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April 14, 2023

To: The Officials of the South Knox School Corporation  
South Knox School Corporation  
6116 East State Road 61  
Vincennes, IN 47591

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of South Knox School Corporation. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period July 1, 2020 to June 30, 2022. Per the *Independent Auditor's Report*, the financial 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 38 through 41. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 42 and 43.

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

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

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

Tammy R. White, CPA  
Deputy State Examiner

**SOUTH KNOX SCHOOL CORPORATION**  
Knox County, Indiana

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

SOUTH KNOX SCHOOL CORPORATION  
Knox County, Indiana

FINANCIAL STATEMENT  
As of June 30, 2022, and for the  
period of July 1, 2020 to 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 PAYABLES AND RECEIVABLES (Unaudited).....	25
SCHEDULE OF LEASES AND DEBT (Unaudited).....	26
SCHEDULE OF CAPITAL ASSETS (Unaudited).....	27
STATE REPORTING INFORMATION (Unaudited).....	28
SUPPLEMENTARY INFORMATION	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	29
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	31
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> .....	32
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE.....	34
SCHEDULE OF FINDINGS AND QUESTIONED COSTS.....	37

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

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<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Tamara L. Asdell	07-01-20 to 06-30-22
Superintendent of Schools	Timothy A. Grove	07-01-20 to 06-30-22
President of the School Board	Michael D. Edwards	01-01-19 to 12-31-20
	Gary M. Holscher	01-01-21 to 12-31-22

## INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance  
South Knox School Corporation  
Knox 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 Knox School Corporation (the School Corporation) as of June 30, 2022 and for the period of July 1, 2020 to June 30, 2022, and the related notes to the financial statement.

*Unmodified Opinion on Regulatory Basis of Accounting*

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

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

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

***Basis for Opinions***

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

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

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

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(Continued)

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

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(Continued)

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

#### ***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2023 on our consideration of the School Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

  
Crowe LLP

Indianapolis, Indiana  
March 27, 2023

SOUTH KNOX SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),  
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
As of June 30, 2022 and for the period of July, 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	\$ 2,359,513	\$ 8,408,475	\$ 7,726,047	\$ (1,001,485)	\$ 2,040,456	\$ 8,829,741	\$ 7,867,057	\$ (1,074,978)	\$ 1,928,162	
Debt Service	416,274	1,419,743	1,309,908	-	526,109	1,303,331	1,291,732	(7,252)	530,456	
Operations	1,628,214	4,020,293	4,093,241	754,635	2,309,901	3,605,666	3,920,899	811,022	2,805,690	
Local Rainy Day	1,079,720	5	210,374	250,000	1,119,351	6,000	284,311	(126,471)	714,569	
School Lunch	57,564	555,834	534,803	-	78,595	712,423	602,005	-	189,013	
Curricular Materials Rental	115,577	238,297	219,388	-	134,486	205,612	230,343	-	109,755	
Self-Insurance	59,717	1,672,567	2,075,305	-	(343,021)	1,926,253	2,001,663	376,471	(41,960)	
Levy Excess	-	-	-	-	-	-	-	25,742	25,742	
Cossap Project	-	-	-	-	-	3,000	-	-	3,000	
Unified Robotics Coach Stipend	-	-	-	-	-	500	500	-	-	
Educational License Plates	-	169	169	-	-	131	113	-	18	
School Library Printed Material	57	1	-	-	58	40	-	-	98	
Donations - Tunnel Car Wash	-	615	-	-	615	375	-	-	990	
Donations-A Couchenour Memory	274	-	-	-	274	-	-	-	274	
Donations - L Stodghill Memory	-	1,500	1,278	-	222	1,739	1,961	-	-	
Donations - Schott	509	-	477	-	32	1	33	-	-	
Donations - Vu Foundation	124	-	124	-	-	-	-	-	-	
Health Donations-Christmas	441	425	-	-	866	531	-	-	1,397	
Donations - Agritech Seed	2	-	-	-	2	-	-	-	2	
Donations - Kidsay	1,102	-	999	-	103	980	1,083	-	-	
Indiana Youth Survey	-	200	132	-	68	-	-	-	68	
Education Foundation Donations	22,765	25,443	26,500	-	21,708	38,349	24,229	-	35,828	
Cont/Donations-United Way	954	5,510	2,893	-	3,571	5,510	5,484	-	3,597	
Donations-Chamber Of Commerce	-	500	-	-	500	-	-	-	500	
Welfare Activities - Health	6,788	-	899	-	5,889	100	1,465	-	4,524	
Guidance Welfare Activities	540	-	152	-	388	-	-	-	388	
Bc2M Grant	46	-	-	-	46	-	-	-	46	
Formative Assessment	-	13,170	13,170	-	-	12,988	12,988	-	-	
Medicaid Reimbursement	-	-	-	-	-	1,669	-	(1,341)	328	
Secured Schools Safety Grant	(16,659)	31,124	20,000	-	(5,535)	26,527	23,104	-	(2,112)	
Early Intervention Grant	3,319	3,871	4,079	-	3,111	4,413	3,871	-	3,653	
Non-English Speaking Program	-	288	288	-	-	349	349	-	-	
Teacher Appreciation Grant	-	-	-	-	-	46,534	45,450	-	1,084	
High Ability Students	3,888	24,334	24,014	-	4,208	27,205	27,667	-	3,746	
State Connectivity Grant	7,063	17,993	18,735	-	6,321	10,800	9,761	-	7,360	
Title I Fy2021	-	108,339	118,037	-	(9,698)	35,185	25,487	-	-	
Title I Fy2020	(8,519)	34,557	26,038	-	-	-	-	-	-	
Title I Fy 2022	-	-	-	-	-	100,230	111,466	-	(11,236)	
Idea Part B 611 Fy 2021	(17,098)	234,049	236,354	-	(19,403)	234,746	234,054	-	(18,711)	
Student Support Title Iv Par	(770)	2,689	1,919	-	-	-	-	-	-	
Title Iv A Fy21/Fy2022	-	5,025	9,913	-	(4,888)	15,606	10,718	-	-	

