of Education					
		97.036	4515DR-IN	<u>28,268</u>	<u>-</u>	<u>28,268</u>
Total - Department of Homeland Security				<u>28,268</u>	<u>-</u>	<u>28,268</u>
Total federal awards expended				<u>\$ 3,725,462</u>	<u>\$ 6,524,026</u>	<u>\$ 10,249,488</u>

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

SOUTH ADAMS SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period of July 1, 2020 through June 30, 2022

NOTE 1 - BASIS OF PRESENTATION

A. Basis of Presentation

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

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

B. Other Significant Accounting Policies

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

NOTE 2 - INDIRECT COST RATE

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

NOTE 3 - OTHER INFORMATION

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

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

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

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

Those Charged with Governance
South Adams Schools
Adams 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 South Adams Community Schools ("School Corporation"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School Corporation as of June 30, 2022 and for the period July 1, 2020 through June 30, 2022 and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement, and have issued our report thereon dated March 23, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

(Continued)

Report on Compliance and Other Matters

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

School Corporation's Response to the Finding

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

Purpose of this Report

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


Crowe LLP

Indianapolis, Indiana
March 23, 2023

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

Those Charged with Governance
South Adams Schools
Adams County, Indiana

Report on Compliance for Each Major Federal Program***Qualified and Unmodified Opinions***

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

Qualified Opinion on the Child Nutrition Cluster and COVID-19 – Education Stabilization Fund

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the School Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Child Nutrition Cluster and the COVID-19 – Education Stabilization Fund for the period of July 1, 2020 through June 30, 2022.

Unmodified Opinion on the Other Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its other major federal program identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the period of July 1, 2020 through June 30, 2022.

Basis for Qualified and Unmodified Opinions

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

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

(Continued)

Matter Giving Rise to Qualified Opinion on the Child Nutrition Cluster and COVID-19 - Education Stabilization Fund

As described in the accompanying schedule of findings and questioned costs, the School Corporation did not comply with requirements regarding the Child Nutrition Cluster as described in finding number 2022-004 for Procurement and Suspension and Debarment and with requirements regarding the COVID-19 – Education Stabilization Fund as described in finding number 2022-007 for Special Tests and Provisions. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with the requirements applicable to these programs.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

(Continued)

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-002. Our opinion on the major federal program is not modified with respect to this matter.

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

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-002, 2022-004, and 2022-007 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 deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-003, 2022-005 and 2022-006 to be significant deficiencies.

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

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

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

Crowe LLP
Crowe LLP

Indianapolis, Indiana
March 23, 2023

SOUTH ADAMS SCHOOLS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 July 1, 2020 through June 30, 2022

Section I – Summary of Auditor’s Results

Financial Statement

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

Federal Awards

Internal control over major programs			
Material weakness(es) identified?	<u> X </u>	Yes	<u> </u> No
Significant deficiencies identified not considered to be material weaknesses?	<u> X </u>	Yes	<u> </u> None Reported
Type of auditor’s report issued on compliance for major programs	Qualified (Child Nutrition Cluster and COVID-19 – Education Stabilization Fund) and Unmodified (Special Education Cluster)		
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	<u> X </u>	Yes	<u> </u> No

Identification of major programs

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

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

Auditee qualified as low-risk auditee?	<u> </u>	Yes	<u> X </u>	No
--	---------------	-----	--------------	----

(Continued)

SOUTH ADAMS SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 through June 30, 2022

Section II – Financial Statement Findings

FINDING 2022-001

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

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

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

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

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

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

2 CFR 200.508 states in part:

"The auditee must: . . .

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

2 CFR 200.510(b) states:

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

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

(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.

(Continued)

SOUTH ADAMS SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 through June 30, 2022

Section II – Financial Statement Findings (Continued)

FINDING 2022-001 (Continued)

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

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

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

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

Condition: The School Corporation did have a proper system of internal control in place, however, the control was not effective in preventing, or detecting and correcting, errors on the Schedule of Expenditures of Federal Awards (SEFA).

