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STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

March 3, 2023

To: The Officials of Nineveh-Hensley-Jackson United School Corporation  
Nineveh-Hensley-Jackson United School Corporation  
802 South Indian Creek Drive  
Trafalgar, Indiana 46181

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Nineveh-Hensley-Jackson United 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 statements included in the report present 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 39 through 43. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 44 and 45.

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 Nineveh-Hensley-Jackson United School Corporation was prepared in accordance with the guidelines established by the State Board of Accounts.

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

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

Tammy R. White, CPA  
Deputy State Examiner

**NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION**  
Johnson County, Indiana

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

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION  
Johnson 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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NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION  
SCHEDULE OF OFFICIALS (Unaudited)  
For the period July 1, 2019 to June 30, 2021

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<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Debra E Carter	07-01-19 to 06-30-21
Superintendent of Schools	Timothy Edsell	07-01-19 to 06-30-21
President of the School Board	Ed Harvey Judy Misiniec	07-01-19 to 12-31-19 01-01-20 to 06-30-21

## INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance  
Nineveh-Hensley-Jackson United School Corporation  
Johnson 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 Nineveh-Hensley-Jackson United School Corporation (the School Corporation) as of June 30, 2021 and for the period of July 1, 2019 to June 30, 2021, and the related notes to the financial statement.

***Management's Responsibility for the Financial Statement***

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

***Auditor's Responsibility***

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

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

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

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

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

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(Continued)

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

### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

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

### ***Unmodified Opinion on Regulatory Basis of Accounting***

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

### ***Other Matters***

#### ***Supplementary Information***

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

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

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

### ***Other Reporting Required by Governmental Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2023 on our consideration of the School Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

*Crowe LLP*  
Crowe LLP

Indianapolis, Indiana  
February 27, 2023

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

Fund	Cash and Investments 07-01-2019		Other Financing Sources (Uses)		Cash and Investments 06-30-2020		Other Financing Sources (Uses)		Cash and Investments 06-30-2021	
	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements
Education	\$ 2,322,900	\$ 12,941,550	\$ 10,658,244	\$ (2,290,231)	\$ 2,315,975	\$ 12,737,775	\$ 11,172,973	\$ (800,000)	\$ 3,080,777	
Debt Service	1,323,185	2,586,514	2,473,867	(55,990)	1,379,842	3,182,691	2,895,186	(47,547)	1,619,800	
Retirement/Severance Debt Serv	41,117	67,869	98,012	(10,974)	-	-	-	-	-	
Operations	1,749,186	3,086,141	4,022,036	278,291	1,091,582	3,654,620	4,116,396	824,441	1,454,247	
Local Rainy Day	1,399,196	-	61,282	2,135,721	3,473,635	319,810	1,315,846	-	2,477,599	
Go Bond 2019	40,350	-	149,177	3,988,404	3,879,577	-	3,675,013	-	204,564	
Go Bond 2020	-	-	-	-	-	-	645,450	645,450	-	
School Lunch	441,013	768,241	926,228	-	283,026	978,732	990,747	(23,441)	247,570	
Curricular Materials Rental	244,992	263,899	390,513	55,990	174,368	304,173	127,425	47,547	398,663	
Joint Operations-Other	-	5,595	14,476	20,564	11,683	55,092	27,986	-	38,789	
Little Braves Asc	112,807	-	-	(112,807)	-	-	-	-	-	
Non Spec Ed Preschool	-	15,604	21,487	48,169	42,286	39,493	34,334	-	47,445	
Nextech Computer Science Grant	-	1,000	-	-	1,000	-	350	-	650	
Bryan Pitcher Gift Interest	5,237	-	5,000	-	237	246	-	-	483	
Ciesc Distribution	-	20,000	9,453	5,061	15,608	-	15,608	-	-	
Greer Family Gift Interest	6,382	-	1,382	-	5,000	256	-	-	5,256	
Mcneely Family Gift Usable Interest	15,171	5,897	2,194	-	18,874	7,644	5,000	-	21,518	
McNeely Gifts (8000)	8,000	-	-	-	8,000	-	-	-	8,000	
McNeely Gifts (21500)	21,500	-	-	-	21,500	-	-	-	21,500	
McNeely Gifts (26092)	26,092	-	-	-	26,092	-	-	-	26,092	
McNeely Gift/ Hillard Lyons	46,060	-	-	-	46,060	-	-	-	46,060	
Nasa/Life Sciences Grant 10/12	9,060	-	-	-	9,060	-	1,073	-	7,987	
Farm To Table Donations	-	2,848	-	-	2,848	-	2,848	-	-	
Endr-Hauser Physics Grant Icms	-	820	820	-	-	-	-	-	-	
St Francis Marketing Sponsors	-	-	-	33,083	33,083	-	1,243	-	31,840	
Coca Cola Sponsorship	-	-	2,322	18,310	15,988	16,000	4,734	-	27,254	
Johnson Memorial Hospital Spon	-	10,000	10,000	-	-	10,000	7,179	-	2,821	
Winsight Honoraria Grant Icis	-	-	-	5,838	5,838	-	1,885	-	3,953	
Steam Museum Grant	-	5,000	4,759	-	241	-	241	-	-	
Am Legion And Com Found Of Mc	-	2,500	-	-	2,500	1,295	3,709	-	86	
Parks Digital Sign Sponsorship	-	-	-	-	-	2,100	500	-	1,600	
Creek Cattle Company Jcremc	-	-	-	-	-	5,000	2,121	-	2,879	
C9 Perkins Grant Donation	(90)	337	247	-	-	-	-	-	-	
Staff Wellness	2,006	-	15	-	1,991	-	-	-	1,991	
Mendenhall Memorial	-	-	350	1,030	680	-	-	-	680	
Mac Grant Ichs	-	500	500	-	-	-	-	-	-	
Jccf Education In Drugs Grant	-	-	-	500	500	850	-	-	1,350	
Dnu Mendenhall Memorial Fund	1,030	-	-	(1,030)	-	-	-	-	-	
Dnu Ciesc Distribution	11,250	-	6,189	(5,061)	-	-	-	-	-	
Dnu Jccf Edu In Drugs Grant	500	-	-	(500)	-	-	-	-	-	
Nhj Education Foundation	262	1,985	2,247	-	-	-	-	-	-	
St Francis Marketing Sponsors	33,083	-	-	(33,083)	-	-	-	-	-	
Coca Cola Sponsorship	20,810	15,000	17,500	(18,310)	-	-	-	-	-	