(Continued)

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

Fund	Cash and Investments 07-01-2020	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2021	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2022
Medicaid Reimbursement-Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,399	\$ 19	\$ -	\$ 4,380
Ffy 2019 Title Ii Part A Supporting Ef	-	6,431	6,431	-	-	-	-	-	-
Ffy 2021 Title Ii Part A Supporting Ef	-	20,826	21,047	-	(221)	26,724	29,319	-	(2,816)
ESSER III	-	-	-	-	-	270,942	270,942	-	-
ESSER II	-	18,835	189,380	-	(170,545)	343,084	185,190	-	(12,651)
ESSER I	-	104,309	106,973	-	(2,664)	2,664	-	-	-
Prepaid School Lunch Accounts	33,152	131,677	134,439	-	30,390	120,906	123,291	-	28,005
Federal Taxes	-	467,269	467,269	-	-	481,116	481,116	-	-
Social Security Taxes	-	449,042	449,081	-	(39)	462,833	462,794	-	-
State Taxes	13,042	184,242	182,760	-	14,524	189,907	189,298	-	15,133
County Adjusted Income Taxes	4,783	67,651	67,151	-	5,283	70,399	70,066	-	5,616
Teacher Retirement	-	10,035	10,054	-	(19)	10,532	10,513	-	-
Public Employees Retirement	-	1,107	1,107	-	-	1,574	1,574	-	-
Group Insurance	18,564	84,503	84,557	-	18,510	89,017	90,892	-	16,635
Annuities	1,393	64,499	62,831	-	3,061	66,800	65,683	-	4,178
Wage Garnishments	-	5,744	5,744	-	-	4,603	4,603	-	-
United Fund Of Knox County	1,060	1,551	2,201	-	410	1,804	935	-	1,279
Eca Payroll	-	1,315	1,815	-	(500)	3,925	3,425	-	-
Education Foundation	-	417	417	-	-	207	207	-	-
Hsa Group Account	-	120,828	120,828	-	-	131,726	131,726	-	-
Credit Card Fraud Recovery	(3,029)	-	1,458	-	(4,487)	-	600	-	(5,087)
Payable To School Eca	-	250	250	-	-	-	-	-	-
Vehicle Fringe Benefit	-	741	741	-	-	663	663	-	-
Group Term Life Fringe Benefit	-	9,710	9,710	-	-	9,861	9,861	-	-
<b>Totals</b>	<u>\$ 5,790,370</u>	<u>\$ 18,575,998</u>	<u>\$ 18,601,480</u>	<u>\$ 3,150</u>	<u>\$ 5,768,038</u>	<u>\$ 19,450,220</u>	<u>\$ 18,870,510</u>	<u>\$ 3,193</u>	<u>\$ 6,350,941</u>

See notes to financial statement.

SOUTH KNOX SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2022, and for the period July 1, 2020 to June 30, 2022

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

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

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

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

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

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

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

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

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

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

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

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

*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.

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(Continued)

SOUTH KNOX SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2022, and for the period July 1, 2020 to June 30, 2022

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**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:

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

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

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

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

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(Continued)

SOUTH KNOX SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2022, and for the period July 1, 2020 to June 30, 2022

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**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.

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(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 Self Insurance fund, was 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 two capital leases with the South Knox School Building Corporation (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 fiscal years 2020-2021 and 2021-2022, totaled \$1,115,500 and \$1,112,500, 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.

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(Continued)

SOUTH KNOX SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2022, and for the period July 1, 2020 to June 30, 2022

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**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.

**SUPPLEMENTARY INFORMATION**

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

	Education	Debt Service	Operations	Local Rainy Day	School Lunch	Curricular Materials Rental	Self-Insurance	Levy Excess	Cossap Project	Unified Robotics Coach Stipend	Educational License Plates
Cash and investments - beginning	\$ 2,359,513	\$ 416,274	\$ 1,628,214	\$ 1,079,720	\$ 57,564	\$ 115,577	\$ 59,717	\$ -	\$ -	\$ -	\$ -
Receipts:											
Local sources	120,582	1,401,543	3,926,178	5	132,859	203,262	1,672,533	-	-	-	-
Intermediate sources	896	-	-	-	-	-	-	-	-	-	169
State sources	8,276,884	-	-	-	6,721	35,035	-	-	-	-	-
Federal sources	-	-	-	-	416,254	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	10,113	18,200	94,115	-	-	-	34	-	-	-	-
Total receipts	8,408,475	1,419,743	4,020,293	5	555,834	238,297	1,672,567	-	-	-	169
Disbursements:											
Instruction	5,788,236	-	-	134,076	-	-	113,488	-	-	-	169
Support services	1,776,510	-	3,052,381	58,614	-	219,388	47,144	-	-	-	-
Noninstructional services	161,301	-	1,344	17,684	534,803	-	-	-	-	-	-
Facilities acquisition and construction	-	-	1,039,516	-	-	-	-	-	-	-	-
Debt services	-	1,309,908	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	1,914,673	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	7,726,047	1,309,908	4,093,241	210,374	534,803	219,388	2,075,305	-	-	-	169
Excess (deficiency) of receipts over disbursements	682,428	109,835	(72,948)	(210,369)	21,031	18,909	(402,738)	-	-	-	-
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	3,150	-	-	-	-	-	-	-	-
Transfers in	-	-	1,001,485	250,000	-	-	-	-	-	-	-
Transfers out	(1,001,485)	-	(250,000)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,001,485)	-	754,635	250,000	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(319,057)	109,835	681,687	39,631	21,031	18,909	(402,738)	-	-	-	-
Cash and investments - ending	\$ 2,040,456	\$ 526,109	\$ 2,309,901	\$ 1,119,351	\$ 78,595	\$ 134,486	\$ (343,021)	\$ -	\$ -	\$ -	\$ -

