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January 25, 2023

To: The Officials of the Northwestern Consolidated School Corporation
Northwestern Consolidated School Corporation
4920 W 600 N
Fairland, IN 46126

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

We call your attention to the findings included in the report on pages 38-41. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 42-44.

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 Northwestern Consolidated 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.

Tammy R. White

Tammy R. White, CPA
Deputy State Examiner

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY

Shelby County, Indiana

FINANCIAL STATEMENT

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

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
Shelby 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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NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
SCHEDULE OF OFFICIALS
For the period July 1, 2019 to June 30, 2021

Office	Official	Term
Treasurer	Laura Mullen	07-01-19 to 12-31-20
	Tammy Achenbach	01-01-21 to 06-30-21
Superintendent of Schools	Chris Hoke	07-01-19 to 06-30-21
President of the School Board	Vince Sanders	01-01-19 to 12-31-20
	Todd Brandman	01-01-21 to 12-31-21

Crowe

Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
Northwestern Consolidated School District of Shelby County
Shelby 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 Northwestern Consolidated School District of Shelby County (the School District) 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 District 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 District 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 District 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 January 19, 2023 on our consideration of the School District'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 District'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 District's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Indianapolis, Indiana
January 19, 2023

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
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	$ 1,299,064	$ 10,154,146	$ 8,676,252	$ (1,145,222)	$ 1,631,736	$ 9,967,540	$ 8,924,406	$ (1,122,611)	$ 1,552,259
Debt Service	957,485	1,708,403	1,883,071	-	782,817	2,521,781	1,963,389	-	1,341,209
Operations	2,096,800	2,391,167	3,505,556	1,146,201	2,128,612	2,802,468	3,902,800	1,122,611	2,150,891
Local Rainy Day	696,025	24,940	-	-	720,965	-	-	-	720,965
Retirement/Severance Bond Fund	4,673	-	4,673	-	-	-	-	-	-
2017 Bond	-	12,100	12,100	-	-	220	220	-	-
2019 Bond	-	89,646	89,646	-	-	5,675	5,675	-	-
School Lunch	248,239	671,260	605,471	-	314,028	665,624	772,849	-	206,803
Curricular Materials Rental	158,902	176,934	106,988	-	228,848	187,620	111,074	-	305,394
Hoosier Heartland Trust (Lea)	33,567	-	-	-	33,567	-	-	-	33,567
Childcare	92,061	78,200	80,443	-	89,818	48,170	70,719	-	67,269
Preschool	115,212	120,976	129,578	-	106,610	113,523	113,848	-	106,285
Paths To Qualilty	3,129	-	-	-	3,129	-	-	-	3,129
Tes Shelby Co Drug Free Grant	1,000	-	1,000	-	-	-	-	-	-
Tms Shelby Co Drug Free Grant	625	2,001	206	-	2,420	-	-	-	2,420
Pepsi Clearing Account - Do Not Use	-	-	-	-	-	4,500	4,500	-	-
Tes Book Fair	3,506	4,749	2,578	-	5,677	-	3,897	-	1,780
Tms Book Fair	4	-	-	-	4	-	-	-	4
Educational License Plates	377	141	-	-	518	75	-	-	593
Mendenhall Field	1,256	-	-	-	1,256	-	-	-	1,256
Gloria Haycock Hs Library	668	-	668	-	-	-	-	-	-
Charles Davies Memorial Scienc	100	-	-	-	100	-	-	-	100
School House Lunch Donation	1,411	-	-	-	1,411	-	-	-	1,411
Garver Student Trip Donation	3,335	-	3,335	-	-	-	-	-	-
Crossroads Cluster Umc Lunch	576	-	-	-	576	-	-	-	576
Brf-Scuffy-Tces-P.E.-Donation	-	-	-	-	-	6,256	6,047	-	209
Triton Central Schools	1,569	430	-	-	1,999	-	-	-	1,999
Mac Grant	426	-	259	-	167	-	-	-	167
Blue River Beaty Tech Grant/Hs	1,000	-	-	-	1,000	2,000	-	-	3,000
Walmart Community Grant/Tchs	284	-	53	-	231	-	107	-	124
Walmart Community Grnt/Tms	500	-	-	-	500	-	-	-	500
Clsd-Pths To Quality Prschlgrt	-	2,250	625	-	1,625	-	-	-	1,625
Arc Of Shelby Co Spec Ed Dontn	1,370	480	-	-	1,850	755	255	-	2,350
Blue River Fdn Athletic Grant	-	-	-	-	-	2,000	-	-	2,000
Todd Welty Ffa Memorial Grant	569	-	-	-	569	1,400	-	-	1,969
Sales Force - Tchs G/Sports	-	-	-	-	-	10,000	-	-	10,000
Iasp Mini Grant/Tms	412	500	670	-	242	-	-	-	242
Blue River Fdn Grants/Tms	-	-	-	-	-	430	-	-	430
Alexander Memorial-Historyclub	125	100	57	-	168	-	-	-	168
Generation On Grant	69	-	-	-	69	-	-	-	69
Blue River Fdn- Tc Archers	5	-	5	-	-	-	-	-	-
Compass Group Scholarship	-	1,000	-	-	1,000	-	-	-	1,000
Pepsi Clearing Account	-	9,390	9,390	-	-	-	-	-	-
Jacob Davis Eagle Scout Prjct	328	-	328	-	-	-	-	-	-

(Continued)