(Continued)

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

Fund	Cash and Investments 07-01-2019	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2020	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2021
Authorized Agent lae	\$ 20,868	\$ 2,798	\$ 3,102	\$ (20,564)	\$ -	\$ -	\$ -	\$ -	\$ -
Winsight Honoraria Grant Icis	4,930	908	-	(5,838)	-	-	-	-	-
Formative Assessment	-	22,479	-	-	22,479	19,217	13,311	-	28,385
Medicaid Reimbursement	103,837	35,836	31,439	-	108,234	59,330	28,388	-	139,176
Secured Schools Safety Grant	(12,708)	12,494	12,393	-	(12,607)	40,662	33,968	-	(5,913)
Alternative Education Grant	-	9,511	9,511	-	-	7,296	6,601	-	695
Career & Tech Perform Grant	15,178	-	15,178	-	-	-	-	-	-
High Ability Students	1,584	32,969	30,366	-	4,187	27,469	27,289	-	4,367
State Connectivity Grant	5,358	24,304	28,445	-	1,217	42,277	26,061	-	17,433
Non Spec Ed Preschool	33,438	29,535	14,804	(48,169)	-	-	-	-	-
Title I 18/19	(12,182)	52,076	39,894	-	-	-	-	-	-
Title I 19/20	-	70,710	107,361	-	(36,651)	89,272	52,621	-	-
Title I 20/21	-	-	-	-	-	123,319	135,631	-	(12,312)
Title Iv Parta 2018	(63)	3,219	3,156	-	-	-	-	-	-
Student Support Title Iv	-	10,000	12,076	-	(2,076)	2,076	-	-	-
Title Iv 2021/21	-	-	-	-	-	10,308	10,308	-	-
Medicaid Reimbursement-Federal	145,140	30,227	-	-	175,367	48,704	-	-	224,071
Title li 19/20	-	34,424	45,677	-	(11,253)	11,578	325	-	-
Title li Part A 20/21	-	-	-	-	-	33,095	36,311	-	(3,216)
Title li Part A Ffy 2018	(823)	823	-	-	-	-	-	-	-
ESSER II	-	-	-	-	-	13,312	15,207	-	(1,895)
ESSER I	-	-	-	-	-	112,324	117,311	-	(4,987)
Prepaid Insurance	558	72,405	71,935	-	1,028	72,030	72,324	-	734
Prepaid Lunch Fund	(1,999)	418,916	398,761	-	18,156	162,298	168,521	11,314	23,247
Federal Withholding Tax	-	725,761	725,761	-	-	789,852	789,852	-	-
Fica	-	714,725	714,725	-	-	769,528	769,528	-	-
State Income Tax	-	294,366	294,366	-	-	315,899	315,899	-	-
Local Income Tax (County)	-	134,853	134,853	-	-	153,348	153,348	-	-
Perf Public Employees Retire	-	57,310	57,310	-	-	63,905	63,905	-	-
Group Insurance	-	667,674	668,239	-	(565)	706,300	705,261	-	474
Chard Snyder Hra	36,033	-	6,106	-	29,927	2,875	9,902	-	22,900
Annuities	-	198,081	198,081	-	-	195,573	195,573	-	-
Misc Ded/Garnishments	-	22,904	22,904	-	-	16,245	16,245	-	-
Ista Dues	-	28,208	28,208	-	-	2,822	2,822	-	-
United Way	-	6,938	6,938	-	-	7,823	7,823	-	-
Employee Prepaid Accounts	-	29,943	29,943	-	-	29,629	29,629	-	-
Fringe Benefit Clearing Fund	-	3,900	3,900	-	-	3,525	3,525	-	-
<b>Totals</b>	<b>\$ 8,220,248</b>	<b>\$ 23,549,597</b>	<b>\$ 22,593,732</b>	<b>\$ 3,988,404</b>	<b>\$ 13,164,517</b>	<b>\$ 25,247,668</b>	<b>\$ 28,855,336</b>	<b>\$ 657,764</b>	<b>\$ 10,214,613</b>

See notes to financial statement.

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2021, and for the period of July 1, 2019 to June 30, 2021

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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

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

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

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

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

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

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

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

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(Continued)

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2021, and for the period of July 1, 2019 to June 30, 2021

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Disbursements: Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

*Instruction.* Amounts disbursed for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

*Support services.* Amounts disbursed for support services related to students, instruction, general administration, school administration, outflows for central services, operation and maintenance of plant services, and student transportation.

*Noninstructional services.* Amounts disbursed for food service operations and community service operations.

*Facilities acquisition and construction.* Amounts disbursed for the acquisition, development, construction, and improvement of new and existing facilities.

*Debt services.* Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the School Corporation, including: all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

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

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

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

*Proceeds of long-term debt.* Amounts received in relation to the issuance of bonds or other long-term debt issues.

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

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

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

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

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(Continued)

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2021, and for the period of July 1, 2019 to June 30, 2021

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**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 clearing fund which was previously reported in the aggregate amount of \$36,591 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:

Prepaid Insurance	\$	558
Chard Snyder Hra		<u>36,033</u>
	\$	<u><u>36,591</u></u>

**NOTE 3 - BUDGETS**

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

**NOTE 4 - PROPERTY TAXES**

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

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

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

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(Continued)

**NOTE 6 - RISK MANAGEMENT**

The School Corporation may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters. These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the School Corporation to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks

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

**NOTE 7 - CASH BALANCE DEFICITS**

The financial statement contains some funds with deficits in cash. This is a result of certain funds being set up for reimbursable grants, but for which reimbursement was not yet received by June 30, 2020, and 2021. The deficit for the Group Insurance fund at June 30, 2021, was the result of disbursements exceeding receipts due to under-estimating for current requirements for the fund. This deficit was paid from future receipts.

**NOTE 8 - HOLDING CORPORATIONS**

The School Corporation has entered into a series of capital leases with the Nineveh Hensley Jackson Intermediate School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments for the period July 1, 2019 to June 30, 2020 totaled \$2,065,619. Lease payments for the period July 1, 2020 to June 30, 2021 totaled \$1,815,500.

