



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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November 16, 2022

To: The Officials of North Harrison Community School Corporation
North Harrison Community School Corporation
1260 Highway 64 NW
Ramsey, IN 47166

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, 2019 to June 30, 2021. Per the *Independent Auditor's Report*, the financial statement referred to above presents fairly, in all material respects, the cash and investment balances of North Harrison Community School Corporation as of June 30, 2021, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2019 to June 30, 2021 in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

We call your attention to the findings included in the report on pages 35-38. Please see the Schedule of Findings and Questioned Costs for complete details related to the finding. Management's Corrective Action Plan appears on pages 40-42.

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 cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
Harrison County, Indiana

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

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
Harrison County, Indiana

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

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NORTH HARRISON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF OFFICIALS (Unaudited)
For the period July 1, 2019 to June 30, 2021

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Jo Ann Burson	07-01-19 to 06-30-21
Superintendent of Schools	Dr. Lance Richards	07-01-19 to 06-30-21
President of the School Board	Veronica J. Battista Marla Adams	07-01-19 to 02-11-21 02-12-21 to 06-30-21

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

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

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

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

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

(Continued)

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Unmodified Opinion on Regulatory Basis of Accounting

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

Other Matters

Supplementary Information

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

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

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

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2022 on our consideration of the School Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
October 27, 2022

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

Fund	Cash and Investments 07-01-2019	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2020	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2021
Education	\$ 758,045	\$ 14,995,341	\$ 12,059,905	\$ (1,800,421)	\$ 1,893,060	\$ 14,953,960	\$ 12,806,956	\$ (2,157,148)	\$ 1,882,916
Debt Service	426,810	2,419,449	2,533,563	-	312,696	2,603,877	2,530,263	-	386,310
Operations	1,951,594	3,173,614	4,948,422	1,809,707	1,986,493	3,350,620	5,363,943	2,157,148	2,130,318
Local Rainy Day	500,200	-	-	21,729	521,929	-	-	-	521,929
Retirement/Severance Bond	708	(1)	-	-	707	-	-	-	707
Construction	10	-	-	-	10	-	-	-	10
School Lunch	736,643	1,201,658	1,219,182	-	719,119	1,136,333	1,177,258	-	678,194
Textbook Rental	293,043	259,217	343,741	-	208,519	260,277	184,612	-	284,184
Child Care Program	7	10,698	11,913	-	(1,208)	14,240	13,664	-	(632)
Educational License Plates	7,275	131	-	-	7,406	75	-	-	7,481
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	-	-	155	195	40	161	-	-	201
Community Donations	-	-	2,564	3,147	583	-	-	-	583
Hccf Yp Nhe Music Class	-	-	-	-	-	200	200	-	-
Hccf Library Endowments	-	5,708	5,349	505	864	-	495	-	369
Riverboat 2020	-	607,990	249,839	-	358,151	-	358,151	-	-
Riverboat 2021	-	-	-	-	-	547,678	23,410	-	524,268
Hccf Dual Credit	-	33,500	33,500	-	-	33,810	33,910	-	(100)
Extra-Curricular Activities	22	25,241	25,239	-	24	17,959	18,567	-	(584)
Arts Council - Nhe	900	-	-	(900)	-	-	-	-	-
Hc Substance Abuse Prevention	7	-	-	(7)	-	-	-	-	-
Jackson Township Trustee	2,628	-	-	(2,628)	-	-	-	-	-
New Salisbury Lions Club	35	160	-	(195)	-	-	-	-	-
Community Donations	3,174	-	-	(3,147)	-	-	-	-	-
Hccf Library Endowments	743	-	238	(505)	-	-	-	-	-
Riverboat 2018	554	-	554	-	-	-	-	-	-
Riverboat 2019	158,022	25,163	183,185	-	-	-	-	-	-
Formative Assessment	-	26,841	26,637	-	204	21,555	21,759	-	-
High Ability	5	-	5	-	-	-	-	-	-
Secured Schools Safety Grant	(24,489)	24,489	42,023	-	(42,023)	49,277	18,347	-	(11,093)
Science Technology Engineering And Mat	-	-	-	-	-	50,000	50,000	-	-
Early Intervention Grant	-	-	-	-	-	2,975	-	-	2,975
Science Grant/Nhms	1,000	-	-	-	1,000	-	-	-	1,000
Non English Speaking Program	2,079	-	-	-	2,079	-	-	-	2,079
Career And Technical Performance Grant	19,650	-	973	-	18,677	-	4,342	-	14,335
Teacher Appreciation	-	78,334	78,334	-	-	-	-	-	-
2020 Teacher Appreciation	-	-	-	-	-	77,525	77,525	-	-
High Ability Students	14,161	33,838	26,315	-	21,684	28,105	37,446	-	12,343
State Connectivity Grant	113,224	11,083	15,690	-	108,617	11,864	21,220	-	99,261

