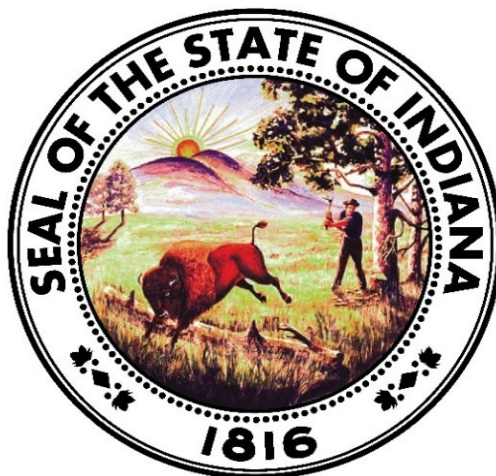


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

FINANCIAL STATEMENT AND
FEDERAL COMPLIANCE AUDIT REPORT
OF

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
HARRISON COUNTY, INDIANA

July 1, 2021 to June 30, 2023



FILED
03/25/2024



STATE OF INDIANA
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March 25, 2024

To: The Officials of North Harrison Community School Corporation
North Harrison Community School Corporation
Harrison County, Indiana

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of North Harrison Community School Corporation. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period July 1, 2021 to June 30, 2023. Per the *Independent Auditor's Report*, the financial statement referred to above presents fairly, in all material respects, the cash and investment balances of North Harrison Community School Corporation as of June 30, 2023, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2021 to June 30, 2023 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 37-45. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 46-49.

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

In addition to the report presented herein, a Supplemental Report for North Harrison Community School Corporation was prepared in accordance with the guidelines established by the State Board of Accounts.

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

A handwritten signature in black ink that reads "Tammy R. White". The signature is written in a cursive style.

Tammy R. White, CPA
Deputy State Examiner

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
Harrison County, Indiana

FINANCIAL STATEMENT
As of June 30, 2023, and for the
period of July 1, 2021 through June 30, 2023

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
Harrison County, Indiana

FINANCIAL STATEMENT
As of June 30, 2023, and for the
period of July 1, 2021 through June 30, 2023

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NORTH HARRISON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF OFFICIALS (Unaudited)
For the period July 1, 2021 through June 30, 2023

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Jo Ann Burson	07-01-21 to 06-30-23
Superintendent of Schools	Dr. Lance Richards	07-01-21 to 06-30-22
	Nathan Freed	07-01-22 to 06-30-23
President of the School Board	Marla Adams	07-01-21 to 12-31-22
	Kerry Engle	01-01-23 to 06-30-23



Those Charged with Governance
North Harrison Community School Corporation
Harrison County, Indiana

Report on the Audit of the Financial Statement

Opinions

We have audited the accompanying statement of receipts, disbursements, other financing sources (uses) and cash and investment balances of the North Harrison Community School Corporation (the School Corporation) as of June 30, 2023 and for the period of July 1, 2021 through June 30, 2023, and the related notes to the financial statement.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement presents fairly, in all material respects, the cash and investment balances of the School Corporation as of June 30, 2023, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2021 through June 30, 2023 in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the School Corporation as of June 30, 2023, or changes in net position for the period of July 1, 2021 through June 30, 2023.

Basis for Opinion

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

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

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

(Continued)

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

Responsibilities of Management for the Financial Statement

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

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

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

Supplementary Information

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

(Continued)

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

Other Information

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

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

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2024 on our consideration of the School Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.


Crowe LLP

Indianapolis, Indiana

March 15, 2024

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
As of June 30, 2023 and for the period of July 1, 2021 through June 30, 2023

<u>Fund</u>	<u>Cash and Investments 07-01-2021</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2023</u>
Education	\$ 1,882,916	\$ 15,638,851	\$ 12,152,044	\$ (2,100,000)	\$ 3,269,723	\$ 16,214,955	\$ 13,251,696	\$ (2,100,060)	\$ 4,132,922
Debt Service	384,817	2,546,248	2,531,213	(9,585)	390,267	2,976,049	3,149,927	-	216,389
Operations	2,130,319	3,900,800	5,710,216	2,103,500	2,424,403	3,585,309	6,085,602	2,106,000	2,030,110
Local Rainy Day	521,929	-	-	-	521,929	-	-	-	521,929
Retirement/ Severance Bond	707	-	-	-	707	-	-	-	707
Physical Education Facility	10	-	-	-	10	-	-	-	10
Construction 2022	-	-	-	-	-	-	468,861	600,000	131,139
School Lunch	678,194	1,706,807	1,472,647	-	912,354	1,910,888	1,826,410	60	996,892
Textbook Rental	284,184	305,775	321,710	-	268,249	270,767	404,446	-	134,570
Child Care/ Afterschool	(632)	7,810	7,553	-	(375)	12,013	11,638	-	-
Educational License Plates	7,481	56	-	-	7,537	188	-	-	7,725
Arts Council - NHE	900	-	-	-	900	-	-	-	900
Hc Substance Abuse Prev	7	-	-	-	7	-	-	-	7
Jackson Township Trustee	2,628	-	-	-	2,628	-	-	-	2,628
New Salisbury Lions Club	201	160	-	-	361	170	125	-	406
Community Donations	582	-	-	-	582	-	-	-	582
HCCF Library Endowments	369	6,761	5,988	-	1,142	4,155	4,779	-	518
Riverboat 2021	524,269	-	511,130	-	13,139	-	13,139	-	-
Riverboat 2022	-	253,681	5,929	-	247,752	-	247,752	-	-
Riverboat 2023	-	-	-	-	-	250,189	74,776	-	175,413
HCCF Dual Credit	(100)	30,300	30,200	-	-	17,515	31,946	-	(14,431)
Brs Stabilization Grant	-	25,000	-	-	25,000	-	25,000	-	-
HCCF 22-23 Playground Project	-	-	-	-	-	127,839	102,839	-	25,000
ECA Reimbursement	(583)	27,383	25,919	-	881	32,078	32,959	-	-
Formative Assessment	-	21,961	-	-	21,961	19,883	31,411	-	10,433
State Medicaid Reimbursement	-	33,203	-	-	33,203	32,789	-	-	65,992
Secured Schools Safety Grant	(11,094)	47,093	45,783	-	(9,784)	74,314	64,530	-	-
20-21 Stem Acceleration Grant	-	-	-	-	-	1,043	1,043	-	-
Early Intervention Grant	2,975	-	2,975	-	-	-	-	-	-

(Continued)

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
As of June 30, 2023 and for the period of July 1, 2021 through June 30, 2023

