



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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April 14, 2023

To: The Officials of the Penn-Harris-Madison School Corporation
Penn-Harris-Madison School Corporation
55900 Bittersweet Rd.
Mishawaka, IN 46545

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

We call your attention to the findings included in the report on pages 37 through 44. Please see the Schedule of Findings and Questioned Costs for complete details related to the finding. Management's Corrective Action Plan appears on pages 45 through 46.

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

In addition to the report presented herein, a Supplemental Report for Penn-Harris-Madison School Corporation was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

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

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

PENN-HARRIS-MADISON SCHOOL CORPORATION
St. Joseph County, Indiana

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

PENN-HARRIS-MADISON SCHOOL CORPORATION
St. Joseph County, Indiana

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

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PENN-HARRIS-MADISON SCHOOL CORPORATION
SCHEDULE OF OFFICIALS (Unaudited)
For the period July 1, 2019 to June 30, 2021

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Jerry Hawkins	07-01-19 to 06-30-21
Superintendent of Schools	Dr. Jerry L. Thacker	07-01-19 to 06-30-21
President of the School Board	Christopher Riley	07-01-19 to 06-30-21

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
Penn-Harris-Madison School Corporation
St. Joseph County, Indiana

Report on the Financial Statement

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

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

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

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

(Continued)

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Unmodified Opinion on Regulatory Basis of Accounting

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

Other Matters

Supplementary Information

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

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

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

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 12, 2023 on our consideration of the School Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
April 12, 2023

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

Fund	Cash and Investments 07-01-2019	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2020	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2021
Education	\$ 8,548,749	\$ 73,852,442	\$ 66,419,656	\$ (8,274,582)	\$ 7,706,953	\$ 74,527,520	\$ 64,671,982	\$ (8,552,997)	\$ 9,009,494
Debt Service	1,884,604	11,084,111	10,558,080	410,995	2,821,630	11,840,262	13,176,014	(145,239)	1,340,639
Exempt Debt	1,002,924	872,763	1,210,000	(665,687)	-	-	-	-	-
Exempt Pension Debt	229,196	185,494	400,199	(14,491)	-	-	-	-	-
Operations	9,116,061	21,616,210	22,601,179	8,120,526	16,251,618	18,612,735	29,539,306	8,452,976	13,778,023
Local Rainy Day	3,136,609	8,869	-	-	3,145,478	11,767	1,391,147	-	1,766,098
Gob 2017	605,182	309	324,424	-	281,067	-	281,067	-	-
Gob 2018	602,573	-	453,360	-	149,213	-	77,131	-	72,082
Gob 2019 Lease	10,299,429	147,517	7,644,445	-	2,802,501	67,559	962,186	-	1,907,874
Gob 2020 Lease	-	22,102	1,730,974	11,500,000	9,791,128	145,284	8,435,326	-	1,501,086
Gob 2021 Lease	-	-	-	-	-	20,500	20,500	-	-
School Lunch	3,397,109	3,173,383	4,623,077	-	1,947,415	3,160,335	4,417,181	4,400	694,969
Curricular Materials Rental	3,081,672	819,370	1,227,957	269,183	2,942,268	1,435,374	2,161,700	145,239	2,361,181
Self Insurance	9,179,962	13,569,805	14,670,558	-	8,079,209	13,936,854	13,431,359	-	8,584,704
Kids Club	1,290,267	1,249,072	1,962,731	-	576,608	912,117	1,381,457	-	107,268
Penn Pals	171,788	148,350	537,876	217,738	-	161,557	625,186	463,629	-
Early Learning Acad Mary Frank	50,726	76,072	99,392	(17,639)	9,767	118,772	87,480	(10,543)	30,516
Early Learning Acad Horizon	40,515	53,803	111,957	17,639	-	67,776	102,745	34,969	-
Phs Digital Device Ins Repairs	77,009	44,456	2,015	-	119,450	36,630	40,875	-	115,205
Elearning Conf Tech	11,213	4,336	10,246	-	5,303	-	-	-	5,303
Ms Digital Device Ins Repairs	20,467	50,340	290	-	70,517	33,510	38,875	-	65,152
Laidig Donation	42,745	19,999	13,140	(174)	49,430	20,000	16,084	-	53,346
Local Source Donations	24,970	18,998	4,057	-	39,911	16,400	22,895	-	33,416
Phm Ed Foundation	25,636	10,250	19,759	-	16,127	34,182	10,585	-	39,724
Phm Pto Pta Donations	24,660	5,978	11,546	-	19,092	-	5,401	-	13,691
Penn Boosters	45,351	87,894	86,558	-	46,687	29,500	60,847	-	15,340
Early Kindergarten Camp	2,577	103	2,680	-	-	-	-	-	-
Haas Foundation Grant	2,798	-	-	-	2,798	1,500	4,500	202	-
Adult Alt Continuing Education	268,764	48,702	-	-	317,466	40,496	-	-	357,962
Penn Robotics	8	-	-	-	8	-	-	-	8
Penn Fine Arts	1,021	-	-	-	1,021	-	-	-	1,021
Angel Fund	6,148	-	507	-	5,641	-	-	(202)	5,439
Piper Hoc Memorial	9,365	8,051	1,111	-	16,305	10,949	5,555	-	21,699
Dollars For Scholars	-	-	-	-	-	200	-	-	200
Formative Assessment Grant	17,740	115,441	67,239	-	65,942	62,889	121,216	-	7,615
Csf Technology 2018-Fall	(224,312)	1,077,760	853,448	-	-	-	-	-	-
Csf Spring 2019	-	761,941	868,418	-	(106,477)	341,388	234,911	-	-
Csf Staa 2019	247,342	(89,579)	157,763	-	-	70,237	70,237	-	-
Csf Fall 2019	-	40,980	466,480	-	(425,500)	1,071,263	645,763	-	-
Csf Spring 2020	-	-	-	-	-	662,921	807,629	-	(144,708)
Csf Staa 2020	-	-	-	-	-	226,100	226,100	-	-
Csf Fall 2020	-	-	-	-	-	128,098	661,944	-	(533,846)
Medicaid Reimbursement	274,076	67,310	-	-	341,386	61,534	-	-	402,920
Secured Schools Safety Grant	-	-	17,721	-	(17,721)	50,393	90,061	-	(57,389)
Penn Stem Grant	-	3,195	3,195	-	-	1,750	1,750	-	-
Stem Acceleration Grant-Phm	-	-	-	-	-	6,223	6,223	-	-

(Continued)