(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, 2021 and for the period July 1, 2019 through June 30, 2021

Fund	Cash and Investments 07-01-2019	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2020	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2021
21St Century Scholars Incentive	\$ 1,851	\$ -	\$ 417	\$ -	\$ 1,434	\$ -	\$ 1,387	\$ -	\$ 47
21St Century Scholars 19-20	-	-	13,020	-	(13,020)	10,946	(2,074)	-	-
21St Century Scholar 20-21	-	-	-	-	-	10,718	10,718	-	-
Title I	(7,626)	64,032	56,406	-	-	-	-	-	-
Title I 19-20	-	165,089	179,135	-	(14,046)	90,554	76,508	-	-
Title I 20-21	-	-	-	-	-	164,510	216,123	-	(51,613)
Title Iv	-	19,132	19,132	-	-	-	-	-	-
Title Iv	-	19,807	19,807	-	-	-	-	-	-
Title Iv Fy 19 Innovation Grant	-	-	-	-	-	-	39,955	-	(39,955)
Title Iv Fy 2020 Student Supp	-	-	-	-	-	19,050	19,050	-	-
Medicaid Reimbursement-Federal	16,546	67,558	71,782	-	12,322	84,777	48,246	-	48,853
Title Ii Part A	(2,360)	51,687	49,327	-	-	-	-	-	-
Title Ii Fy 2019	-	-	3,245	-	(3,245)	50,978	52,847	-	(5,114)
Title Ii Fy 2020	-	-	-	-	-	-	1,841	-	(1,841)
Loit Special Distribution	21,729	-	-	(21,729)	-	-	-	-	-
ESSER II	-	-	-	-	-	-	639,940	-	(639,940)
ESSER	-	-	132,804	-	(132,804)	197,040	84,813	-	(20,577)
Prepaid Food	18,203	485,856	463,458	-	40,601	181,013	178,576	-	43,038
Federal Tax	-	885,489	885,489	-	-	897,995	897,995	-	-
Fica/Medicare	-	761,445	761,445	-	-	788,302	788,302	-	-
State Tax	-	305,904	305,904	-	-	317,589	317,589	-	-
County Tax	-	101,870	101,870	-	-	106,590	106,590	-	-
Perf/Voluntary	-	21,706	21,706	-	-	23,494	23,447	-	47
Group Insurance	187,596	855,902	868,013	-	175,485	1,005,112	1,099,151	-	81,446
Annuity	-	413,967	413,967	-	-	411,677	411,677	-	-
Garnishments	-	9,620	9,620	-	-	11,506	11,506	-	-
Mass Mutual Loan	-	11,587	11,587	-	-	12,912	12,912	-	-
United Way	-	474	474	-	-	385	385	-	-
Credit Union	-	31,130	31,130	-	-	28,980	28,980	-	-
Totals	\$ 5,201,989	\$ 27,204,709	\$ 26,227,091	\$ 9,286	6,188,893	\$ 27,574,619	\$ 27,808,532	\$ -	\$ 5,954,980

See notes to financial statement.

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2021 and the Period of
July 1, 2019 to June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

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.

(Continued)

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2021 and the Period of
July 1, 2019 to June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

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

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

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

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.

(Continued)

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2021 and the Period of
July 1, 2019 to June 30, 2021

NOTE 2 - BUDGETS

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

NOTE 3 - PROPERTY TAXES

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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.

(Continued)

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2021 and the Period of
July 1, 2019 to June 30, 2021

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 either reimbursable grants or other local reimbursable sources, but for which reimbursement was not yet received by June 30, 2020, and 2021.

NOTE 7 - HOLDING CORPORATION

The School Corporation has entered into capital leases with the North Harrison Community School Building Corporation, the North Harrison Middle School Building Corporation, and the North Harrison School Building Corporation (the lessors). The lessors were 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 lessors have been determined to be related-parties of the School Corporation. Lease payments for the period July 1, 2019 to June 30, 2020 totaled \$2,532,813. Lease payments for the period July 1, 2020 to June 30, 2021 totaled \$2,529,513.

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.

Financial Report

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

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

Contributions

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

(Continued)

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2021 and the Period of
July 1, 2019 to June 30, 2021

NOTE 8 - PENSION PLANS (Continued)

Teachers' Retirement Fund

Plan Descriptions

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

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

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

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

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

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

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

(Continued)

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2021 and the Period of
July 1, 2019 to June 30, 2021

NOTE 8 - PENSION PLANS (Continued)