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
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
Answers For Autism Grant 2013	$ 1,302	$ -	$ 1,302	$ -	$ -	$ -	$ -	$ -	$ -
Formative Assessment	-	17,477	33,000	-	(15,523)	13,513	11,503	-	(13,513)
Rushshelby Energy Com Fd/Tes	133	-	133	-	-	-	-	-	-
State Medicaid Reimb	267	5,328	279	-	5,316	5,208	7,991	-	2,533
Secured Schools Safety Grant	-	-	16,375	-	(16,375)	16,375	-	-	-
Early Intervention Grnt 18-19	32	-	32	-	-	-	-	-	-
Early Intervention Grant/20-21	-	-	-	-	-	3,413	3,413	-	-
Non English Speak Grant 07/08	637	(1)	-	-	636	-	-	-	636
Career And Technical Performance Grant	16,097	-	950	-	15,147	2,400	8,000	-	9,547
High Ability Students	3,296	30,999	32,202	-	2,093	25,614	27,707	-	-
Title I 2018-2019	(967)	55,194	54,227	-	-	-	-	-	-
Title I 2019/2020	-	140,393	169,474	-	(29,081)	62,506	33,425	-	-
Title I Fy 2021 20/21	-	-	-	-	-	143,837	152,606	-	(8,769)
Spec Ed Prtb611 Fy 19	-	6,904	1,757	(5,147)	-	-	-	-	-
Spec Ed Prtb 611 Fy20 19-21	-	221,415	260,657	-	(39,242)	114,020	74,778	-	-
Spec Ed Prtb 619 Prschl Fy20	-	14,349	14,349	-	-	-	-	-	-
Spec Ed Partb 611 Fy21	-	-	-	-	-	227,352	251,779	-	(24,427)
Spec Ed Prtb 619 Preschool Fy21	-	-	-	-	-	12,141	14,349	-	(2,208)
Spec Ed Part B 611 Fy2018	1,005	7,415	8,881	461	-	-	-	-	-
Spec Ed Prtb 611 Fy19 Grant	(13,774)	43,519	34,431	4,686	-	-	-	-	-
Title Iv 18-19	-	1,096	1,096	-	-	-	-	-	-
Title Iv Prt A Fy19 2019-2021	-	8,433	6,719	-	1,714	6,799	8,513	-	-
Title Iv Part A Ffy20 20-22	-	-	-	-	-	4,267	9,387	-	(5,120)
Federal Medicaid Reimb	5,398	6,470	1,056	-	10,812	11,209	7,265	-	14,756
Title Ii A 2017-2019	(36)	36	-	-	-	-	-	-	-
Title Ii Part A 2018/2020	(1,477)	10,194	8,717	-	-	-	-	-	-
Title Ii Ffy2019 19/21	-	31,706	35,214	-	(3,508)	6,100	2,592	-	-
Title Ii Ffy2020 20/22	-	-	-	-	-	37,329	40,895	-	(3,566)
Esser III	-	-	-	-	-	-	10,060	-	(10,060)
Esser II	-	-	-	-	-	178,397	192,525	-	(14,128)
Federal Stimulus - 18003 Educ. Stab Reli	-	-	-	-	-	159,912	168,748	-	(8,836)
Prepaid Food	(16,263)	262,270	264,716	-	(18,709)	22,911	13,247	-	(9,045)
Federal Wth Tax	-	590,770	590,770	-	-	606,448	606,448	-	-
Social Security	-	541,558	541,558	-	-	555,475	555,475	-	-
State Tax	7,884	241,405	257,101	-	(7,812)	230,930	230,930	-	(7,812)
Co Adj Tax	15,110	108,217	115,599	-	7,728	105,988	105,988	-	7,728
Perf	112	31,494	31,494	-	112	30,433	30,433	-	112
Insurance	(11,737)	536,347	543,552	-	(18,942)	515,299	510,562	-	(14,205)
Post Tax Insurance Afa	121	23,504	23,504	-	121	24,527	24,527	-	121
Annuities	-	261,115	261,115	-	-	265,364	265,364	-	-
Garnishment Of Wages	569	15,392	15,392	-	569	12,991	12,991	-	569
Scuffy Deductions	-	215	215	-	-	120	120	-	-
Bank Card Clearing Account	1,759	61,952	64,807	-	(1,096)	49,209	48,113	-	-
Totals	$ 5,734,140	$ 18,723,979	$ 18,503,626	$ 979	$ 5,955,472	$ 19,790,124	$ 19,309,520	$ -	$ 6,436,076

See notes to financial statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The School District was established under the laws of the State of Indiana. The School District 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 District.

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 Districts, transfer tuition, transportation fees, investment income, food services, School District 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 District 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 District 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 District.

Federal sources. Amounts received as distributions from the federal government that are to be used by the School District 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 District.

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)

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 District, including: all expenditures for the reduction of the principal and interest of the School District's general obligation indebtedness.

Nonprogrammed charges. Amounts disbursed for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

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

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

Sale of capital assets. Amounts received when land, buildings, or equipment owned by the School District 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 District. 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 District. 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 District 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 District itself.

(Continued)

NOTE 2 - RECLASSIFICATION

Certain prior year balances have been reclassified to conform to the current fiscal year presentation. The reclassifications had no effect on total opening cash balances. The payroll withholding clearing funds which were previously reported in the aggregate amount of $12,059 at June 30, 2019, has been reclassified to the following individual fund balances at July 1, 2019 to reflect the nature of the clearing fund activity as follows:

State Tax	$	7,884
Co Adj Tax		15,110
Perf		112
Insurance		(11,737)
Post Tax Insurance Afa		121
Garnishment Of Wages		569
	$	12,059

NOTE 3 - BUDGETS

The operating budget is initially prepared and approved at the local level. The fiscal officer of the School District 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 4 - PROPERTY TAXES

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School District 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 District 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 5 - 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 District 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 District held cash deposits and certificates of deposit with financial institutions that maintained FDIC and PDIF coverages, as applicable. The School District did not hold investments for the period under audit.

(Continued)

NOTE 6 - RISK MANAGEMENT

The School District 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 District 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 District has purchased insurance to address the risks described above.

NOTE 7 - CASH BALANCE DEFICITS

The financial statements contains some funds with deficits in cash. This is a result of certain funds being set up for reimbursable grants, but for which reimbursement was not yet received by June 30, 2020, and 2021. Deficits in other fund balances, including the Prepaid Food, State Tax, Insurance, and Bank Card Clearing Account funds, were the result of disbursements exceeding receipts due to under-estimating current requirements for some funds. These deficits are to be prepaid from future receipts.

NOTE 8 - HOLDING CORPORATION

The School District has entered into a series of capital leases with the Northwestern Consolidated School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School District. The lessor has been determined to be a related-party of the School District. Lease payments for the period July 1, 2019 to June 30, 2020 totaled $1,848,000. Lease payments for the period July 1, 2020 to June 30, 2021 totaled $1,855,500.

NOTE 9 - PENSION PLANS

Public Employees' Retirement Fund

Plan Descriptions

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 District authority to contribute to the plan.

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

(Continued)

NOTE 9 - PENSION PLANS (Continued)

Financial Report

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

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

Contributions

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

Teachers' Retirement Fund

Plan Descriptions

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

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

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

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

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

(Continued)

NOTE 9 - PENSION PLANS (Continued)

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 District authority to contribute to the plan when applicable.