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

Fund	Cash and Investments 07-01-2019	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2020	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2021
19-20 Early Intervention Grant	-	43,405	10,319	-	33,086	-	33,086	-	-
20-21 Early Intervention Grant	-	-	-	-	-	30,552	-	-	30,552
Nesp 2018-2019	10,885	-	10,885	-	-	-	-	-	-
20-21 Non English Speaking Program	-	-	-	-	-	92,946	70,959	-	21,987
19-20 Non English Speaking Program	-	98,582	78,487	-	20,095	-	20,095	-	-
Caree And Tech Performance Grant	56,329	-	2,851	-	53,478	-	-	-	53,478
Teacher Appreciation Grant	-	414,526	414,526	-	-	418,279	502,775	84,495	(1)
High Ability Students	20,001	87,759	107,601	-	159	73,530	69,110	-	4,579
State Connectivity Grant	8,643	18,471	-	-	27,114	7,500	-	-	34,614
Tobacco Grant	250	-	250	-	-	-	-	-	-
Elearning Conf. Grant	-	8,906	8,906	-	-	-	-	-	-
Title I Basic 18-19	(51,794)	156,202	104,408	-	-	-	-	-	-
20-21 Title I	-	-	-	-	-	523,419	592,165	-	(68,746)
19-20 Title I	-	623,688	694,909	-	(71,221)	263,267	192,046	-	-
Ex Ed 611 Grant 2019	(208,008)	1,518,577	1,310,994	-	(425)	-	2,060	-	(2,485)
Ex Ed 611 Grant 2020	-	1,058,302	1,232,633	-	(174,331)	1,140,288	1,234,400	-	(268,443)
Ex Ed 611 Grant 2021	-	-	-	-	-	-	1,028,358	-	(1,028,358)
Excep-Ed 611 Grant 2018	(469)	469	-	-	-	-	-	-	-
Penn Pal 619 Grant 19-20	-	36,761	37,549	-	(788)	26,813	41,043	-	(15,018)
Penn Pal 619 Grant 20-21	-	-	-	-	-	21,030	26,570	-	(5,540)
Penn Pals 619 Grant 2018	-	18	18	-	-	-	-	-	-
Penn Pals 619 Grant 2019	(448)	39,601	39,153	-	-	-	-	-	-
Title Iv Part A 2018-2019	(5,987)	12,069	6,082	-	-	-	-	-	-
Title Iv 2020-2021	-	-	-	-	-	57,899	59,659	-	(1,760)
Title Iv 19-20	-	58,267	60,180	-	(1,913)	10,844	9,056	-	(125)
Medicaid Reimbursement Federal	817,339	211,396	-	-	1,028,735	296,644	-	(280,214)	1,045,165
Title Ii Part A	-	136,247	149,744	-	(13,497)	79,472	59,569	(6,517)	(111)
Title Ii Part A 20-21	-	-	-	-	-	142,537	157,185	-	(14,648)
Title Ii A 2018-2019	(15,328)	76,998	61,670	-	-	-	-	-	-
Title Iii 2020-2021	-	-	-	-	-	28,663	30,864	-	(2,201)
Title Iii 2019-2020	-	29,670	28,906	-	764	6,201	6,505	(722)	(262)
Title Iii 2018-2019	(1,433)	5,802	4,369	-	-	-	-	-	-
ESSER II	-	-	-	-	-	-	1,339,541	-	(1,339,541)
ESSER II	-	-	-	-	-	482,283	534,761	-	(52,478)
Prepaid School Lunch Accounts	86,346	636,067	467,090	-	255,323	112,381	118,492	-	249,212
Payroll Control	7,236	61,371,081	61,365,081	-	13,236	62,121,085	62,131,842	-	2,479
Revtrak Phs Athletics	-	4,450	1,000	-	3,450	61,895	47,210	-	18,135
Esc Clearing	5,021	4,201	7,909	-	1,313	13,025	6,384	-	7,954
Workers Comp Self Insurance	190,894	418,339	286,470	-	322,763	426,857	339,199	-	410,421
Totals	\$ 54,434,421	\$ 196,225,681	\$ 203,654,028	\$ 11,563,508	\$ 58,569,582	\$ 194,361,985	\$ 212,486,152	\$ 189,476	\$ 40,634,891

See notes to financial statement.

PENN-HARRIS-MADISON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2021, and for the period July 1, 2019 to June 30, 2021

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.

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

(Continued)

PENN-HARRIS-MADISON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2021, and for the period July 1, 2019 to June 30, 2021

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.

(Continued)

PENN-HARRIS-MADISON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2021, and for the period July 1, 2019 to June 30, 2021

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

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

NOTE 7 - HOLDING CORPORATIONS

The School Corporation has entered into a series of capital leases with the PHM School Renovation Bldg. Corp. and the Penn High School Bldg. Corp. (the lessors). The lessors were organized as not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessors have been determined to be a related-party of the School Corporation. Lease payments for the period July 1, 2019 to June 30, 2020 totaled \$3,834,545. Lease payments for the period July 1, 2020 to June 30, 2021 totaled \$4,966,544.

NOTE 8 - PENSION PLANS

Public Employees' Retirement Fund

Plan Description

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

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

NOTE 8 - PENSION PLANS (Continued)

Financial Report

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

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

Contributions

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

Teachers' Retirement Fund

Plan Descriptions

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

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

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

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

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

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

(Continued)

NOTE 8 - PENSION PLANS (Continued)

Financial Report

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

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

Contributions

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

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

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

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS

The School Corporation provides medical benefits to eligible retirees and their spouses. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

NOTE 10 - SUBSEQUENT EVENTS

In September 2022, the School Corporation signed a new lease with the Penn High School Bldg. Corp. in the amount of \$16,870,000 for the purpose of paying the costs of the renovation of and improvements to school facilities throughout the School Corporation.

SUPPLEMENTARY INFORMATION

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

	Education	Debt Service	Exempt Debt	Exempt Pension Debt	Operations	Local Rainy Day	Gob 2017	Gob 2018	Gob 2019 Lease	Gob 2020 Lease	School Lunch	Curricular Materials Rental
Cash and investments - beginning	\$ 8,548,749	\$ 1,884,604	\$ 1,002,924	\$ 229,196	\$ 9,116,061	\$ 3,136,609	\$ 605,182	\$ 602,573	\$ 10,299,429	\$ -	\$ 3,397,109	\$ 3,081,672
Receipts:												
Local sources	481,753	9,335,882	872,763	185,494	17,804,409	8,869	309	-	147,517	22,102	1,514,496	819,370
Intermediate sources	-	-	-	-	98	-	-	-	-	-	-	-
State sources	73,370,689	-	-	-	60,000	-	-	-	-	-	61,055	-
Federal sources	-	-	-	-	-	-	-	-	-	-	1,597,832	-
Temporary loans	-	1,748,229	-	-	3,670,578	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	81,125	-	-	-	-	-	-	-
Total receipts	73,852,442	11,084,111	872,763	185,494	21,616,210	8,869	309	-	147,517	22,102	3,173,383	819,370
Disbursements:												
Instruction	50,114,367	-	-	-	-	-	-	-	-	-	-	1,227,612
Support services	15,175,461	10,620	-	-	20,213,979	-	321,475	-	11,875	2,638	2,097	345
Noninstructional services	1,129,828	-	-	-	403,217	-	-	-	-	-	4,200,125	-
Facilities acquisition and construction	-	-	-	-	1,983,906	-	2,949	453,360	7,632,570	1,728,336	-	-
Debt services	-	10,547,460	1,210,000	400,199	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	77	-	-	-	-	-	420,855	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	66,419,656	10,558,080	1,210,000	400,199	22,601,179	-	324,424	453,360	7,644,445	1,730,974	4,623,077	1,227,957
Excess (deficiency) of receipts over disbursements	7,432,786	526,031	(337,237)	(214,705)	(984,969)	8,869	(324,115)	(453,360)	(7,496,928)	(1,708,872)	(1,449,694)	(408,587)
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	11,500,000	-	-
Sale of capital assets	-	-	-	-	63,508	-	-	-	-	-	-	-
Transfers in	174	680,178	-	-	8,274,756	-	-	-	-	-	-	269,183
Transfers out	(8,274,756)	(269,183)	(665,687)	(14,491)	(217,738)	-	-	-	-	-	-	-
Total other financing sources (uses)	(8,274,582)	410,995	(665,687)	(14,491)	8,120,526	-	-	-	-	11,500,000	-	269,183
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(841,796)	937,026	(1,002,924)	(229,196)	7,135,557	8,869	(324,115)	(453,360)	(7,496,928)	9,791,128	(1,449,694)	(139,404)
Cash and investments - ending	\$ 7,706,953	\$ 2,821,630	\$ -	\$ -	\$ 16,251,618	\$ 3,145,478	\$ 281,067	\$ 149,213	\$ 2,802,501	\$ 9,791,128	\$ 1,947,415	\$ 2,942,268

(Continued)