Contributions

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

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

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

SUPPLEMENTARY INFORMATION

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

	Education	Debt Service	Operations	Local Rainy Day	Retirement/Severa nce Bond	Construction	School Lunch	Textbook Rental	Child Care Program	Educational License Plates
Cash and investments - beginning	\$ 758,045	\$ 426,810	\$ 1,951,594	\$ 500,200	\$ 708	\$ 10	\$ 736,643	\$ 293,043	\$ 7	\$ 7,275
Receipts:										
Local sources	106,429	2,419,449	3,140,768	-	(1)	-	465,033	180,249	10,698	-
Intermediate sources	196	-	-	-	-	-	-	-	-	131
State sources	14,888,631	-	-	-	-	-	14,815	78,468	-	-
Federal sources	-	-	-	-	-	-	721,510	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	85	-	32,846	-	-	-	300	500	-	-
Total receipts	14,995,341	2,419,449	3,173,614	-	(1)	-	1,201,658	259,217	10,698	131
Disbursements:										
Instruction	10,260,143	-	-	-	-	-	-	-	11,913	-
Support services	1,689,870	-	4,505,968	-	-	-	13,873	343,741	-	-
Noninstructional services	109,892	-	3,000	-	-	-	1,147,783	-	-	-
Facilities acquisition and construction	-	-	439,454	-	-	-	57,436	-	-	-
Debt services	-	2,533,563	-	-	-	-	90	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	12,059,905	2,533,563	4,948,422	-	-	-	1,219,182	343,741	11,913	-
Excess (deficiency) of receipts over disbursements	2,935,436	(114,114)	(1,774,808)	-	(1)	-	(17,524)	(84,524)	(1,215)	131
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	9,286	-	-	-	-	-	-	-
Transfers in	1,000	-	1,800,421	21,729	-	-	-	-	-	-
Transfers out	(1,801,421)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,800,421)	-	1,809,707	21,729	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,135,015	(114,114)	34,899	21,729	(1)	-	(17,524)	(84,524)	(1,215)	131
Cash and investments - ending	\$ 1,893,060	\$ 312,696	\$ 1,986,493	\$ 521,929	\$ 707	\$ 10	\$ 719,119	\$ 208,519	\$ (1,208)	\$ 7,406

(Continued)

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

	Arts Council - Nhe	Hc Substance Abuse Prev	Jackson Township Trustee	New Salisbury Lions Club	Community Donations	Hccf Library Endowments	Riverboat 2020	Hccf Dual Credit	Extra-Curricular Activities	Arts Council - Nhe
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22	\$ 900
Receipts:										
Local sources	-	-	-	-	-	5,708	-	33,500	25,241	-
Intermediate sources	-	-	-	-	-	-	607,990	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	5,708	607,990	33,500	25,241	-
Disbursements:										
Instruction	-	-	-	155	2,564	-	-	33,500	10,351	-
Support services	-	-	-	-	-	5,349	249,839	-	14,888	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	155	2,564	5,349	249,839	33,500	25,239	-
Excess (deficiency) of receipts over disbursements	-	-	-	(155)	(2,564)	359	358,151	-	2	-
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	900	7	2,628	195	3,147	1,000	-	-	-	-
Transfers out	-	-	-	-	-	(495)	-	-	-	(900)
Total other financing sources (uses)	900	7	2,628	195	3,147	505	-	-	-	(900)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	900	7	2,628	40	583	864	358,151	-	2	(900)
Cash and investments - ending	\$ 900	\$ 7	\$ 2,628	\$ 40	\$ 583	\$ 864	\$ 358,151	\$ -	\$ 24	\$ -

(Continued)

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

	Hc Substance Abuse Prevention	Jackson Township Trustee	New Salisbury Lions Club	Community Donations	Hccf Library Endowments	Riverboat 2018	Riverboat 2019	Formative Assessment	High Ability	Secured Schools Safety Grant
Cash and investments - beginning	\$ 7	\$ 2,628	\$ 35	\$ 3,174	\$ 743	\$ 554	\$ 158,022	\$ -	\$ 5	\$ (24,489)
Receipts:										
Local sources	-	-	160	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	25,163	-	-	-
State sources	-	-	-	-	-	-	-	26,841	-	24,489
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	160	-	-	-	25,163	26,841	-	24,489
Disbursements:										
Instruction	-	-	-	27	-	-	54,682	-	5	-
Support services	-	-	-	-	238	554	30,097	26,637	-	42,023
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	98,406	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	27	238	554	183,185	26,637	5	42,023
Excess (deficiency) of receipts over disbursements	-	-	160	(27)	(238)	(554)	(158,022)	204	(5)	(17,534)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	495	-	-	-	-	-
Transfers out	(7)	(2,628)	(195)	(3,147)	(1,000)	-	-	-	-	-
Total other financing sources (uses)	(7)	(2,628)	(195)	(3,147)	(505)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(7)	(2,628)	(35)	(3,174)	(743)	(554)	(158,022)	204	(5)	(17,534)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 204	\$ -	\$ (42,023)

(Continued)