<u>Fund</u>	<u>Cash and Investments 07-01-2021</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2023</u>
22-23 Eig Literacy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,675	\$ 4,698	\$ -	\$ 1,977
Science Grant/Nhms	1,000	-	-	-	1,000	-	-	-	1,000
Non English Speaking Program	2,079	-	-	-	2,079	-	-	-	2,079
Nesp English Learners	-	2,243	663	-	1,580	-	1,513	-	67
22-23 Non-English Speaking Program	-	-	-	-	-	2,008	-	-	2,008
Career And Technical Performance Grant	14,335	-	14,335	-	-	-	-	-	-
Teacher Appreciation Grant	-	79,037	79,037	-	-	-	-	-	-
2022 Teacher Appreciation	-	-	-	-	-	77,722	77,722	-	-
High Ability Students	12,343	31,941	30,953	-	13,331	27,376	35,048	-	5,659
State Connectivity Grant	99,260	12,760	16,813	-	95,207	7,110	39,191	-	63,126
21St Century Scholars Incentive	47	-	47	-	-	-	-	-	-
21St Century Scholars	-	5,361	5,361	-	-	-	-	-	-
21St Century Scholar 22-23	-	-	-	-	-	10,836	10,836	-	-
Title I 20-21	(51,613)	89,278	37,665	-	-	-	-	-	-
Title I 21-22	-	211,601	230,991	-	(19,390)	55,210	35,820	-	-
Title I 22-23	-	-	-	-	-	123,553	144,488	-	(20,935)
Title IV FY 19 Innovation Grant	(39,955)	39,955	-	-	-	-	-	-	-
Student Support Title IV	-	19,557	19,557	-	-	-	-	-	-
Title IV	-	-	-	-	-	19,281	19,281	-	-
Medicaid Reimb - Federal	48,854	86,144	96,833	-	38,165	84,069	106,594	-	15,640
Title II FY 2019	(5,114)	5,114	-	-	-	-	-	-	-
Title II FY 2020	(1,841)	54,764	57,419	-	(4,496)	6,623	2,127	-	-
Title II FY 2021	-	-	-	-	-	53,638	58,400	-	(4,762)
Title II FY 2022	-	-	-	-	-	23,983	23,699	-	284
ESSER III	-	700,122	883,235	-	(183,113)	1,010,027	901,431	-	(74,517)
ESSER II	(639,940)	856,681	216,937	-	(196)	5,304	5,108	-	-
ESSER I	(20,577)	21,296	719	-	-	7,062	7,062	-	-
Other Federal Stimulus	-	47,325	47,325	-	-	-	-	-	-
Prepaid School Lunch	43,037	238,755	255,250	-	26,542	618,146	619,114	-	25,574

(Continued)

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
As of June 30, 2023 and for the period of July 1, 2021 through June 30, 2023

Fund	Cash and Investments 07-01-2021	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2022	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2023
Federal Tax	\$ -	\$ 922,927	\$ 922,927	\$ -	\$ -	\$ 950,187	\$ 950,187	\$ -	\$ -
FICA/ Medicare	-	817,302	817,302	-	-	884,881	884,881	-	-
State Tax	-	330,648	330,648	-	-	356,087	356,087	-	-
County Tax	-	110,580	110,591	-	(11)	119,579	119,568	-	-
Perf/Voluntary	47	25,471	25,477	-	41	26,922	26,940	-	23
Group Insurance	81,444	1,135,893	1,098,121	-	119,216	1,045,747	1,092,933	-	72,030
Annuity	-	396,882	397,130	-	(248)	372,909	372,661	-	-
Garnishments	-	13,709	13,709	-	-	12,942	12,942	-	-
Mass Mutual Loan	-	2,903	2,903	-	-	917	917	-	-
United Way	-	90	90	-	-	13	13	-	-
	-	26,630	26,630	-	-	17,640	17,640	-	-
Totals	\$ 5,953,485	\$ 30,836,858	\$ 28,561,975	\$ (6,085)	\$ 8,222,283	\$ 31,456,591	\$ 31,755,780	\$ 606,000	\$ 8,529,094

See notes to financial statement.

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2023, and for the period of
July 1, 2021 through June 30, 2023

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 basis of accounting also requires presentation of certain information as Other Information.

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

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

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

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

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

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

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

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

(Continued)

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2023, and for the period of
July 1, 2021 through June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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)

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2023, and for the period of
July 1, 2021 through June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

NOTE 2 - BUDGETS

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

NOTE 3 - PROPERTY TAXES

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

(Continued)

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2023, and for the period of
July 1, 2021 through June 30, 2023

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, 2022, and 2023.

NOTE 7 - HOLDING CORPORATION

The School Corporation has entered into a series of capital leases with the North Harrison Community School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments for the period July 1, 2021 through June 30, 2022 totaled \$2,312,500. Lease payments for the period July 1, 2022 through June 30, 2023 totaled \$2,306,250.

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.

(Continued)

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2023, and for the period of
July 1, 2021 through June 30, 2023

NOTE 8 - PENSION PLANS (Continued)

The Retirement Savings Plan for Public Employees (My Choice) is a multiple-employer defined contribution plan. It is administered through the 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.

New employees hired have a one-time election to join either the PERF Hybrid or the My Choice.

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 both the defined contribution component of PERF Hybrid and My Choice. The employer may elect to make the contribution on behalf of the member of the defined contribution component of PERF Hybrid and My Choice members may receive additional employer contribution in lieu of the PERF DB. Contributions to the PERF DB are determined by INPRS Board based on actuarial valuation.

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.

(Continued)

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2023, and for the period of
July 1, 2021 through June 30, 2023

NOTE 8 - PENSION PLANS (Continued)

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

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

Financial Report

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

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

Contributions

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

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

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

OTHER INFORMATION (Unaudited)

