

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

FINANCIAL STATEMENT AUDIT REPORT

OF

NORTHEAST SCHOOL CORPORATION

SULLIVAN COUNTY, INDIANA

July 1, 2017 to June 30, 2019



FILED
01/16/2020

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Vikki Huntworth	07-01-17 to 06-30-20
Superintendent of Schools	Dr. Mark A. Baker	07-01-17 to 06-30-20
President of the School Board	Norman Santus	01-01-17 to 12-31-20



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE NORTHEAST SCHOOL CORPORATION, SULLIVAN COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Northeast School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2017 to June 30, 2019, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2017 to June 30, 2019.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2017 to June 30, 2019, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.


Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated January 9, 2020, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely 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.


Paul D. Joyce, CPA
State Examiner

January 9, 2020

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.

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NORTHEAST SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2018 and 2019

Fund	Cash and Investments 07-01-17	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-18	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-19
General	\$ 1,405,706	\$ 6,012,181	\$ 6,213,276	\$ -	\$ 1,204,611	\$ 2,993,531	\$ 3,142,150	\$ (1,055,992)	\$ -
Education	-	-	-	-	-	2,983,498	2,543,606	244,794	684,686
Debt Service	643,741	930,895	920,757	-	653,879	969,834	937,604	-	686,109
Retirement/Severance Bond Debt Service	177,445	225,108	345,299	-	57,254	345,276	345,227	-	57,303
Operations	-	-	-	-	-	1,343,196	1,710,083	1,460,107	1,093,220
Capital Projects	321,918	1,129,903	1,055,763	(75,000)	321,058	436,392	674,240	(83,210)	-
School Transportation	664,491	1,183,654	886,473	(225,000)	736,672	432,036	415,642	(753,066)	-
School Bus Replacement	91,939	70,694	-	-	162,633	-	-	(162,633)	-
Local Rainy Day	1,001,895	-	341,258	414,439	1,075,076	157,934	457,330	350,000	1,125,680
2017 Construction Fund	-	-	513,917	1,878,061	1,364,144	-	931,318	-	432,826
2018 Construction Fund	-	-	-	-	-	-	1,626,885	4,992,500	3,365,615
School Lunch	(402,865)	426,404	404,273	-	(380,734)	409,778	435,905	-	(406,861)
Curricular Materials Rental	227,003	99,229	99,086	-	227,146	102,580	48,316	-	281,410
Pupil Medical Services	460	-	40	-	420	-	15	-	405
Counseling Planning Grant	24,971	-	24,971	-	-	-	-	-	-
NCHS Home Ec Grant	864	-	864	-	-	-	-	-	-
Northeast School Corp. IN. Ed. Foundation	6,000	725	6,725	-	-	-	-	-	-
Formative Assessment	-	10,167	10,167	-	-	-	-	-	-
Indiana Preschool Grants	-	-	-	-	-	9,716	9,716	-	-
High Ability Grant 17/18	-	28,332	28,332	-	-	-	-	-	-
High Ability Grant 16/17	4,251	-	4,251	-	-	-	-	-	-
Medicaid Reimbursement	-	1,917	126	-	1,791	5,851	386	-	7,256
Recreational Activities	-	-	-	-	-	3,050	3,050	-	-
School Technology	14,562	77,156	75,717	-	16,001	32,373	25,116	(23,258)	-
Career and Technical Performance Grant	1,226	3,590	4,816	-	-	5,433	5,389	-	44
High Ability Students	-	-	-	-	-	28,368	22,897	-	5,471
State Connectivity Grant	-	-	-	-	-	13,570	26,724	23,258	10,104
NCHS Walk In Cooler	-	20,000	20,000	-	-	-	-	-	-
Title I, School Improvement Grant 2018/19	-	-	-	-	-	3,671	14,747	-	(11,076)
Title I 2017/18	-	95,274	170,086	-	(74,812)	74,812	-	-	-
Title I 2016/17	(17,816)	86,842	69,026	-	-	83,941	189,867	-	(105,926)
Student Support, Title IV	-	-	-	-	-	2,355	2,691	-	(336)
Title II, Part A, 2018/19	-	-	-	-	-	28,193	28,193	-	-
Title II, Part A, 2017/18	-	55,187	55,187	-	-	-	-	-	-
Payroll Withholdings	-	1,417,296	1,417,296	-	-	1,365,076	1,365,076	-	-
Prepaid Meals	3,222	149,888	148,660	-	4,450	133,561	133,366	-	4,645
American Express Clearing	-	56,792	58,055	-	(1,263)	65,061	72,047	-	(8,249)
Totals	\$ 4,169,013	\$ 12,081,234	\$ 12,874,421	\$ 1,992,500	\$ 5,368,326	\$ 12,029,086	\$ 15,167,586	\$ 4,992,500	\$ 7,222,326