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

	Science Grant/Nhms	Non English Speaking Program	Career And Technical Performance Grant	Teacher Appreciation	High Ability Students	State Connectivity Grant	21St Century Scholars Incentive	21St Century Scholars 19-20	Title I	Title I 19-20
Cash and investments - beginning	\$ 1,000	\$ 2,079	\$ 19,650	\$ -	\$ 14,161	\$ 113,224	\$ 1,851	\$ -	\$ (7,626)	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	78,334	33,838	11,083	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	64,032	165,089
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	78,334	33,838	11,083	-	-	64,032	165,089
Disbursements:										
Instruction	-	-	397	78,334	26,315	-	417	13,020	56,406	179,135
Support services	-	-	576	-	-	15,690	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	973	78,334	26,315	15,690	417	13,020	56,406	179,135
Excess (deficiency) of receipts over disbursements	-	-	(973)	-	7,523	(4,607)	(417)	(13,020)	7,626	(14,046)
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	-	-	(973)	-	7,523	(4,607)	(417)	(13,020)	7,626	(14,046)
Cash and investments - ending	\$ 1,000	\$ 2,079	\$ 18,677	\$ -	\$ 21,684	\$ 108,617	\$ 1,434	\$ (13,020)	\$ -	\$ (14,046)

(Continued)

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

	Title Iv	Title Iv	Medicaid Reimbursement- Federal	Title Ii Part A	Title Ii Fy 2019	Loit Special Distribution	ESSER	Prepaid Food	Federal Tax	Fica/Medicare
Cash and investments - beginning	\$ -	\$ -	\$ 16,546	\$ (2,360)	\$ -	\$ 21,729	\$ -	\$ 18,203	\$ -	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	19,132	19,807	67,558	51,687	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	485,856	885,489	761,445
Total receipts	19,132	19,807	67,558	51,687	-	-	-	485,856	885,489	761,445
Disbursements:										
Instruction	-	-	68,977	49,327	3,245	-	-	-	-	-
Support services	19,132	19,807	2,805	-	-	-	132,804	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	463,458	885,489	761,445
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	19,132	19,807	71,782	49,327	3,245	-	132,804	463,458	885,489	761,445
Excess (deficiency) of receipts over disbursements	-	-	(4,224)	2,360	(3,245)	-	(132,804)	22,398	-	-
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(21,729)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	(21,729)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(4,224)	2,360	(3,245)	(21,729)	(132,804)	22,398	-	-
Cash and investments - ending	\$ -	\$ -	\$ 12,322	\$ -	\$ (3,245)	\$ -	\$ (132,804)	\$ 40,601	\$ -	\$ -

(Continued)

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

	State Tax	County Tax	Perf/Voluntary	Group Insurance	Annuity	Garnishments	Mass Mutual Loan	United Way	Credit Union	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 187,596	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,201,989
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	6,387,234
Intermediate sources	-	-	-	-	-	-	-	-	-	633,480
State sources	-	-	-	-	-	-	-	-	-	15,156,499
Federal sources	-	-	-	-	-	-	-	-	-	1,108,815
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	305,904	101,870	21,706	855,902	413,967	9,620	11,587	474	31,130	3,918,681
Total receipts	305,904	101,870	21,706	855,902	413,967	9,620	11,587	474	31,130	27,204,709
Disbursements:										
Instruction	-	-	-	-	-	-	-	-	-	10,848,913
Support services	-	-	-	-	-	-	-	-	-	7,113,891
Noninstructional services	-	-	-	-	-	-	-	-	-	1,260,675
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	595,296
Debt services	-	-	-	-	-	-	-	-	-	2,533,653
Nonprogrammed charges	305,904	101,870	21,706	868,013	413,967	9,620	11,587	474	31,130	3,874,663
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	305,904	101,870	21,706	868,013	413,967	9,620	11,587	474	31,130	26,227,091
Excess (deficiency) of receipts over disbursements	-	-	-	(12,111)	-	-	-	-	-	977,618
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	9,286
Transfers in	-	-	-	-	-	-	-	-	-	1,831,522
Transfers out	-	-	-	-	-	-	-	-	-	(1,831,522)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	9,286
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(12,111)	-	-	-	-	-	986,904
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 175,485	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,188,893