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2022

	Education	Debt Service	Operations	Local Rainy Day	Retirement/ Severance Bond	Physical Education Facility	Construction 2022	School Lunch	Textbook Rental	Child Care/ Afterschool	Educational License Plates	Arts Council - NHE	Hc Substance Abuse Prev	Jackson Township Trustee
Cash and investments - beginning	\$ 1,882,916	\$ 384,817	\$ 2,130,319	\$ 521,929	\$ 707	\$ 10	\$ -	\$ 678,194	\$ 284,184	\$ (632)	\$ 7,481	\$ 900	\$ 7	\$ 2,628
Receipts:														
Local sources	121,848	2,546,248	3,900,800	-	-	-	-	1,706,807	305,775	7,810	-	-	-	-
Intermediate sources	173	-	-	-	-	-	-	-	-	-	56	-	-	-
State sources	15,516,830	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	15,638,851	2,546,248	3,900,800	-	-	-	-	1,706,807	305,775	7,810	56	-	-	-
Disbursements:														
Instruction	10,259,195	-	-	-	-	-	-	-	-	7,553	-	-	-	-
Support services	1,778,799	-	5,118,824	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	114,050	-	3,000	-	-	-	-	1,472,647	321,710	-	-	-	-	-
Facilities acquisition and construction	-	-	588,392	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	2,531,213	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	12,152,044	2,531,213	5,710,216	-	-	-	-	1,472,647	321,710	7,553	-	-	-	-
Excess (deficiency) of receipts over disbursements	3,486,807	15,035	(1,809,416)	-	-	-	-	234,160	(15,935)	257	56	-	-	-
Other financing sources (uses):														
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	3,500	-	-	-	-	-	-	-	-	-	-	-
Transfers in	6,852	-	2,100,000	-	-	-	-	-	-	-	-	-	-	-
Transfers out	(2,106,852)	(9,585)	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(2,100,000)	(9,585)	2,103,500	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,386,807	5,450	294,084	-	-	-	-	234,160	(15,935)	257	56	-	-	-
Cash and investments - ending	\$ 3,269,723	\$ 390,267	\$ 2,424,403	\$ 521,929	\$ 707	\$ 10	\$ -	\$ 912,354	\$ 268,249	\$ (375)	\$ 7,537	\$ 900	\$ 7	\$ 2,628

(Continued)

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2022

	New Salisbury Lions Club	Community Donations	HCCF Library Endowments	Riverboat 2021	Riverboat 2022	HCCF Dual Credit	Brs Stabilization Grant	HCCF 22-23 Playground Project	ECA Reimbursement	Formative Assessment	State Medicaid Reimbursement	Secured Schools Safety Grant	20-21 Stem Acceleration Grant	Early Intervention Grant
Cash and investments - beginning	\$ 201	\$ 582	\$ 369	\$ 524,269	\$ -	\$ (100)	\$ -	\$ -	\$ (583)	\$ -	\$ -	\$ (11,094)	\$ -	\$ 2,975
Receipts:														
Local sources	160	-	6,761	-	-	30,300	25,000	-	27,383	-	-	-	-	-
Intermediate sources	-	-	-	-	253,681	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	21,961	33,203	47,093	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	160	-	6,761	-	253,681	30,300	25,000	-	27,383	21,961	33,203	47,093	-	-
Disbursements:														
Instruction	-	-	-	15,023	-	30,200	-	-	4,438	-	-	-	-	-
Support services	-	-	5,988	452,266	-	-	-	-	127	-	-	45,783	-	2,975
Noninstructional services	-	-	-	-	-	-	-	-	21,354	-	-	-	-	-
Facilities acquisition and construction	-	-	-	43,841	5,929	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	5,988	511,130	5,929	30,200	-	-	25,919	-	-	45,783	-	2,975
Excess (deficiency) of receipts over disbursements	160	-	773	(511,130)	247,752	100	25,000	-	1,464	21,961	33,203	1,310	-	(2,975)
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	160	-	773	(511,130)	247,752	100	25,000	-	1,464	21,961	33,203	1,310	-	(2,975)
Cash and investments - ending	\$ 361	\$ 582	\$ 1,142	\$ 13,139	\$ 247,752	\$ -	\$ 25,000	\$ -	\$ 881	\$ 21,961	\$ 33,203	\$ (9,784)	\$ -	\$ -

(Continued)

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2022

	Science Grant/Nhms	Non English Speaking Program	Nesp English Learners	22-23 Non-English Speaking Program	Career And Technical Performance Grant	Teacher Appreciation Grant	2022 Teacher Appreciation	High Ability Students	State Connectivity Grant	21St Century Scholars Incentive	21St Century Scholars	21St Century Scholar 22-23	Title I 20-21	Title I 21-22	Title I 22-23
Cash and investments - beginning	\$ 1,000	\$ 2,079	\$ -	\$ -	\$ 14,335	\$ -	\$ -	\$ 12,343	\$ 99,260	\$ 47	\$ -	\$ -	\$ (51,613)	\$ -	\$ -
Receipts:															
Local sources	-	-	-	-	-	-	-	-	-	-	5,361	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	2,243	-	-	79,037	-	31,941	12,760	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	89,278	211,601	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	2,243	-	-	79,037	-	31,941	12,760	-	5,361	-	89,278	211,601	-
Disbursements:															
Instruction	-	-	663	-	14,335	79,037	-	30,953	-	47	5,361	-	37,665	230,991	-
Support services	-	-	-	-	-	-	-	-	16,813	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	663	-	14,335	79,037	-	30,953	16,813	47	5,361	-	37,665	230,991	-
Excess (deficiency) of receipts over disbursements	-	-	1,580	-	(14,335)	-	-	988	(4,053)	(47)	-	-	51,613	(19,390)	-
Other financing sources (uses):															
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	1,580	-	(14,335)	-	-	988	(4,053)	(47)	-	-	51,613	(19,390)	-
Cash and investments - ending	\$ 1,000	\$ 2,079	\$ 1,580	\$ -	\$ -	\$ -	\$ -	\$ 13,331	\$ 95,207	\$ -	\$ -	\$ -	\$ -	\$ (19,390)	\$ -

(Continued)

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2022

	Title IV FY 19 Innovation Grant	Student Support Title IV	Title IV	Medicaid Reimb - Federal	Title II FY 2019	Title II FY 2020	Title II FY 2021	Title II FY 2022	ESSER III	ESSER II	ESSER I	Other Federal Stimulus	Prepaid School Lunch	Federal Tax
Cash and investments - beginning	\$ (39,955)	\$ -	\$ -	\$ 48,854	\$ (5,114)	\$ (1,841)	\$ -	\$ -	\$ -	\$ (639,940)	\$ (20,577)	\$ -	\$ 43,037	\$ -
Receipts:														
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	39,955	19,557	-	86,144	5,114	54,764	-	-	700,122	856,681	21,296	47,325	238,755	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	922,927
Total receipts	39,955	19,557	-	86,144	5,114	54,764	-	-	700,122	856,681	21,296	47,325	238,755	922,927
Disbursements:														
Instruction	-	-	-	93,528	-	57,419	-	-	715,811	635,010	719	-	-	-
Support services	-	19,557	-	3,305	-	-	-	-	117,724	(419,498)	-	47,325	255,250	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	49,700	1,425	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-	922,927
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	19,557	-	96,833	-	57,419	-	-	883,235	216,937	719	47,325	255,250	922,927
Excess (deficiency) of receipts over disbursements	39,955	-	-	(10,689)	5,114	(2,655)	-	-	(183,113)	639,744	20,577	-	(16,495)	-
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	39,955	-	-	(10,689)	5,114	(2,655)	-	-	(183,113)	639,744	20,577	-	(16,495)	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 38,165	\$ -	\$ (4,496)	\$ -	\$ -	\$ (183,113)	\$ (196)	\$ -	\$ -	\$ 26,542	\$ -