(Continued)

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

	School Library Printed Material	Donations - Tunnel Car Wash	Donations-A Couchenour Memory	Donations - L Stodghill Memory	Donations - Schott	Donations - Vu Foundation	Health Donations- Christmas	Donations - Agritech Seed	Donations - Kidsay	Indiana Youth Survey	Education Foundation Donations
Cash and investments - beginning	\$ 57	\$ -	\$ 274	\$ -	\$ 509	\$ 124	\$ 441	\$ 2	\$ 1,102	\$ -	\$ 22,765
Receipts:											
Local sources	1	615	-	1,500	-	-	425	-	-	200	25,443
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	1	615	-	1,500	-	-	425	-	-	200	25,443
Disbursements:											
Instruction	-	-	-	1,278	477	124	-	-	999	132	26,415
Support services	-	-	-	-	-	-	-	-	-	-	85
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	1,278	477	124	-	-	999	132	26,500
Excess (deficiency) of receipts over disbursements	1	615	-	222	(477)	(124)	425	-	(999)	68	(1,057)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1	615	-	222	(477)	(124)	425	-	(999)	68	(1,057)
Cash and investments - ending	\$ 58	\$ 615	\$ 274	\$ 222	\$ 32	\$ -	\$ 866	\$ 2	\$ 103	\$ 68	\$ 21,708

(Continued)

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

	Cont/Donations- United Way	Donations- Chamber Of Commerce	Welfare Activities - Health	Guidance Welfare Activities	Bc2M Grant	Formative Assessment	Medicaid Reimbursement	Secured Schools Safety Grant	Early Intervention Grant	Non-English Speaking Program	Teacher Appreciation Grant
Cash and investments - beginning	\$ 954	\$ -	\$ 6,788	\$ 540	\$ 46	\$ -	\$ -	\$ (16,659)	\$ 3,319	\$ -	\$ -
Receipts:											
Local sources	5,510	500	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	13,170	-	31,124	3,871	288	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	5,510	500	-	-	-	13,170	-	31,124	3,871	288	-
Disbursements:											
Instruction	2,893	-	-	-	-	13,170	-	-	4,079	-	-
Support services	-	-	-	-	-	-	-	20,000	-	288	-
Noninstructional services	-	-	899	152	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	2,893	-	899	152	-	13,170	-	20,000	4,079	288	-
Excess (deficiency) of receipts over disbursements	2,617	500	(899)	(152)	-	-	-	11,124	(208)	-	-
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,617	500	(899)	(152)	-	-	-	11,124	(208)	-	-
Cash and investments - ending	\$ 3,571	\$ 500	\$ 5,889	\$ 388	\$ 46	\$ -	\$ -	\$ (5,535)	\$ 3,111	\$ -	\$ -

(Continued)

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

	High Ability Students	State Connectivity Grant	Title I Fy2021	Title I Fy2020	Title I Fy 2022	Idea Part B 611 Fy 2021	Student Support Title Iv Par	Title Iv A Ffy21/Fy2022	Medicaid Reimbursement- Federal	Ffy 2019 Title li Part A Supporting Ef	Ffy 2021 Title li Part A Supporting Ef
Cash and investments - beginning	\$ 3,888	\$ 7,063	\$ -	\$ (8,519)	\$ -	\$ (17,098)	\$ (770)	\$ -	\$ -	\$ -	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	24,334	17,993	-	-	-	-	-	-	-	-	-
Federal sources	-	-	108,339	34,557	-	234,049	2,689	5,025	-	6,431	20,826
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	24,334	17,993	108,339	34,557	-	234,049	2,689	5,025	-	6,431	20,826
Disbursements:											
Instruction	24,014	-	118,037	26,038	-	236,354	1,919	4,888	-	4,936	13,027
Support services	-	16,560	-	-	-	-	-	5,025	-	1,495	8,020
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	2,175	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	24,014	18,735	118,037	26,038	-	236,354	1,919	9,913	-	6,431	21,047
Excess (deficiency) of receipts over disbursements	320	(742)	(9,698)	8,519	-	(2,305)	770	(4,888)	-	-	(221)
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	320	(742)	(9,698)	8,519	-	(2,305)	770	(4,888)	-	-	(221)
Cash and investments - ending	\$ 4,208	\$ 6,321	\$ (9,698)	\$ -	\$ -	\$ (19,403)	\$ -	\$ (4,888)	\$ -	\$ -	\$ (221)

(Continued)