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

	Education	Debt Service	Operations	Local Rainy Day	Retirement/Severance Bond	Construction	School Lunch	Textbook Rental	Child Care Program	Educational License Plates	Arts Council - Nhe
Cash and investments - beginning	\$ 1,893,060	\$ 312,696	\$ 1,986,493	\$ 521,929	\$ 707	\$ 10	\$ 719,119	\$ 208,519	\$ (1,208)	\$ 7,406	\$ 900
Receipts:											
Local sources	203,551	2,603,877	3,350,620	-	-	-	1,136,333	260,277	14,240	-	-
Intermediate sources	184	-	-	-	-	-	-	-	-	75	-
State sources	14,750,225	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	14,953,960	2,603,877	3,350,620	-	-	-	1,136,333	260,277	14,240	75	-
Disbursements:											
Instruction	10,886,141	-	-	-	-	-	1,134,488	-	13,664	-	-
Support services	1,787,209	-	5,069,380	-	-	-	-	184,612	-	-	-
Noninstructional services	133,606	-	3,000	-	-	-	42,770	-	-	-	-
Facilities acquisition and construction	-	-	291,563	-	-	-	-	-	-	-	-
Debt services	-	2,530,263	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	12,806,956	2,530,263	5,363,943	-	-	-	1,177,258	184,612	13,664	-	-
Excess (deficiency) of receipts over disbursements	2,147,004	73,614	(2,013,323)	-	-	-	(40,925)	75,665	576	75	-
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	2,157,148	-	-	-	-	-	-	-	-
Transfers out	(2,157,148)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(2,157,148)	-	2,157,148	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(10,144)	73,614	143,825	-	-	-	(40,925)	75,665	576	75	-
Cash and investments - ending	\$ 1,882,916	\$ 386,310	\$ 2,130,318	\$ 521,929	\$ 707	\$ 10	\$ 678,194	\$ 284,184	\$ (632)	\$ 7,481	\$ 900

(Continued)

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

	Hc Substance Abuse Prev	Jackson Township Trustee	New Salisbury Lions Club	Community Donations	Hccf Yp Nhe Music Class	Hccf Library Endowments	Riverboat 2020	Riverboat 2021	Hccf Dual Credit	Extra-Curricular Activities	Hccf Library Endowments	Riverboat 2019
Cash and investments - beginning	\$ 7	\$ 2,628	\$ 40	\$ 583	\$ -	\$ 864	\$ 358,151	\$ -	\$ -	\$ 24	\$ -	\$ -
Receipts:												
Local sources	-	-	161	-	200	-	-	-	33,810	17,959	-	-
Intermediate sources	-	-	-	-	-	-	-	547,678	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	161	-	200	-	-	547,678	33,810	17,959	-	-
Disbursements:												
Instruction	-	-	-	-	200	-	-	-	33,910	8,804	-	-
Support services	-	-	-	-	-	495	348,151	23,410	-	9,763	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	10,000	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	200	495	358,151	23,410	33,910	18,567	-	-
Excess (deficiency) of receipts over disbursements	-	-	161	-	-	(495)	(358,151)	524,268	(100)	(608)	-	-
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	-	-	161	-	-	(495)	(358,151)	524,268	(100)	(608)	-	-
Cash and investments - ending	\$ 7	\$ 2,628	\$ 201	\$ 583	\$ -	\$ 369	\$ -	\$ 524,268	\$ (100)	\$ (584)	\$ -	\$ -

(Continued)

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

	Formative Assessment	Secured Schools Safety Grant	Science Technology Engineering And Mat	Early Intervention Grant	Science Grant/Nhms	Non English Speaking Program	Career And Technical Performance Grant	2020 Teacher Appreciation	High Ability Students	State Connectivity Grant	21St Century Scholars Incentive	21St Century Scholars 19-20
Cash and investments - beginning	\$ 204	\$ (42,023)	\$ -	\$ -	\$ 1,000	\$ 2,079	\$ 18,677	\$ -	\$ 21,684	\$ 108,617	\$ 1,434	\$ (13,020)
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	10,946
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	21,555	49,277	50,000	2,975	-	-	-	77,525	28,105	11,864	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	21,555	49,277	50,000	2,975	-	-	-	77,525	28,105	11,864	-	10,946
Disbursements:												
Instruction	-	-	50,000	-	-	-	4,342	77,525	37,446	-	1,387	(2,074)
Support services	21,759	18,347	-	-	-	-	-	-	-	21,220	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	21,759	18,347	50,000	-	-	-	4,342	77,525	37,446	21,220	1,387	(2,074)
Excess (deficiency) of receipts over disbursements	(204)	30,930	-	2,975	-	-	(4,342)	-	(9,341)	(9,356)	(1,387)	13,020
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	(204)	30,930	-	2,975	-	-	(4,342)	-	(9,341)	(9,356)	(1,387)	13,020
Cash and investments - ending	\$ -	\$ (11,093)	\$ -	\$ 2,975	\$ 1,000	\$ 2,079	\$ 14,335	\$ -	\$ 12,343	\$ 99,261	\$ 47	\$ -

(Continued)