(Continued)

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2022

	FICA/ Medicare	State Tax	County Tax	Perf/Voluntary	Group Insurance	Annuity	Garnishments	Mass Mutual Loan	United Way	Credit Union	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 47	\$ 81,444	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,953,485
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	8,684,253
Intermediate sources	-	-	-	-	-	-	-	-	-	-	253,910
State sources	-	-	-	-	-	-	-	-	-	-	15,745,068
Federal sources	-	-	-	-	-	-	-	-	-	-	2,370,592
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	817,302	330,648	110,580	25,471	1,135,893	396,882	13,709	2,903	90	26,630	3,783,035
Total receipts	817,302	330,648	110,580	25,471	1,135,893	396,882	13,709	2,903	90	26,630	30,836,858
Disbursements:											
Instruction	-	-	-	-	-	-	-	-	-	-	12,217,948
Support services	-	-	-	-	-	-	-	-	-	-	7,445,238
Noninstructional services	-	-	-	-	-	-	-	-	-	-	1,932,761
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	689,287
Debt services	-	-	-	-	-	-	-	-	-	-	2,531,213
Nonprogrammed charges	817,302	330,648	110,591	25,477	1,098,121	397,130	13,709	2,903	90	26,630	3,745,528
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	817,302	330,648	110,591	25,477	1,098,121	397,130	13,709	2,903	90	26,630	28,561,975
Excess (deficiency) of receipts over disbursements	-	-	(11)	(6)	37,772	(248)	-	-	-	-	2,274,883
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	3,500
Transfers in	-	-	-	-	-	-	-	-	-	-	2,106,852
Transfers out	-	-	-	-	-	-	-	-	-	-	(2,116,437)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	(6,085)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(11)	(6)	37,772	(248)	-	-	-	-	2,268,798
Cash and investments - ending	\$ -	\$ -	\$ (11)	\$ 41	\$ 119,216	\$ (248)	\$ -	\$ -	\$ -	\$ -	\$ 8,222,283

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2023

	Education	Debt Service	Operations	Local Rainy Day	Retirement/Severance Bond	Physical Education Facility	Construction 2022	School Lunch	Textbook Rental	Child Care/Afterschool	Educational License Plates	Arts Council - NHE	Hc Substance Abuse Prev
Cash and investments - beginning	\$ 3,269,723	\$ 390,267	\$ 2,424,403	\$ 521,929	\$ 707	\$ 10	\$ -	\$ 912,354	\$ 268,249	\$ (375)	\$ 7,537	\$ 900	\$ 7
Receipts:													
Local sources	262,044	2,976,049	3,585,309	-	-	-	-	1,910,888	270,767	12,013	-	-	-
Intermediate sources	172	-	-	-	-	-	-	-	-	-	188	-	-
State sources	15,952,739	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	16,214,955	2,976,049	3,585,309	-	-	-	-	1,910,888	270,767	12,013	188	-	-
Disbursements:													
Instruction	10,916,742	-	62,573	-	-	-	-	-	-	7,979	-	-	-
Support services	2,168,356	-	5,697,302	-	-	-	-	-	-	3,659	-	-	-
Noninstructional services	166,598	-	3,000	-	-	-	-	1,826,410	404,446	-	-	-	-
Facilities acquisition and construction	-	-	322,727	-	-	-	468,861	-	-	-	-	-	-
Debt services	-	3,149,927	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	13,251,696	3,149,927	6,085,602	-	-	-	468,861	1,826,410	404,446	11,638	-	-	-
Excess (deficiency) of receipts over disbursements	2,963,259	(173,878)	(2,500,293)	-	-	-	(468,861)	84,478	(133,679)	375	188	-	-
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	600,000	-	-	-	-	-	-
Sale of capital assets	-	-	6,000	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	2,103,900	-	-	-	-	60	-	-	-	-	-
Transfers out	(2,100,060)	-	(3,900)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(2,100,060)	-	2,106,000	-	-	-	600,000	60	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	863,199	(173,878)	(394,293)	-	-	-	131,139	84,538	(133,679)	375	188	-	-
Cash and investments - ending	\$ 4,132,922	\$ 216,389	\$ 2,030,110	\$ 521,929	\$ 707	\$ 10	\$ 131,139	\$ 996,892	\$ 134,570	\$ -	\$ 7,725	\$ 900	\$ 7

(Continued)

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2023

	Jackson Township Trustee	New Salisbury Lions Club	Community Donations	HCCF Library Endowments	Riverboat 2021	Riverboat 2022	Riverboat 2023	HCCF Dual Credit	Brs Stabilization Grant	HCCF 22- 23 Playground Project	ECA Reimbursement	Formative Assessment	State Medicaid Reimbursement
Cash and investments - beginning	\$ 2,628	\$ 361	\$ 582	\$ 1,142	\$ 13,139	\$ 247,752	\$ -	\$ -	\$ 25,000	\$ -	\$ 881	\$ 21,961	\$ 33,203
Receipts:													
Local sources	-	170	-	4,155	-	-	-	17,515	-	127,839	32,078	-	-
Intermediate sources	-	-	-	-	-	-	250,189	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	19,883	32,789
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	170	-	4,155	-	-	250,189	17,515	-	127,839	32,078	19,883	32,789
Disbursements:													
Instruction	-	125	-	-	87	-	31,871	31,946	-	-	32,959	-	-
Support services	-	-	-	4,779	13,052	246,758	42,905	-	-	-	-	31,411	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	994	-	-	25,000	102,839	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	125	-	4,779	13,139	247,752	74,776	31,946	25,000	102,839	32,959	31,411	-
Excess (deficiency) of receipts over disbursements	-	45	-	(624)	(13,139)	(247,752)	175,413	(14,431)	(25,000)	25,000	(881)	(11,528)	32,789
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	-	45	-	(624)	(13,139)	(247,752)	175,413	(14,431)	(25,000)	25,000	(881)	(11,528)	32,789
Cash and investments - ending	\$ 2,628	\$ 406	\$ 582	\$ 518	\$ -	\$ -	\$ 175,413	\$ (14,431)	\$ -	\$ 25,000	\$ -	\$ 10,433	\$ 65,992

(Continued)