The School Corporation has entered into a series of capital leases with the Central Nine Career Center School Bldg Corp (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments for the period July 1, 2019 to June 30, 2020 totaled \$37,258. No lease payments were made to the lessor for the period July 1, 2020 to June 30, 2021.

**NOTE 9 - RELATED PARTY TRANSACTIONS**

During the audit period, the School Corporation, under a contract, paid a company that employs one of the School Corporation's board members for construction services. Payments for the period July 1, 2019 to June 30, 2020 totaled \$157,051. Payments for the period July 1, 2020 to June 30, 2021 totaled \$814,097.

## **NOTE 10 - PENSION PLANS**

### **Public Employees' Retirement Fund**

#### *Plan Description*

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

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

#### *Financial Report*

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

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

#### *Contributions*

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

### **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.

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(Continued)

**NOTE 10 - PENSION PLANS** (Continued)

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

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

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

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

*Financial Report*

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

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

*Contributions*

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

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

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

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(Continued)

**NOTE 11 - SUBSEQUENT EVENTS**

In November 2022, the School Corporation issued general obligation bonds in the amount of \$3,405,000 for the purpose of paying the costs of the renovation of and improvements to school facilities throughout the school corporation, including equipment, technology, and site improvement

**SUPPLEMENTARY INFORMATION**

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

	Education	Debt Service	Retirement/Severance Debt Service	Operations	Local Rainy Day	Go Bond 2019	School Lunch	Curricular Materials Rental	Joint Operations-Other	Little Braves Asc	Non Spec Ed Preschool
Cash and investments - beginning	\$ 2,322,900	\$ 1,323,185	\$ 41,117	\$ 1,749,186	\$ 1,399,196	\$ 40,350	\$ 441,013	\$ 244,992	\$ -	\$ 112,807	\$ -
Receipts:											
Local sources	238,056	2,586,514	67,869	3,054,707	-	-	372,922	214,872	5,595	-	-
Intermediate sources	72	-	-	-	-	-	-	-	-	-	-
State sources	12,665,411	-	-	-	-	-	11,546	49,027	-	-	15,604
Federal sources	-	-	-	-	-	-	381,921	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	38,011	-	-	31,434	-	-	1,852	-	-	-	-
Total receipts	12,941,550	2,586,514	67,869	3,086,141	-	-	768,241	263,899	5,595	-	15,604
Disbursements:											
Instruction	8,027,182	-	-	-	-	-	-	-	-	-	19,703
Support services	2,361,744	-	-	3,682,071	-	871	1,509	390,513	14,476	-	1,784
Noninstructional services	269,318	-	-	3,271	-	-	924,719	-	-	-	-
Facilities acquisition and construction	-	-	-	336,694	61,282	148,306	-	-	-	-	-
Debt services	-	2,473,867	98,012	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	10,658,244	2,473,867	98,012	4,022,036	61,282	149,177	926,228	390,513	14,476	-	21,487
Excess (deficiency) of receipts over disbursements	2,283,306	112,647	(30,143)	(935,895)	(61,282)	(149,177)	(157,987)	(126,614)	(8,881)	-	(5,883)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	3,988,404	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	209,769	-	-	510,974	2,135,721	-	-	55,990	20,564	-	48,169
Transfers out	(2,500,000)	(55,990)	(10,974)	(232,683)	-	-	-	-	-	(112,807)	-
Total other financing sources (uses)	(2,290,231)	(55,990)	(10,974)	278,291	2,135,721	3,988,404	-	55,990	20,564	(112,807)	48,169
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,925)	56,657	(41,117)	(657,604)	2,074,439	3,839,227	(157,987)	(70,624)	11,683	(112,807)	42,286
Cash and investments - ending	\$ 2,315,975	\$ 1,379,842	\$ -	\$ 1,091,582	\$ 3,473,635	\$ 3,879,577	\$ 283,026	\$ 174,368	\$ 11,683	\$ -	\$ 42,286

(Continued)

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

	Nextech Computer Science Grant	Bryan Pitcher Gift Interest	Ciesc Distribution	Greer Family Gift Interest	Mcneely Family Gift Usable Interest	McNeely Gifts (8000)	McNeely Gifts (21500)	McNeely Gifts (26092)	McNeely Gift/ Hillard Lyons	Nasa/Life Sciences Grant 10/12	Farm To Table Donations
Cash and investments - beginning	\$ -	\$ 5,237	\$ -	\$ 6,382	\$ 15,171	\$ 8,000	\$ 21,500	\$ 26,092	\$ 46,060	\$ 9,060	\$ -
Receipts:											
Local sources	1,000	-	20,000	-	5,897	-	-	-	-	-	2,848
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	1,000	-	20,000	-	5,897	-	-	-	-	-	2,848
Disbursements:											
Instruction	-	-	-	-	2,194	-	-	-	-	-	-
Support services	-	5,000	9,453	1,382	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	5,000	9,453	1,382	2,194	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	1,000	(5,000)	10,547	(1,382)	3,703	-	-	-	-	-	2,848
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	5,061	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	5,061	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,000	(5,000)	15,608	(1,382)	3,703	-	-	-	-	-	2,848
Cash and investments - ending	\$ 1,000	\$ 237	\$ 15,608	\$ 5,000	\$ 18,874	\$ 8,000	\$ 21,500	\$ 26,092	\$ 46,060	\$ 9,060	\$ 2,848

(Continued)

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

	Endr-Hauser Physics Grant Icms	St Francis Marketing Sponsors	Coca Cola Sponsorship	Johnson Memorial Hospital Spon	Winsight Honoraria Grant Icis	Steam Museum Grant	Am Legion And Com Found Of Mc	C9 Perkins Grant Donation	Staff Wellness	Mendenhall Memorial	Mac Grant Ichs
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (90)	\$ 2,006	\$ -	\$ -
Receipts:											
Local sources	820	-	-	10,000	-	5,000	2,500	337	-	-	500
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	820	-	-	10,000	-	5,000	2,500	337	-	-	500
Disbursements:											
Instruction	820	-	-	10,000	-	4,759	-	247	-	350	500
Support services	-	-	2,322	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	15	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	820	-	2,322	10,000	-	4,759	-	247	15	350	500
Excess (deficiency) of receipts over disbursements	-	-	(2,322)	-	-	241	2,500	90	(15)	(350)	-
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	33,083	18,310	-	5,838	-	-	-	-	1,030	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	33,083	18,310	-	5,838	-	-	-	-	1,030	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	33,083	15,988	-	5,838	241	2,500	90	(15)	680	-
Cash and investments - ending	\$ -	\$ 33,083	\$ 15,988	\$ -	\$ 5,838	\$ 241	\$ 2,500	\$ -	\$ 1,991	\$ 680	\$ -