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

	21St Century Scholar 20-21	Title I 19-20	Title I 20-21	Title Iv Fy 19 Innovation Grant	Title Iv Fy 2020 Student Supp	Medicaid Reimbursement- Federal	Title Ii Fy 2019	Title Ii Fy 2020	ESSER II	ESSER	Prepaid Food	Federal Tax
Cash and investments - beginning	\$ -	\$ (14,046)	\$ -	\$ -	\$ -	\$ 12,322	\$ (3,245)	\$ -	\$ -	\$ (132,804)	\$ 40,601	\$ -
Receipts:												
Local sources	10,718	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	90,554	164,510	-	19,050	84,777	50,978	-	-	197,040	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	181,013	897,995
Total receipts	10,718	90,554	164,510	-	19,050	84,777	50,978	-	-	197,040	181,013	897,995
Disbursements:												
Instruction	10,718	76,508	216,123	-	-	45,042	52,847	1,841	211,264	217,617	-	-
Support services	-	-	-	39,955	19,050	3,204	-	-	428,676	(132,804)	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	178,576	897,995
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	10,718	76,508	216,123	39,955	19,050	48,246	52,847	1,841	639,940	84,813	178,576	897,995
Excess (deficiency) of receipts over disbursements	-	14,046	(51,613)	(39,955)	-	36,531	(1,869)	(1,841)	(639,940)	112,227	2,437	-
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	-	14,046	(51,613)	(39,955)	-	36,531	(1,869)	(1,841)	(639,940)	112,227	2,437	-
Cash and investments - ending	\$ -	\$ -	\$ (51,613)	\$ (39,955)	\$ -	\$ 48,853	\$ (5,114)	\$ (1,841)	\$ (639,940)	\$ (20,577)	\$ 43,038	\$ -

(Continued)

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

	Fica/Medicare	State Tax	County Tax	Perf/Voluntary	Group Insurance	Annuity	Garnishments	Mass Mutual Loan	United Way	Credit Union	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 175,485	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,188,893
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	7,642,692
Intermediate sources	-	-	-	-	-	-	-	-	-	-	547,937
State sources	-	-	-	-	-	-	-	-	-	-	14,991,526
Federal sources	-	-	-	-	-	-	-	-	-	-	606,909
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	788,302	317,589	106,590	23,494	1,005,112	411,677	11,506	12,912	385	28,980	3,785,555
Total receipts	788,302	317,589	106,590	23,494	1,005,112	411,677	11,506	12,912	385	28,980	27,574,619
Disbursements:											
Instruction	-	-	-	-	-	-	-	-	-	-	13,077,793
Support services	-	-	-	-	-	-	-	-	-	-	7,842,427
Noninstructional services	-	-	-	-	-	-	-	-	-	-	179,376
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	301,563
Debt services	-	-	-	-	-	-	-	-	-	-	2,530,263
Nonprogrammed charges	788,302	317,589	106,590	23,447	1,099,151	411,677	11,506	12,912	385	28,980	3,877,110
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	788,302	317,589	106,590	23,447	1,099,151	411,677	11,506	12,912	385	28,980	27,808,532
Excess (deficiency) of receipts over disbursements	-	-	-	47	(94,039)	-	-	-	-	-	(233,913)
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	2,157,148
Transfers out	-	-	-	-	-	-	-	-	-	-	(2,157,148)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	47	(94,039)	-	-	-	-	-	(233,913)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 47	\$ 81,446	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,954,980

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2021

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 264,443	\$ 770,767

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2021

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
North Harrison Community School Building Corporation	North Harrison Elementary renovation	\$ 903,850	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>2,312,500</u>		
Total of annual lease payments		<u>\$ 2,312,500</u>		

<u>Description of Debt</u>		<u>Ending Principal Balance</u>	<u>Principal and Interest Due Within One Year</u>
<u>Type</u>	<u>Purpose</u>		
Governmental activities:			
General Obligation Bonds	Physical Education Facility	<u>\$ 2,835,000</u>	<u>\$ 218,963</u>
Totals		<u>\$ 2,835,000</u>	<u>\$ 218,963</u>

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2021

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 579,096
Buildings	66,595,794
Improvements other than buildings	27,606
Machinery, equipment, and vehicles	<u>5,166,539</u>
Total governmental activities	<u>72,369,035</u>
Total capital assets	<u>\$ 72,369,035</u>

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
STATE REPORTING INFORMATION
July 1, 2019 - June 30, 2021

Financial Statement and Accompanying Notes:

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

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

Indiana Department of Education Reporting:

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

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

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

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period July 1, 2019 through June 30, 2021