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

	ESSER III	ESSER II	ESSER I	Prepaid School Lunch Accounts	Federal Taxes	Social Security Taxes	State Taxes	County Adjusted Income Taxes	Teacher Retirement	Public Employees Retirement	Group Insurance
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 33,152	\$ -	\$ -	\$ 13,042	\$ 4,783	\$ -	\$ -	\$ 18,564
Receipts:											
Local sources	-	-	-	131,677	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	18,835	104,309	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	467,269	449,042	184,242	67,651	10,035	1,107	84,503
Total receipts	-	18,835	104,309	131,677	467,269	449,042	184,242	67,651	10,035	1,107	84,503
Disbursements:											
Instruction	-	77,634	87,350	-	-	-	-	-	-	-	-
Support services	-	98,289	19,623	2,768	-	-	-	-	-	-	-
Noninstructional services	-	-	-	131,671	-	-	-	-	-	-	-
Facilities acquisition and construction	-	13,457	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	467,269	449,081	182,760	67,151	10,054	1,107	84,557
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	189,380	106,973	134,439	467,269	449,081	182,760	67,151	10,054	1,107	84,557
Excess (deficiency) of receipts over disbursements	-	(170,545)	(2,664)	(2,762)	-	(39)	1,482	500	(19)	-	(54)
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	-	(170,545)	(2,664)	(2,762)	-	(39)	1,482	500	(19)	-	(54)
Cash and investments - ending	\$ -	\$ (170,545)	\$ (2,664)	\$ 30,390	\$ -	\$ (39)	\$ 14,524	\$ 5,283	\$ (19)	\$ -	\$ 18,510

(Continued)

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

	Annuities	Wage Garnishments	United Fund Of Knox County	Eca Payroll	Education Foundation	Hsa Group Account	Credit Card Fraud Recovery	Payable To School Eca	Vehicle Fringe Benefit	Group Term Life Fringe Benefit	Totals
Cash and investments - beginning	\$ 1,393	\$ -	\$ 1,060	\$ -	\$ -	\$ -	\$ (3,029)	\$ -	\$ -	\$ -	\$ 5,790,370
Receipts:											
Local sources	-	-	1	-	-	-	-	-	-	-	7,622,834
Intermediate sources	-	-	-	-	-	-	-	-	-	-	1,065
State sources	-	-	-	-	-	-	-	-	-	-	8,409,420
Federal sources	-	-	-	-	-	-	-	-	-	-	951,314
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	64,499	5,744	1,550	1,315	417	120,828	-	250	741	9,710	1,591,365
Total receipts	64,499	5,744	1,551	1,315	417	120,828	-	250	741	9,710	18,575,998
Disbursements:											
Instruction	-	-	-	-	-	-	-	-	-	-	6,679,733
Support services	-	-	-	-	-	-	1,458	-	-	-	5,327,648
Noninstructional services	-	-	-	-	-	-	-	-	-	-	847,854
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	1,055,148
Debt services	-	-	-	-	-	-	-	-	-	-	1,309,908
Nonprogrammed charges	62,831	5,744	2,201	1,815	417	120,828	-	250	741	9,710	3,381,189
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	62,831	5,744	2,201	1,815	417	120,828	1,458	250	741	9,710	18,601,480
Excess (deficiency) of receipts over disbursements	1,668	-	(650)	(500)	-	-	(1,458)	-	-	-	(25,482)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	3,150
Transfers in	-	-	-	-	-	-	-	-	-	-	1,251,485
Transfers out	-	-	-	-	-	-	-	-	-	-	(1,251,485)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	3,150
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,668	-	(650)	(500)	-	-	(1,458)	-	-	-	(22,332)
Cash and investments - ending	\$ 3,061	\$ -	\$ 410	\$ (500)	\$ -	\$ -	\$ (4,487)	\$ -	\$ -	\$ -	\$ 5,768,038

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

	Education	Debt Service	Operations	Local Rainy Day	School Lunch	Curricular Materials Rental	Self-Insurance	Levy Excess	Cossap Project	Unified Robotics Coach Stipend	Educational License Plates
Cash and investments - beginning	\$ 2,040,456	\$ 526,109	\$ 2,309,901	\$ 1,119,351	\$ 78,595	\$ 134,486	\$ (343,021)	\$ -	\$ -	\$ -	\$ -
Receipts:											
Local sources	150,565	1,259,802	3,601,420	6,000	123,237	171,879	1,926,253	-	3,000	500	-
Intermediate sources	1,793	-	-	-	-	-	-	-	-	-	131
State sources	8,671,427	-	-	-	4,853	33,733	-	-	-	-	-
Federal sources	-	-	-	-	584,333	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	5,956	43,529	4,246	-	-	-	-	-	-	-	-
Total receipts	8,829,741	1,303,331	3,605,666	6,000	712,423	205,612	1,926,253	-	3,000	500	131
Disbursements:											
Instruction	5,984,975	-	-	191,575	-	-	164,493	-	-	500	113
Support services	1,718,797	-	3,175,526	77,997	-	230,343	80,835	-	-	-	-
Noninstructional services	162,518	-	4,595	14,739	602,005	-	-	-	-	-	-
Facilities acquisition and construction	-	-	740,778	-	-	-	-	-	-	-	-
Debt services	-	1,291,732	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	767	-	-	-	-	-	1,756,335	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	7,867,057	1,291,732	3,920,899	284,311	602,005	230,343	2,001,663	-	-	500	113
Excess (deficiency) of receipts over disbursements	962,684	11,599	(315,233)	(278,311)	110,418	(24,731)	(75,410)	-	3,000	-	18
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	3,193	-	-	-	-	-	-	-	-
Transfers in	1,341	-	1,076,319	250,000	-	-	376,471	25,742	-	-	-
Transfers out	(1,076,319)	(7,252)	(268,490)	(376,471)	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,074,978)	(7,252)	811,022	(126,471)	-	-	376,471	25,742	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(112,294)	4,347	495,789	(404,782)	110,418	(24,731)	301,061	25,742	3,000	-	18
Cash and investments - ending	\$ 1,928,162	\$ 530,456	\$ 2,805,690	\$ 714,569	\$ 189,013	\$ 109,755	\$ (41,960)	\$ 25,742	\$ 3,000	\$ -	\$ 18

(Continued)