(Continued)

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

	Jccf Education In Drugs Grant	Dnu Mendenhall Memorial Fund	Dnu Ciesc Distribution	Dnu Jccf Edu In Drugs Grant	Nhj Education Foundation	St Francis Marketing Sponsors	Coca Cola Sponsorship	Authorized Agent lae	Winsight Honoraria Grant Icis	Formative Assessment	Medicaid Reimbursement
Cash and investments - beginning	\$ -	\$ 1,030	\$ 11,250	\$ 500	\$ 262	\$ 33,083	\$ 20,810	\$ 20,868	\$ 4,930	\$ -	\$ 103,837
Receipts:											
Local sources	-	-	-	-	1,985	-	15,000	2,798	908	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	22,479	35,836
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	1,985	-	15,000	2,798	908	22,479	35,836
Disbursements:											
Instruction	-	-	-	-	2,247	-	-	-	-	-	31,152
Support services	-	-	6,189	-	-	-	-	3,102	-	-	287
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	17,500	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	6,189	-	2,247	-	17,500	3,102	-	-	31,439
Excess (deficiency) of receipts over disbursements	-	-	(6,189)	-	(262)	-	(2,500)	(304)	908	22,479	4,397
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	500	-	-	-	-	-	-	-	-	-	-
Transfers out	-	(1,030)	(5,061)	(500)	-	(33,083)	(18,310)	(20,564)	(5,838)	-	-
Total other financing sources (uses)	500	(1,030)	(5,061)	(500)	-	(33,083)	(18,310)	(20,564)	(5,838)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	500	(1,030)	(11,250)	(500)	(262)	(33,083)	(20,810)	(20,868)	(4,930)	22,479	4,397
Cash and investments - ending	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,479	\$ 108,234

(Continued)

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

	Secured Schools Safety Grant	Alternative Education Grant	Career & Tech Perform Grant	High Ability Students	State Connectivity Grant	Non Spec Ed Preschool	Title I 18/19	Title I 19/20	Title Iv Parta 2018	Student Support Title Iv
Cash and investments - beginning	\$ (12,708)	\$ -	\$ 15,178	\$ 1,584	\$ 5,358	\$ 33,438	\$ (12,182)	\$ -	\$ (63)	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	12,494	9,511	-	32,969	24,304	29,535	-	-	-	-
Federal sources	-	-	-	-	-	-	52,076	70,710	3,219	10,000
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	12,494	9,511	-	32,969	24,304	29,535	52,076	70,710	3,219	10,000
Disbursements:										
Instruction	-	9,511	15,178	30,366	-	14,804	39,894	107,361	-	-
Support services	12,393	-	-	-	28,445	-	-	-	3,156	12,076
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	12,393	9,511	15,178	30,366	28,445	14,804	39,894	107,361	3,156	12,076
Excess (deficiency) of receipts over disbursements	101	-	(15,178)	2,603	(4,141)	14,731	12,182	(36,651)	63	(2,076)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(48,169)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	(48,169)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	101	-	(15,178)	2,603	(4,141)	(33,438)	12,182	(36,651)	63	(2,076)
Cash and investments - ending	\$ (12,607)	\$ -	\$ -	\$ 4,187	\$ 1,217	\$ -	\$ -	\$ (36,651)	\$ -	\$ (2,076)

(Continued)

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

	Medicaid Reimbursement- Federal	Title li 19/20	Title li Part A Ffy 2018	Prepaid Insurance	Prepaid Lunch Fund	Federal Withholding Tax	Fica	State Income Tax	Local Income Tax (County)	Perf Public Employees Retire
Cash and investments - beginning	\$ 145,140	\$ -	\$ (823)	\$ 558	\$ (1,999)	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	30,227	34,424	823	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	72,405	418,916	725,761	714,725	294,366	134,853	57,310
Total receipts	30,227	34,424	823	72,405	418,916	725,761	714,725	294,366	134,853	57,310
Disbursements:										
Instruction	-	45,677	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	71,935	398,761	725,761	714,725	294,366	134,853	57,310
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	45,677	-	71,935	398,761	725,761	714,725	294,366	134,853	57,310
Excess (deficiency) of receipts over disbursements	30,227	(11,253)	823	470	20,155	-	-	-	-	-
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	30,227	(11,253)	823	470	20,155	-	-	-	-	-
Cash and investments - ending	\$ 175,367	\$ (11,253)	\$ -	\$ 1,028	\$ 18,156	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

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

	Group Insurance	Chard Snyder Hra	Annuities	Misc Ded/Garnishment s	Ista Dues	United Way	Employee Prepaid Accounts	Fringe Benefit Clearing Fund	Totals
Cash and investments - beginning	\$ -	\$ 36,033	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,220,248
Receipts:									
Local sources	-	-	-	-	-	-	-	-	6,610,128
Intermediate sources	-	-	-	-	-	-	-	-	72
State sources	-	-	-	-	-	-	-	-	12,908,716
Federal sources	-	-	-	-	-	-	-	-	583,400
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	667,674	-	198,081	22,904	28,208	6,938	29,943	3,900	3,447,281
Total receipts	667,674	-	198,081	22,904	28,208	6,938	29,943	3,900	23,549,597
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	8,361,945
Support services	-	-	-	-	-	-	-	-	6,536,773
Noninstructional services	-	-	-	-	-	-	-	-	1,197,323
Facilities acquisition and construction	-	-	-	-	-	-	-	-	563,782
Debt services	-	-	-	-	-	-	-	-	2,571,879
Nonprogrammed charges	668,239	6,106	198,081	22,904	28,208	6,938	29,943	3,900	3,362,030
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	668,239	6,106	198,081	22,904	28,208	6,938	29,943	3,900	22,593,732
Excess (deficiency) of receipts over disbursements	(565)	(6,106)	-	-	-	-	-	-	955,865
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	3,988,404
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	3,045,009
Transfers out	-	-	-	-	-	-	-	-	(3,045,009)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	3,988,404
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(565)	(6,106)	-	-	-	-	-	-	4,944,269
Cash and investments - ending	\$ (565)	\$ 29,927	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,164,517