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-20	Total Federal Awards Expended 06-30-21	Total Federal Awards
<u>Department of Agriculture</u>						
Child Nutrition Cluster	Indiana Department of Education					
School Breakfast Program		10.553	FY2020, FY2021	\$ 183,678	\$ 239,802	\$ 423,480
National School Lunch Program		10.555	FY2020, FY2021	522,670	701,456	1,224,126
Commodities		10.555	FY2020, FY2021	<u>119,462</u>	<u>112,669</u>	<u>232,131</u>
Total - Child Nutrition Cluster				<u>825,810</u>	<u>1,053,927</u>	<u>1,879,737</u>
Total - Department of Agriculture				<u>825,810</u>	<u>1,053,927</u>	<u>1,879,737</u>
<u>Department of Education</u>						
Special Education Cluster(IDEA)	Indiana Department of Education					
Special Education						
Special Ed-Part B		84.027	18611-026-PN01	189,183	-	189,183
Special Ed-Part B		84.027	19611-026-PN01	499,897	-	499,897
Special Ed-Part B		84.027	20611-026-PN01	<u>497,968</u>	<u>-</u>	<u>497,968</u>
Total - Special Education Grants to States				<u>1,187,048</u>	<u>-</u>	<u>1,187,048</u>
Special Education Preschool Grants	Indiana Department of Education					
Special Ed-Preschool		84.173	19619-026-PN01	16,285	-	16,285
Special Ed-Preschool		84.173	20619-026-PN01	<u>9,818</u>	<u>-</u>	<u>9,818</u>
Total - Special Education Preschool Grants				<u>26,103</u>	<u>-</u>	<u>26,103</u>
Total - Special Education Cluster(IDEA)				<u>1,213,151</u>	<u>-</u>	<u>1,213,151</u>
Title I Grants to Local Education Agencies	Indiana Department of Education					
Title I, Part A		84.010	S010A180014	64,032	-	64,032
Title I, Part A		84.010	S010A190014	165,089	90,554	255,643
Title I, Part A		84.010	S010A200014	<u>-</u>	<u>164,510</u>	<u>164,510</u>
Total - Title I Grants to LEA				<u>229,121</u>	<u>255,064</u>	<u>484,185</u>
Title II Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II, Part A		84.367	S367A180013	51,687	-	51,687
Title II, Part A		84.367	S367A190013	<u>-</u>	<u>50,978</u>	<u>50,978</u>
Total - Title II Supporting Effective Instruction State Grants				<u>51,687</u>	<u>50,978</u>	<u>102,665</u>

(Continued)

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period July 1, 2019 through June 30, 2021

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-20	Total Federal Awards Expended 06-30-21	Total Federal Awards
Title IV Student Support and Academic Enrichment Program	Indiana Department of Education					
Title IV Part A		84.424	S424A180015	\$ 19,132	\$ 19,050	\$ 38,182
Title IV Part A		84.424	S424A190015	19,807	-	19,807
Total - Title IV Student Support and Academic Enrichment Program				<u>38,939</u>	<u>19,050</u>	<u>57,989</u>
COVID-19 Education Stabilization Fund	Indiana Department of Education					
Elementary and Secondary School Emergency Relief (ESSR) Fund		84.425D	S425D200013	-	197,040	197,040
Total - COVID-19 - Education Stabilization Fund				<u>-</u>	<u>197,040</u>	<u>197,040</u>
Total - Department of Education				<u>1,532,898</u>	<u>522,132</u>	<u>2,055,030</u>
<u>Department of Health and Human Services</u>						
Medicaid Cluster						
Medical Assistance Program (Medicaid; Title XIX)	Indiana Department of Education					
Medicaid		93.778	FY2020, FY2021	67,558	84,777	152,335
Total - Department of Health and Human Services				<u>67,558</u>	<u>84,777</u>	<u>152,335</u>
Social Security Administration						
Disability Insurance/SSI Cluster						
Social Security Disability Insurance	Indiana Family and					
Disability Determination	Social Services Administration	96.001	FY2020, FY2021	28	-	28
Total - Social Security Administration				<u>28</u>	<u>-</u>	<u>28</u>
Total federal awards expended				<u>\$ 2,426,294</u>	<u>\$ 1,660,836</u>	<u>\$ 4,087,130</u>

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, 2019 to June 30, 2021

NOTE 1 - BASIS OF PRESENTATION

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the period of July 1, 2019 to June 30, 2021. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

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

B. Other Significant Accounting Policies

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

NOTE 2 - INDIRECT COST RATE

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

NOTE 3 - SPECIAL EDUCATION COOPERATIVE (ALN: 84.027, 84.173)

The School Corporation is a member of a Special Education Cooperative (Cooperative). As a result, some activity for the Special Education Cluster (IDEA) that is presented as federal awards expended in 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.

NOTE 4 - OTHER INFORMATION

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

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

Those Charged with Governance
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, 2021 and for the period July 1, 2019 to June 30, 2021 and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement, and have issued our report thereon dated October 27, 2022.

Internal Control Over Financial Reporting

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

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

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

(Continued)

Compliance and Other Matters

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

Purpose of this Report

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

Crowe LLP
Crowe LLP

Indianapolis, Indiana
October 27, 2022

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

We have audited North Harrison Community School Corporation's (the School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the School Corporation's major federal programs for the period July 1, 2019 to June 30, 2021. 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.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

(Continued)

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2021-003. Our opinion on each major federal program is not modified with respect to these matters.

The School Corporation's response to the noncompliance finding identified in our audit is described in the accompanying *schedule of findings and questioned costs*. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2021-001, 2021-002, and 2021-003 that we consider to be material weaknesses.