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

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. The SEFA was reviewed prior to submission. However, it was not reviewed in enough detail to prevent the following errors that resulted in the net overstatement of the total federal awards expended on the SEFA by \$13,104,927 for the period July 1, 2020 through June 30, 2022:

1. The Special Education Cluster expenditures were overstated by \$13,380,589
2. The Career and Technical Education Basic Grants to States expenditures were understated by \$10,415
3. The Title IV Student Support and Academic Enrichment Program expenditures were understated by \$242,348
4. The Medicaid Cluster expenditures were understated by \$22,899

Additionally, the pass-through numbers were incorrectly listed for seven of the grants on the SEFA. Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA to correct the issues noted above.

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

Identification as a repeat finding, if applicable: No.

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

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

(Continued)

SOUTH ADAMS SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 through June 30, 2022

Section III – Federal Award Findings and Questioned Costs

FINDING 2022-002

Information on the federal program:

Subject: Child Nutrition Cluster - Allowable Costs/Cost Principles
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
Assistance Listings Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY2021, FY2022
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Allowable Costs/Cost Principles
Audit Findings: Material Weakness, Other Matters

Criteria: 2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.403 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. . . ."

2 CFR 200.430(i) states in part:

"Standards for documentation of Personnel Expenses

- (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:
 - (i) Be supported by a system of internal control which provides reasonable assurance the charges are accurate, allowable, and properly allocated;
 - (ii) Be incorporated into the official records of the non-Federal entity;

(Continued)

SOUTH ADAMS SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 through June 30, 2022

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

FINDING 2022-002 (Continued)

(iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS); . . .

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

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 Allowable Costs/Cost Principles compliance requirement.

Cause: Management had not developed a system of internal control that that would have ensured compliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

Effect: The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement could result in the loss of future federal funds to the School Corporation.

Questioned Costs: Known questioned costs of \$47,835 were identified as detailed in the Context section.

Context: Documentation supporting employees' time charged to the Child Nutrition Cluster program for custodians and a grant specialist was not properly maintained. Each employee had a specific percentage of their pay charged to the School Lunch fund, without documentation of a proper time study or actual hours worked on the program. The same percentage was used each pay period. Fringe benefits that were directly associated with the payroll were also charged to the program. The total amount charged to the program for these employees was \$47,835. This amount was considered questioned costs.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommended that the School Corporation's management establish a system of internal control to ensure compliance and comply with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

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

(Continued)

SOUTH ADAMS SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 through June 30, 2022

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

FINDING 2022-003

Information on the federal program:

Subject: Child Nutrition Cluster - Suspension and Debarment
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
Assistance Listings Numbers: 10.553, 10.555
Federal Award Number and Year (or Other Identifying Number): FY2021
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Significant Deficiency

Criteria:

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 180.300 states:

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

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

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

Cause: Management had not developed a system of internal control that would have ensured compliance with the grant agreement and the suspension and debarment requirements of the Procurement and Suspension and Debarment compliance requirement.

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

Questioned Costs: There were no questioned costs identified.

(Continued)

SOUTH ADAMS SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 through June 30, 2022

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

FINDING 2022-003 (Continued)

Context: The School Corporation was a member of the Region 8 Educational Service Center (Service Center). The Service Center completed the Procurement and Suspension and Debarment compliance requirements on behalf of the School Corporation for the 2020-2021 school year. Because the grant agreements were between the Indiana Department of Education and the School Corporation, the School Corporation was ultimately responsible for compliance with the grant agreement and the suspension and debarment requirements of the Procurement and Suspension and Debarment compliance requirement.

The bids for bread and milk were originally awarded for the 2018-2019 school year and were renewed for the 2020-2021 school year. The Service Center could not provide documentation that procedures were performed to verify the vendors were not suspended or debarred from participation in federal programs prior to entering into covered transactions with these vendors.

The lack of internal controls and noncompliance were isolated to the 2020-2021 school year.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommended that the School Corporation's management establish a system of internal control to ensure compliance and comply with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

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

FINDING 2022-004

Information on the federal program:

Subject: Child Nutrition Cluster - Procurement and Suspension and Debarment
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program National School Lunch Program
Assistance Listing Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY2022
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Qualified Opinion

Criteria: 2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal 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)...."