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

	Self Insurance	Kids Club	Penn Pals	Early Learning Acad Mary Frank	Early Learning Acad Horizon	Phs Digital Device Ins Repairs	Elearning Conf Tech	Ms Digital Device Ins Repairs	Laidig Donation	Local Source Donations	Phm Ed Foundation
Cash and investments - beginning	\$ 9,179,962	\$ 1,290,267	\$ 171,788	\$ 50,726	\$ 40,515	\$ 77,009	\$ 11,213	\$ 20,467	\$ 42,745	\$ 24,970	\$ 25,636
Receipts:											
Local sources	13,569,805	1,249,072	148,350	76,072	53,803	44,456	4,336	50,340	19,999	18,998	10,250
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	13,569,805	1,249,072	148,350	76,072	53,803	44,456	4,336	50,340	19,999	18,998	10,250
Disbursements:											
Instruction	-	-	460,884	99,392	111,957	-	-	-	13,140	3,715	19,550
Support services	191,241	10,180	76,992	-	-	2,015	10,246	120	-	-	209
Noninstructional services	-	1,683,094	-	-	-	-	-	-	-	342	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	14,479,317	269,457	-	-	-	-	-	170	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	14,670,558	1,962,731	537,876	99,392	111,957	2,015	10,246	290	13,140	4,057	19,759
Excess (deficiency) of receipts over disbursements	(1,100,753)	(713,659)	(389,526)	(23,320)	(58,154)	42,441	(5,910)	50,050	6,859	14,941	(9,509)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	217,738	-	17,639	-	-	-	-	-	-
Transfers out	-	-	-	(17,639)	-	-	-	-	(174)	-	-
Total other financing sources (uses)	-	-	217,738	(17,639)	17,639	-	-	-	(174)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,100,753)	(713,659)	(171,788)	(40,959)	(40,515)	42,441	(5,910)	50,050	6,685	14,941	(9,509)
Cash and investments - ending	\$ 8,079,209	\$ 576,608	\$ -	\$ 9,767	\$ -	\$ 119,450	\$ 5,303	\$ 70,517	\$ 49,430	\$ 39,911	\$ 16,127

(Continued)

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

	Phm Pto Pta Donations	Penn Boosters	Early Kindergarten Camp	Haas Foundation Grant	Adult Alt Continuing Education	Penn Robotics	Penn Fine Arts	Angel Fund	Piper Hoc Memorial	Formative Assessment Grant	Csf Technology 2018-Fall	Csf Spring 2019
Cash and investments - beginning	\$ 24,660	\$ 45,351	\$ 2,577	\$ 2,798	\$ 268,764	\$ 8	\$ 1,021	\$ 6,148	\$ 9,365	\$ 17,740	\$ (224,312)	\$ -
Receipts:												
Local sources	5,978	87,894	103	-	-	-	-	-	8,051	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	48,702	-	-	-	-	115,441	1,077,760	761,941
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	5,978	87,894	103	-	48,702	-	-	-	8,051	115,441	1,077,760	761,941
Disbursements:												
Instruction	11,546	86,558	2,680	-	-	-	-	507	-	67,239	853,448	868,418
Support services	-	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	1,111	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	11,546	86,558	2,680	-	-	-	-	507	1,111	67,239	853,448	868,418
Excess (deficiency) of receipts over disbursements	(5,568)	1,336	(2,577)	-	48,702	-	-	(507)	6,940	48,202	224,312	(106,477)
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,568)	1,336	(2,577)	-	48,702	-	-	(507)	6,940	48,202	224,312	(106,477)
Cash and investments - ending	\$ 19,092	\$ 46,687	\$ -	\$ 2,798	\$ 317,466	\$ 8	\$ 1,021	\$ 5,641	\$ 16,305	\$ 65,942	\$ -	\$ (106,477)

(Continued)

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

	Csf Staa 2019	Csf Fall 2019	Medicaid Reimbursement	Secured Schools Safety Grant	Penn Stem Grant	19-20 Early Intervention Grant	Nesp 2018-2019	19-20 Non English Speaking Program	Caree And Tech Performance Grant	Teacher Appreciation Grant	High Ability Students
Cash and investments - beginning	\$ 247,342	\$ -	\$ 274,076	\$ -	\$ -	\$ -	\$ 10,885	\$ -	\$ 56,329	\$ -	\$ 20,001
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	1,360
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	(89,579)	40,980	67,310	-	3,195	43,405	-	98,582	-	414,526	86,399
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	(89,579)	40,980	67,310	-	3,195	43,405	-	98,582	-	414,526	87,759
Disbursements:											
Instruction	157,763	466,480	-	-	-	-	10,885	70,593	2,697	414,515	107,601
Support services	-	-	-	17,721	3,195	10,319	-	7,628	154	11	-
Noninstructional services	-	-	-	-	-	-	-	266	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	157,763	466,480	-	17,721	3,195	10,319	10,885	78,487	2,851	414,526	107,601
Excess (deficiency) of receipts over disbursements	(247,342)	(425,500)	67,310	(17,721)	-	33,086	(10,885)	20,095	(2,851)	-	(19,842)
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	(247,342)	(425,500)	67,310	(17,721)	-	33,086	(10,885)	20,095	(2,851)	-	(19,842)
Cash and investments - ending	\$ -	\$ (425,500)	\$ 341,386	\$ (17,721)	\$ -	\$ 33,086	\$ -	\$ 20,095	\$ 53,478	\$ -	\$ 159

(Continued)

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

	State Connectivity Grant	Tobacco Grant	Elearning Conf. Grant	Title I Basic 18- 19	19-20 Title I	Ex Ed 611 Grant 2019	Ex Ed 611 Grant 2020	Excep-Ed 611 Grant 2018	Penn Pal 619 Grant 19-20	Penn Pals 619 Grant 2018	Penn Pals 619 Grant 2019	Title Iv Part A 2018-2019
Cash and investments - beginning	\$ 8,643	\$ 250	\$ -	\$ (51,794)	\$ -	\$ (208,008)	\$ -	\$ (469)	\$ -	\$ -	\$ (448)	\$ (5,987)
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	18,471	-	8,906	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	156,202	623,688	1,518,577	1,058,302	469	36,761	18	39,601	12,069
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	18,471	-	8,906	156,202	623,688	1,518,577	1,058,302	469	36,761	18	39,601	12,069
Disbursements:												
Instruction	-	250	-	101,042	648,673	1,219,448	1,061,423	-	34,946	18	37,492	-
Support services	-	-	8,906	(31)	44,739	91,546	171,210	-	2,603	-	1,661	6,082
Noninstructional services	-	-	-	3,397	1,497	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	250	8,906	104,408	694,909	1,310,994	1,232,633	-	37,549	18	39,153	6,082
Excess (deficiency) of receipts over disbursements	18,471	(250)	-	51,794	(71,221)	207,583	(174,331)	469	(788)	-	448	5,987
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	18,471	(250)	-	51,794	(71,221)	207,583	(174,331)	469	(788)	-	448	5,987
Cash and investments - ending	\$ 27,114	\$ -	\$ -	\$ -	\$ (71,221)	\$ (425)	\$ (174,331)	\$ -	\$ (788)	\$ -	\$ -	\$ -

(Continued)

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

	Title Iv 19-20	Medicaid Reimbursement Federal	Title li Part A	Title li A 2018-2019	Title lii 2019-2020	Title lii 2018-2019	Prepaid School Lunch Accounts	Payroll Control	Revtrak Phs Athletics	Esc Clearing	Workers Comp Self Insurance	Totals
Cash and investments - beginning	\$ -	\$ 817,339	\$ -	\$ (15,328)	\$ -	\$ (1,433)	\$ 86,346	\$ 7,236	\$ -	\$ 5,021	\$ 190,894	\$ 54,434,421
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	46,541,831
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	98
State sources	-	-	-	-	-	-	-	-	-	-	-	76,187,783
Federal sources	58,267	211,396	136,247	76,998	29,670	5,802	-	-	-	-	-	5,561,899
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	5,418,807
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	636,067	61,371,081	4,450	4,201	418,339	62,515,263
Total receipts	58,267	211,396	136,247	76,998	29,670	5,802	636,067	61,371,081	4,450	4,201	418,339	196,225,681
Disbursements:												
Instruction	3,427	-	3,846	1,385	19,052	3,574	-	-	-	-	-	58,306,123
Support services	56,753	-	145,898	54,235	9,232	-	-	-	-	-	-	36,661,355
Noninstructional services	-	-	-	-	622	34	-	-	-	-	-	7,422,422
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	11,801,121
Debt services	-	-	-	-	-	-	-	-	-	-	-	12,157,659
Nonprogrammed charges	-	-	-	6,050	-	761	467,090	61,365,081	1,000	7,909	286,470	77,305,348
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	60,180	-	149,744	61,670	28,906	4,369	467,090	61,365,081	1,000	7,909	286,470	203,654,028
Excess (deficiency) of receipts over disbursements	(1,913)	211,396	(13,497)	15,328	764	1,433	168,977	6,000	3,450	(3,708)	131,869	(7,428,347)
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	11,500,000
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	63,508
Transfers in	-	-	-	-	-	-	-	-	-	-	-	9,459,668
Transfers out	-	-	-	-	-	-	-	-	-	-	-	(9,459,668)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	11,563,508
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,913)	211,396	(13,497)	15,328	764	1,433	168,977	6,000	3,450	(3,708)	131,869	4,135,161
Cash and investments - ending	\$ (1,913)	\$ 1,028,735	\$ (13,497)	\$ -	\$ 764	\$ -	\$ 255,323	\$ 13,236	\$ 3,450	\$ 1,313	\$ 322,763	\$ 58,569,582