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

	School Library Printed Material	Donations - Tunnel Car Wash	Donations-A Couchenour Memory	Donations - L Stodghill Memory	Donations - Schott	Donations - Vu Foundation	Health Donations- Christmas	Donations - Agritech Seed	Donations - Kidsay	Indiana Youth Survey	Education Foundation Donations
Cash and investments - beginning	\$ 58	\$ 615	\$ 274	\$ 222	\$ 32	\$ -	\$ 866	\$ 2	\$ 103	\$ 68	\$ 21,708
Receipts:											
Local sources	40	375	-	322	1	-	531	-	980	-	38,349
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	1,417	-	-	-	-	-	-	-
Total receipts	40	375	-	1,739	1	-	531	-	980	-	38,349
Disbursements:											
Instruction	-	-	-	1,961	33	-	-	-	1,083	-	15,764
Support services	-	-	-	-	-	-	-	-	-	-	8,465
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	1,961	33	-	-	-	1,083	-	24,229
Excess (deficiency) of receipts over disbursements	40	375	-	(222)	(32)	-	531	-	(103)	-	14,120
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	40	375	-	(222)	(32)	-	531	-	(103)	-	14,120
Cash and investments - ending	\$ 98	\$ 990	\$ 274	\$ -	\$ -	\$ -	\$ 1,397	\$ 2	\$ -	\$ 68	\$ 35,828

(Continued)

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

	Cont/Donations- United Way	Donations- Chamber Of Commerce	Welfare Activities - Health	Guidance Welfare Activities	Bc2M Grant	Formative Assessment	Medicaid Reimbursement	Secured Schools Safety Grant	Early Intervention Grant	Non-English Speaking Program	Teacher Appreciation Grant
Cash and investments - beginning	\$ 3,571	\$ 500	\$ 5,889	\$ 388	\$ 46	\$ -	\$ -	\$ (5,535)	\$ 3,111	\$ -	\$ -
Receipts:											
Local sources	5,510	-	100	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	12,988	1,669	26,527	4,413	349	46,534
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	5,510	-	100	-	-	12,988	1,669	26,527	4,413	349	46,534
Disbursements:											
Instruction	5,484	-	-	-	-	12,988	-	-	3,871	349	45,450
Support services	-	-	-	-	-	-	-	23,104	-	-	-
Noninstructional services	-	-	1,465	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	5,484	-	1,465	-	-	12,988	-	23,104	3,871	349	45,450
Excess (deficiency) of receipts over disbursements	26	-	(1,365)	-	-	-	1,669	3,423	542	-	1,084
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(1,341)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	(1,341)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	26	-	(1,365)	-	-	-	328	3,423	542	-	1,084
Cash and investments - ending	\$ 3,597	\$ 500	\$ 4,524	\$ 388	\$ 46	\$ -	\$ 328	\$ (2,112)	\$ 3,653	\$ -	\$ 1,084

(Continued)

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

	High Ability Students	State Connectivity Grant	Title I Fy2021	Title I Fy2020	Title I Fy 2022	Idea Part B 611 Fy 2021	Student Support Title Iv Par	Title Iv A Ffy21/Fy2022	Medicaid Reimbursement- Federal	Ffy 2019 Title Ii Part A Supporting Ef	Ffy 2021 Title Ii Part A Supporting Ef
Cash and investments - beginning	\$ 4,208	\$ 6,321	\$ (9,698)	\$ -	\$ -	\$ (19,403)	\$ -	\$ (4,888)	\$ -	\$ -	\$ (221)
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	85
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	27,205	10,800	-	-	-	-	-	-	-	-	-
Federal sources	-	-	35,185	-	100,230	234,746	-	15,606	4,399	-	26,639
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	27,205	10,800	35,185	-	100,230	234,746	-	15,606	4,399	-	26,724
Disbursements:											
Instruction	27,667	-	25,487	-	111,466	234,054	-	10,718	-	-	25,272
Support services	-	9,761	-	-	-	-	-	-	19	-	4,047
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	27,667	9,761	25,487	-	111,466	234,054	-	10,718	19	-	29,319
Excess (deficiency) of receipts over disbursements	(462)	1,039	9,698	-	(11,236)	692	-	4,888	4,380	-	(2,595)
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	(462)	1,039	9,698	-	(11,236)	692	-	4,888	4,380	-	(2,595)
Cash and investments - ending	\$ 3,746	\$ 7,360	\$ -	\$ -	\$ (11,236)	\$ (18,711)	\$ -	\$ -	\$ 4,380	\$ -	\$ (2,816)

(Continued)

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

	ESSER III	ESSER II	ESSER I	Prepaid School Lunch Accounts	Federal Taxes	Social Security Taxes	State Taxes	County Adjusted Income Taxes	Teacher Retirement	Public Employees Retirement	Group Insurance
Cash and investments - beginning	\$ -	\$ (170,545)	\$ (2,664)	\$ 30,390	\$ -	\$ (39)	\$ 14,524	\$ 5,283	\$ (19)	\$ -	\$ 18,510
Receipts:											
Local sources	-	-	-	120,906	-	1	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	270,942	343,084	2,664	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	481,116	462,832	189,907	70,399	10,532	1,574	89,017
Total receipts	270,942	343,084	2,664	120,906	481,116	462,833	189,907	70,399	10,532	1,574	89,017
Disbursements:											
Instruction	164,267	84,060	-	-	-	-	-	-	-	-	-
Support services	-	101,130	-	1,652	-	-	-	-	-	-	-
Noninstructional services	-	-	-	121,639	-	-	-	-	-	-	-
Facilities acquisition and construction	106,675	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	481,116	462,794	189,298	70,066	10,513	1,574	90,892
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	270,942	185,190	-	123,291	481,116	462,794	189,298	70,066	10,513	1,574	90,892
Excess (deficiency) of receipts over disbursements	-	157,894	2,664	(2,385)	-	39	609	333	19	-	(1,875)
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	-	157,894	2,664	(2,385)	-	39	609	333	19	-	(1,875)
Cash and investments - ending	\$ -	\$ (12,651)	\$ -	\$ 28,005	\$ -	\$ -	\$ 15,133	\$ 5,616	\$ -	\$ -	\$ 16,635