(Continued)

SOUTH ADAMS SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 through June 30, 2022

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

FINDING 2022-004 (Continued)

2 CFR 200.318 states in part:

"(a) The non-Federal entity must have and use documented procurement procedures, consistent with State, local, and tribal laws and regulations and the standards of this section, for the acquisition of property or services required under a Federal award or subaward. The non-Federal entity's documented procurement procedures must conform to the procurement standards identified in §§ 200.317 through 200.327. . . .

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

2 CFR 200.320 states in part:

"The non-Federal entity must have and use document procurement procedures, consistent with the standards of this section and §§200.317, 200.318, and 200.319 for any of the following methods of procurement used for the acquisition of property or services required under a Federal award or sub-award.

(a) *Informal procurement methods.* When the value of the procurement for property or services under a Federal award does not exceed the *simplified acquisition threshold* (SAT), as defined in § 200.1, or a lower threshold established by a non-Federal entity, formal procurement methods are not required. The non-Federal entity may use informal procurement methods to expedite the completion of its transactions and minimize the associated administrative burden and cost. The informal methods used for procurement of property or services at or below the SAT include:

(2) *Small purchases* –

(i) *Small purchase procedures.* The acquisition of property or services, the aggregate dollar amount of which is higher than the micro-purchase threshold but does not exceed the simplified acquisition threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources as determined appropriate by the non-Federal entity...

(b) *Formal procurement methods.* When the value of the procurement for property or services under a Federal financial assistance award exceeds the SAT, or a lower threshold established by a non-Federal entity, formal procurement methods are required. Formal procurement methods require following documented procedures. Formal procurement methods also require public advertising unless a non-competitive procurement can be used in accordance with § 200.319 or paragraph (c) of this section. The following formal methods of procurement are used for procurement of property or services above the simplified acquisition threshold or a value below the simplified acquisition threshold the non-Federal entity determines to be appropriate:

(1) *Sealed bids.* A procurement method in which bids are publicly solicited and a firm fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. . . .

(i) In order for sealed bidding to be feasible, the following conditions should be present. . . .

(B) Two or more responsible bidders. . . .

(ii) If sealed bids are used, the following requirements apply:

(A) Bids must be solicited from an adequate number of qualified sources. . . . "

(Continued)

SOUTH ADAMS SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 through June 30, 2022

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

FINDING 2022-004 (Continued)

2CFR 180.300 states:

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

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

Condition: An effective internal control system was not designed, nor implemented at the School Corporation to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement. Federal regulations allow for informal procurement methods when the value of the procurement for property or services does not exceed the simplified acquisition threshold, which is set at \$250,000. However, Indiana Code 5-22-8 has a more restrictive threshold of \$150,000 or less for when small purchase procedures may be used. This informal process allows for methods other than the formal bid process. The informal process is divided between two methods based on thresholds. Micro-purchases, typically for those purchases \$10,000 or under, and small purchase procedures for those purchases above the micro-purchase threshold, but below the simplified acquisition threshold. Micro-purchases may be awarded without soliciting competitive price rate quotations. If small purchase procedures are used, then price or rate quotations must be obtained from an adequate number of qualified sources.

Cause: Management had not developed nor implemented a system of internal control that would have ensured compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

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

Questioned Costs: There were no questioned costs identified.

Context: During school year 2021-2022, the School Corporation did not follow procurement requirements for purchases of food and supply items which exceeded the simplified acquisition threshold of \$150,000. The School Corporation did not correctly procure a contract for the one vendor that exceeded the simplified acquisition threshold. The School Corporation only considered one bid which did not adequately meet the formal procurement procedures for a simplified acquisition. Additionally, the School Corporation did not verify that this vendor was not suspended or debarred. The lack of internal controls and noncompliance were isolated to the 2021-2022 school year.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommended that the School Corporation's management establish a system of internal control to ensure compliance and comply with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

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

(Continued)

SOUTH ADAMS SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 through June 30, 2022

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

FINDING 2022-005

Information on the federal program:

Subject: Special Education Cluster (IDEA) - Earmarking
Federal Agency: Department of Education
Federal Program: Special Education Grants to States
Assistance Listing Number: 84.027, 84.173
Federal Award Number: 20611-001-PN01, 21619-001-PN01
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Matching, Level of Effort, Earmarking
Audit Findings: Significant Deficiency

Criteria: 2 CFR 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:...