Financial Report

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

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

Contributions

The School District 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 District 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

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
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/Severance Bond Fund	2017 Bond	2019 Bond	School Lunch	Curricular Materials Rental	Hoosier Heartland Trust (Lea)	Childcare
Cash and investments - beginning	$ 1,299,064	$ 957,485	$ 2,096,800	$ 696,025	$ 4,673	$ -	$ -	$ 248,239	$ 158,902	$ 33,567	$ 92,061
Receipts:											
Local sources	225,925	1,708,403	2,371,755	24,940	-	-	-	278,031	131,501	-	78,200
Intermediate sources	26	-	-	-	-	-	-	-	-	-	-
State sources	9,928,195	-	-	-	-	-	-	-	44,489	-	-
Federal sources	-	-	-	-	-	-	-	392,629	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	19,412	-	-	12,100	89,646	600	944	-	-
Total receipts	10,154,146	1,708,403	2,391,167	24,940	-	12,100	89,646	671,260	176,934	-	78,200
Disbursements:											
Instruction	6,223,746	-	-	-	4,673	-	-	-	-	-	-
Support services	2,230,329	22,992	3,063,070	-	-	-	-	600	106,988	-	-
Noninstructional services	222,177	-	51	-	-	-	-	604,871	-	-	80,443
Facilities acquisition and construction	-	-	442,435	-	-	12,100	89,646	-	-	-	-
Debt services	-	1,860,079	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	8,676,252	1,883,071	3,505,556	-	4,673	12,100	89,646	605,471	106,988	-	80,443
Excess (deficiency) of receipts over disbursements	1,477,894	(174,668)	(1,114,389)	24,940	(4,673)	-	-	65,789	69,946	-	(2,243)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	979	-	-	-	-	-	-	-	-
Transfers in	2,547,049	-	1,145,222	-	-	-	-	-	-	-	-
Transfers out	(3,692,271)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,145,222)	-	1,146,201	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	332,672	(174,668)	31,812	24,940	(4,673)	-	-	65,789	69,946	-	(2,243)
Cash and investments - ending	$ 1,631,736	$ 782,817	$ 2,128,612	$ 720,965	$ -	$ -	$ -	$ 314,028	$ 228,848	$ 33,567	$ 89,818

(Continued)

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
(USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
July 1, 2019 through June 30, 2020

	Preschool	Paths To Qualilty	Tes Shelby Co Drug Free Grant	Tms Shelby Co Drug Free Grant	Tes Book Fair	Tms Book Fair	Educational License Plates	Mendenhall Field	Gloria Haycock Hs Library	Charles Davies Memorial Scienc	School House Lunch Donation
Cash and investments - beginning	$ 115,212	$ 3,129	$ 1,000	$ 625	$ 3,506	$ 4	$ 377	$ 1,256	$ 668	$ 100	$ 1,411
Receipts:											
Local sources	120,976	-	-	-	4,749	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	141	-	-	-	-
State sources	-	-	-	2,001	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	120,976	-	-	2,001	4,749	-	141	-	-	-	-
Disbursements:											
Instruction	129,578	-	1,000	206	-	-	-	-	-	-	-
Support services	-	-	-	-	2,578	-	-	-	668	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	129,578	-	1,000	206	2,578	-	-	-	668	-	-
Excess (deficiency) of receipts over disbursements	(8,602)	-	(1,000)	1,795	2,171	-	141	-	(668)	-	-
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	(8,602)	-	(1,000)	1,795	2,171	-	141	-	(668)	-	-
Cash and investments - ending	$ 106,610	$ 3,129	$ -	$ 2,420	$ 5,677	$ 4	$ 518	$ 1,256	$ -	$ 100	$ 1,411

(Continued)

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
(USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
July 1, 2019 through June 30, 2020

	Garver Student Trip Donation	Crossroads Cluster Umc Lunch	Triton Central Schools	Mac Grant	Blue River Beaty Tech Grant/Hs	Walmart Community Grant/Tchs	Walmart Community Grnt/Tms	Clsd-Pths To Quality Prschlgrt	Arc Of Shelby Co Spec Ed Dontn	Todd Welty Ffa Memorial Grant	Iasp Mini Grant/Tms
Cash and investments - beginning	$ 3,335	$ 576	$ 1,569	$ 426	$ 1,000	$ 284	$ 500	$ -	$ 1,370	$ 569	$ 412
Receipts:											
Local sources	-	-	430	-	-	-	-	2,250	480	-	500
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	430	-	-	-	-	2,250	480	-	500
Disbursements:											
Instruction	3,335	-	-	259	-	-	-	-	-	-	670
Support services	-	-	-	-	-	53	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	625	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	3,335	-	-	259	-	53	-	625	-	-	670
Excess (deficiency) of receipts over disbursements	(3,335)	-	430	(259)	-	(53)	-	1,625	480	-	(170)
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	(3,335)	-	430	(259)	-	(53)	-	1,625	480	-	(170)
Cash and investments - ending	$ -	$ 576	$ 1,999	$ 167	$ 1,000	$ 231	$ 500	$ 1,625	$ 1,850	$ 569	$ 242

(Continued)

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
(USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
July 1, 2019 through June 30, 2020

	Alexander Memorial-Historyclub	Generation On Grant	Blue River Fdn-Tc Archers	Blue River Fdn-Arts Grant-Tes	Compass Group Scholarship	Pepsi Clearing Account	Jacob Davis Eagle Scout Prjct	Answers For Autism Grant 2013	Formative Assessment	Rushshelby Energy Com Fd/Tes	State Medicaid Reimb
Cash and investments - beginning	$ 125	$ 69	$ 5	$ -	$ -	$ -	$ 328	$ 1,302	$ -	$ 133	$ 267
Receipts:											
Local sources	100	-	-	-	1,000	9,390	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	17,477	-	5,328
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	100	-	-	-	1,000	9,390	-	-	17,477	-	5,328
Disbursements:											
Instruction	-	-	-	-	-	-	-	1,302	33,000	133	279
Support services	-	-	5	-	-	9,390	328	-	-	-	-
Noninstructional services	57	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	57	-	5	-	-	9,390	328	1,302	33,000	133	279
Excess (deficiency) of receipts over disbursements	43	-	(5)	-	1,000	-	(328)	(1,302)	(15,523)	(133)	5,049
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	43	-	(5)	-	1,000	-	(328)	(1,302)	(15,523)	(133)	5,049
Cash and investments - ending	$ 168	$ 69	$ -	$ -	$ 1,000	$ -	$ -	$ -	$ (15,523)	$ -	$ 5,316

(Continued)

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
(USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
July 1, 2019 through June 30, 2020

	Secured Schools Safety Grant	Early Intervention Grnt 18-19	Non English Speak Grant 07/08	Career And Technical Performance Grant	High Ability Students	Title I 2018-2019	Title I 2019/2020	Spec Ed Partb 611 Fy 2018	Spec Ed Prtb611 Fy 19	Spec Ed Prtb 611 Fy20 19-21	Spec Ed Prtb 619 Prschl Fy20
Cash and investments - beginning	$ -	$ 32	$ 637	$ 16,097	$ 3,296	$ (967)	$ -	$ -	$ -	$ -	$ -
Receipts:											
Local sources	-	-	(1)	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	30,999	-	-	-	-	-	-
Federal sources	-	-	-	-	-	55,194	140,393	-	6,904	221,415	14,349
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	(1)	-	30,999	55,194	140,393	-	6,904	221,415	14,349
Disbursements:											
Instruction	-	32	-	950	32,202	52,282	150,629	-	-	201,812	14,349
Support services	16,375	-	-	-	-	1,945	16,626	-	1,757	58,845	-
Noninstructional services	-	-	-	-	-	-	2,219	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	16,375	32	-	950	32,202	54,227	169,474	-	1,757	260,657	14,349
Excess (deficiency) of receipts over disbursements	(16,375)	(32)	(1)	(950)	(1,203)	967	(29,081)	-	5,147	(39,242)	-
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	461	6,364	-	-
Transfers out	-	-	-	-	-	-	-	(461)	(11,511)	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	(5,147)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(16,375)	(32)	(1)	(950)	(1,203)	967	(29,081)	-	-	(39,242)	-
Cash and investments - ending	$ (16,375)	$ -	$ 636	$ 15,147	$ 2,093	$ -	$ (29,081)	$ -	$ -	$ (39,242)	$ -