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

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
October 27, 2022

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 July 1, 2019 to June 30, 2021

Section I – Summary of Auditor’s Results

Financial Statement

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

Federal Awards

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

Identification of major programs

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

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

Auditee qualified as low-risk auditee?	_____	Yes	_____ <u>X</u> _____	No
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Section II – Financial Statement Findings

None noted.

(Continued)

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2019 to June 30, 2021

Section III – Federal Award Findings and Questioned Costs

FINDING 2021-001

Information on the federal program:

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

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

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

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

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

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

Questioned Costs: There were no questioned costs identified.

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.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommend that the School Corporation establish a review control to verify the reimbursement claims are correct. This review should be performed by someone other than the individual submitting the claims and we recommend this review be formally documented.

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, 2019 to June 30, 2021

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

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

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 program income compliance requirement.

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

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

Questioned Costs: There were no questioned costs identified.

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.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommend that the School Corporation establish a review control to verify the monthly transfers are correct. This review should be performed by someone other than the individual preparing the monthly transfers and we recommend this review be formally documented.

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, 2019 to June 30, 2021

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

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

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.318 states:

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

2 CFR 200.320 states:

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

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 following compliance requirement: Procurement.

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

(Continued)

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2019 to June 30, 2021

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

Effect: The failure to establish an effective internal control system enabled noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system allowed noncompliance with compliance requirements and could allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

Questioned Costs: There were no questioned costs identified.

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.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommended that the School Corporation's management establish a system of internal controls, including segregation of duties, related to the grant agreement and compliance requirements listed above. An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

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

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
OFFICE OF THE SUPERINTENDENT
1070 Highway 64 NW
Ramsey, IN 47166

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2019-001

Subject: Child Nutrition Cluster – Procurement and Suspension and Debarment

Audit Finding: Material Weakness

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

Procurement

The School Corporation did not have a proper system of internal control in place to ensure compliance with the requirements of the grant, which enabled noncompliance to occur. The School Corporation utilized two vendors for which the total purchases for fiscal years 2017-2018 and 2018-2019 were within the small purchase threshold, but the School Corporation did not obtain quotes or maintain documentation for the rationale for selection of the vendors.

Suspension and Debarment

The School Corporation did not verify that vendors with whom the School Corporation entered into a covered transaction were not suspended or debarred or otherwise excluded from or ineligible for participation in federal assistance programs. The lack of controls and noncompliance were systemic issues throughout the audit period.

Status: Resolved. Price quotes and suspension/ debarment checks were obtained for small purchases.

Kathleen A. Chum
(Signature)

Food Service Coordinator
(Title)

11-1-22
(Date)

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
OFFICE OF THE SUPERINTENDENT
1260 Highway 64 NW
Ramsey, IN 47166

CORRECTIVE ACTION PLAN

FINDING 2021-001 - Child Nutrition Cluster - Cash Management

Contact Person Responsible for Corrective Action: Kathleen A. Chinn
Contact Phone Number: 812-347-3905

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Management will have cafeteria managers sign off as the first person to review the monthly reimbursement claim along with the attached documentation each month. The Food Service Coordinator will review the monthly reimbursement claim along with the attached documentation and sign off as the second person to review the claim for reimbursement.

Anticipated Completion Date: October, 2022

Kathleen A. Chinn
(Signature)

Food Service Coordinator
(Title)

11/11/22
(Date)

NORTH HARRISON COMMUNITY SCHOOL CORPORATION
OFFICE OF THE SUPERINTENDENT
1260 Highway 64 NW
Ramsey, IN 47166

CORRECTIVE ACTION PLAN

FINDING 2021-002 - Child Nutrition Cluster - Program Income

Contact Person Responsible for Corrective Action: Kathleen A. Chinn
Contact Phone Number: 812-347-3905

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Management will have cafeteria managers sign off as the first person to review the monthly program income transfer along with the attached documentation each month. The Food Service Coordinator will review the monthly program income transfer along with the attached documentation and sign off as the second person to review the program income transfer.

Anticipated Completion Date: October, 2022

Kathleen A. Chinn
(Signature)

Food Service Coordinator
(Title)

11-1-22
(Date)

**North Harrison Community School Corporation
Office of the Superintendent
1260 Hwy 64 NW
Ramsey, IN 47166**

**Voice: 812-347-2407
Fax: 812-347-2870**

CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

June 30, 2021

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

Finding 2021-003

Contact Person Responsible for Corrective Action: Carolyn Wallace

Contact Phone Number: 812-738-2168, extension 1012

View of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

(1) Vendor history reports will be reviewed to determine which vendors, including those providing contractual services, are subject to the small purchases methods.

(2) Documentation will be maintained for all procured goods and services as required by the small purchases methods.

Anticipated Completion Date: 12/31/2022