The notes to the financial statement are an integral part of this statement.

NORTHEAST SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. 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.

B. Basis of Accounting

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

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, 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.

C. 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.

D. 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.

NORTHEAST SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

E. 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 service. 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.

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.

F. 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.

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.

NORTHEAST SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

G. 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 unit 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.

NORTHEAST SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. Risk Management

The School Corporation may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the School Corporation to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plans

A. 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.

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

NORTHEAST SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

B. Teachers' Retirement Fund

Plan Description

The Indiana Teachers' Retirement Fund (TRF) Defined Benefit Plan is a cost-sharing multiple-employer defined benefit pension plan and provides retirement, disability, and survivor benefits to plan members. TRF is administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2 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 fund.

TRF is composed of two accounts: Teachers' Pre-1996 and Teachers' 1996. All legally qualified and regularly employed licensed teachers serving in State of Indiana public schools are eligible to participate in Teachers' 1996. Membership in Teachers' Pre-1996 is closed to new entrants. Generally, members hired before 1996 participate in this account and members hired after 1995 participate in Teachers' 1996. Both accounts have two components: the employer-funded defined benefit component and a defined contribution account.

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 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 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) is considered to be an obligation of, and is paid by, the State of Indiana.

NORTHEAST SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursement for expenditures made by the School Corporation were not received by June 30, 2018 and 2019. Also, the School Lunch fund disbursements have exceeded receipts.

Note 8. Combined Funds

Funds related to School Lunch and Prepaid Meals were combined into one fund in the prior financial statement, but were reported individually for the current financial statement.

Note 9. Holding Corporation

The School Corporation has entered into capital leases with Northeast Sullivan Multi-School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years 2018 and 2019 totaled \$1,240,299 and \$1,429,903, respectively.

Note 10. Establishment of the Education Fund and Operations Fund

State statute (IC 20-40-2-2) required the establishment of an Education fund to be used to pay expenses allocated to student instruction and learning. The balance in the School Corporation's General fund as of December 31, 2018, was required to be transferred to the Education fund on January 1, 2019 (IC 20-40-2-7).

In addition, an Operations fund was required to be established under state statute (IC 20-40-18-1). The fund may be used to carry out capital project plans; pay transportation costs attributable to the transportation of school children; carry out a school bus replacement plan; pay expenses that are allocated to overhead and operational expenditures; provide funds to an art association or a historical society; and establish, maintain, and equip a public playground. The Indiana Codes establishing the Capital Projects fund (IC 20-40-8-6); School Transportation (IC 20-40-6-4); School Bus Replacement (IC 20-40-7-5); Historical fund; Playground fund; and Art fund were repealed effective January 1, 2019. Guidance was provided by the Indiana Department of Education to transfer the balances remaining in these funds as of December 31, 2018, to the Operations fund.

The Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, issued by the Indiana State Board of Accounts, includes the chart of accounts used by school corporations which coincides with the State Board of Education's determined categories in accordance with state statute (IC 20-42.5-3-7).