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

	Education	Debt Service	Operations	Local Rainy Day	Go Bond 2019	Go Bond 2020	School Lunch	Curricular Materials Rental	Joint Operations- Other	Non Spec Ed Preschool	Nextech Computer Science Grant
Cash and investments - beginning	\$ 2,315,975	\$ 1,379,842	\$ 1,091,582	\$ 3,473,635	\$ 3,879,577	\$ -	\$ 283,026	\$ 174,368	\$ 11,683	\$ 42,286	\$ 1,000
Receipts:											
Local sources	22,558	3,182,691	3,636,489	319,810	-	-	168,424	251,536	55,092	-	-
Intermediate sources	86	-	-	-	-	-	-	-	-	-	-
State sources	12,716,148	-	-	-	-	-	12,995	52,637	-	39,493	-
Federal sources	-	-	-	-	-	-	794,681	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	(1,017)	-	18,131	-	-	-	2,632	-	-	-	-
Total receipts	12,737,775	3,182,691	3,654,620	319,810	-	-	978,732	304,173	55,092	39,493	-
Disbursements:											
Instruction	8,266,856	-	-	-	-	-	-	-	-	33,852	-
Support services	2,610,092	-	3,937,516	-	-	-	2,342	127,425	27,986	482	350
Noninstructional services	280,856	-	644	-	-	-	977,091	-	-	-	-
Facilities acquisition and construction	-	-	178,236	1,315,846	3,675,013	645,450	-	-	-	-	-
Debt services	-	2,895,186	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	15,169	-	-	-	-	-	11,314	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	11,172,973	2,895,186	4,116,396	1,315,846	3,675,013	645,450	990,747	127,425	27,986	34,334	350
Excess (deficiency) of receipts over disbursements	1,564,802	287,505	(461,776)	(996,036)	(3,675,013)	(645,450)	(12,015)	176,748	27,106	5,159	(350)
Other financing sources (uses)											
Proceeds of long-term debt	-	-	1,000	-	-	645,450	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	823,441	-	-	-	-	47,547	-	-	-
Transfers out	(800,000)	(47,547)	-	-	-	-	(23,441)	-	-	-	-
Total other financing sources (uses)	(800,000)	(47,547)	824,441	-	-	645,450	(23,441)	47,547	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	764,802	239,958	362,665	(996,036)	(3,675,013)	-	(35,456)	224,295	27,106	5,159	(350)
Cash and investments - ending	\$ 3,080,777	\$ 1,619,800	\$ 1,454,247	\$ 2,477,599	\$ 204,564	\$ -	\$ 247,570	\$ 398,663	\$ 38,789	\$ 47,445	\$ 650

(Continued)

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

	Bryan Pitcher Gift Interest	Ciesc Distribution	Greer Family Gift Interest	Mcneely Family Gift Usable Interest	McNeely Gifts (8000)	McNeely Gifts (21500)	McNeely Gifts (26092)	McNeely Gift/ Hillard Lyons	Nasa/Life Sciences Grant 10/12	Farm To Table Donations	St Francis Marketing Sponsors
Cash and investments - beginning	\$ 237	\$ 15,608	\$ 5,000	\$ 18,874	\$ 8,000	\$ 21,500	\$ 26,092	\$ 46,060	\$ 9,060	\$ 2,848	\$ 33,083
Receipts:											
Local sources	246	-	256	7,644	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	246	-	256	7,644	-	-	-	-	-	-	-
Disbursements:											
Instruction	-	-	-	5,000	-	-	-	-	1,073	-	-
Support services	-	15,608	-	-	-	-	-	-	-	2,848	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	1,243
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	15,608	-	5,000	-	-	-	-	1,073	2,848	1,243
Excess (deficiency) of receipts over disbursements	246	(15,608)	256	2,644	-	-	-	-	(1,073)	(2,848)	(1,243)
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	246	(15,608)	256	2,644	-	-	-	-	(1,073)	(2,848)	(1,243)
Cash and investments - ending	\$ 483	\$ -	\$ 5,256	\$ 21,518	\$ 8,000	\$ 21,500	\$ 26,092	\$ 46,060	\$ 7,987	\$ -	\$ 31,840

(Continued)

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

	Coca Cola Sponsorship	Johnson Memorial Hospital Spon	Winsight Honoraria Grant Icis	Steam Museum Grant	Am Legion And Com Found Of Mc	Parks Digital Sign Sponsorship	Creek Cattle Company Jcremc	Staff Wellness	Mendenhall Memorial	Jccf Education In Drugs Grant	Formative Assessment
Cash and investments - beginning	\$ 15,988	\$ -	\$ 5,838	\$ 241	\$ 2,500	\$ -	\$ -	\$ 1,991	\$ 680	\$ 500	\$ 22,479
Receipts:											
Local sources	16,000	10,000	-	-	1,295	2,100	5,000	-	-	850	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	19,217
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	16,000	10,000	-	-	1,295	2,100	5,000	-	-	850	19,217
Disbursements:											
Instruction	-	7,179	1,885	241	-	-	2,121	-	-	-	-
Support services	4,734	-	-	-	3,709	500	-	-	-	-	13,311
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	4,734	7,179	1,885	241	3,709	500	2,121	-	-	-	13,311
Excess (deficiency) of receipts over disbursements	11,266	2,821	(1,885)	(241)	(2,414)	1,600	2,879	-	-	850	5,906
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	11,266	2,821	(1,885)	(241)	(2,414)	1,600	2,879	-	-	850	5,906
Cash and investments - ending	\$ 27,254	\$ 2,821	\$ 3,953	\$ -	\$ 86	\$ 1,600	\$ 2,879	\$ 1,991	\$ 680	\$ 1,350	\$ 28,385

(Continued)