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2023

	Secured Schools Safety Grant	20-21 Stem Acceleration Grant	Early Intervention Grant	22-23 Eig Literacy	Science Grant/Nhms	Non English Speaking Program	Nesp English Learners	22-23 Non- English Speaking Program	2022 Teacher Appreciation	High Ability Students	State Connectivity Grant	21St Century Scholars Incentive	21St Century Scholars	21St Century Scholar 22-23
Cash and investments - beginning	\$ (9,784)	\$ -	\$ -	\$ -	\$ 1,000	\$ 2,079	\$ 1,580	\$ -	\$ -	\$ 13,331	\$ 95,207	\$ -	\$ -	\$ -
Receipts:														
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-	10,836
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	74,314	1,043	-	6,675	-	-	-	2,008	77,722	27,376	7,110	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	74,314	1,043	-	6,675	-	-	-	2,008	77,722	27,376	7,110	-	-	10,836
Disbursements:														
Instruction	-	1,043	-	800	-	-	1,513	-	77,722	35,048	-	-	-	10,836
Support services	64,530	-	-	3,898	-	-	-	-	-	-	39,191	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	64,530	1,043	-	4,698	-	-	1,513	-	77,722	35,048	39,191	-	-	10,836
Excess (deficiency) of receipts over disbursements	9,784	-	-	1,977	-	-	(1,513)	2,008	-	(7,672)	(32,081)	-	-	-
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	9,784	-	-	1,977	-	-	(1,513)	2,008	-	(7,672)	(32,081)	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 1,977	\$ 1,000	\$ 2,079	\$ 67	\$ 2,008	\$ -	\$ 5,659	\$ 63,126	\$ -	\$ -	\$ -

(Continued)

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2023

	Title I 20-21	Title I 21-22	Title I 22-23	Title IV FY 19 Innovation Grant	Student Support Title IV	Title IV	Medicaid Reimb - Federal	Title II FY 2019	Title II FY 2020	Title II FY 2021	Title II FY 2022	ESSER III	ESSER II	ESSER I
Cash and investments - beginning	\$ -	\$ (19,390)	\$ -	\$ -	\$ -	\$ -	\$ 38,165	\$ -	\$ (4,496)	\$ -	\$ -	\$ (183,113)	\$ (196)	\$ -
Receipts:														
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	55,210	123,553	-	-	19,281	84,069	-	6,623	53,638	23,983	1,010,027	5,304	7,062
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	55,210	123,553	-	-	19,281	84,069	-	6,623	53,638	23,983	1,010,027	5,304	7,062
Disbursements:														
Instruction	-	35,820	144,488	-	-	-	103,352	-	2,127	58,400	2,466	390,204	5,108	7,062
Support services	-	-	-	-	-	19,281	3,242	-	-	-	21,233	307,490	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	203,737	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	35,820	144,488	-	-	19,281	106,594	-	2,127	58,400	23,699	901,431	5,108	7,062
Excess (deficiency) of receipts over disbursements	-	19,390	(20,935)	-	-	-	(22,525)	-	4,496	(4,762)	284	108,596	196	-
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	-	19,390	(20,935)	-	-	-	(22,525)	-	4,496	(4,762)	284	108,596	196	-
Cash and investments - ending	\$ -	\$ -	\$ (20,935)	\$ -	\$ -	\$ -	\$ 15,640	\$ -	\$ -	\$ (4,762)	\$ 284	\$ (74,517)	\$ -	\$ -

(Continued)

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2023

	Other Federal Stimulus	Prepaid School Lunch	Federal Tax	FICA/ Medicare	State Tax	County Tax	Perf/Voluntary	Group Insurance	Annuity	Garnishments	Mass Mutual Loan	United Way	Credit Union	Totals
Cash and investments - beginning	\$ -	\$ 26,542	\$ -	\$ -	\$ -	\$ (11)	\$ 41	\$ 119,216	\$ (248)	\$ -	\$ -	\$ -	\$ -	\$ 8,222,283
Receipts:														
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-	9,209,663
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	250,549
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-	16,201,659
Federal sources	-	618,146	-	-	-	-	-	-	-	-	-	-	-	2,006,896
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	950,187	884,881	356,087	119,579	26,922	1,045,747	372,909	12,942	917	13	17,640	3,787,824
Total receipts	-	618,146	950,187	884,881	356,087	119,579	26,922	1,045,747	372,909	12,942	917	13	17,640	31,456,591
Disbursements:														
Instruction	-	-	-	-	-	-	-	-	-	-	-	-	-	11,960,271
Support services	-	-	-	-	-	-	-	-	-	-	-	-	-	8,667,087
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-	2,400,454
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	1,124,158
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	3,149,927
Nonprogrammed charges	-	619,114	950,187	884,881	356,087	119,568	26,940	1,092,933	372,661	12,942	917	13	17,640	4,453,883
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	619,114	950,187	884,881	356,087	119,568	26,940	1,092,933	372,661	12,942	917	13	17,640	31,755,780
Excess (deficiency) of receipts over disbursements	-	(968)	-	-	-	11	(18)	(47,186)	248	-	-	-	-	(299,189)
Other financing sources (uses):														
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	600,000
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	6,000
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-	2,103,960
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,103,960)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	606,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(968)	-	-	-	11	(18)	(47,186)	248	-	-	-	-	306,811
Cash and investments - ending	\$ -	\$ 25,574	\$ -	\$ -	\$ -	\$ -	\$ 23	\$ 72,030	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,529,094

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2023

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 427,015	\$ 1,568,198

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2023

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
North Harrison Community School Building Corporation	North Harrison Elementary renovation	\$ 892,550	10/19/2006	10/19/2028
North Harrison Middle School Building Corporation	Middle school renovation and addition	478,650	10/8/2015	10/8/2035
North Harrison School Building Corporation	Morgan Elementary renovation and addition	<u>930,000</u>	1/15/2009	1/15/2030
Total governmental activities		<u>2,301,200</u>		
Total of annual lease payments		<u>\$ 2,301,200</u>		

<u>Description of Debt</u>		<u>Ending Principal Balance</u>	<u>Principal Due Within One Year</u>
<u>Type</u>	<u>Purpose</u>		
Governmental activities:			
General Obligation Bonds	Physical Education Facility	\$ 2,555,000	\$ 160,000
General Obligation Bonds	Renovation and Improvements of Facilities	<u>-</u>	<u>-</u>
Total governmental activities		<u>2,555,000</u>	<u>160,000</u>
Totals		<u>\$ 2,555,000</u>	<u>\$ 160,000</u>

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2023

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	\$ 579,096
Buildings	66,595,794
Improvements other than buildings	27,606
Machinery, equipment, and vehicles	<u>5,670,643</u>
Total governmental activities	<u>72,873,139</u>
Total capital assets	<u>\$ 72,873,139</u>

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
STATE REPORTING INFORMATION
July 1, 2021 - June 30, 2023

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.