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OTHER INFORMATION - UNAUDITED

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 Report's 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 presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

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NORTHEAST SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	General	Education	Debt Service	Retirement/ Severance Bond Debt Service	Operations	Capital Projects	School Transportation	School Bus Replacement
Cash and investments - beginning	\$ 1,405,706	\$ -	\$ 643,741	\$ 177,445	\$ -	\$ 321,918	\$ 664,491	\$ 91,939
Receipts:								
Local sources	17,717	-	930,895	225,108	-	1,129,903	1,183,654	70,694
State sources	5,993,262	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	1,202	-	-	-	-	-	-	-
Total receipts	6,012,181	-	930,895	225,108	-	1,129,903	1,183,654	70,694
Disbursements:								
Instruction	3,922,807	-	-	-	-	-	-	-
Support services	2,172,703	-	-	-	-	602,427	886,473	-
Noninstructional services	117,766	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	453,336	-	-
Debt service	-	-	920,757	345,299	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	6,213,276	-	920,757	345,299	-	1,055,763	886,473	-
Excess (deficiency) of receipts over disbursements	(201,095)	-	10,138	(120,191)	-	74,140	297,181	70,694
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(75,000)	(225,000)	-
Total other financing sources (uses)	-	-	-	-	-	(75,000)	(225,000)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(201,095)	-	10,138	(120,191)	-	(860)	72,181	70,694
Cash and investments - ending	\$ 1,204,611	\$ -	\$ 653,879	\$ 57,254	\$ -	\$ 321,058	\$ 736,672	\$ 162,633

NORTHEAST SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	Local Rainy Day	2017 Construction Fund	2018 Construction Fund	School Lunch	Curricular Materials Rental	Pupil Medical Services	Counseling Planning Grant	NCHS Home Ec Grant
Cash and investments - beginning	\$ 1,001,895	\$ -	\$ -	\$ (402,865)	\$ 227,003	\$ 460	\$ 24,971	\$ 864
Receipts:								
Local sources	-	-	-	150,971	50,010	-	-	-
State sources	-	-	-	3,530	49,169	-	-	-
Federal sources	-	-	-	261,716	-	-	-	-
Other receipts	-	-	-	10,187	50	-	-	-
Total receipts	-	-	-	426,404	99,229	-	-	-
Disbursements:								
Instruction	-	-	-	-	-	-	-	864
Support services	-	-	-	291	99,086	40	24,971	-
Noninstructional services	341,258	-	-	403,982	-	-	-	-
Facilities acquisition and construction	-	513,917	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	341,258	513,917	-	404,273	99,086	40	24,971	864
Excess (deficiency) of receipts over disbursements	(341,258)	(513,917)	-	22,131	143	(40)	(24,971)	(864)
Other financing sources (uses):								
Proceeds of long-term debt	-	1,992,500	-	-	-	-	-	-
Transfers in	414,439	-	-	-	-	-	-	-
Transfers out	-	(114,439)	-	-	-	-	-	-
Total other financing sources (uses)	414,439	1,878,061	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	73,181	1,364,144	-	22,131	143	(40)	(24,971)	(864)
Cash and investments - ending	\$ 1,075,076	\$ 1,364,144	\$ -	\$ (380,734)	\$ 227,146	\$ 420	\$ -	\$ -

NORTHEAST SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	Northeast School Corp. IN. Ed. Foundation	Formative Assessment	Indiana Preschool Grants	High Ability Grant 17/18	High Ability Grant 16/17	Medicaid Reimbursement	Recreational Activities	School Technology
Cash and investments - beginning	\$ 6,000	\$ -	\$ -	\$ -	\$ 4,251	\$ -	\$ -	\$ 14,562
Receipts:								
Local sources	725	-	-	-	-	-	-	53,584
State sources	-	10,167	-	28,332	-	-	-	14,250
Federal sources	-	-	-	-	-	1,917	-	-
Other receipts	-	-	-	-	-	-	-	9,322
Total receipts	725	10,167	-	28,332	-	1,917	-	77,156
Disbursements:								
Instruction	6,725	10,167	-	28,332	4,251	-	-	-
Support services	-	-	-	-	-	126	-	19,452
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	56,265
Debt service	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	6,725	10,167	-	28,332	4,251	126	-	75,717
Excess (deficiency) of receipts over disbursements	(6,000)	-	-	-	(4,251)	1,791	-	1,439
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,000)	-	-	-	(4,251)	1,791	-	1,439
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,791	\$ -	\$ 16,001