(g) Be adequately documented.... "

2 CFR 200.208(b) states in part:

"The Federal awarding agency or pass-through entity may adjust specific Federal award conditions as needed..."

511 IAC 7-34-7(b) states:

"The public agency, in providing special education and related services to students in nonpublic schools must expend at least an amount that is the same proportion of the public agency total subgrant under 20 U.S.C. 1411(f) as the number of nonpublic school students with disabilities, who are enrolled by their parents in nonpublic schools within its boundaries, is to the total number of students with disabilities of the same age range

Condition: The School Corporation is a member of the Adams Wells Special Services Cooperative (Cooperative). During fiscal year 2021-2022, the Cooperative operated the special education programs and spent the federal money on behalf of all its member schools. As the grant agreements were between the Indiana Department of Education (IDOE) and each member school, the school corporation was responsible for ensuring and providing oversight of the Cooperative. There was inadequate oversight performed by the School Corporation in order to ensure compliance with the Matching, Level of Effort, Earmarking compliance requirement.

(Continued)

SOUTH ADAMS SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 through June 30, 2022

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

FINDING 2022-005 (Continued)

The School Corporation did not have internal controls in place to ensure that the Cooperative complied with the earmarking requirements. The Cooperative did not have adequate procedures in place to ensure that the required level of expenditures for non-public school students with disabilities was met for each member school. The Cooperative did not have effective internal controls to ensure non-public school expenditures were appropriately identified and reported.

Cause: The School Corporation's management had not developed an effective system of internal controls that would have ensured compliance with the grant agreements and the earmarking requirements of the Matching, Level of Effort, Earmarking compliance requirement.

Effect: The failure to establish an effective internal control system, as well as adequately document costs of federal awards, prevented the determination of the School Corporation's compliance with the earmarking requirements of the Matching, Level of Effort, Earmarking compliance requirement.

Questioned Costs: There were no questioned costs identified.

Context: The Non-Public Proportionate Share expenditures for the 20611-001-PN01 and 21619-001-PN01 grant awards could not be verified for the individual member schools. Total non-public expenditures were posted as expended. The member school proportionate share expenditures were then determined by applying a budgeted percentage to the total non-public expenditures. These were the amounts reported to IDOE. As such, we were unable to identify if the minimum amount per member school was expended and properly reported to IDOE as required. The School Corporation's Non-Public Proportionate Share for the 20611-001-PN01 and 21619-001-PN01 grant applications was \$1,975 and \$0, respectively.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommended that the School Corporation's management establish an effective system of internal controls, as well as appropriately document and identify federal award expenditures to ensure compliance with the Matching, Level of Effort, Earmarking compliance requirement.

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

(Continued)

SOUTH ADAMS SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 through June 30, 2022

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

FINDING 2022-006

Information on the federal program:

Subject: COVID-19 - Education Stabilization Fund - Equipment and Real Property Management
Federal Agency: Department of Education
Federal Program: COVID-19 - Education Stabilization Fund
Assistance Listings Numbers: 84.425D, 84.425U
Federal Award Numbers or Years (or Other Identifying Numbers): S425D200013, S425D2100013, S425U210013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Equipment and Real Property Management
Audit Findings: Significant Deficiency

Criteria: 2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.313(d)(1) states:

"Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property."

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

Cause: Management had not developed a system of internal control that would have ensured compliance with the grant agreement and the Equipment and Real Property Management compliance requirement.

Effect: The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the Equipment and Real Property Management compliance requirement could result in the loss of future federal funds to the School Corporation.

Questioned Costs: There were no questioned costs identified.