(Continued)

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

	Annuities	Wage Garnishments	United Fund Of Knox County	Eca Payroll	Education Foundation	Hsa Group Account	Credit Card Fraud Recovery	Payable To School Eca	Vehicle Fringe Benefit	Group Term Life Fringe Benefit	Totals
Cash and investments - beginning	\$ 3,061	\$ -	\$ 410	\$ (500)	\$ -	\$ -	\$ (4,487)	\$ -	\$ -	\$ -	\$ 5,768,038
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	7,409,856
Intermediate sources	-	-	-	-	-	-	-	-	-	-	1,924
State sources	-	-	-	-	-	-	-	-	-	-	8,840,498
Federal sources	-	-	-	-	-	-	-	-	-	-	1,617,828
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	66,800	4,603	1,804	3,925	207	131,726	-	-	663	9,861	1,580,114
Total receipts	66,800	4,603	1,804	3,925	207	131,726	-	-	663	9,861	19,450,220
Disbursements:											
Instruction	-	-	-	-	-	-	-	-	-	-	7,111,630
Support services	-	-	-	-	-	-	600	-	-	-	5,432,276
Noninstructional services	-	-	-	-	-	-	-	-	-	-	906,961
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	847,453
Debt services	-	-	-	-	-	-	-	-	-	-	1,291,732
Nonprogrammed charges	65,683	4,603	935	3,425	207	131,726	-	-	663	9,861	3,280,458
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	65,683	4,603	935	3,425	207	131,726	600	-	663	9,861	18,870,510
Excess (deficiency) of receipts over disbursements	1,117	-	869	500	-	-	(600)	-	-	-	579,710
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	3,193
Transfers in	-	-	-	-	-	-	-	-	-	-	1,729,873
Transfers out	-	-	-	-	-	-	-	-	-	-	(1,729,873)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	3,193
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,117	-	869	500	-	-	(600)	-	-	-	582,903
Cash and investments - ending	\$ 4,178	\$ -	\$ 1,279	\$ -	\$ -	\$ -	\$ (5,087)	\$ -	\$ -	\$ -	\$ 6,350,941

SOUTH KNOX SCHOOL CORPORATION  
SCHEDULE OF PAYABLES AND RECEIVABLES  
June 30, 2022

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<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 40,291	\$ 47,525

SOUTH KNOX SCHOOL CORPORATION  
SCHEDULE OF LEASES AND DEBT  
June 30, 2022

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
South Knox School Building Corporation	SPARTA18; 2017 Issuance	\$ 435,000	6/30/2018	12/31/2035
South Knox School Building Corporation	SPARTA18; 2016 Issuance	<u>679,000</u>	6/30/2017	12/31/2035
Total governmental activities		<u>1,114,000</u>		
Total of annual lease payments		<u>\$ 1,114,000</u>		

<u>Description of Debt</u>		<u>Ending Principal Balance</u>	<u>Principal and Interest Due Within One Year</u>
<u>Type</u>	<u>Purpose</u>		
Governmental activities:			
General Obligation Bonds	Qualified School Construction Bonds of 2009	<u>\$ 350,000</u>	<u>\$ 140,000</u>
Totals		<u>\$ 350,000</u>	<u>\$ 140,000</u>

SOUTH KNOX SCHOOL CORPORATION  
SCHEDULE OF CAPITAL ASSETS  
June 30, 2022

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 50,000
Buildings	25,851,839
Improvements other than buildings	825,619
Machinery, equipment, and vehicles	<u>4,428,556</u>
Total governmental activities	<u>31,156,014</u>
Total capital assets	<u>\$ 31,156,014</u>

SOUTH KNOX SCHOOL CORPORATION  
STATE REPORTING INFORMATION  
July 1, 2020 - June 30, 2022

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*Financial Statement and Accompanying Notes:*

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

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

*Indiana Department of Education Reporting:*

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

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

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

SOUTH KNOX SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Period July 1, 2020 through June 30, 2022

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-21	Total Federal Awards Expended 06-30-22	Total Federal Awards Expended 07-01-2020 to 06-30-22
<u>Department of Agriculture</u>						
Child Nutrition Cluster	Indiana Department of Education					
School Breakfast Program		10.553	FY2021, FY2022	\$ 57,665	\$ 69,081	\$ 126,746
National School Lunch Program		10.555	FY2021, FY2022	358,590	514,638	873,228
Commodities		10.555	FY2021, FY2022	49,995	44,429	94,424
Total - Child Nutrition Cluster				<u>466,250</u>	<u>628,148</u>	<u>1,094,398</u>
Pandemic EBT Administrative Costs	Indiana Department of Education					
School Lunch		10.649	FY2021, FY2022	-	614	614
Total - Pandemic EBT Administrative Costs				<u>-</u>	<u>614</u>	<u>614</u>
Total - Department of Agriculture				<u>466,250</u>	<u>628,762</u>	<u>1,095,012</u>
<u>Department of Education</u>						
Special Education Cluster (IDEA)						
Special Education Grants to States	Indiana Department of Education					
IDEA, Part B		84.027	19611-032-PN01	72,999	-	72,999
IDEA, Part B		84.027	20611-032-PN01	198,652	-	198,652
IDEA, Part B		84.027	21611-032-PN01	147,183	87,601	234,784
IDEA, Part B		84.027	22611-032-ARP	-	4,945	4,945
IDEA, Part B		84.027	22611-032-PN01	-	147,145	147,145
Total - Special Education Grants to States				<u>418,834</u>	<u>239,691</u>	<u>658,525</u>
Special Education Preschool Grants	Indiana Department of Education					
IDEA, Preschool		84.173	19619-032-PN01	5,277	-	5,277
IDEA, Preschool		84.173	20619-032-PN01	8,169	4,974	13,143
IDEA, Preschool		84.173	21619-032-PN01	-	8,508	8,508
IDEA, Preschool		84.173	22619-032-ARP	-	2,797	2,797
Total - Special Education Preschool Grants				<u>13,446</u>	<u>16,279</u>	<u>29,725</u>
Total - Special Education Cluster (IDEA)				<u>432,280</u>	<u>255,970</u>	<u>688,250</u>
Title I Grants to Local Educational Agencies	Indiana Department of Education					
Title I, Part A		84.010	S010A200014	142,896	-	142,896
Title I, Part A		84.010	S010A210014	-	135,414	135,414
Total - Title I Grants to Local Educational Agencies				<u>142,896</u>	<u>135,414</u>	<u>278,310</u>