PENN-HARRIS-MADISON 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	Gob 2017	Gob 2018	Gob 2019 Lease	Gob 2020 Lease	Gob 2021 Lease	School Lunch	Curricular Materials Rental
Cash and investments - beginning	\$ 7,706,953	\$ 2,821,630	\$ 16,251,618	\$ 3,145,478	\$ 281,067	\$ 149,213	\$ 2,802,501	\$ 9,791,128	\$ -	\$ 1,947,415	\$ 2,942,268
Receipts:											
Local sources	571,920	11,840,262	18,569,909	11,767	-	-	67,559	145,284	-	285,648	997,595
Intermediate sources	-	-	92	-	-	-	-	-	-	-	-
State sources	73,955,600	-	-	-	-	-	-	-	-	106,852	437,779
Federal sources	-	-	-	-	-	-	-	-	-	2,767,835	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	20,500	-	-
Other receipts	-	-	42,734	-	-	-	-	-	-	-	-
Total receipts	74,527,520	11,840,262	18,612,735	11,767	-	-	67,559	145,284	20,500	3,160,335	1,435,374
Disbursements:											
Instruction	49,510,882	-	-	90,215	-	-	-	-	-	-	2,161,700
Support services	14,016,706	39,736	23,297,959	1,297,978	281,067	-	-	-	-	1,422	-
Noninstructional services	1,143,444	-	303,568	2,750	-	-	-	-	-	4,197,585	-
Facilities acquisition and construction	-	-	2,267,201	204	-	77,131	962,186	8,414,826	20,500	-	-
Debt services	-	13,136,278	3,670,578	-	-	-	-	-	-	-	-
Nonprogrammed charges	950	-	-	-	-	-	-	-	-	218,174	-
Interfund loans	-	-	-	-	-	-	-	20,500	-	-	-
Total disbursements	64,671,982	13,176,014	29,539,306	1,391,147	281,067	77,131	962,186	8,435,326	20,500	4,417,181	2,161,700
Excess (deficiency) of receipts over disbursements	9,855,538	(1,335,752)	(10,926,571)	(1,379,380)	(281,067)	(77,131)	(894,627)	(8,290,042)	-	(1,256,846)	(726,326)
Other financing sources (uses)											
Proceeds of long-term debt	-	-	169,141	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	15,935	-	-	-	-	-	-	4,400	-
Transfers in	-	-	8,475,741	-	-	-	-	-	-	-	145,239
Transfers out	(8,552,997)	(145,239)	(207,841)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(8,552,997)	(145,239)	8,452,976	-	-	-	-	-	-	4,400	145,239
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,302,541	(1,480,991)	(2,473,595)	(1,379,380)	(281,067)	(77,131)	(894,627)	(8,290,042)	-	(1,252,446)	(581,087)
Cash and investments - ending	\$ 9,009,494	\$ 1,340,639	\$ 13,778,023	\$ 1,766,098	\$ -	\$ 72,082	\$ 1,907,874	\$ 1,501,086	\$ -	\$ 694,969	\$ 2,361,181

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PENN-HARRIS-MADISON 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

	Self Insurance	Kids Club	Penn Pals	Early Learning Acad Mary Frank	Early Learning Acad Horizon	Phs Digital Device Ins Repairs	Elearning Conf Tech	Ms Digital Device Ins Repairs	Laidig Donation	Local Source Donations	Phm Ed Foundation
Cash and investments - beginning	\$ 8,079,209	\$ 576,608	\$ -	\$ 9,767	\$ -	\$ 119,450	\$ 5,303	\$ 70,517	\$ 49,430	\$ 39,911	\$ 16,127
Receipts:											
Local sources	13,936,854	912,117	161,557	118,772	67,776	36,630	-	33,510	20,000	16,400	34,182
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	13,936,854	912,117	161,557	118,772	67,776	36,630	-	33,510	20,000	16,400	34,182
Disbursements:											
Instruction	-	614	489,823	87,480	102,745	-	-	-	13,784	17,093	7,511
Support services	192,987	7,496	135,363	-	-	40,875	-	38,875	2,300	-	3,074
Noninstructional services	-	1,215,374	-	-	-	-	-	-	-	2,802	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	13,238,372	157,973	-	-	-	-	-	-	-	3,000	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	13,431,359	1,381,457	625,186	87,480	102,745	40,875	-	38,875	16,084	22,895	10,585
Excess (deficiency) of receipts over disbursements	505,495	(469,340)	(463,629)	31,292	(34,969)	(4,245)	-	(5,365)	3,916	(6,495)	23,597
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	463,629	-	34,969	-	-	-	-	-	-
Transfers out	-	-	-	(10,543)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	463,629	(10,543)	34,969	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	505,495	(469,340)	-	20,749	-	(4,245)	-	(5,365)	3,916	(6,495)	23,597
Cash and investments - ending	\$ 8,584,704	\$ 107,268	\$ -	\$ 30,516	\$ -	\$ 115,205	\$ 5,303	\$ 65,152	\$ 53,346	\$ 33,416	\$ 39,724

(Continued)

PENN-HARRIS-MADISON 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

	Phm Pto Pta Donations	Penn Boosters	Haas Foundation Grant	Adult Alt Continuing Education	Penn Robotics	Penn Fine Arts	Angel Fund	Piper Hoc Memorial	Dollars For Scholars	Formative Assessment Grant
Cash and investments - beginning	\$ 19,092	\$ 46,687	\$ 2,798	\$ 317,466	\$ 8	\$ 1,021	\$ 5,641	\$ 16,305	\$ -	\$ 65,942
Receipts:										
Local sources	-	29,500	1,500	-	-	-	-	10,949	200	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	40,496	-	-	-	-	-	62,889
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	29,500	1,500	40,496	-	-	-	10,949	200	62,889
Disbursements:										
Instruction	5,401	60,847	1,500	-	-	-	-	-	-	117,948
Support services	-	-	-	-	-	-	-	-	-	3,268
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	3,000	-	-	-	-	5,555	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	5,401	60,847	4,500	-	-	-	-	5,555	-	121,216
Excess (deficiency) of receipts over disbursements	(5,401)	(31,347)	(3,000)	40,496	-	-	-	5,394	200	(58,327)
Other financing sources (uses)										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	202	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(202)	-	-	-
Total other financing sources (uses)	-	-	202	-	-	-	(202)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,401)	(31,347)	(2,798)	40,496	-	-	(202)	5,394	200	(58,327)
Cash and investments - ending	\$ 13,691	\$ 15,340	\$ -	\$ 357,962	\$ 8	\$ 1,021	\$ 5,439	\$ 21,699	\$ 200	\$ 7,615

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PENN-HARRIS-MADISON 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