Context: During the audit period, the School Corporation expended \$1,685,526 in Economic Stabilization Funds (ESSER) for a building project. Although this project was included in the School Corporation's capital asset records, it was recorded at the estimated total project cost of \$6,256,000. In addition, the School Corporation did not designate the amount of the project that was paid with federal grant funds.

The lack of internal controls was limited to the building project.

(Continued)

SOUTH ADAMS SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 through June 30, 2022

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

FINDING 2022-006 (Continued)

Identification as a repeat finding: No.

Recommendation: We recommended that the School Corporation's management establish a system of internal control to ensure compliance and comply with the grant agreement and the Equipment and Real Property Management compliance requirement.

Views of Responsible Officials and Planned Corrective Actions: Management does not agree with the finding and has prepared a corrective action plan.

FINDING 2022-007

Information on the federal program:

Subject: COVID-19 - Education Stabilization Fund - Special Tests and Provisions - Wage Rate Requirements

Federal Agency: Department of Education

Federal Program: COVID-19 - Education Stabilization Fund

Assistance Listings Number: 84.425U

Federal Award Numbers or Years (or Other Identifying Numbers): S425U210013

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Wage Rate Requirements

Audit Finding: Material Weakness, Qualified Opinion

Criteria: 2 CFR 200.303 states in part:

"The non-Federal entity must:

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

Condition: An effective internal control system was not designed, nor implemented at the School Corporation to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions — Wage Rate Requirements compliance requirement.

All laborers and mechanics employed by contractors or subcontractors to work on construction contracts in excess of \$2,000 financed by federal assistance funds must be paid pay wages not less than those established for the locality of the project (prevailing wage rates) by the Department of Labor (DOL) to their laborers and mechanics. Nonfederal entities are to include in their construction contracts subject to the Wage Rate Requirements a provision that the contractor or subcontractor comply with these requirements and the DOL regulations. This would include a requirement to submit a copy of the payroll and statement of compliance to the entity for each week in which contract work was performed.

(Continued)

SOUTH ADAMS SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 through June 30, 2022

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

FINDING 2022-007 (Continued)

Cause: Management had not developed or implemented a system of internal control that would have ensured compliance with the grant agreement and the Special Tests and Provisions - Wage Rate Requirements compliance requirement

Effect: The failure to establish an effective internal control system enabled material noncompliance to go undetected.

Questioned Costs: There were no questioned costs identified.

Context: The School Corporation had the required clause in the contract and received the payroll; however, the School Corporation did not have adequate policies or procedures to ensure that the required payrolls were submitted and reviewed for each week in which contract work was performed.

Identification as a repeat finding: No.

Recommendation: We recommended that the School Corporation's management establish internal controls to ensure compliance with the grant agreement and the Special Tests and Provisions - Wage Rate Requirements compliance requirement.

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



South Adams School



1075 Starfire Way, Berne, Indiana 46711
Office: 260-589-3133 Fax: 260-589-2065

Michelle Clouser-Penrod
Superintendent

Heidi Sprunger
Business Manager

Jolene Wynn
Payroll

Casey Shellabarger
Business Office Manager

CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS June 30, 2022

FINDING 2022-001

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

Condition: : The School Corporation did have an proper system of internal control in place, however, the control was not effective in preventing, or detecting and correcting, errors on the Schedule of Expenditures of Federal Awards (SEFA).

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. The SEFA was reviewed prior to submission. However, it was not reviewed in enough detail to prevent the following errors that resulted in the net overstatement of the total federal awards expended on the SEFA by \$13,104,927 for the period July 1, 2020, through June 30, 2022:

1. The Special Education Cluster expenditures were overstated by \$13,380,589
2. The Career and Technical Education Basic Grants to States expenditures were understated by \$10,415
3. The Title IV Student Support and Academic Enrichment Program expenditures were understated by \$242,348
4. The Medicaid Cluster expenditures were understated by \$22,899

Additionally, the pass-through numbers were incorrectly listed for seven of the grants on the SEFA. Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA to correct the issues noted above.