(Continued)

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
(USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
July 1, 2019 through June 30, 2020

	Spec Ed Part B 611 Fy2018	Spec Ed Prtb 611 Fy19 Grant	Title Iv 18-19	Title Iv Prt A Fy19 2019-2021	Federal Medicaid Reimb	Title Ii A 2017-2019	Title Ii Part A 2018/2020	Title Ii Ffy2019 19/21	Prepaid Food	Federal Wth Tax	Social Security
Cash and investments - beginning	$ 1,005	$ (13,774)	$ -	$ -	$ 5,398	$ (36)	$ (1,477)	$ -	$ (16,263)	$ -	$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	7,415	43,519	1,096	8,433	6,470	36	10,194	31,706	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	262,270	590,770	541,558
Total receipts	7,415	43,519	1,096	8,433	6,470	36	10,194	31,706	262,270	590,770	541,558
Disbursements:											
Instruction	8,881	22,811	1,096	6,719	1,056	-	8,717	35,214	-	-	-
Support services	-	11,620	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	264,716	590,770	541,558
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	8,881	34,431	1,096	6,719	1,056	-	8,717	35,214	264,716	590,770	541,558
Excess (deficiency) of receipts over disbursements	(1,466)	9,088	-	1,714	5,414	36	1,477	(3,508)	(2,446)	-	-
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	461	4,686	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	461	4,686	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,005)	13,774	-	1,714	5,414	36	1,477	(3,508)	(2,446)	-	-
Cash and investments - ending	$ -	$ -	$ -	$ 1,714	$ 10,812	$ -	$ -	$ (3,508)	$ (18,709)	$ -	$ -

(Continued)

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
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	Co Adj Tax	Perf	Insurance	Post Tax Insurance Afa	Annuities	Garnishment Of Wages	Scuffy Deductions	Bank Card Clearing Account	Totals
Cash and investments - beginning	$ 7,884	$ 15,110	$ 112	$ (11,737)	$ 121	$ -	$ 569	$ -	$ 1,759	$ 5,734,140
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	4,958,629
Intermediate sources	-	-	-	-	-	-	-	-	-	167
State sources	-	-	-	-	-	-	-	-	-	10,028,489
Federal sources	-	-	-	-	-	-	-	-	-	939,753
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	241,405	108,217	31,494	536,347	23,504	261,115	15,392	215	61,952	2,796,941
Total receipts	241,405	108,217	31,494	536,347	23,504	261,115	15,392	215	61,952	18,723,979
Disbursements:										
Instruction	-	-	-	-	-	-	-	-	-	6,934,931
Support services	-	-	-	-	-	-	-	-	-	5,544,169
Noninstructional services	-	-	-	-	-	-	-	-	-	910,443
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	544,181
Debt services	-	-	-	-	-	-	-	-	-	1,860,079
Nonprogrammed charges	257,101	115,599	31,494	543,552	23,504	261,115	15,392	215	64,807	2,709,823
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	257,101	115,599	31,494	543,552	23,504	261,115	15,392	215	64,807	18,503,626
Excess (deficiency) of receipts over disbursements	(15,696)	(7,382)	-	(7,205)	-	-	-	-	(2,855)	220,353
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	979
Transfers in	-	-	-	-	-	-	-	-	-	3,704,243
Transfers out	-	-	-	-	-	-	-	-	-	(3,704,243)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	979
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(15,696)	(7,382)	-	(7,205)	-	-	-	-	(2,855)	221,332
Cash and investments - ending	$ (7,812)	$ 7,728	$ 112	$ (18,942)	$ 121	$ -	$ 569	$ -	$ (1,096)	$ 5,955,472

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
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	2017 Bond	2019 Bond	School Lunch	Curricular Materials Rental	Hoosier Heartland Trust (Lea)	Childcare	Preschool
Cash and investments - beginning	$ 1,631,736	$ 782,817	$ 2,128,612	$ 720,965	$ -	$ -	$ 314,028	$ 228,848	$ 33,567	$ 89,818	$ 106,610
Receipts:											
Local sources	185,996	2,521,781	2,802,359	-	-	-	81,810	145,730	-	48,170	113,523
Intermediate sources	53	-	-	-	-	-	-	-	-	-	-
State sources	9,781,491	-	-	-	-	-	-	41,890	-	-	-
Federal sources	-	-	-	-	-	-	583,614	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	109	-	220	5,675	200	-	-	-	-
Total receipts	9,967,540	2,521,781	2,802,468	-	220	5,675	665,624	187,620	-	48,170	113,523
Disbursements:											
Instruction	6,372,004	-	-	-	-	-	-	-	-	-	113,848
Support services	2,325,344	26,889	3,174,955	-	-	-	200	111,074	-	-	-
Noninstructional services	227,058	-	-	-	-	-	772,649	-	-	70,719	-
Facilities acquisition and construction	-	-	727,845	-	220	5,675	-	-	-	-	-
Debt services	-	1,936,500	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	8,924,406	1,963,389	3,902,800	-	220	5,675	772,849	111,074	-	70,719	113,848
Excess (deficiency) of receipts over disbursements	1,043,134	558,392	(1,100,332)	-	-	-	(107,225)	76,546	-	(22,549)	(325)
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	1,122,611	-	-	-	-	-	-	-	-
Transfers out	(1,122,611)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,122,611)	-	1,122,611	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(79,477)	558,392	22,279	-	-	-	(107,225)	76,546	-	(22,549)	(325)
Cash and investments - ending	$ 1,552,259	$ 1,341,209	$ 2,150,891	$ 720,965	$ -	$ -	$ 206,803	$ 305,394	$ 33,567	$ 67,269	$ 106,285

(Continued)

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
(USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
July 1, 2020 through June 30, 2021