	Csf Spring 2019	Csf Staa 2019	Csf Fall 2019	Csf Spring 2020	Csf Staa 2020	Csf Fall 2020	Medicaid Reimbursement	Secured Schools Safety Grant	Penn Stem Grant	Stem Acceleration Grant-Phm	19-20 Early Intervention Grant
Cash and investments - beginning	\$ (106,477)	\$ -	\$ (425,500)	\$ -	\$ -	\$ -	\$ 341,386	\$ (17,721)	\$ -	\$ -	\$ 33,086
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	341,388	70,237	1,071,263	662,921	226,100	128,098	61,534	50,393	1,750	6,223	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	341,388	70,237	1,071,263	662,921	226,100	128,098	61,534	50,393	1,750	6,223	-
Disbursements:											
Instruction	234,911	70,237	645,763	807,629	226,100	661,944	-	-	1,750	1,710	32,572
Support services	-	-	-	-	-	-	-	32,672	-	4,513	514
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	57,389	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	234,911	70,237	645,763	807,629	226,100	661,944	-	90,061	1,750	6,223	33,086
Excess (deficiency) of receipts over disbursements	106,477	-	425,500	(144,708)	-	(533,846)	61,534	(39,668)	-	-	(33,086)
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	106,477	-	425,500	(144,708)	-	(533,846)	61,534	(39,668)	-	-	(33,086)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (144,708)	\$ -	\$ (533,846)	\$ 402,920	\$ (57,389)	\$ -	\$ -	\$ -

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PENN-HARRIS-MADISON 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

	20-21 Early Intervention Grant	20-21 Non English Speaking Program	19-20 Non English Speaking Program	Caree And Tech Performance Grant	Teacher Appreciation Grant	High Ability Students	State Connectivity Grant	20-21 Title I	19-20 Title I	Ex Ed 611 Grant 2019	Ex Ed 611 Grant 2020
Cash and investments - beginning	\$ -	\$ -	\$ 20,095	\$ 53,478	\$ -	\$ 159	\$ 27,114	\$ -	\$ (71,221)	\$ (425)	\$ (174,331)
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	30,552	92,946	-	-	418,279	73,530	7,500	-	-	-	-
Federal sources	-	-	-	-	-	-	-	523,419	263,267	-	1,140,288
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	30,552	92,946	-	-	418,279	73,530	7,500	523,419	263,267	-	1,140,288
Disbursements:											
Instruction	-	70,479	20,095	-	497,730	69,110	-	564,468	168,320	1,819	1,068,246
Support services	-	480	-	-	5,045	-	-	22,184	16,814	241	166,154
Noninstructional services	-	-	-	-	-	-	-	5,513	6,912	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	70,959	20,095	-	502,775	69,110	-	592,165	192,046	2,060	1,234,400
Excess (deficiency) of receipts over disbursements	30,552	21,987	(20,095)	-	(84,496)	4,420	7,500	(68,746)	71,221	(2,060)	(94,112)
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	84,495	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	84,495	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	30,552	21,987	(20,095)	-	(1)	4,420	7,500	(68,746)	71,221	(2,060)	(94,112)
Cash and investments - ending	\$ 30,552	\$ 21,987	\$ -	\$ 53,478	\$ (1)	\$ 4,579	\$ 34,614	\$ (68,746)	\$ -	\$ (2,485)	\$ (268,443)

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PENN-HARRIS-MADISON 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

	Ex Ed 611 Grant 2021	Penn Pal 619 Grant 19-20	Penn Pal 619 Grant 20-21	Title Iv 2020- 2021	Title Iv 19-20	Medicaid Reimbursement Federal	Title li Part A Title li Part A	Title li Part A 20- 21	Title lii 2020- 2021	Title lii 2019- 2020
Cash and investments - beginning	\$ -	\$ (788)	\$ -	\$ -	\$ (1,913)	\$ 1,028,735	\$ (13,497)	\$ -	\$ -	\$ 764
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	26,813	21,030	57,899	10,844	296,644	79,472	142,537	28,663	6,201
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	26,813	21,030	57,899	10,844	296,644	79,472	142,537	28,663	6,201
Disbursements:										
Instruction	905,605	38,482	26,438	51,893	2,212	-	731	-	26,472	6,244
Support services	122,753	2,561	132	7,766	6,844	-	58,838	157,185	4,392	261
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,028,358	41,043	26,570	59,659	9,056	-	59,569	157,185	30,864	6,505
Excess (deficiency) of receipts over disbursements	(1,028,358)	(14,230)	(5,540)	(1,760)	1,788	296,644	19,903	(14,648)	(2,201)	(304)
Other financing sources (uses)										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(280,214)	(6,517)	-	-	(722)
Total other financing sources (uses)	-	-	-	-	-	(280,214)	(6,517)	-	-	(722)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,028,358)	(14,230)	(5,540)	(1,760)	1,788	16,430	13,386	(14,648)	(2,201)	(1,026)
Cash and investments - ending	\$ (1,028,358)	\$ (15,018)	\$ (5,540)	\$ (1,760)	\$ (125)	\$ 1,045,165	\$ (111)	\$ (14,648)	\$ (2,201)	\$ (262)

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PENN-HARRIS-MADISON 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 II	ESSER II	Prepaid School Lunch Accounts	Payroll Control	Revtrak Phs Athletics	Esc Clearing	Workers Comp Self Insurance	Totals
Cash and investments - beginning	\$ -	\$ -	\$ 255,323	\$ 13,236	\$ 3,450	\$ 1,313	\$ 322,763	\$ 58,569,582
Receipts:								
Local sources	-	-	-	-	-	-	-	47,869,891
Intermediate sources	-	-	-	-	-	-	-	92
State sources	-	-	-	-	-	-	-	77,846,330
Federal sources	-	482,283	-	-	-	-	-	5,847,195
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	20,500
Other receipts	-	-	112,381	62,121,085	61,895	13,025	426,857	62,777,977
Total receipts	-	482,283	112,381	62,121,085	61,895	13,025	426,857	194,361,985
Disbursements:								
Instruction	126,789	2,418	-	-	-	-	-	58,997,710
Support services	1,211,848	532,343	-	-	-	-	-	41,712,646
Noninstructional services	641	-	-	-	-	-	-	6,878,589
Facilities acquisition and construction	263	-	-	-	-	-	-	11,799,700
Debt services	-	-	-	-	-	-	-	16,806,856
Nonprogrammed charges	-	-	118,492	62,131,842	47,210	6,384	339,199	76,270,151
Interfund loans	-	-	-	-	-	-	-	20,500
Total disbursements	1,339,541	534,761	118,492	62,131,842	47,210	6,384	339,199	212,486,152
Excess (deficiency) of receipts over disbursements	(1,339,541)	(52,478)	(6,111)	(10,757)	14,685	6,641	87,658	(18,124,167)
Other financing sources (uses)								
Proceeds of long-term debt	-	-	-	-	-	-	-	169,141
Sale of capital assets	-	-	-	-	-	-	-	20,335
Transfers in	-	-	-	-	-	-	-	9,204,275
Transfers out	-	-	-	-	-	-	-	(9,204,275)
Total other financing sources (uses)	-	-	-	-	-	-	-	189,476
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,339,541)	(52,478)	(6,111)	(10,757)	14,685	6,641	87,658	(17,934,691)
Cash and investments - ending	\$ (1,339,541)	\$ (52,478)	\$ 249,212	\$ 2,479	\$ 18,135	\$ 7,954	\$ 410,421	\$ 40,634,891

PENN-HARRIS-MADISON SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2021

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 18,926,467	\$ -

PENN-HARRIS-MADISON SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2021

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
Penn High School Bldg Corp	Lease Rental 2020	\$ 1,564,000	5/12/2020	12/31/2034
Penn High School Bldg. Corp	Lease Rental 2021	2,875,000	7/15/2021	12/30/2036
Penn High School Bldg. Corp	Lease Rental 2019	1,984,500	3/28/2019	12/31/2028
Penn High School Bldg. Corp	Refunding 2019	<u>682,000</u>	12/20/2019	12/31/2029
Total governmental activities		<u>7,105,500</u>		
Total of annual lease payments		<u>\$ 7,105,500</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	General Obligation Bond 2017	\$ 1,235,000	\$1,247,350
General Obligation Bonds	General Obligation Bond 2018	<u>6,625,000</u>	<u>2,025,619</u>
Total governmental activities		<u>7,860,000</u>	<u>3,272,969</u>
Totals		<u>\$ 7,860,000</u>	<u>\$3,272,969</u>

PENN-HARRIS-MADISON SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2021

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	\$ 4,628,836
Infrastructure	3,997,620
Buildings	349,204,805
Improvements other than buildings	23,533,118
Machinery, equipment, and vehicles	<u>21,725,254</u>
Total governmental activities	<u>403,089,633</u>
Total capital assets	<u>\$ 403,089,633</u>

PENN-HARRIS-MADISON SCHOOL CORPORATION
STATE REPORTING INFORMATION
July 1, 2019 - June 30, 2021

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.