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The district did have proper internal controls in place, however they did not review in enough detail. The districts new business manager had never completed the SEFA section before. The district has provided the documentation of the correct amounts received and what should have been entered into the report. Moving forward the Business Manager now understands what expenditures should be reported on the SEFA report. The Business Manager will enter information into the system then the Business Manger with provide the Grant Accountant and the Business Office Manager all the documentation used on the SEFA report to verify that the amounts have been enter in correctly. If there are any errors or adjustments the Grant Accountant and Business Office Manager will correct and make the Business Manager aware of the changes that need to be made. The district was unaware of the Medicaid Cluster was required to report 72%, moving forward the Business Manager will make sure that this is correctly reported.

Responsible Party and Timeline for Completion: Business Manager and Superintendent. Immediatley



South Adams School

1075 Starfire Way, Berne, Indiana 46711



Office: 260-589-3133

Fax: 260-589-2065

Michelle Clouser-Penrod
Superintendent

Heidi Sprunger
Business Manager

Jolene Wynn
Payroll

Casey Shellabarger
Business Office Manager

CORRECTIVE ACTION PLAN

FINDING 2022-002

Contact Person Responsible for Corrective Action: Heidi Sprunger
Contact Phone Number: 260-589-3133

Views of Responsible Official:

We concur with the finding the documentation supporting employees' time charged to the Child Nutrition Cluster program for custodians and grant specialist was not properly maintained. However, we disagree that they would be considered an indirect cost according to the definition of indirect cost: (Indirect costs are sometimes referred to as "overhead costs" and more recently as "facilities and administrative costs.") Examples include **executive oversight, accounting, grants management, legal expenses, utilities, technology support, and facility maintenance.**

Description of Corrective Action Plan:

The district will evaluate and determine which employees will continue to be charged under the Child Nutrition Cluster Program. Only those employees spending direct physical time in the cafeteria doing work will continue to be under the Child Nutrition Cluster Program. Once identified those employees will be required to fill out a separate time sheet for hours worked under the Child Nutrition Cluster program. Those time sheets will then be approved by the Food Service Director. Once approved they will be submitted to Payroll Coordinator.

Anticipated Completion Date: March 20, 2023



South Adams School

1075 Starfire Way, Berne, Indiana 46711



Office: 260-589-3133

Fax: 260-589-2065

Michelle Clouser-Penrod
Superintendent

Heidi Sprunger
Business Manager

Jolene Wynn
Payroll

Casey Shellabarger
Business Office Manager

CORRECTIVE ACTION PLAN

FINDING 2022-003

Contact Person Responsible for Corrective Action: Heidi Sprunger
Contact Phone Number: 260-589-3133

Views of Responsible Official:

We concur with the finding. The district is working with Region 8 to obtain the corrective action plan that was submitted previously.

Description of Corrective Action Plan:

We will monitor this with Region 8 to ensure that the corrective action plan that was submitted is followed.

Anticipated Completion Date: Immediately



South Adams School

1075 Starfire Way, Berne, Indiana 46711



Office: 260-589-3133

Fax: 260-589-2065

Michelle Clouser-Penrod
Superintendent

Heidi Sprunger
Business Manager

Jolene Wynn
Payroll

Casey Shellabarger
Business Office Manager

CORRECTIVE ACTION PLAN

FINDING 2022-004

Contact Person Responsible for Corrective Action: Region 8/Heidi Sprunger
Contact Phone Number: 260-589-3133

Views of Responsible Official:

We concur with the finding. The district is working with Region 8 to obtain the corrective action plan that was submitted previously.

Description of Corrective Action Plan:

We will monitor this with Region 8 to ensure that the corrective action plan that was submitted is followed.

Anticipated Completion Date: Immediately



South Adams School

1075 Starfire Way, Berne, Indiana 46711



Office: 260-589-3133

Fax: 260-589-2065

Michelle Clouser-Penrod
Superintendent

Heidi Sprunger
Business Manager

Jolene Wynn
Payroll

Casey Shellabarger
Business Office Manager

CORRECTIVE ACTION PLAN

FINDING 2022-005

Contact Person Responsible for Corrective Action: Special Education Cluster/Heidi Sprunger
Contact Phone Number: 260-589-3133

Views of Responsible Official:

We concur with the finding. The district is working with Special Education Cluster to obtain the corrective action plan that was submitted previously.