	Paths To Qualilty	Tms Shelby Co Drug Free Grant	Pepsi Clearing Account - Do Not Use	Tes Book Fair	Tms Book Fair	Educational License Plates	Mendenhall Field	Charles Davies Memorial Scienc	School House Lunch Donation	Crossroads Cluster Umc Lunch	Brf-Scuffy-Tces-P.E.-Donation
Cash and investments - beginning	$ 3,129	$ 2,420	$ -	$ 5,677	$ 4	$ 518	$ 1,256	$ 100	$ 1,411	$ 576	$ -
Receipts:											
Local sources	-	-	4,500	-	-	-	-	-	-	-	6,256
Intermediate sources	-	-	-	-	-	75	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	4,500	-	-	75	-	-	-	-	6,256
Disbursements:											
Instruction	-	-	-	-	-	-	-	-	-	-	6,047
Support services	-	-	4,500	3,897	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	4,500	3,897	-	-	-	-	-	-	6,047
Excess (deficiency) of receipts over disbursements	-	-	-	(3,897)	-	75	-	-	-	-	209
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	-	-	-	(3,897)	-	75	-	-	-	-	209
Cash and investments - ending	$ 3,129	$ 2,420	$ -	$ 1,780	$ 4	$ 593	$ 1,256	$ 100	$ 1,411	$ 576	$ 209

(Continued)

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
(USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
July 1, 2020 through June 30, 2021

	Triton Central Schools	Mac Grant	Blue River Beaty Tech Grant/Hs	Walmart Community Grant/Tchs	Walmart Community Grnt/Tms	Clsd-Pths To Quality Prschlgrt	Arc Of Shelby Co Spec Ed Dontn	Blue River Fdn Athletic Grant	Todd Welty Ffa Memorial Grant	Sales Force - Tchs G/Sports	Iasp Mini Grant/Tms
Cash and investments - beginning	$ 1,999	$ 167	$ 1,000	$ 231	$ 500	$ 1,625	$ 1,850	$ -	$ 569	$ -	$ 242
Receipts:											
Local sources	-	-	2,000	-	-	-	755	2,000	1,400	10,000	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	2,000	-	-	-	755	2,000	1,400	10,000	-
Disbursements:											
Instruction	-	-	-	-	-	-	255	-	-	-	-
Support services	-	-	-	107	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	107	-	-	255	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	2,000	(107)	-	-	500	2,000	1,400	10,000	-
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	2,000	(107)	-	-	500	2,000	1,400	10,000	-
Cash and investments - ending	$ 1,999	$ 167	$ 3,000	$ 124	$ 500	$ 1,625	$ 2,350	$ 2,000	$ 1,969	$ 10,000	$ 242

(Continued)

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
(USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
July 1, 2020 through June 30, 2021

	Blue River Fdn Grants/Tms	Alexander Memorial-Historyclub	Generation On Grant	Blue River Fdn-Arts Grant-Tes	Compass Group Scholarship	Formative Assessment	State Medicaid Reimb	Secured Schools Safety Grant	Early Intervention Grant/20-21	Non English Speak Grant 07/08	Career And Technical Performance Grant
Cash and investments - beginning	$ -	$ 168	$ 69	$ -	$ 1,000	$ (15,523)	$ 5,316	$ (16,375)	$ -	$ 636	$ 15,147
Receipts:											
Local sources	430	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	13,513	5,208	16,375	3,413	-	2,400
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	430	-	-	-	-	13,513	5,208	16,375	3,413	-	2,400
Disbursements:											
Instruction	-	-	-	-	-	11,503	7,991	-	3,413	-	8,000
Support services	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	11,503	7,991	-	3,413	-	8,000
Excess (deficiency) of receipts over disbursements	430	-	-	-	-	2,010	(2,783)	16,375	-	-	(5,600)
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	430	-	-	-	-	2,010	(2,783)	16,375	-	-	(5,600)
Cash and investments - ending	$ 430	$ 168	$ 69	$ -	$ 1,000	$ (13,513)	$ 2,533	$ -	$ -	$ 636	$ 9,547

(Continued)

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
(USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
July 1, 2020 through June 30, 2021

	High Ability Students	Title I 2018-2019	Title I 2019/2020	Title I Fy 2021 20/21	Spec Ed Prtb 611 Fy20 19-21	Spec Ed Partb 611 Fy21	Spec Ed Prtb 619 Preschool Fy21	Spec Ed Prtb 611 Fy19 Grant	Title Iv Prt A Fy19 2019-2021	Title Iv Part A Ffy20 20-22	Federal Medicaid Reimb
Cash and investments - beginning	$ 2,093	$ -	$ (29,081)	$ -	$ (39,242)	$ -	$ -	$ -	$ 1,714	$ -	$ 10,812
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	25,614	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	62,506	143,837	114,020	227,352	12,141	-	6,799	4,267	11,209
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	25,614	-	62,506	143,837	114,020	227,352	12,141	-	6,799	4,267	11,209
Disbursements:											
Instruction	27,707	-	33,425	142,998	55,336	195,233	14,349	-	8,513	9,387	347
Support services	-	-	-	9,608	19,442	56,546	-	-	-	-	6,918
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	27,707	-	33,425	152,606	74,778	251,779	14,349	-	8,513	9,387	7,265
Excess (deficiency) of receipts over disbursements	(2,093)	-	29,081	(8,769)	39,242	(24,427)	(2,208)	-	(1,714)	(5,120)	3,944
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,093)	-	29,081	(8,769)	39,242	(24,427)	(2,208)	-	(1,714)	(5,120)	3,944
Cash and investments - ending	$ -	$ -	$ -	$ (8,769)	$ -	$ (24,427)	$ (2,208)	$ -	$ -	$ (5,120)	$ 14,756

(Continued)

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
(USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
July 1, 2020 through June 30, 2021

	Title Ii Ffy2019 19/21	Title Ii Ffy2020 20/22	Esser III	Esser II	Federal Stimulus - 18003 Educ. Stab Reli	Prepaid Food	Federal Wth Tax	Social Security	State Tax	Co Adj Tax
Cash and investments - beginning	$ (3,508)	$ -	$ -	$ -	$ -	$ (18,709)	$ -	$ -	$ (7,812)	$ 7,728
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	6,100	37,329	-	178,397	159,912	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	22,911	606,448	555,475	230,930	105,988
Total receipts	6,100	37,329	-	178,397	159,912	22,911	606,448	555,475	230,930	105,988
Disbursements:										
Instruction	2,592	40,895	-	140,288	67,407	-	-	-	-	-
Support services	-	-	-	52,237	94,341	-	-	-	-	-
Noninstructional services	-	-	10,060	-	7,000	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	13,247	606,448	555,475	230,930	105,988
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	2,592	40,895	10,060	192,525	168,748	13,247	606,448	555,475	230,930	105,988
Excess (deficiency) of receipts over disbursements	3,508	(3,566)	(10,060)	(14,128)	(8,836)	9,664	-	-	-	-
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	3,508	(3,566)	(10,060)	(14,128)	(8,836)	9,664	-	-	-	-
Cash and investments - ending	$ -	$ (3,566)	$ (10,060)	$ (14,128)	$ (8,836)	$ (9,045)	$ -	$ -	$ (7,812)	$ 7,728