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period July 1, 2021 through June 30, 2023

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 06-30-22	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 7-01-2021 to 06-30-23
<u>Department of Agriculture</u>						
Child Nutrition Cluster						
Child Nutrition Cluster	Indiana Department of Education					
School Breakfast Program		10.553	FY2022, FY2023	\$ 334,234	\$ 271,318	\$ 605,552
National School Lunch Program		10.555	FY2022, FY2023	1,107,554	959,508	2,067,062
Commodities		10.555	FY2022, FY2023	157,712	122,162	279,874
				<u>1,599,500</u>	<u>1,352,988</u>	<u>2,952,488</u>
Total - Child Nutrition Cluster						
Pandemic EBT Administrative Costs	Indiana Department of Education					
National School Lunch Program		10.649	FY2022, FY2023	3,063	628	3,691
				<u>1,599,500</u>	<u>1,352,988</u>	<u>2,952,488</u>
Total - Department of Agriculture						
<u>Department of Education</u>						
Special Education Cluster(IDEA)						
Special Education Grants to States	Indiana Department of Education					
Special Education - Part B		84.027	19611-026-PN01	38,337	-	38,337
Special Education - Part B		84.027	20611-026-PN01	203,556	-	203,556
Special Education - Part B		84.027	21611-026-PN01	-	533,664	533,664
				<u>241,893</u>	<u>533,664</u>	<u>775,557</u>
Total - Special Education Grants to States						
Special Education Preschool Grants	Indiana Department of Education					
Special Ed Preschool		84.173	20619-026-PN01	6,772	-	6,772
Special Ed Preschool		84.173	21619-026-PN01	15,341	1,334	16,675
				<u>22,113</u>	<u>1,334</u>	<u>23,447</u>
Total - Special Education Preschool Grants						
Total - Special Education Cluster(IDEA)				<u>264,006</u>	<u>534,998</u>	<u>799,004</u>
Title I Grants to Local Educational Agencies	Indiana Department of Education					
Title I 2021 Basic Grant		84.010A	S010A200014	89,278	-	89,278
Title I 2022 Basic Grant		84.010A	S010A210014	211,601	35,821	247,422
Title I 2023 Basic Grant		84.010A	S010A220014	-	142,942	142,942
				<u>300,879</u>	<u>178,763</u>	<u>479,642</u>
Total - Title I Grants to Local Educational Agencies						

(Continued)

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period July 1, 2021 through June 30, 2023

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 06-30-22	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 7-01-2021 to 06-30-23
Title II Part A; Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II Supporting Effective Instruction		84.367A	S367A190013	4,521	-	4,521
Title II Supporting Effective Instruction		84.367A	S367A200013	54,764	2,127	56,891
Title II Supporting Effective Instruction		84.367A	S367A210013	-	58,417	58,417
Title II Supporting Effective Instruction		84.367A	S367A220013	-	23,700	23,700
Total - Supporting Effective Instruction State Grants Title II				59,285	84,244	143,529
Title IV Part A; Student Support and Academic Enrichment Program	Indiana Department of Education					
Title IV Part A		84.424	S424A190015	39,955	-	39,955
Title IV Part A		84.424	S424A210015	19,557	-	19,557
Title IV Part A		84.424	S424A220015	-	19,281	19,281
Total - Title IV-A Student Support and Academic Enrichment				59,512	19,281	78,793
COVID-19 Education Stabilization Fund	Indiana Department of Education					
Elementary and Secondary School Emergency Relief (ESSER I) Fund		84.425D	S425D200013	21,296	7,062	28,358
Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D	S425D210013	856,681	5,108	861,789
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund		84.425U	S425U200013	700,122	1,010,223	1,710,345
Total - COVID-19 Education Stabilization Fund				1,578,099	1,022,393	2,600,492
Total - Department of Education				2,261,781	1,839,679	4,101,460
<u>Department of Health and Human Services</u>						
Medicaid Cluster						
Medical Assistance Program	Indiana Department of Education	93.778	FY2022, FY2023	86,527	83,753	170,280
Total - Department of Health and Human Services				86,527	83,753	170,280
<u>Social Security Administration</u>						
Disability Insurance/SSI Cluster						
Social Security Disability Insurance Disability Determination	Indiana Family and Social Service Administration	96.001	FY2022, FY2023	140	140	280
Total - Social Security Administration				140	140	280
<u>Department of Homeland Security</u>						
Disaster Grants - Public Assistance (Presidentially Declared Disasters) FEMA/COVID-19	Indiana Department of Homeland Security	97.036	385PA451500000	47,325	-	47,325
Total - Department of Homeland Security				47,325	-	47,325
Total federal awards expended				\$ 3,998,336	\$ 3,277,188	\$ 7,275,524

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

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period of July 1, 2021 through June 30, 2023

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, 2021 through June 30, 2023. 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 of July 1, 2021 through June 30, 2023.

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

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

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

Those Charged with Governance
North Harrison Community School Corporation
Harrison 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 North Harrison Community School Corporation ("School Corporation"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School Corporation as of June 30, 2023 and for the period July 1, 2021 through June 30, 2023 and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement, and have issued our report thereon dated March 15, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001 that we consider to be a material weakness.

(Continued)

Report on Compliance and Other Matters

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

School Corporation's Responses to Findings

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

Purpose of this Report

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


Crowe LLP

Indianapolis, Indiana
March 15, 2024

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

Those Charged with Governance
North Harrison Community School Corporation
Harrison County, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited North Harrison Community School Corporation's (School Corporation) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the School Corporation's major federal programs for the period of July 1, 2021 through June 30, 2023. The School Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on the Education Stabilization Fund

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the School Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on *the Education Stabilization Fund* for the period of July 1, 2021 through June 30, 2023.

Unmodified Opinion on Each of the Other Major Federal Programs

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 each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the period of July 1, 2021 through June 30, 2023.

Basis for Qualified and Unmodified Opinions

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

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

(Continued)

Matter Giving Rise to Qualified Opinion on the Education Stabilization Fund

As described in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding ALN 84.425U Education Stabilization Fund as described in finding number 2023-004 for Special Tests and Provisions. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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

(Continued)

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-002 and 2023-004 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-003 and 2023-005 to be significant deficiencies.