Description of Corrective Action Plan:

We will monitor this with Adams-Wells Special Services Co-op to ensure that the corrective action plan that was submitted will be followed.

Anticipated Completion Date: Immediately



South Adams School

1075 Starfire Way, Berne, Indiana 46711



Office: 260-589-3133

Fax: 260-589-2065

Michelle Clouser-Penrod

Superintendent

Heidi Sprunger

Business Manager

Jolene Wynn

Payroll

Casey Shellabarger

Business Office Manager

CORRECTIVE ACTION PLAN

FINDING 2022-006

Contact Person Responsible for Corrective Action: Heidi Sprunger

Contact Phone Number: 260-589-3133

Views of Responsible Official:

The district does not concur with this finding. The reason is as follows: According to the federal grant guidelines you must not pay for any work, services, or products on a project until the work is completed. The \$1,685,526 is what was completed within the timeframe of the audit. Asset Control company is who the district uses to complete their capital asset listing every 2 years. At the time of the visit Asset Control was made aware of our project. They had requested that we provide them with the entire project cost. Asset Control wanted to include the full price for insurance coverage because the project would still be ongoing. The district provided documentation of the invoices paid during the audit period to show the amount of the project was paid for federal grant funds at the time of the audit period.

Description of Corrective Action Plan:

The district has no corrective action plan because the project is now completed and Asset Control company has the full cost of the project list within our assets.

Anticipated Completion Date: Immediately



South Adams School

1075 Starfire Way, Berne, Indiana 46711



Office: 260-589-3133

Fax: 260-589-2065

Michelle Clouser-Penrod

Superintendent

Heidi Sprunger

Business Manager

Jolene Wynn

Payroll

Casey Shellabarger

Business Office Manager

CORRECTIVE ACTION PLAN

FINDING 2022-007

Contact Person Responsible for Corrective Action: Heidi Sprunger

Contact Phone Number: 260-589-3133

Views of Responsible Official:

We concur with the finding. The district provided documentation of the email correspondence with the design build project manager. The project manager emailed the district once a month with two separate invoices showing what work had been completed on the project. Once the email was received we had an individual internally check the invoices line for line to confirm that all costs were included in both invoices. Verbal authorization was given to accounts payable to proceed with payment. The district did not have documentation of email verification attesting approval of the invoices.

Description of Corrective Action Plan:

We have spoken to PSI about a process. We have determined the following, PSI requires subcontractors to submit the certified payroll reports along with their billings. PSI accounting team collects and verifies dates of the CP reports. PSI does not fund the subcontractors' billings until receipt of reports. Once PSI had verified their process the billings will be sent to the district and approval from the Superintendent or Business Manager will be determined before bills will be submitted to the Business Office Manager for submission of payment for the School Board Approval.

Anticipated Completion Date: Immediately



South Adams School

1075 Starfire Way, Berne, Indiana 46711

Office: 260-589-3133

Fax: 260-589-2065



Michelle Clouser-Penrod

Superintendent

Heidi Sprunger

Business Manager

Jolene Wynn

Payroll

Casey Shellabarger

Business Office Manager

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2020-001

Fiscal year in which the finding initially occurred: 2014

Status of Audit Finding:

Through consultation with an experienced Indiana School Business Official, we established internal controls surrounding the Schedule of Expenditures of Federal Awards (SEFA) reporting. The district understands the need and benefit of strong internal controls. When preparing the SEFA, the Treasurer and Federal Grant Coordinator will review all reported information to ensure accuracy. The Treasurer will prepare the documents needed to enter into the Gateway portal. The Treasurer will then print the report and attach all supporting documentation for the Federal Grant Coordinator's review. The Federal Grant Coordinator will review the report, correct any inaccuracies, and approve prior to the Treasurer submitting the final report into Gateway. During completion of the SEFA the district has utilized the Catalog of Federal Domestic Assistance and award letters to consistently verify proper names and Assistance Listing Numbers.

This finding has not been resolved and is recurring in finding 2022-001.