PENN-HARRIS-MADISON SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period July 1, 2019 through June 30, 2021

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-20	Total Federal Awards Expended 06-30-21	Total Federal Awards Expended 07-01-2019 to 06-30-21
Department of Agriculture						
Child Nutrition Cluster						
Food & Nutrition Service/ School Breakfast Program	Indiana Department of Education					
School Breakfast Program		10.553	FY2020, FY2021	\$ 198,683	580,841	\$ 779,524
School Lunch Program		10.555	FY2020, FY2021	1,051,027	2,016,569	3,067,596
Commodities		10.555	FY2020, FY2021	287,686	374,895	662,581
Summer Food Service Program for Children		10.559	FY2020, FY2021	348,122	170,425	518,547
Total - Child Nutrition Cluster				<u>1,885,518</u>	<u>3,142,730</u>	<u>5,028,248</u>
Total - Department of Agriculture				<u>1,885,518</u>	<u>3,142,730</u>	<u>5,028,248</u>
Department of Education						
Special Education Cluster(IDEA)						
Special Education Grants to States						
Special Ed-Part B	Indiana Department of Education	84.027	18611-134-PN01	454	-	454
Special Ed-Part B		84.027	19611-134-PN01	1,518,576	-	1,518,576
Special Ed-Part B		84.027	20611-134-PN01	1,058,302	1,140,288	2,198,590
Total - Special Education Grants to States				<u>2,577,332</u>	<u>1,140,288</u>	<u>3,717,620</u>
Special Education Preschool Grants						
Special Ed Preschool	Indiana Department of Education	84.173	18619-134-PN01	18	-	18
Special Ed Preschool		84.173	19619-134-PN01	39,599	-	39,599
Special Ed Preschool		84.173	20619-134-PN01	36,761	26,813	63,574
Special Ed Preschool		84.173	21619-134-PN01	-	21,030	21,030
Total - Special Education Preschool Grants				<u>76,378</u>	<u>47,843</u>	<u>124,221</u>
Total - Special Education Cluster(IDEA)				<u>2,653,710</u>	<u>1,188,131</u>	<u>3,841,841</u>
Title I Grants to Local Education Agencies						
Title I, Part A	Indiana Department of Education	84.010	S010A180014	156,205	-	156,205
Title I, Part A		84.010	S010A190014	623,688	263,267	886,955
Title I, Part A		84.010	S010A200014	-	523,419	523,419
Total - Title I Grants to Local Educational Agencies				<u>779,893</u>	<u>786,686</u>	<u>1,566,579</u>

(Continued)

PENN-HARRIS-MADISON SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period July 1, 2019 through June 30, 2021

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-20	Total Federal Awards Expended 06-30-21	Total Federal Awards Expended 07-01-2019 to 06-30-21
English Language Acquisition State Grants	Indiana Department of Education					
Title III Part A		84.365	S365A180014	\$ 5,802	\$ -	\$ 5,802
Title III Part A		84.365	S365A190014	29,670	6,201	35,871
Title III Part A		84.365	S365A200014	-	28,663	28,663
Total - English Language Acquisition State Grants				<u>35,472</u>	<u>34,864</u>	<u>70,336</u>
Title II Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II, Part A		84.367	S367A180013	76,998	-	76,998
Title II, Part A		84.367	S367A190013	136,247	79,472	215,719
Title II, Part A		84.367	S367A200013	-	142,537	142,537
Total - Title II Supporting Effective Instruction State Grants				<u>213,245</u>	<u>222,009</u>	<u>435,254</u>
Title IV Student Support and Academic Enrichment Program	Indiana Department of Education					
Title IV Part A		84.424	S424A180015	12,070	-	12,070
Title IV Part A		84.424	S424A190015	58,267	10,844	69,111
Title IV Part A		84.424	S424A200015	-	57,899	57,899
Total - Student Support and Academic Enrichment Grant				<u>70,337</u>	<u>68,743</u>	<u>139,080</u>
COVID-19 Education Stabilization Fund	Indiana Department of Education					
Elementary and Secondary School Emergency Relief (ESSER I) Fund		84.425D	S425D200013	-	482,283	482,283
Total - COVID-19 Education Stabilization Fund				<u>-</u>	<u>482,283</u>	<u>482,283</u>
Total - Department of Education				<u>3,752,657</u>	<u>2,782,716</u>	<u>6,535,373</u>
Department of Health and Human Services						
Medicaid Cluster						
Medical Assistance Program	Indiana Department of Education					
Medicaid Reimbursement		93.778	FY2020, FY2021	211,396	296,644	508,040
Total - Department of Health and Human Services				<u>211,396</u>	<u>296,644</u>	<u>508,040</u>
Total federal awards expended				<u>\$ 5,849,571</u>	<u>\$ 6,222,090</u>	<u>\$ 12,071,661</u>

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

PENN-HARRIS-MADISON SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period of July 1, 2019 to June 30, 2021

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

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

B. Other Significant Accounting Policies

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

NOTE 2 - INDIRECT COST RATE

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

NOTE 3 - OTHER INFORMATION

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

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
Penn-Harris-Madison School Corporation
St. Joseph 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 Penn-Harris-Madison School Corporation ("School Corporation"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School Corporation as of June 30, 2021 and for the period July 1, 2019 to June 30, 2021 and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement, and have issued our report thereon dated April 12, 2023.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 may exist that have not been identified.

(Continued)

Compliance and Other Matters

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

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
April 12, 2023

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

Those Charged with Governance
Penn-Harris-Madison School Corporation
St. Joseph County, Indiana

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the period July 1, 2019 to June 30, 2021.

(Continued)

Report on Internal Control Over Compliance

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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-002 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2021-001, 2021-003, 2021-004, 2021-005, and 2021-006 to be significant deficiencies.

The School Corporation's response to the internal control over compliance findings identified in our audit are described in the accompanying *Schedule of Findings and Questioned Costs*. The School Corporation's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Crowe LLP
Crowe LLP

Indianapolis, Indiana
April 12, 2023

PENN-HARRIS-MADISON SCHOOL CORPORATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Period of July 1, 2019 to June 30, 2021

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

Federal Awards

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

Identification of major programs

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.559	Child Nutrition Cluster
84.010	Title I Grants to Local Educational Agencies
84.027, 84.173	Special Education Cluster (IDEA)

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 – Financial Statement Findings

None.

(Continued)

PENN-HARRIS-MADISON SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Period of July 1, 2019 to June 30, 2021

Section III – Federal Award Findings and Questioned Costs

FINDING 2021-001

Information on the federal program:

Subject: Child Nutrition Cluster – Internal Controls
Federal Agency: Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program, Summer Food Services
Assistance Listing Number: 10.553, 10.555, 10.559
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Suspension and Debarment
Audit Finding: Significant Deficiency

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 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 in order to ensure compliance with requirements related to the grant agreement and the Procurement compliance requirements.

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

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

Questioned Costs: There were no questioned costs identified.

(Continued)

PENN-HARRIS-MADISON SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Period of July 1, 2019 to June 30, 2021

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

Context: There were four small purchase method procurements selected for sample testing for the audit period. For three of the four sample procurements, the School Corporation did not perform the suspension and debarment check on the vendor before purchasing items from the vendor.