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

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

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

Crowe LLP

Crowe LLP

Indianapolis, Indiana
March 15, 2024

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 July 1, 2021 through June 30, 2023

Section I – Summary of Auditor’s Results

Financial Statement

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

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	Education Stabilization Fund Qualified, All others 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	Child Nutrition Cluster
84.027, 84.173	Special Education Cluster
84.425D, 84.425U	COVID-19 - Education Stabilization Fund - Qualified

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

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

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

Section II – Financial Statement Findings

FINDING 2023-001

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

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

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

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

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

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

2 CFR 200.508 states in part:

"The auditee must: . . .

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

Condition: The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Annual Financial Report (AFR).

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

(Continued)

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

Section II – Financial Statement Findings (Continued)

FINDING 2023-001 (Continued)

Context: The AFR entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and investment Balances – Regulatory Basis (the financial statement). The AFR was reviewed prior to submission. However, it was not reviewed in enough detail to prevent the following errors in the financial statement:

- 1) The beginning July 1, 2021, cash balance was understated by \$914,873 which resulted in the ending June 30, 2022, and June 30, 2023, cash balances be understated by the same.
- 2) For the period of July 1, 2021, to June 30, 2022, the receipt and disbursement, amounts were understated by \$1,579,548 and \$1,383,094 respectively. The beginning July 1, 2021, balance was understated by \$914,873. The net impact on the ending June 30, 2022, cash balance was an understatement of \$1,111,327.
- 3) For the period of July 1, 2022, to June 30, 2023, receipt and disbursement amounts were understated by \$2,044,264 and \$2,095,189 respectively. The beginning July 1, 2022, balance was understated by \$1,111,327. The net impact on the ending June 30, 2023, cash balance was an understatement of \$1,060,402.

Audit adjustments were proposed, accepted by the School Corporation, and made to the financial statement to correct the errors noted above.

The errors noted in item 1 above related to the understatement of activity in the School Lunch, Textbook rental, 21st Century Scholars Incentive, Title I 20-21, Title IV FY 19 Innovation Grant, Title II FY2019, and Prepaid School Lunch funds.

The errors noted in item 2 & 3 above related to the understatement of activity in the School Lunch, Textbook Rental, and Prepaid School Lunch funds.

Effect: Without a proper system of internal control in place that operated effectively, material misstatements of the financial statement remained undetected. The financial statement contained the errors identified in the Context section.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommended that the School Corporation's management establish a formal review over the AFR financial statement submission to ensure amounts reported are accurate and agree to underlying fund ledgers. The School Corporation should establish a documented, secondary review to ensure the amounts reported on the financial statement agree to the supporting fund ledger detail.

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

(Continued)

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

Section III – Federal Award Findings and Questioned Costs

FINDING 2023-002

Information on the federal program:

Subject: Child Nutrition Cluster - Internal Controls
Federal Agency: Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program
Assistance Listing Number: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY2022, FY2023
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Eligibility
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 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: During our testing of 60 students sampled for eligibility, we noted 12 instances where there was no documented review by someone other than the individual making the eligibility determination.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommended that the School Corporation's management establish a system of internal controls related to the grant agreement and Eligibility compliance requirements.

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

(Continued)

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

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

FINDING 2023-003

Information on the federal program:

Subject: Special Education Cluster (IDEA) – Internal Controls
Federal Agency: Department of Education
Federal Program: Special Education Grants to States, Special Education Preschool Grants
Assistance Listings Numbers: 84.027, 84.173
Federal Award Numbers and Years (or Other Identifying Numbers): 19611-026-PN01, 20611-026-PN01, 21611-026-PN01
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Earmarking
Audit Findings: Significant Deficiency

Criteria: 2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.403 states in part:

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

(g) Be adequately documented. . . ."

2 CFR 200.208(b) states in part:

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

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

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

(Continued)

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

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

FINDING 2023-003 (Continued)

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

Cause: A proper system of internal controls was not designed by management of the School Corporation. Embedded within a properly designed and implemented internal control system should be internal controls consisting of policies and procedures. Policies reflect the School Corporation's management statements of what should be done to effect internal controls, and procedures should consist of actions that would implement these policies.

Effect: Without the proper implementation of an effectively designed system of internal controls, the internal control system cannot be capable of effectively preventing, or detecting and correcting, material noncompliance. As such, it could not be determined if the non-public proportionate share was met for the School Corporation.

Noncompliance with the provisions of Federal statutes, regulations, and the terms and conditions of the Federal award could result in the loss of future federal funding to the School Corporation.

Questioned Costs: There were no questioned costs identified.

Context: The School Corporation is a member of the Harrison County Exceptional Learners Cooperative (Cooperative). During fiscal year 2022-2023, the Cooperative operated the special education programs and spent the federal money on behalf of all its members. As the grant agreements were between the Indiana Department of Education (IDOE) and each member school, the School Corporation was responsible for ensuring and providing oversight of the Cooperative. However, there was inadequate oversight performed by the School Corporation in order to ensure compliance with the Matching, Level of Effort, Earmarking compliance requirement.

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

The Non-Public Proportionate Share expenditures for the 21611-026-PN01 and 21619-026-PN01 grant awards could not be verified for the individual member schools. Total grant expenditures were posted as expended. The non-public proportionate share expenditures were determined by applying a percentage to the non-public school budgeted expenditures. These were the amounts reported to IDOE. As such, we were unable to identify if the minimum amount per the grant award was expended and properly reported to IDOE as required.

The lack of internal controls and noncompliance was isolated to the 19611-026-PN01, 20611-026-PN01, and 21611-026-PN01 grant awards. The School Corporation's total earmarking requirement for the grants with noncompliance was \$5,923.

(Continued)

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

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

FINDING 2023-003 (Continued)

Identification as a repeat finding, if applicable: No.

Recommendation: We recommended that management of the School Corporation establish a proper system of internal controls and develop policies and procedures to ensure non-public proportionate share funds are appropriately allocated to the member school based on expenditures charged directly on behalf of the member school. Supporting documentation for these expenditures should be retained for audit.

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

Finding 2023-004

Information on the federal program:

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

Federal Agency: Department of Education

Federal Program: COVID-19 - Education Stabilization Fund

Assistance Listing Number: 84.425U

Federal Award Numbers and Years (or Other Identifying Numbers): S425U200013

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Wage Rate Requirements

Audit Findings: Material Weakness, Material Noncompliance, Modified Opinion

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

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

29 CFR 5.5 states in part:

a. The Agency head shall cause or require the contracting officer to insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a public building or public work, or building or work financed in whole or in part from Federal funds or in accordance with guarantees of a Federal agency or financed from funds obtained by pledge of any contract of a Federal agency to make a loan, grant or annual contribution (except where a different meaning is expressly indicated), and which is subject to the labor standards provisions of any of the acts listed in §5.1, the following clauses...