(Continued)

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
(USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
July 1, 2020 through June 30, 2021

	Perf	Insurance	Post Tax Insurance Afa	Annuities	Garnishment Of Wages	Scuffy Deductions	Bank Card Clearing Account	Totals
Cash and investments - beginning	$ 112	$ (18,942)	$ 121	$ -	$ 569	$ -	$ (1,096)	$ 5,955,472
Receipts:								
Local sources	-	-	-	-	-	-	-	5,926,710
Intermediate sources	-	-	-	-	-	-	-	128
State sources	-	-	-	-	-	-	-	9,889,904
Federal sources	-	-	-	-	-	-	-	1,547,483
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other receipts	30,433	515,299	24,527	265,364	12,991	120	49,209	2,425,899
Total receipts	30,433	515,299	24,527	265,364	12,991	120	49,209	19,790,124
Disbursements:								
Instruction	-	-	-	-	-	-	-	7,261,538
Support services	-	-	-	-	-	-	-	5,886,058
Noninstructional services	-	-	-	-	-	-	-	1,087,486
Facilities acquisition and construction	-	-	-	-	-	-	-	733,740
Debt services	-	-	-	-	-	-	-	1,936,500
Nonprogrammed charges	30,433	510,562	24,527	265,364	12,991	120	48,113	2,404,198
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	30,433	510,562	24,527	265,364	12,991	120	48,113	19,309,520
Excess (deficiency) of receipts over disbursements	-	4,737	-	-	-	-	1,096	480,604
Other financing sources (uses)								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	1,122,611
Transfers out	-	-	-	-	-	-	-	(1,122,611)
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	4,737	-	-	-	-	1,096	480,604
Cash and investments - ending	$ 112	$ (14,205)	$ 121	$ -	$ 569	$ -	$ -	$ 6,436,076

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2021

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	$ 316,319	$ -

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
SCHEDULE OF LEASES AND DEBT
June 30, 2021

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Apple Financial Services	2019 Apple Care & JAMF Pro	$ 136,120	5/13/2019	5/13/2022
Apple Financial Services	2019 IPADS/Carts	140,288	5/13/2019	6/4/2023
Konica Minolta Premier Finance	Copier/Printer Lease	13,711	12/8/2018	11/8/2023
Northwestern Consolidated Building Corp	First Mortgage Bonds Series 2016	58,000	7/15/2017	1/15/2030
Northwestern Consolidated Building Corp	First Mortgage Bonds Series 2019	227,000	12/2/2019	1/15/2033
Northwestern Consolidated School Building Corp	First Mortgage Bonds Series 2010 QSCB	780,000	1/15/2011	1/15/2027
Northwestern Consolidated School Building Corp	First Mortgage Bonds Series 2012	273,500	1/15/2013	1/15/2023
Northwestern Consolidated School Building Corp	First Mortgage Bonds Series 2013	141,000	1/15/2014	1/15/2033
Northwestern Consolidated School Building Corp	First Mortgage Bonds Series 2014	154,000	7/15/2015	7/15/2034
Northwestern Consolidated School Building Corp	First Mortgage Bonds Series 2015	148,000	7/15/2016	1/15/2028
Norwesten Consol School Bldg Corp	First Mortgage Bonds Series 2017	74,000	1/15/2018	1/15/2032
Total governmental activities		2,145,619		
Total of annual lease payments		$ 2,145,619		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
Notes and Loans Payable	Common School Tech Loan A1901	$ -	$ -
Totals		$ -	$ -

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
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.

	Ending Balance
Governmental activities:	
Land	$ 547,292
Infrastructure	1,360,459
Buildings	54,045,308
Improvements other than buildings	7,352,529
Machinery, equipment, and vehicles	4,973,209
Total governmental activities	68,278,797
Total capital assets	$ 68,278,797

Financial Statement and Accompanying Notes:

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

In addition to this report, other reports may have been issued for the School District. 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 District'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 District Treasurer's office. Additionally, some financial information of the School District 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 District'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 District. It is presented as intended by the School District.

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period July 1, 2019 through June 30, 2021

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-20	Total Federal Awards Expended 06-30-21	Total Federal Awards Expended 07-01-19 to 06-30-21
Department of Agriculture						
Child Nutrition Cluster	Indiana Department of Education					
School Breakfast Program		10.553	FY2020, FY2021	$ 46,604	$ 91,896	$ 138,500
National School Lunch Program		10.555	FY2020, FY2021	346,023	491,718	837,741
Commodities		10.555	FY2020, FY2021	59,350	68,753	128,103
Total - Child Nutrition Cluster				451,977	652,367	1,104,344
Total - Department of Agriculture				451,977	652,367	1,104,344
Department of Education						
Special Education Cluster (IDEA)						
Special Education Grants to States	Indiana Department of Education					
IDEA-Part B		84.027	18611-025-PN01	7,125	-	7,125
IDEA-Part B		84.027	19611-025-PN01	50,422	-	50,422
IDEA-Part B		84.027	20611-025-PN01	221,415	114,020	335,435
IDEA-Part B		84.027	21611-025-PN01	-	227,352	227,352
Total - Special Education Grants to States				278,962	341,372	620,334
Special Education - Preschool Grants	Indiana Department of Education					
IDEA-Preschool		84.173	19619-025-PN01	14,349	-	14,349
IDEA-Preschool		84.173	20619-025-PN01	-	12,141	12,141
Total - Special Education - Preschool Grants				14,349	12,141	26,490
Total - Special Education Cluster (IDEA)				293,311	353,513	646,824
Title I Grants to Local Educational Agencies	Indiana Department of Education					
Title I, Part A		84.010	S010A180014	55,193	-	55,193
Title I, Part A		84.010	S010A190014	140,393	62,505	202,898
Title I, Part A		84.010	S010A200014	-	143,837	143,837
Total - Title I Grants to Local Educational Agencies				195,586	206,342	401,928

(Continued)

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period July 1, 2019 through June 30, 2021

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-20	Total Federal Awards Expended 06-30-21	Total Federal Awards Expended 07-01-19 to 06-30-21
Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II, Part A		84.367	S367A180013	$ 31,706	$ 6,100	$ 37,806
Title II, Part A		84.367	S367A18001	10,194	-	10,194
Title II, Part A		84.367	S367A200013	-	37,329	37,329
Total - Supporting Effective Instruction State Grants				41,900	43,429	85,329
Student Support and Academic Enrichment Program	Indiana Department of Education					
Title IV, Part A		84.424	S424A180015	1,096	4,267	5,363
Title IV, Part A		84.424	S424A190015	8,433	6,799	15,232
Total - Student Support and Academic Enrichment Program				9,529	11,066	20,595
COVID-19 - Education Stabilization Fund	Indiana Department of Education					
Elementary and Secondary School Emergency Relief (ESSER I) Fund		84.425D	S425D200013	-	159,912	159,912
Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D	S425D200013	-	178,397	178,397
Total - COVID-19 - Education Stabilization Fund				-	338,309	338,309
Total - Department of Education				540,326	952,659	1,492,985
Department of Health and Human Services						
Medicaid Cluster	Indiana Department of Education					
Medical Assistance Program		93.778	FY2020, FY2021	6,470	11,209	17,679
Total - Medicaid Cluster				6,470	11,209	17,679
Total - Department of Health and Human Services				6,470	11,209	17,679
Total federal awards expended				$ 998,773	$ 1,616,235	$ 2,615,008

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School District 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 District, it is not intended to and does not present the financial position of the School District.