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

	Medicaid Reimbursement	Secured Schools Safety Grant	Alternative Education Grant	High Ability Students	State Connectivity Grant	Non Spec Ed Preschool	Title I 19/20	Title I 20/21	Title Iv Parta 2018	Student Support Title Iv	Title Iv 2021/21
Cash and investments - beginning	\$ 108,234	\$ (12,607)	\$ -	\$ 4,187	\$ 1,217	\$ -	\$ (36,651)	\$ -	\$ -	\$ (2,076)	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	59,330	40,662	7,296	27,469	42,277	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	89,272	123,319	-	2,076	10,308
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	59,330	40,662	7,296	27,469	42,277	-	89,272	123,319	-	2,076	10,308
Disbursements:											
Instruction	27,178	-	6,601	27,289	-	-	52,621	135,631	-	-	-
Support services	1,210	33,968	-	-	26,061	-	-	-	-	-	10,308
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	28,388	33,968	6,601	27,289	26,061	-	52,621	135,631	-	-	10,308
Excess (deficiency) of receipts over disbursements	30,942	6,694	695	180	16,216	-	36,651	(12,312)	-	2,076	-
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	30,942	6,694	695	180	16,216	-	36,651	(12,312)	-	2,076	-
Cash and investments - ending	\$ 139,176	\$ (5,913)	\$ 695	\$ 4,367	\$ 17,433	\$ -	\$ -	\$ (12,312)	\$ -	\$ -	\$ -

(Continued)

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

	Medicaid Reimbursement- Federal	Title li 19/20	Title li Part A 20/21	ESSER II	ESSER I	Prepaid Insurance	Prepaid Lunch Fund	Federal Withholding Tax	Fica	State Income Tax	Local Income Tax (County)
Cash and investments - beginning	\$ 175,367	\$ (11,253)	\$ -	\$ -	\$ -	\$ 1,028	\$ 18,156	\$ -	\$ -	\$ -	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	48,704	11,578	33,095	13,312	112,324	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	72,030	162,298	789,852	769,528	315,899	153,348
Total receipts	48,704	11,578	33,095	13,312	112,324	72,030	162,298	789,852	769,528	315,899	153,348
Disbursements:											
Instruction	-	325	36,311	15,207	74,165	-	-	-	-	-	-
Support services	-	-	-	-	43,146	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	72,324	168,521	789,852	769,528	315,899	153,348
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	325	36,311	15,207	117,311	72,324	168,521	789,852	769,528	315,899	153,348
Excess (deficiency) of receipts over disbursements	48,704	11,253	(3,216)	(1,895)	(4,987)	(294)	(6,223)	-	-	-	-
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	11,314	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	11,314	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	48,704	11,253	(3,216)	(1,895)	(4,987)	(294)	5,091	-	-	-	-
Cash and investments - ending	\$ 224,071	\$ -	\$ (3,216)	\$ (1,895)	\$ (4,987)	\$ 734	\$ 23,247	\$ -	\$ -	\$ -	\$ -

(Continued)

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

	Perf Public Employees Retire	Group Insurance	Chard Snyder Hra	Annuities	Misc Ded/Garnishmen ts	Ista Dues	United Way	Employee Prepaid Accounts	Fringe Benefit Clearing Fund	Totals
Cash and investments - beginning	\$ -	\$ (565)	\$ 29,927	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,164,517
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	7,679,991
Intermediate sources	-	-	-	-	-	-	-	-	-	86
State sources	-	-	-	-	-	-	-	-	-	13,017,524
Federal sources	-	-	-	-	-	-	-	-	-	1,238,669
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	63,905	706,300	2,875	195,573	16,245	2,822	7,823	29,629	3,525	3,311,398
Total receipts	63,905	706,300	2,875	195,573	16,245	2,822	7,823	29,629	3,525	25,247,668
Disbursements:										
Instruction	-	-	-	-	-	-	-	-	-	8,693,535
Support services	-	-	-	-	-	-	-	-	-	6,861,596
Noninstructional services	-	-	-	-	-	-	-	-	-	1,258,591
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	5,814,545
Debt services	-	-	-	-	-	-	-	-	-	2,895,186
Nonprogrammed charges	63,905	705,261	9,902	195,573	16,245	2,822	7,823	29,629	3,525	3,331,883
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	63,905	705,261	9,902	195,573	16,245	2,822	7,823	29,629	3,525	28,855,336
Excess (deficiency) of receipts over disbursements	-	1,039	(7,027)	-	-	-	-	-	-	(3,607,668)
Other financing sources (uses)										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	646,450
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	882,302
Transfers out	-	-	-	-	-	-	-	-	-	(870,988)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	657,764
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	1,039	(7,027)	-	-	-	-	-	-	(2,949,904)
Cash and investments - ending	\$ -	\$ 474	\$ 22,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,214,613

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION  
SCHEDULE OF PAYABLES AND RECEIVABLES  
June 30, 2021

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<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 220,100	\$ 58,094

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION  
SCHEDULE OF LEASES AND DEBT  
June 30, 2021

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
Nineveh Hensley Jackson Intermediate School Building	Ad Valorem PTFM Refunding Bond (Formerly 2011)	\$ 992,500	1/15/2012	12/31/2026
Nineveh Hensley Jackson Intermediate School Building	Ad Valorem Property Tax First Mortgage Bond 2015	<u>770,500</u>	1/1/2016	12/15/2029
Total governmental activities		<u>1,763,000</u>		
Total of annual lease payments		<u>\$ 1,763,000</u>		

<u>Description of Debt</u>		<u>Ending Principal Balance</u>	<u>Principal and Interest Due Within One Year</u>
<u>Type</u>	<u>Purpose</u>		
Governmental activities:			
General Obligation Bonds	GO Bond 2019	\$ 3,075,000	\$ 5,355,000
General Obligation Bonds	GO Bond 2020	<u>650,000</u>	<u>652,837</u>
Total governmental activities		<u>3,725,000</u>	<u>6,007,837</u>
Totals		<u>\$ 3,725,000</u>	<u>\$ 6,007,837</u>

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION  
SCHEDULE OF CAPITAL ASSETS  
June 30, 2021

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 1,958,928
Infrastructure	550,272
Buildings	273,893
Improvements other than buildings	2,529,784
Machinery, equipment, and vehicles	6,283,752
Construction in progress	9,980,057
Books and other	<u>744,077</u>
 Total governmental activities	 <u>22,320,763</u>
 Total capital assets	 <u>\$ 22,320,763</u>

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION  
STATE REPORTING INFORMATION (Unaudited)  
July 1, 2019 - June 30, 2021