NORTHEAST SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	Career and Technical Performance Grant	High Ability Students	State Connectivity Grant	NCHS Walk In Cooler	Title I, School Improvement Grant 2018/19	Title I 2017/18	Title I 2016/17
Cash and investments - beginning	\$ 1,226	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (17,816)
Receipts:							
Local sources	-	-	-	-	-	-	-
State sources	3,590	-	-	20,000	-	-	-
Federal sources	-	-	-	-	-	95,274	86,842
Other receipts	-	-	-	-	-	-	-
Total receipts	3,590	-	-	20,000	-	95,274	86,842
Disbursements:							
Instruction	4,816	-	-	-	-	119,694	61,546
Support services	-	-	-	-	-	50,392	6,480
Noninstructional services	-	-	-	-	-	-	1,000
Facilities acquisition and construction	-	-	-	20,000	-	-	-
Debt service	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	4,816	-	-	20,000	-	170,086	69,026
Excess (deficiency) of receipts over disbursements	(1,226)	-	-	-	-	(74,812)	17,816
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,226)	-	-	-	-	(74,812)	17,816
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (74,812)	\$ -

NORTHEAST SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	Student Support, Title IV	Title II, Part A, 2018/19	Title II, Part A, 2017/18	Payroll Withholdings	Prepaid Meals	American Express Clearing	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 3,222	\$ -	\$ 4,169,013
Receipts:							
Local sources	-	-	-	-	-	-	3,813,261
State sources	-	-	-	-	-	-	6,122,300
Federal sources	-	-	55,187	-	-	-	500,936
Other receipts	-	-	-	1,417,296	149,888	56,792	1,644,737
Total receipts	-	-	55,187	1,417,296	149,888	56,792	12,081,234
Disbursements:							
Instruction	-	-	55,187	-	-	-	4,214,389
Support services	-	-	-	-	-	-	3,862,441
Noninstructional services	-	-	-	-	-	-	864,006
Facilities acquisition and construction	-	-	-	-	-	-	1,043,518
Debt service	-	-	-	-	-	-	1,266,056
Interfund loans	-	-	-	1,417,296	148,660	58,055	1,624,011
Total disbursements	-	-	55,187	1,417,296	148,660	58,055	12,874,421
Excess (deficiency) of receipts over disbursements	-	-	-	-	1,228	(1,263)	(793,187)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	1,992,500
Transfers in	-	-	-	-	-	-	414,439
Transfers out	-	-	-	-	-	-	(414,439)
Total other financing sources (uses)	-	-	-	-	-	-	1,992,500
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	1,228	(1,263)	1,199,313
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 4,450	\$ (1,263)	\$ 5,368,326

NORTHEAST SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2019

	General	Education	Debt Service	Retirement/ Severance Bond Debt Service	Operations	Capital Projects	School Transportation	School Bus Replacement
Cash and investments - beginning	\$ 1,204,611	\$ -	\$ 653,879	\$ 57,254	\$ -	\$ 321,058	\$ 736,672	\$ 162,633
Receipts:								
Local sources	7,707	8,289	969,834	345,276	1,343,196	436,392	432,036	-
Intermediate sources	106	113	-	-	-	-	-	-
State sources	2,984,595	2,974,819	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	1,123	277	-	-	-	-	-	-
Total receipts	2,993,531	2,983,498	969,834	345,276	1,343,196	436,392	432,036	-
Disbursements:								
Instruction	1,976,529	1,979,326	-	-	-	-	-	-
Support services	1,125,849	485,382	6,819	2,251	1,545,300	435,459	415,642	-
Noninstructional services	39,772	78,898	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	164,783	238,781	-	-
Debt service	-	-	930,785	342,976	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	3,142,150	2,543,606	937,604	345,227	1,710,083	674,240	415,642	-
Excess (deficiency) of receipts over disbursements	(148,619)	439,892	32,230	49	(366,887)	(237,848)	16,394	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Transfers in	-	1,055,992	-	-	1,460,107	-	-	-
Transfers out	(1,055,992)	(811,198)	-	-	-	(83,210)	(753,066)	(162,633)
Total other financing sources (uses)	(1,055,992)	244,794	-	-	1,460,107	(83,210)	(753,066)	(162,633)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,204,611)	684,686	32,230	49	1,093,220	(321,058)	(736,672)	(162,633)
Cash and investments - ending	\$ -	\$ 684,686	\$ 686,109	\$ 57,303	\$ 1,093,220	\$ -	\$ -	\$ -