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

NOTE 3 - OTHER INFORMATION

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

Crowe

Crowe LLP
Independent Member Crowe Global

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
Northwestern Consolidated School District of Shelby County
Shelby 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 Northwestern Consolidated School District of Shelby County ("School District"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School District 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 District's financial statement, and have issued our report thereon dated January 19, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the School District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District'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 deficienc*y is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2021-001 that we consider to be a material weakness.

(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District'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.*

Management's Response to Finding

The School District's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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
January 19, 2023

Crowe

Crowe LLP
Independent Member Crowe Global

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

Those Charged with Governance
Northwestern Consolidated School District of Shelby County
Shelby County, Indiana

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District'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 District'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 District's compliance.

Basis for Qualified Opinion on the Child Nutrition Cluster

As described in the accompanying schedule of findings and questioned costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School District with Child Nutrition Cluster compliance requirements (ALNs: 10.553, 10.555) as described in finding number 2021-002 for Special Tests and Provisions – Verification of Free and Reduced Price Applications, consequently we were unable to determine whether the School District complied with those requirements applicable to that program.

(Continued)

Qualified Opinion on the Child Nutrition Cluster

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Child Nutrition Cluster for the period July 1, 2019 to June 30, 2021.

Other Matters

The School District's response to the noncompliance finding identified in our audit is described in the accompanying *schedule of findings and questioned costs.* The School District'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 District 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 District'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 District'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 a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2021-002 that we consider to be a material weakness.

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

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

Crowe LLP

Crowe LLP

Indianapolis, Indiana
January 19, 2023

Section I – Summary of Auditor's Result

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?	X	Yes		No
Significant deficiencies identified not considered to be material weaknesses?		Yes	X	None Reported
Noncompliance material to financial statement noted?		Yes	X	No

Federal Awards

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

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster
10.553, 10.555	Child Nutrition Cluster

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

Auditee qualified as low-risk auditee?		Yes	X	No

(Continued)

Section II – Financial Statement Findings

FINDING 2021-001

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

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

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

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

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

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

2 CFR 200.508 states in part:

"The auditee must: . . .

(b) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with § 200.510 Financial statements. . . ."

2 CFR 200.510(b) states:

"*Schedule of expenditures of Federal awards*. The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

(1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within a cluster of programs, and provide the applicable Federal agency name.

(Continued)

Section II – Financial Statement Findings (Continued)

FINDING 2021-001 (Continued)

(2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.

(3) Provide total Federal awards expended for each individual Federal program and the Assistance Listings Number or other identifying number when the Assistance Listings information is not available. For a cluster of programs also provide the total for the cluster.

(4) Include the total amount provided to subrecipients from each Federal program.

(5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.

(6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in §200.414 Indirect (F&A) costs."

Condition: The School District has an internal control in place for a secondary review of the annual Grant Schedule submitted with the Annual Financial Report which generates the Schedule of Expenditures of Federal Awards (SEFA) for audit. The review control in place did not prevent, or detect and correct, errors in the SEFA.

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

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. Due to the lack of effective internal controls, the following errors were reported on the SEFA for the period July 1, 2019 through June 30, 2021:

1. For fiscal year 2021, $3,543,116 was reported as amounts of federal awards provided to subrecipients. Upon inquiry of management, there are no subrecipients of the School District.
2. No Assistance Listing Number (ALN) was reported for Education Stabilization Fund (ESF) funds received for the period July 1, 2020 through June 30, 2021.

Audit adjustments were proposed, accepted by the School District, and made to the SEFA to correct the issues noted above.

Effect: Without a proper system of internal control in place that operate effectively, material misstatements of the SEFA could go undetected.

Repeat Finding: No.

Recommendation: We recommended that the School District's management establish a formal review over the SEFA to ensure quantitative and qualitative data reported on the SEFA are accurate and complete. This review should include a reconciliation of federal receipts on the funds ledger compared to amounts reported in Gateway. 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)

Section III – Federal Award Findings and Questioned Costs

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: Cash Management, Special Tests and Provisions – Verification of Free and Reduced-Price Applications, Special Tests and Provisions - Paid Lunch Equity
Audit Finding: Material Weakness, Qualified Opinion on Special Tests and Provisions - Verification of Free and Reduced Price Applications

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 District in order to ensure compliance with requirements related to the grant agreement and applicable compliance requirements related to Cash Management, Special Tests and Provisions – Verification of Free and Reduced-Price Applications (NSLP), and Special Tests and Provisions – Paid Lunch Equity.

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

Effect: The failure to establish an effective internal control system placed the School District 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:

Cash Management

Three monthly claim reimbursements during the audit period were selected for testing. There was no documented, secondary review of the claim prior to submission to IDOE. A review is performed after the reimbursement is deposited which would not detect or prevent error prior to the submission of the claim reimbursement.

(Continued)

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

FINDING 2021-002 (Continued)

Special Tests and Provisions – Verification of Free and Reduced-Price Applications

The School District relies on the food service management company to process free and reduced-price applications and perform verification procedures as required by federal regulations. A total of 5 student applications were required to be sampled by the School District from during the 2019-2020 year. The School Corporation could not provide source documents to show verification procedures were completed during 2019-2020.

The verification process was not required for 2020-2021 school year due to federal waivers as a result of the COVID-19 pandemic.

Special Tests and Provisions – Paid Lunch Equity

The food service management company manager completed the paid lunch equity calculation without an oversight or review process to ensure the accuracy of the calculation. The lack of controls was a systemic issue throughout the audit period.

Repeat Finding: Yes. The prior finding number was 2019-001.

Recommendation: We recommended that the School District's management establish a system of internal controls related to the grant agreement and Cash Management and Special Tests and Provisions – Verification of Free and Reduced-Price Applications, and Special Tests and Provisions – Paid Lunch Equity compliance requirements. The review and monitoring control should include a secondary, documented review by management of the School District including any procedures performed by the food service management company.