(Continued)

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

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

Finding 2023-004 (Continued)

(1) Minimum wages.

(i) All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the

Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics...

(3)(ii)(A) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the (write in name of appropriate federal agency) if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant, sponsor, or owner, as the case may be, for transmission to the (write in name of agency).

2 CFR 200 Appendix II states in part:

In addition to other provisions required by the Federal agency or non-Federal entity; all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable. . . .

(D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. . . ."

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 Special Tests and Provisions – Wage Rate Requirements 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 design and implement an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the Special Tests and Provisions – Wage Rate Requirements compliance requirement could result in the loss of future federal funds to the School Corporation.

(Continued)

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

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

FINDING 2023-004 (Continued)

Questioned Costs: There were no questioned costs identified.

Context: For the one item sampled, the School Corporation did not obtain the weekly payroll reports certifications for the project was a boiler repair in the building. Therefore, no review was performed to ensure that pay rates complied with the federal wage rate requirements. Additionally, the School Corporation did not have a contract with the company that included clauses for the federal wage rate. The finding is isolated to the ESSER III grant (84.425U).

Identification as a repeat finding: No.

Recommendation: We recommend the School Corporation implement a formal process to ensure the required weekly payroll reports certifications are collected and reviewed to ensure compliance with the wage rate requirements.

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

Finding 2023-005

Information on the federal program:

Subject: Education Stabilization Fund – Equipment and Real Property Management
Federal Agency: Department of Education
Federal Program: COVID-19 - Education Stabilization Fund
Assistance Listing Number: 84.425U
Federal Award Numbers and Years (or Other Identifying Numbers): S425U200013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Equipment and Real Property Management
Audit Findings: Significant Deficiency

Criteria: 2 CFR 200.313(d) states in part:

"Management requirements. Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, as a minimum, meet the following requirements:

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

(2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.

(3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.

(Continued)

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

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

FINDING 2023-005 (Continued)

(4) Adequate maintenance procedures must be developed to keep the property in good condition. . . ."

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 Equipment and Real Property Management Requirements 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: For 1 of the 2 equipment purchases sampled, the School Corporation did not add the equipment purchase to the capital asset listing. The finding is isolated to the ESSER III grant (84.425U).

Identification as a repeat finding: No.

Recommendation: We recommended that the School Corporation's management establish a system of internal controls related to the grant agreement and Equipment and Real Property Management compliance requirements.

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

Corrective Action Plan for: June 30, 2023

Finding 2023-001 - Preparation of the Annual Financial Report

Contact person: Jo Ann Burson

Contact Phone Number: 812-347-2407

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan: Annual Financial Report will be formally reviewed by the Treasurer and the Superintendent.

Anticipated Completion Date: On going beginning August 2024

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
OFFICE OF THE SUPERINTENDENT
Ramsey, Indiana 47166
812-347-2407
FAX: 812-347-2870

Date: March 13, 2024

Auditee Contact Person: Paula Powers

Title of Contact Person: Food Service Coordinator

Phone Number: 812 347-3905

Findings 2023-002-Child Nutrition Cluster-Eligibility

Views or Responsible Official: We concur with the findings.

Description of Corrective Action Plan:

With future processing of free and reduced applications, the Food Authority will process the application. A second person will review and sign the application in order to maintain proper checks and balances.

Anticipated Completion Date: March 2024

Paula Powers

(Signature)

Food Service Coordinator

(Title)

3/13/24

(Date)

CORRECTIVE ACTION PLAN

FINDING 2023-003

Finding Subject: Special Education Cluster (IDEA) – Earmarking

Summary of Finding: We recommend that management of the School Corporation establish a proper system of internal controls and develop policies and procedures to ensure non-public proportionate share funds are appropriately allocated to the member school based on expenditures charged directly on behalf of the member school. Supporting documentation for these expenditures should be retained for audit.

Contact Person Responsible for Corrective Action: Carolyn Wallace

Contact Phone Number and Email Address: (812) 738-2168, extension 1012 – WallaceC@shcsc.k12.in.us

Views of Responsible Officials: We concur with the finding that the expenditures were not earmarked to the specific member school; rather, expenditures were earmarked for non-public schools and allocated to the member based upon proportionate share allocations.

Description of Corrective Action Plan: Expenditures will be tracked and reported for each member school.

Anticipated Completion Date: March 1, 2024

Finding 2023-004 – Education Stabilization Fund Wage Rage Requirement

Contact Person Responsible for Corrective Action: Administration and Head of Maintenance

Contact Phone Number: 812-347-2407

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan: Superintendent will review with Grant Coordinator on any building projects where funds are allocated.

Anticipated Completion Date: On going

Finding 2023-005 – Education Stabilization Fund – Equipment and Real Property Management

Contact Person Responsible for Corrective Action: Grant Coordinator and Treasurer

Contact Phone Number: 812-347-2407

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan: Segregation of duties for grant compliance requirements.

Anticipated Completion Date: On going

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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
Assistance Listing Number: 10.553, 10.555
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Cash Management
Audit Finding: Material Weakness

Context: We noted that for four claims in a sample of four, the Food Service Director prepared the reimbursement claim without a secondary, documented review to ensure the accuracy of the reimbursement claim.

Status: Resolved.

FINDING 2021-002

Information on the federal program:

Subject: Child Nutrition Cluster - Internal Controls
Federal Agency: Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program
Assistance Listing Number: 10.553, 10.555
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Program Income
Audit Finding: Material Weakness

Context: We noted that for four transfers in a sample of four, the Food Service Director prepared the monthly program income transfer without a secondary, documented review to ensure the accuracy of the transfer.

Status: Resolved

FINDING 2021-003

Information on the federal program:

Subject: Special Education Cluster - Procurement

Federal Agency: Department of Education

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

CFDA Numbers: 84.027 and 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 18611-026-PN01, 19611-026-PN01,
20611-026-PN01, 19619-026-PN01,
20619-026-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Finding: Material Weakness, Other Matters

Context: The School Corporation is a member of the Harrison County Exceptional Learners Special Education Cooperative (Cooperative). During the fiscal years 2019-2020 and 2020-2021, the Cooperative spent the federal money on behalf of all its members and there was inadequate oversight performed by the School Corporation of the procurement and suspension and debarment practices of the Cooperative.

Proper controls were not in place to ensure that procured goods and services were purchased using the small purchases method as defined under 2 CFR 200.320(b). The required quotes for small purchases were not retained to verify compliance of small purchases for any of the small purchases during the audit period.

The lack of internal controls was a systemic problem throughout the audit period. Supporting documentation was not kept that could support that the required procedure for small purchases was being followed.

Status: Resolved