NORTHEAST SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2019

	Local Rainy Day	2017 Construction Fund	2018 Construction Fund	School Lunch	Curricular Materials Rental	Pupil Medical Services	Counseling Planning Grant	NCHS Home Ec Grant
Cash and investments - beginning	\$ 1,075,076	\$ 1,364,144	\$ -	\$ (380,734)	\$ 227,146	\$ 420	\$ -	\$ -
Receipts:								
Local sources	-	-	-	135,219	52,660	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	3,485	49,870	-	-	-
Federal sources	-	-	-	256,979	-	-	-	-
Other receipts	157,934	-	-	14,095	50	-	-	-
Total receipts	157,934	-	-	409,778	102,580	-	-	-
Disbursements:								
Instruction	-	-	-	-	-	-	-	-
Support services	-	-	-	766	48,316	15	-	-
Noninstructional services	457,330	-	-	435,139	-	-	-	-
Facilities acquisition and construction	-	931,318	1,626,885	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	457,330	931,318	1,626,885	435,905	48,316	15	-	-
Excess (deficiency) of receipts over disbursements	(299,396)	(931,318)	(1,626,885)	(26,127)	54,264	(15)	-	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	4,992,500	-	-	-	-	-
Transfers in	350,000	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	350,000	-	4,992,500	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	50,604	(931,318)	3,365,615	(26,127)	54,264	(15)	-	-
Cash and investments - ending	\$ 1,125,680	\$ 432,826	\$ 3,365,615	\$ (406,861)	\$ 281,410	\$ 405	\$ -	\$ -

NORTHEAST SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2019

	Northeast School Corp. IN. Ed. Foundation	Formative Assessment	Indiana Preschool Grants	High Ability Grant 17/18	High Ability Grant 16/17	Medicaid Reimbursement	Recreational Activities	School Technology
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,791	\$ -	\$ 16,001
Receipts:								
Local sources	-	-	-	-	-	-	-	411
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	9,716	-	-	-	3,050	-
Federal sources	-	-	-	-	-	5,851	-	-
Other receipts	-	-	-	-	-	-	-	31,962
Total receipts	-	-	9,716	-	-	5,851	3,050	32,373
Disbursements:								
Instruction	-	-	9,716	-	-	-	3,050	-
Support services	-	-	-	-	-	386	-	24,002
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	1,114
Debt service	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	-	9,716	-	-	386	3,050	25,116
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	5,465	-	7,257
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(23,258)
Total other financing sources (uses)	-	-	-	-	-	-	-	(23,258)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	5,465	-	(16,001)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,256	\$ -	\$ -