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

Northwestern
Consolidated School
District of Shelby County

4920 W. 600 N
Fairland, IN 46126

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www.nwshelbyschools.org

Superintendent
Mr. Chris Hoke

Business Manager
Mrs. Tammy Achenbach

Technology Director
Mr. Josh Landis

Maintenance Director
Mr. Chuck Miller

Transportation Director
Mrs. Susie Childress

Special Education Director
Mrs. Terri Branson

School Board
Mr. David Ploog
Mr. Ken Polston
Mrs. Cressa Rund
Mr. Terry Morgan
Mrs. Brooke Lockett
Mr. Travis Hensler
Mrs. Karen Humphreys

CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

June 30, 2021

FINDING 2021-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards

Audit Findings: Material Weakness

Condition: The School District has an internal control in place for a secondary review of the annual Grant Schedule submitted with the Annual Financial Report which generates the Schedule of Expenditures of Federal Awards (SEFA) for audit. The review control in place did not prevent, or detect and correct, errors in the SEFA.

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. Due to the lack of effective internal controls, the following errors were reported on the SEFA for the period July 1, 2019 through June 30, 2021:

1. For fiscal year 2021, $3,543,116 was reported as amounts of federal awards provided to subrecipients. Upon inquiry of management, there are no subrecipients of the School District.
2. No Assistance Listing Number (ALN) was reported for Education Stabilization Fund (ESF) funds received for the period July 1, 2020 through June 30, 2021.

Audit adjustments were proposed, accepted by the School District, and made to the SEFA to correct the issues noted above.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding. Management will ensure that the review process in future cycles is more thorough. Specifically, the Corporate Treasurer or a designee who did not prepare the report will post initials or signatures on support documentation for the various federal awards reported in the SEFA.

Responsible party and timeline for completion: The Corporation Treasurer is responsible for implementation of this control. The district will implement this process retroactively for the FY2022 SEFA submission.

Tammy Achenbach, Business Manager

Northwestern Consolidated School District of Shelby County

Northwestern
Consolidated School
District of Shelby County

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Fairland, IN 46126

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School Board
Mr. David Ploog
Mr. Ken Polston
Mrs. Cressa Rund
Mr. Terry Morgan
Mrs. Brooke Lockett
Mr. Travis Hensler
Mrs. Karen Humphreys

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: Cash Management, Special Tests and Provisions – Verification of Free and Reduced-Price Applications, Special Tests and Provisions - Paid Lunch Equity

Audit Finding: Material Weakness

Condition: An effective internal control system was not in place at the School District in order to ensure compliance with requirements related to the grant agreement and applicable compliance requirements related to Cash Management, Special Tests and Provisions – Verification of Free and Reduced-Price Applications (NSLP), and Special Tests and Provisions – Paid Lunch Equity.

Context:

Cash Management

We noted for three claims selected for testing, there was no documented, secondary review of the claim to ensure the accuracy and completeness of the reimbursement claim submitted to IDOE. The lack of controls was a systemic issue throughout the audit period.

Special Tests and Provisions – Verification of Free and Reduced-Price Applications

The School District relies on the food service management company manager to complete the verification of free and reduced-price applications. There was not a review control in place to ensure the accuracy of the verifications performed. A total of 5 student applications were required to be verified by the School District during the 2019-2020 year. The verification process was not completed during 2019-2020. The verification process was not required for 2020-2021 school year due to federal waivers as a result of the COVID-19 pandemic.

Special Tests and Provisions – Paid Lunch Equity

The food service management company manager completed the paid lunch equity calculation without an oversight or review process to ensure the accuracy of the calculation. The lack of controls was a systemic issue throughout the audit period.

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FINDING 2021-002, Cont.

Information on the federal program:

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding. Management will ensure proper documented review of all claims and verifications.

Responsible party and timeline for completion: The Corporation Treasurer is responsible for implementation of this control. The district will implement this process during fiscal year 2023.

Tammy Achenbach, Business Manager

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FINDING 2019-001

Subject: Child Nutrition Cluster - Internal Control

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2018, FY 2019

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Special Tests and Provisions - Verification of Free and Reduced Price

Applications (NSLP), Special Tests and Provisions - School Food

Accounts, Special Tests and Provisions - Paid Lunch Equity

Audit Finding: Material Weakness

Condition and Context: An effective internal control system, which would include segregation of duties, was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Verification of Free and Reduced-Priced Applications (NSLP), Special Tests and Provisions - School Food Accounts, and Special Tests and Provisions - Paid Lunch Equity compliance requirements.

Special Tests and Provisions - Verification of Free and Reduced-Price Applications

The food service management company manager completed the verification of free and reduced-priced applications without an oversight or review process to ensure the accuracy of the verifications performed.

Special Tests and Provisions - School Food Accounts

There was not a documented oversight of the breakfast and lunch federal reimbursements to ensure that all reimbursements were recorded in a timely manner and properly receipted into the School Lunch fund.

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FINDING 2019-001, cont.

Subject: Child Nutrition Cluster - Internal Control

Special Tests and Provisions - Paid Lunch Equity

The food service management company manager completed the paid lunch equity calculation without an oversight or review process to ensure the accuracy of the calculation. The lack of controls was a systemic issue throughout the audit period.

Status: Not resolved. See Finding 2021-002.

Tammy Achenbach, Business Manager

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FINDING 2019-002

Subject: Child Nutrition Cluster - Allowable Costs/Cost Principles

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2018; FY 2019

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Other Matters

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

The food service management company (Chartwells) invoiced the School Corporation for ten months each fiscal year. As a part of each monthly invoice there was an investment charge in the amount of $919.55, which totaled $18,391 for the audit period.

Requests were made to the School Corporation and Chartwells for the detail of and the supporting documentation for the investment charge; however, neither party provided that documentation.

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

Status: Resolved.

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FINDING 2019-003

Subject: Child Nutrition Cluster - Eligibility

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2018, FY 2019

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Eligibility

Audit Findings: Material Weakness, Other Matters

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

The School Corporation had not established adequate internal controls to ensure that the eligibility determinations for free and reduced priced meal applications were correct. The food service management

company employee was solely responsible for inputting the applicants' information into the software that

determined eligibility. Also, applicable federal income eligibility parameters were entered into the system

by one employee without oversight or review of the information entered.

For fiscal year 2017-2018, there was one instance of an individual's information being incorrectly input into the system, which resulted in an incorrect eligibility determination for the student. Additionally, for one student the federal income eligibility parameters were incorrectly entered into the software. The food service management company could not provide the 2017-2018 income parameters used in the

software.

The lack of controls was a systemic issue throughout the audit period. The noncompliance was isolated to 2017-2018.

Status: Resolved

Tammy Achenbach, Business Manager

Northwestern Consolidated School District of Shelby County