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*Financial Statement and Accompanying Notes:*

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

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

*Indiana Department of Education Reporting:*

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

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

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

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the period July 1, 2019 through June 30, 2021

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-20	Total Federal Awards Expended 06-30-21	Total Federal Awards Expended 07-01-2019 to 06-30-21
<u>Department of Agriculture</u>						
Child Nutrition Cluster	Indiana Department of Education					
Child Nutrition Cluster						
School Breakfast Program		10.553	FY2020, FY2021	\$ 94,238	\$ 212,795	\$ 307,033
National School Lunch Program		10.555	FY2020, FY2021	279,935	586,943	866,878
Commodities		10.555	FY2020, FY2021	54,127	77,118	131,245
				<u>428,300</u>	<u>876,856</u>	<u>1,305,156</u>
Total - Child Nutrition Cluster						
				<u>428,300</u>	<u>876,856</u>	<u>1,305,156</u>
Total - Department of Agriculture						
				<u>428,300</u>	<u>876,856</u>	<u>1,305,156</u>
<u>Department of Education</u>						
Special Education Cluster(IDEA)						
Special Education	Indiana Department of Education					
IDEA Part B		84.027	18611-031-PN01	156	-	156
IDEA Part B		84.027	19611-031-PN01	100,523	32	100,555
IDEA Part B		84.027	20611-031-PN01	277,457	92,902	370,359
IDEA Part B		84.027	21611-031-PN01	-	308,360	308,360
				<u>378,136</u>	<u>401,294</u>	<u>779,430</u>
Total - Special Education Grants to States						
				<u>378,136</u>	<u>401,294</u>	<u>779,430</u>
Special Education Preschool Grants	Indiana Department of Education					
Special Ed Preschool		84.173	19619-031-PN01	2,628	1	2,629
Special Ed Preschool		84.173	20619-031-PN01	6,037	2,699	8,736
Special Ed Preschool		84.173	21619-031-PN01	-	7,290	7,290
				<u>8,665</u>	<u>9,990</u>	<u>18,655</u>
Total - Special Education Preschool Grants						
				<u>8,665</u>	<u>9,990</u>	<u>18,655</u>
Total - Special Education Cluster(IDEA)						
				<u>386,801</u>	<u>411,284</u>	<u>798,085</u>
Title I Grants to Local Education Agencies	Indiana Department of Education					
Title I, Part A		84.010	S010A180014	35,192	-	35,192
Title I, Part A		84.010	S010A190014	70,710	89,272	159,982
Title I, Part A		84.010	S010A200014	-	123,319	123,319
				<u>105,902</u>	<u>212,591</u>	<u>318,493</u>
Total - Title I Grants to LEA						
				<u>105,902</u>	<u>212,591</u>	<u>318,493</u>

(Continued)

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the period July 1, 2019 through June 30, 2021

Federal Grantor Agency <u>Cluster Title/Program Title/Project Title</u>	<u>Pass-Through Entity or Direct Grant</u>	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended <u>06-30-20</u>	Total Federal Awards Expended <u>06-30-21</u>	Total Federal Awards Expended 07-01-2019 to <u>06-30-21</u>
Title II Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II, Part A		84.367	S367A170013	\$ 34,424	\$ -	\$ 34,424
Title II, Part A		84.367	S367A180013	35,247	-	35,247
Title II, Part A		84.367	S367A200013	<u>-</u>	<u>33,095</u>	<u>33,095</u>
Total - Title II Supporting Effective Instruction State Grants				<u>69,671</u>	<u>33,095</u>	<u>102,766</u>
Title IV Student Support and Academic Enrichment Program	Indiana Department of Education					
Title IV Part A		84.424	S424A180015	3,219	-	3,219
Title IV Part A		84.424	S424A190015	10,000	2,076	12,076
Title IV Part A		84.424	S424A200015	<u>-</u>	<u>10,308</u>	<u>10,308</u>
Total - Title IV Student Support and Academic Enrichment Program				<u>13,219</u>	<u>12,384</u>	<u>25,603</u>
COVID-19 Education Stabilization Fund	Indiana Department of Education					
Elementary and Secondary School Emergency Relief (ESSER I) Fund		84.425D	S425D200013	-	112,324	112,324
Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D	S425D200013	<u>-</u>	<u>13,312</u>	<u>13,312</u>
Total - COVID-19 Education Stabilization Fund				<u>-</u>	<u>125,636</u>	<u>125,636</u>
Total - Department of Education				<u>575,593</u>	<u>794,990</u>	<u>1,370,583</u>
<u>Department of Health and Human Services</u>						
Medicaid Cluster	Indiana Department of Education					
Medical Assistance Program		93.778	FY2020, FY2021	<u>23,037</u>	<u>108,034</u>	<u>131,071</u>
Total - Department of Health and Human Services				<u>23,037</u>	<u>108,034</u>	<u>131,071</u>
Total federal awards expended				<u>\$ 1,026,930</u>	<u>\$ 1,779,880</u>	<u>\$ 2,806,810</u>

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

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Period of July 1, 2019 to June 30, 2021

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**NOTE 1 - BASIS OF PRESENTATION**

*A. Basis of Presentation*

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

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

*B. Other Significant Accounting Policies*

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

**NOTE 2 - INDIRECT COST RATE**

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

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

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

**NOTE 4 - OTHER INFORMATION**

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

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

Those Charged with Governance  
Nineveh-Hensley-Jackson United School Corporation  
Johnson 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 Nineveh-Hensley-Jackson United School Corporation ("School Corporation"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School Corporation as of June 30, 2021 and for the period July 1, 2019 to June 30, 2021 and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement, and have issued our report thereon dated February 27, 2023.

### **Internal Control Over Financial Reporting**

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

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

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

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(Continued)

## **Compliance and Other Matters**

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

## **Management's Responses to Finding**

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

## **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  
February 27, 2023

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

Those Charged with Governance  
Nineveh-Hensley-Jackson United School Corporation  
Johnson County, Indiana

**Report on Compliance for Each Major Federal Program**

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

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Opinion on Each Major Federal Program***

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

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(Continued)

## **Other Matters**

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

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

## **Report on Internal Control Over Compliance**

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

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-003 to be a material weakness.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-002 to be a significant deficiency.