NORTHEAST SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2019

	Career and Technical Performance Grant	High Ability Students	State Connectivity Grant	NCHS Walk In Cooler	Title I, School Improvement Grant 2018/19	Title I 2017/18	Title I 2016/17
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (74,812)	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	5,433	28,368	13,570	-	-	-	-
Federal sources	-	-	-	-	3,671	74,812	83,941
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>5,433</u>	<u>28,368</u>	<u>13,570</u>	<u>-</u>	<u>3,671</u>	<u>74,812</u>	<u>83,941</u>
Disbursements:							
Instruction	5,389	22,897	-	-	-	-	166,232
Support services	-	-	26,194	-	14,747	-	23,635
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	530	-	-	-	-
Debt service	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	<u>5,389</u>	<u>22,897</u>	<u>26,724</u>	<u>-</u>	<u>14,747</u>	<u>-</u>	<u>189,867</u>
Excess (deficiency) of receipts over disbursements	<u>44</u>	<u>5,471</u>	<u>(13,154)</u>	<u>-</u>	<u>(11,076)</u>	<u>74,812</u>	<u>(105,926)</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	23,258	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>23,258</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>44</u>	<u>5,471</u>	<u>10,104</u>	<u>-</u>	<u>(11,076)</u>	<u>74,812</u>	<u>(105,926)</u>
Cash and investments - ending	<u>\$ 44</u>	<u>\$ 5,471</u>	<u>\$ 10,104</u>	<u>\$ -</u>	<u>\$ (11,076)</u>	<u>\$ -</u>	<u>\$ (105,926)</u>

NORTHEAST SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2019

	Student Support, Title IV	Title II, Part A, 2018/19	Title II, Part A, 2017/18	Payroll Withholdings	Prepaid Meals	American Express Clearing	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 4,450	\$ (1,263)	\$ 5,368,326
Receipts:							
Local sources	-	-	-	-	-	-	3,731,020
Intermediate sources	-	-	-	-	-	-	219
State sources	-	-	-	-	-	-	6,072,906
Federal sources	2,355	28,193	-	-	-	-	455,802
Other receipts	-	-	-	1,365,076	133,561	65,061	1,769,139
Total receipts	2,355	28,193	-	1,365,076	133,561	65,061	12,029,086
Disbursements:							
Instruction	2,691	28,193	-	-	-	-	4,194,023
Support services	-	-	-	-	-	-	4,154,763
Noninstructional services	-	-	-	-	-	-	1,011,139
Facilities acquisition and construction	-	-	-	-	-	-	2,963,411
Debt service	-	-	-	-	-	-	1,273,761
Interfund loans	-	-	-	1,365,076	133,366	72,047	1,570,489
Total disbursements	2,691	28,193	-	1,365,076	133,366	72,047	15,167,586
Excess (deficiency) of receipts over disbursements	(336)	-	-	-	195	(6,986)	(3,138,500)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	4,992,500
Transfers in	-	-	-	-	-	-	2,889,357
Transfers out	-	-	-	-	-	-	(2,889,357)
Total other financing sources (uses)	-	-	-	-	-	-	4,992,500
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(336)	-	-	-	195	(6,986)	1,854,000
Cash and investments - ending	\$ (336)	\$ -	\$ -	\$ -	\$ 4,645	\$ (8,249)	\$ 7,222,326

NORTHEAST SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2019

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ -</u>	<u>\$ 117,337</u>

NORTHEAST SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2019

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
NE Sullivan Multi School Bldg. 2013A	Energy Savings Contract	\$ 231,000	6/30/2014	7/15/2023
NE Sullivan Multi School Bldg. 2013B	Energy Savings Contract	234,000	7/15/2014	7/15/2023
NE Sullivan Multi School Bldg. 2017	NCHS Phase 1	156,500	7/15/2018	1/15/2031
NE Sullivan Multi School Bldg. 2018	Security & Priority 1 Projects	<u>293,500</u>	7/15/2019	1/15/2035
Total governmental activities		<u>915,000</u>		
Total of annual lease payments		<u>\$ 915,000</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Pension Bonds	\$ 2,195,000	\$ 344,871
Totals		<u>\$ 2,195,000</u>	<u>\$ 344,871</u>

NORTHEAST SCHOOL CORPORATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2019

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.

	Ending Balance
Governmental activities:	
Land	\$ 22,017
Infrastructure	686,752
Buildings	11,813,200
Improvements other than buildings	1,341,807
Machinery, equipment, and vehicles	<u>1,745,764</u>
Total governmental activities	<u>15,609,540</u>
Total capital assets	<u>\$ 15,609,540</u>

OTHER REPORTS

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/>.