(Continued)

SOUTH KNOX SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Period July 1, 2020 through June 30, 2022

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-21	Total Federal Awards Expended 06-30-22	Total Federal Awards Expended 07-01-2020 to 06-30-22
Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II, Part A		84.367	S367A190013	\$ 6,431	\$ -	\$ 6,431
Title II, Part A		84.367	S367A200013	20,826	13,452	34,278
Title II, Part A		84.367	S367A210013	-	13,187	13,187
				<u>27,257</u>	<u>26,639</u>	<u>53,896</u>
Total - Supporting Effective Instruction State Grants						
Student Support and Academic Enrichment Program	Indiana Department of Education					
Title IV, Part A		84.424	S424A190015	2,688	-	2,688
Title IV, Part A		84.424	S424A200015	5,025	4,975	10,000
Title IV, Part A		84.424	S424A210015	-	10,631	10,631
				<u>7,713</u>	<u>15,606</u>	<u>23,319</u>
Total - Student Support and Academic Enrichment Program						
COVID-19 - Education Stabilization Fund	Indiana Department of Education					
Elementary and Secondary School Emergency Relief (ESSER I) Fund		84.425D	S425D200013	104,309	2,664	106,973
Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D	S425D210013	18,835	343,084	361,919
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund		84.425U	S425U210013	-	270,942	270,942
				<u>123,144</u>	<u>616,690</u>	<u>739,834</u>
Total - COVID-19 - Education Stabilization Fund						
Total - Department of Education				<u>733,290</u>	<u>1,050,319</u>	<u>1,783,609</u>
Total federal awards expended				<u>\$ 1,199,540</u>	<u>\$ 1,679,081</u>	<u>\$ 2,878,621</u>

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

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

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**NOTE 1 - BASIS OF PRESENTATION**

*A. Basis of Presentation*

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

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

*B. Other Significant Accounting Policies*

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

**NOTE 2 - INDIRECT COST RATE**

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

**NOTE 3 - OTHER INFORMATION**

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

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

The School Corporation is a member of the Knox County Special Education 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 Knox School Corporation  
Knox 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 Knox School Corporation ("School Corporation"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School Corporation as of June 30, 2022 and for the period July 1, 2020 to June 30, 2022 and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement, and have issued our report thereon dated March 27, 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 statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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(Continued)

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statements are 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 statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

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

*Crowe LLP*  
Crowe LLP

Indianapolis, Indiana  
March 27, 2023

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

Those Charged with Governance  
South Knox School Corporation  
Knox County, Indiana

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

***Opinion on Major Federal Program***

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

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

***Basis for Opinion on Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

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(Continued)

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### ***Other Matters***

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

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

### **Report on Internal Control Over Compliance**

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

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(Continued)

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

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

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

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

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

*Crowe LLP*  
Crowe LLP

Indianapolis, Indiana  
March 27, 2023

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

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

***Financial Statement***

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

Internal control over financial reporting:

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

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

Internal control over major programs:

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

Type of auditor’s report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	_____ <u>X</u> _____	Yes	_____	No
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Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555	Child Nutrition Cluster
84.027, 84.173	Special Education Cluster

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

Auditee qualified as low-risk auditee?	_____	Yes	_____ <u>X</u> _____	No
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**Section II – Federal Award Findings and Questioned Costs**

None noted.

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(Continued)

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

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

**FINDING 2022-001**

**Information on the federal program:**

Subject: Child Nutrition Cluster - Procurement and Suspension and Debarment  
Federal Agency: Department of Agriculture  
Federal Program: School Breakfast Program, National School Lunch Program  
Assistance Listing 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: Procurement and Suspension and Debarment  
Audit Finding: 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 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 200.318(i) states:

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

2 CFR 200.320(b) (Uniform Guidance) states:

"Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources."

2 CFR 200.320 (Revised Uniform Guidance) 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."

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(Continued)

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

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

**FINDING 2022-001** (Continued)

(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. The sealed bids method is the preferred method for procuring construction, if the conditions. . . ."

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 requirements.

**Cause:** The School's management had not developed or 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:** 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.

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(Continued)

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

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

**FINDING 2022-001** (Continued)

*Procurement*

When the value of procurement of property or services exceeds the simplified acquisition threshold, customarily set at \$250,000, a formal bid process must take place and a contract must be awarded. Federal regulations allow for informal procurement methods when the value of the procurement for property or services does not exceed the simplified acquisition threshold of \$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.