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

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(Continued)

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  
February 27, 2023

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 July 1, 2019 to June 30, 2021

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**Section I – Summary of Auditor’s Results**

***Financial Statement***

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

***Federal Awards***

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

Identification of major programs

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

Dollar threshold used to distinguish between Type A and Type B programs	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	_____ Yes <u>  X  </u> No

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(Continued)

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2019 to June 30, 2021

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**Section II – Financial Statement Findings**

**FINDING 2021-001**

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

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

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

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

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

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

2 CFR 200.508 states in part:

"The auditee must: . . .

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

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

**Cause:** Management had not established a system of internal control that would have ensured proper reporting of the AFR. For fiscal year 2021, it was the first year the AFR was required to be prepared directly by the School Corporation instead of from semi-annual filings with Indiana Department of Education. There was not an appropriate review of the activity posted on the AFR.

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(Continued)

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2019 to June 30, 2021

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**Section II – Financial Statement Findings** (Continued)

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

- 1) For the period of July 1, 2020 to June 30, 2021, receipts, disbursements, and other financing sources (uses) were understated by \$22,448,142, \$25,140,121, and \$657,764 respectively. The net impact on cash was an overstatement of \$2,034,215.

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

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

**Identification as a repeat finding, if applicable:** No.

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

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

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(Continued)

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2019 to June 30, 2021

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**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  
Audit Finding: Significant Deficiency

**Criteria:** 2 CFR section 200.303 states in part:

"The non-Federal entity must:

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

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

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

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

**Questioned Costs:** There were no questioned costs identified.

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

**Identification as a repeat finding, if applicable:** No.

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

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

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(Continued)

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2019 to June 30, 2021

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

**FINDING 2021-003**

**Information on the federal program:**

Subject: Special Education Cluster - Procurement

Federal Agency: Department of Education

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

CFDA Numbers: 84.027 and 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 20611-031-PN01, 19611-031-PN01, 18611-031-PN01, 20619-031-PN01, 19619-031-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Finding: Material Weakness, Other Matters

**Criteria:** 2 CFR section 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.318 states:

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

2 CFR 200.320 states:

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

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

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

**Effect:** The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the procurement requirements could have resulted in the loss of federal funds to the School Corporation.

**Questioned Costs:** There were no questioned costs identified.

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(Continued)

NINEVEH-HENSLEY-JACKSON UNITED SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2019 to June 30, 2021

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

**Context:** The School Corporation is a member of the Earlywood Educational Services Cooperative (Cooperative). The Cooperative operated the special education programs on behalf of the School Corporation and managed the special education grant funds. Because the grant agreements were between the Indiana Department of Education and the School Corporation, the School Corporation is ultimately responsible for compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

The School Corporation did not have adequate procedures in place to ensure that the Cooperative complied with the procurement requirements. The Cooperative did not have adequate procedures in place to ensure that micro purchases were equitably distributed among qualified suppliers or to ensure that price or rate quotations were obtained from an adequate number of qualified sources for small purchases

The Cooperative did not obtain price or rate quotes for purchases of goods or services exceeding the small purchase threshold from an adequate number of sources for 100% of the vendors tested.

The lack of internal controls was isolated to fiscal year 2019-2020. Supporting documentation was not kept that could support that the required procedure for small purchases was being followed.

**Identification as a repeat finding, if applicable:** No.

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

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



## Indian Creek Schools

802 South Indian Creek Drive | Trafalgar, IN 46181  
317-878-2100 (p) | 317-878-2109 (f)

### CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

June 30, 2021

#### **Finding 2021-001** – Preparation of the Annual Financial Report

Contact Person Responsible for Corrective Action: Jacob Heuchan/Debra Carter  
Contact Phone Number: 317-878-2100

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: There was an issue with uploading the data into the Gateway system. We did review the data but will review multiple times even after the data has been uploaded to make sure it is accurate. We will make sure financial statements agrees to the fund ledger.

Anticipated Completion Date: Immediate

#### **Finding 2021-002** – Child Nutrition Cluster – Cash Management

Contact Person Responsible for Corrective Action: Jacob Heuchan/Debra Carter & Michael Vetter  
Contact Phone Number: 317-878-2100

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: There was a change-over in the Cafeteria Director. We will make sure both the Business Manager and Cafeteria Director review and sign off on all pertinent document to ensure accuracy.

Anticipated Completion Date: Immediate

**Finding 2021-003** - Special Education Cluster - Procurement

Contact Person Responsible for Corrective Action: Jacob Heuchan/Debra Carter  
Contact Phone Number: 317-878-2100

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The Earlywood Governing Board adopted the following policies on May 12, 2021.

- a. 734 Cost Principles- Spending Federal Funds
- b. 735 Time And Effort Reporting
- c. 736 Procurement- Federal Grants and Funds Administrative Guideline 736 was discussed with the Association on June 2, 2021. The guidelines will include internal procedures for documenting relevant purchasing decisions on micro purchases within Skyward, our software used for our business office functions. Additionally, procedures will be included to identify when the accumulation of micro purchases for a particular vendor are approaching the definition of small purchases so that related price quotations may be obtained.

The Superintendent of NHJ will carefully review claims before each board meeting and pay attention to claims that exceed the small purchase threshold. He will also verify that required quotations have been attached to the claims.

Anticipated Completion Date: Immediate



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### **SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

#### **FINDING 2019-001**

**Subject: Child Nutrition Cluster - Internal Controls**

**Federal Agency: Department of Agriculture**

**Federal Programs: School Breakfast Program, National School Lunch Program,  
Summer Food Service Program for Children**

**CFDA Numbers: 10.553, 10.555**

**Federal Award Numbers and Years (or Other Identifying Numbers): FY2018, FY2019**

**Pass-Through Entity: Indiana Department of Education**

**Compliance Requirement: Cash Management, Program Income**

**Audit Findings: Material Weakness**

The School Corporation had not designed or implemented adequate policies and procedures to ensure compliance with the Cash Management compliance requirement. There was no control in place, such as an oversight, review, or approval process, to ensure net cash resources did not exceed three months average expenditures.

#### **Program Income**

The School Corporation had not designed or implemented adequate internal controls to ensure that program income was properly recorded in the financial records. The recording of program income was completed on a monthly basis using summary-level reports that were not subject to a monitoring process to ensure their accuracy.

**Status: Resolved.**

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