Identification as a repeat finding, if applicable: This is a repeat finding from the immediately prior audit. The prior finding number was 2019-005.

Recommendation: We recommended that the School Corporation's management establish a system of internal controls related to ensure that vendors are not debarred or suspended.

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

FINDING 2021-002

Information on the federal program:

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

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

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

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

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

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

Questioned Costs: \$765.

(Continued)

PENN-HARRIS-MADISON SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Period of July 1, 2019 to June 30, 2021

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

Context: We noted that for three sponsor claim reimbursements in a sample of four claims the amount of meals claimed on each sponsor claim did not agree to the supporting meal system reports. The net overstatement of meals claimed for the four claims sampled was 219 meals resulting in an over reimbursement amount of \$765.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommended that the School Corporation ensure the number of meals reported for reimbursement agree to the underlying meal reports before they are submitted for reimbursement.

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

FINDING 2021-003

Information on the federal program:

Subject: Title I Grants to Local Educational Agencies - Internal Controls
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
Assistance Listing Number: 84.010
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Finding: Significant Deficiency

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

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

2 CFR 200.302(b) states in part:

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

2 CFR 200.302(b) states in part:

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

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

34 CFR 76.722 states:

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

(Continued)

PENN-HARRIS-MADISON SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Period of July 1, 2019 to June 30, 2021

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

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 reporting compliance requirements.

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

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

Questioned Costs: There were no questioned costs identified.

Context: During the audit period, there were two final expenditures reports required to be submitted. For the 2019-2020 final expenditure report selected for testing, the parental involvement amount on the final expenditure report was incorrectly reported as zero. The parental involvement amount that was expended for the 2019-2020 grant was \$8,409.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommend that the School Corporation establish a documented, secondary review of the final expenditure reports before they are submitted.

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

Finding 2021-004

Information on the federal program:

Subject: Title I Grants to Local Educational Agencies - Internal Controls
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
Assistance Listing Number: 84.010
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Earmarking
Audit Finding: Significant Deficiency

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

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

(Continued)

PENN-HARRIS-MADISON SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Period of July 1, 2019 to June 30, 2021

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

20 USC 6318(a)(3) states in part:

"(A) In general - Each local educational agency shall reserve at least 1 percent of its allocation under subpart 2 to assist schools to carry out the activities described in this section, except that this subparagraph shall not apply if 1 percent of such agency's allocation under subpart 2 for the fiscal year for which the determination is made is \$5,000 or less. Nothing in this subparagraph shall be construed to limit local educational agencies from reserving more than 1 percent of its allocation under subpart 2 to assist schools to carry out activities described in this section. . . .

(D) Use of Funds - Funds reserved under subparagraph (A) by a local educational agency shall be used to carry out activities and strategies consistent with the local educational agency's parent and family engagement policy, including not less than 1 of the following:

(i) Supporting schools and nonprofit organizations in providing professional development for local educational agency and school personnel regarding parent and family engagement strategies, which may be provided jointly to teachers, principals, other school leaders, specialized instructional support personnel, paraprofessionals, early childhood educators, and parents and family members.

(ii) Supporting programs that reach parents and family members at home, in the community, and at school.

(iii) Disseminating information on best practices focused on parent and family engagement, especially best practices for increasing the engagement of economically disadvantaged parents and family members.

(iv) Collaborating, or providing subgrants to schools to enable such schools to collaborate, with community-based or other organizations or employers with a record of success in improving and increasing parent and family engagement.

(v) Engaging in any other activities and strategies that the local educational agency determines are appropriate and consistent with such agency's parent and family engagement policy."

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 earmarking compliance requirements.

Cause: The School Corporation's management had not developed a system of internal controls to ensure compliance with the compliance requirements listed above. The School Corporation had no process in place to monitor the progress of the earmarking requirement.

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

Questioned Costs: There were no questioned costs identified.

Context: During the audit period, the earmarking requirement for Parental Involvement was not met for the fiscal year 2019-2020 Title I grant, which ended during the audit period. There was \$8,409 disbursed for parental involvement for the 2019-2020 grant. However, per the Title I application, the School Corporation was required to disburse \$8,998 for parental involvement for 2019-2020 grant. The earmarking requirement was properly met for the 2018-2019 Title I grant which ended during the audit period.

(Continued)

PENN-HARRIS-MADISON SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Period of July 1, 2019 to June 30, 2021

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

Identification as a repeat finding, if applicable: No.

Recommendation: We recommend that the School Corporation establish a formal process to ensure the School Corporation meets the earmarking requirement.

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

Finding 2021-005

Information on the federal program:

Subject: Title I Grants to Local Educational Agencies - Internal Controls
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
Assistance Listing Number: 84.010
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Eligibility
Audit Finding: Significant Deficiency

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

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

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

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

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

Questioned Costs: There were no questioned costs identified.

Context: There were twenty-five students selected for sample testing for the audit period. For one of the twenty-five sample students, the student's poverty status was reported incorrectly on the real time report as paid when the student should have been reported as free.

Identification as a repeat finding, if applicable: No.

(Continued)

PENN-HARRIS-MADISON-SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Period of July 1, 2019 to June 30, 2021

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

Recommendation: We recommend that the School Corporation establish a formal process to ensure the correct poverty status is reported on the real time report for each student.

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

Finding 2021-006

Information on the federal program:

Subject: Special Education Cluster (IDEA) - Internal Controls
Federal Agency: Department of Education
Federal Program: Special Education Cluster (IDEA)
Assistance Listing Number: 84.027, 84.173
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Earmarking
Audit Finding: Significant Deficiency

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

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

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

Cause: The School Corporation's management had not developed a system of internal controls to ensure compliance with the compliance requirements listed above. The School Corporation had no process in place to monitor the progress of the earmarking requirement.

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

Questioned Costs: There were no questioned costs identified.

Context: During the audit period, the earmarking requirement for the Non-Public Proportionate Share was not met for the fiscal year 2017-2018 and 2018-2019 Special Education Cluster grants, whose period of performance ended during the audit period. There was \$150,760 disbursed for the Non-Public Proportionate Share for the 2017-2018 grant. However, per the Special Education Cluster application, the School Corporation was required to disburse \$150,846 for the Non-Public Proportionate Share for the 2017-2018 grant. There was \$187,721 disbursed for the Non-Public Proportionate Share for the 2018-2019 grant. However, per the Title I application, the School Corporation was required to disburse \$188,596 for the Non-Public Proportionate Share for the 2018-2019 grant.

(Continued)

PENN-HARRIS-MADISON-SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Period of July 1, 2019 to June 30, 2021

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

Identification as a repeat finding, if applicable: No.

Recommendation: We recommend that the School Corporation establish a formal process to ensure the School Corporation meets the earmarking requirement.

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



PENN·HARRIS·MADISON

SCHOOL CORPORATION

CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

June 30, 2021

Finding 2021-001 – Child Nutrition Cluster – Suspension and Debarment

Contact Person Responsible for Corrective Action: Jerry D Hawkins
Contact Phone Number: 574-258-9591

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The Food Service Director or designee will review the appropriate expenditures to ensure the suspension and debarment check on the vendor is completed.

Anticipated Completion Date: April 11, 2023

Finding 2021-002 – Child Nutrition Cluster – Cash Management

Contact Person Responsible for Corrective Action: Jerry D. Hawkins
Contact Phone Number: 574-258-9591

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The Food Service Director or designee will review the meal system reports and compare that to the meals claimed.

Anticipated Completion Date: April 11, 2023

Finding 2021-003 – Title I – Reporting

Contact Person Responsible for Corrective Action: Jerry D. Hawkins
Contact Phone Number: 574-258-9591

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The Business Office will review the final report before submission to ensure it is completed correctly.