During fiscal year 2021, the School Corporation purchased food and supply items from one vendor with total purchases that fell within the small purchase threshold. The School Corporation did not obtain quotes, nor provide full and open competition. Additionally, there was no documentation available to support the rationale to limit competition.

During fiscal year 2022, the School Corporation purchased food and supply items from one vendor with total purchases that exceeded the simplified acquisition threshold. The School Corporation did not solicit bids or award a contract. Documentation detailing the history of procurement, which must include the reason for the procurement method used, was not available for audit.

*Suspension and Debarment*

Nonfederal entities and contractors are subject to non-procurement debarment and suspension regulations. These regulations restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or are ineligible for participation in Federal assistance programs or activities. This is done by checking SAM Exclusions, collecting a certification from that person, or adding a clause or condition to the covered transaction with that person.

During fiscal years 2021 and 2022, the School Corporation entered into covered transactions with one vendor exceeding \$25,000 but did not verify the vendor was not suspended or debarred or otherwise excluded from or ineligible for participation in federal assistance programs.

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

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

**Recommendation:** We recommended that the School Corporation's management establish a system of internal 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.

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(Continued)

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

---

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

**Finding 2022-002**

**Information on the federal program:**

Subject: Child Nutrition Cluster - Internal Controls  
Federal Agency: Department of Agriculture  
Federal Program: School Breakfast Program, National School Lunch Program  
Assistance Listing Number: 10.553, 10.555  
Federal Award Numbers and Years (or Other Identifying Numbers): FY2021, FY2022  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Reporting  
Audit Finding: Material Weakness

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

"The non-Federal entity must:

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

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

**Cause:** Management had not designed nor implemented a system of internal control that would have ensured compliance with the grant agreement and the Reporting compliance requirement.

**Effect:** The failure to establish an effective internal control system places the school corporation at risk of noncompliance with the grant agreement and the Reporting compliance requirement.

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

**Context:** The School Corporation had not designed, nor implemented a system of internal control to ensure the Monthly Sponsor Claim for Reimbursement (Report) was complete and accurately submitted. The Report was prepared by the Food Service Director without an oversight or review process in place to prevent, or detect and correct, errors. The lack of internal controls was a systemic issue throughout the audit period.

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

**Recommendation:** We recommended that the School Corporation's management establish internal controls to ensure compliance and comply with the grant agreement and the Reporting requirement.

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

---

# South Knox School Corporation

## CORRECTIVE ACTION PLAN

Administration Building  
6116 E. State Road 61  
Vincennes, Indiana 47591

Phone No. 812-726-4440  
FAX NO. 812-743-211 0  
Web Site:  
[www.sknox.k12.in.us](http://www.sknox.k12.in.us)

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DIRECTOR OF TECHNOLOGY

TIMOTHY M. MARSEE  
DIRECTOR OF  
MAINTENANCE

FINDING 2022-001

Contact Person Responsible for Corrective Action: Tamara L.  
Asdell

Contact Phone Number: 812-726-4440

Views of Responsible Official:

We concur with the finding.

Description of Corrective Action Plan:

The food service director will anticipate annual procurement expenses with vendors outside of the Southern Indiana Education Center, If the anticipated expenses for the fiscal year are in excess of \$10,000 but less than \$150,000, the food service director will work to obtain quotes from at least three sources. If the anticipated expenses for the time period are in excess of \$150,000, the food service director will conduct a formal bid process and award a contract to the most qualified, lowest-priced vendor.

Any vendor with a contract for purchases of \$25,000 or more will need to provide a certification or include a contract clause stating the vendor is not suspended or disbarred from participation in federal assistance programs. If not certification or contract clause is produced, the food service director will contact the corporation treasurer to check the vendor's status in SAM.

Anticipated Completion Date:

August, 2023

# South Knox School Corporation

## CORRECTIVE ACTION PLAN

Administration Building  
6116 E. State Road 61  
Vincennes, Indiana  
47591

Phone No. 812-726-4440  
FAX No. 812-743-2110  
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COORDINATOR SCHOOL  
PAYROLL

SCOTT A. STAGGS  
DIRECTOR OF TRANSPORTATION

RYAN D. THACKER  
DIRECTOR OF  
TECHNOLOGY

TIMOTHY M. MARSEE  
DIRECTOR OF MAINTENANCE

FINDING 2022-002

Contact Person Responsible for Corrective Action: Tamara L. Asdell

Contact Phone Number: 812-726-4440

Views of Responsible Official:

We concur with the finding.

Description of Corrective Action Plan:

The food service director will prepare and sign the monthly reimbursement claim then have the claim reviewed by another cafeteria worker or the corporation treasurer who will then sign off on the claim to be submitted.

Anticipated Completion Date.

Immediately

# South Knox School Corporation

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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### FINDING 2020-001

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

**Condition and Context:** The School Corporation had not established an effective internal control system over the federal award information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the School Corporation's Schedule of Expenditures of Federal Awards (SEFA). The School Corporation did not have a proper system of internal controls in place to prevent, or detect and correct, errors on the SEFA.

**Status:** Resolved.

### FINDING 2020-002

Subject: Special Education Cluster (IDEA) - Procurement and Suspension and Debarment

Federal Agency: Department of Education

Federal Programs: Special Education Grants to States, Special Education Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14217-034-PN01, 18611-032-PN01,

19611-032-PN01, 20611-032-PN01, 45716-032-PN01, 18619-032-PN01, 19619-032-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Finding: Material Weakness

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

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

The School Corporation did not have adequate procedures in place to ensure that the Cooperative complied with the procurement requirements. The Cooperative had implemented internal controls to document purchases and ensure that the correct procurement method was used, but the internal control was not properly documented.

The lack of internal controls was a systemic issue, which occurred throughout the audit period.

**Status:** Resolved.