Anticipated Completion Date: April 11, 2023



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Finding 2021-004 – Title I - Earmarking

Contact Person Responsible for Corrective Action: Jerry D. Hawkins
Contact Phone Number: 574-258-9591

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The Business Office will monitor the expenditure of Parental Involvement to ensure the minimum expenditure is met.

Anticipated Completion Date: April 11, 2023

Finding 2021-005– Title I – Eligibility

Contact Person Responsible for Corrective Action: Jerry D. Hawkins
Contact Phone Number: 574-258-9591

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The Food Service Department will review the student poverty status and compare it to the real time report to ensure accuracy.

Anticipated Completion Date: June 30, 2023

Finding 2021-006– Special Education Cluster - Earmarking

Contact Person Responsible for Corrective Action: Jerry D. Hawkins
Contact Phone Number: 574-258-9591

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The Business Office will review the Non-Public Proportionate Share to ensure earmarking requirement is met.

Anticipated Completion Date: April 11, 2023



PENN·HARRIS·MADISON

SCHOOL CORPORATION

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2019-001

Subject: Financial Transactions and Reporting
Audit Finding: Material Weakness

Condition and Context

There were deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. The School Corporation had not established a system of internal controls or separated incompatible activities related to payroll withholdings. There was no process in place at the School Corporation to review the accuracy and propriety of payroll withholdings, deductions, and benefits retained from employees' wages and the corresponding payments to vendors.

The lack of controls was a systemic issue throughout the audit period.

Status: Resolved, controls were implemented for the audit period.

FINDING 2019-002

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

Condition and Context

The School Corporation had not established effective internal controls over the federal award information entered into the Indiana Gateway for Government Units financial reporting system, which was the source of the School Corporation's Schedule of Expenditures of Federal Awards (SEFA). The SEFA presented for audit contained material errors.

Status: Resolved, controls were implemented were implemented for the audit period.

FINDING 2019-003

Subject: Child Nutrition Cluster - Internal Controls
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children
CFDA Numbers: 10.553, 10.555, 10.559
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2018, FY 2019
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Special Tests and Provisions – Verification of Free and Reduced Price Applications (NSLP)
Audit Finding: Material Weakness

Condition and Context

An effective internal control system was not in place at the School Corporation in order to ensure compliance related to the grant agreement and the Activities Allowed or Unallowed, Allowable Costs/Cost



Principles, and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirements.

Activities Allowed or Unallowed and Allowable Costs/Cost Principles

There were no controls in place to ensure that payroll benefits paid from the School Lunch fund were for employees working within that program. Payroll benefits were paid without an oversight, review, or approval process, or other compensating control.

Special Tests and Provisions - Verification of Free and Reduced Lunch Applications (NSLP) (School Breakfast Program and National School Lunch Program only)

There were no controls in place to ensure that verifications of eligibility determinations for free and reduced price meals were accurate for fiscal year 2017-2018. There was no review of the 2017-2018 FSA Verification Summary Report. For 2018-2019, eligibility determinations and the FSA Verification Summary Report were reviewed by a knowledgeable person.

The lack of controls was a systemic issue throughout the audit period related to Activities Allowed or Unallowed and Allowable Costs/Cost Principles. The lack of controls was an issue over Verification of Free and Reduced Price Applications (NSLP) for 2017-2018 only.

Status: Resolved, controls were implemented were implemented for the audit period.

FINDING 2019-004

Subject: Child Nutrition Cluster - Cash Management
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children
CFDA Numbers: 10.553, 10.555, 10.559
Federal Award Number and Year (or Other Identifying Number): FY 2018
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Cash Management
Audit Findings: Material Weakness, Other Matters

Condition and Context

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

The School Corporation had not designed or implemented adequate internal controls to ensure that the School Lunch fund's monthly cash balances (net cash resources) were limited to three months average expenditures in compliance with cash management requirements. A review of balances were conducted, but were ineffective in monitoring the cash balances for fiscal year 2017-2018.

The School Corporation did not comply with the cash management requirement that they limit cash balances (net cash resources) to three months average expenditures for 2017-2018. The School Corporation implemented a School Lunch Capital Spending Plan to comply with the cash management requirements beginning with 2018-2019.

The lack of controls was a systemic issue for 2017-2018. The cash balances (net cash resources) in the School Lunch fund exceeded the three months average expenditures for all 24 months of the audit period; however, the School Corporation properly implemented a School Lunch Capital Spending Plan for 2018-2019.

Status: Resolved, controls were implemented were implemented for the audit period.

FINDING 2019-005

Subject: Child Nutrition Cluster - Suspension and Debarment
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children
CFDA Numbers: 10.553, 10.555, 10.559
Federal Award Number and Year (or Other Identifying Number): FY 2018
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

Condition and Context

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

The School Corporation had not established an effective internal control system for fiscal year 2017-2018 to ensure that vendors were not suspended or debarred from participation in federal programs. The School Corporation did not ensure that vendors were not suspended or debarred from participation in federal programs.

During 2018-2019, the School Corporation required vendors to sign a form stating they were not suspended or debarred when they submitted their bids for foods and services. The School Board reviewed these bids.

The lack of controls and noncompliance were only applicable to 2017-2018.

Status: Not resolved, see finding 2021-001.

FINDING 2019-006

Subject: Title I Grants to Local Educational Agencies - Internal Controls
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): S010A160014, S010A170014,
S010A180014
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles
Audit Finding: Material Weakness

Condition and Context

An effective internal control system was not in place at the School Corporation in order to ensure compliance related to the grant agreement and the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

There were no controls in place to ensure that payroll benefits paid from the Title I Grants to Local Educational Agencies funds were for employees working within those programs. Payroll benefits were paid without an oversight, review, or approval process, or other compensating control.

The lack of controls was a systemic issue throughout the audit period.

Status: Resolved, controls were implemented were implemented for the audit period.

FINDING 2019-007

Subject: Title I Grants to Local Educational Agencies - Special Tests and Provisions - Annual Report Card, High School Graduation Rate
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): S010A160014, S010A170014, S010A180014
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Annual Report Card, High School Graduation Rate
Audit Finding: Material Weakness

Condition and Context

An effective internal control system was not in place at the School Corporation in order to ensure compliance related to the grant agreement and the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

For the students removed from the High School cohort graduation rate for mobility reasons there must be written documentation that the student was enrolled in another school or in an educational program that culminated in the award of a high school diploma, or emigrated to another country, or was deceased. One person entered mobility codes into the system without an oversight, review, or approval process, or other compensating control.

The lack of controls was a systemic issue throughout the audit period.

Status: Resolved, controls were implemented were implemented for the audit period.

FINDING 2019-008

Subject: Special Education Cluster (IDEA) - Activities Allowed or Unallowed, Allowable Costs/Cost Principles
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): 14217-134-PN01, 18611-134-PN01, 19611-134-PN01, 45717-134-PN01, 18619-134-PN01, 19619-134-PN01
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles
Audit Findings: Material Weakness, Modified Opinion

Condition and Context

An effective internal control system was not in place at the School Corporation in order to ensure compliance related to the grant agreement and the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

There were no controls in place to ensure that payroll benefits paid from the Special Education funds were for employees working within those programs. Payroll benefits were paid without an oversight, review, or approval process, or other compensating control.

There were no controls in place to ensure that only Special Education employees were paid from those funds. The School Corporation did not present for audit supporting documentation to verify that all employees paid were allowed to be paid from Special Education funds. Documentation used by the School Corporation to prepare payroll did not correlate with the actual amounts paid to employees.

The following disbursements charged to Special Education funds did not comply with the Allowable Costs/Cost Principles compliance requirements:

1. Two Educational Assistants were split funded 25-50 percent between the Education fund and the Special Education Grant to States program. Supporting documentation of personnel time documented that the employees worked 100 percent of their time on the Special Education Grants to States.

2. Six Educational Assistants were paid 100 percent from either Special Education Grants to States or Special Education Preschool Grants funds. The School Corporation did not present documentation of personnel time worked for either Special Education program. This resulted in known questioned costs of \$63,947 during the audit period.

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

Status: Resolved, controls were implemented were implemented for the audit period.