



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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April 12, 2023

To: The Officials of the North Putnam Community School Corporation
North Putnam Community School Corporation
300 N. Washington Street
Bainbridge, IN 46105

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

We call your attention to the findings included in the report on pages 38-40. Please see the Schedule of Findings and Questioned Costs for complete details related to the finding. Management's Corrective Action Plan appears on pages 41-43.

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

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

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

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

Tammy R. White, CPA
Deputy State Examiner

NORTH PUTNAM COMMUNITY SCHOOL CORPORATION
Putnam County, Indiana

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

NORTH PUTNAM COMMUNITY SCHOOL CORPORATION
Putnam County, Indiana

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

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

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Tanya Pearson	07-01-19 to 06-30-21
Superintendent of Schools	Dr. Nicole Allee	07-01-19 to 06-30-21
President of the School Board	Travis Lambermont	07-01-19 to 06-30-21

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

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

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

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

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

(Continued)

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Unmodified Opinion on Regulatory Basis of Accounting

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

Other Matters

Supplementary Information

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

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

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

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 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
March 29, 2023

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

Fund	Cash and Investments		Other Financing		Cash and Investments		Other Financing		Cash and Investments	
	07-01-2019	Receipts	Disbursements	Sources (Uses)	06-30-2020	Receipts	Disbursements	Sources (Uses)	06-30-2021	
Education	\$ 2,222,093	\$ 9,802,078	\$ 7,848,732	\$ (1,672,395)	\$ 2,503,044	\$ 9,375,811	\$ 7,617,248	\$ (1,226,764)	\$ 3,034,843	
Debt Service	737,164	2,382,749	2,501,953	-	617,960	3,485,393	2,784,006	-	1,319,347	
Retirement/Severance Bond Debt Service	116,935	96,701	229,256	15,620	-	43,914	-	(15,620)	28,294	
Operations	2,453,878	3,265,693	4,304,178	1,172,395	2,587,788	3,550,242	3,577,993	1,226,764	3,786,801	
Local Rainy Day	2,248,614	-	-	484,380	2,732,994	-	-	15,620	2,748,614	
Retirement/Severance Bond	110,418	-	55,449	-	54,969	-	29,419	-	25,550	
Construction	5,000,000	-	3,748,670	-	1,251,330	-	1,164,888	-	86,442	
School Lunch	-	728,232	653,850	-	74,382	737,440	652,874	-	158,948	
Curricular Materials Rental	163,142	82,194	130,594	-	114,742	241,520	206,176	-	150,086	
2017/18 Ont Local	4,805	-	-	-	4,805	-	747	-	4,058	
Educational License Plates	314	150	-	-	464	188	-	-	652	
Early Intervention Grant	663	-	663	-	-	-	-	-	-	
Lilly Endowment	302	-	-	-	302	-	302	-	-	
United Way Grant	-	-	-	-	-	2,900	210	-	2,690	
Putnam Co. Foundation Grant	16,857	7,000	6,816	-	17,041	3,050	6,845	-	13,246	
Duke Energy Grant& Rise	2,171	-	506	-	1,665	-	1,665	-	-	
Bank Donations/Teachers	1,640	2,022	1,576	-	2,086	-	576	-	1,510	
Holocaust Education Grant	23,791	-	14,852	-	8,939	-	(202)	-	9,141	
Facs	-	108	-	3,785	3,893	-	2,990	-	903	
Rd Library Grant	1,387	1,300	36	-	2,651	-	741	-	1,910	
Target Field Trip Grant/Hs	2,701	-	-	-	2,701	-	-	-	2,701	
Living To Serve (Ffa)	896	-	-	-	896	-	-	-	896	
Unified Track	1,367	1,499	325	-	2,541	-	-	-	2,541	
General Youth Foundation	5,096	-	1,311	(3,785)	-	-	-	-	-	
Formative Assessment	-	16,590	16,590	-	-	13,794	8,958	-	4,836	
High Ability 18/19	9,285	-	9,285	-	-	-	-	-	-	
Drug Free/Pie Coalition 18/19	1,552	-	430	-	1,122	-	1,122	-	-	
Medicaid Reimbursement	168,238	26,202	31,776	-	162,664	39,111	110,463	-	91,312	
Stem	(13,730)	26,164	12,434	-	-	-	-	-	-	
Alter Ed	-	2,628	-	-	2,628	-	-	-	2,628	
Early Intervion Grant	-	4,271	408	-	3,863	-	3,863	-	-	
Energy Challenge Award	5,821	-	4,333	-	1,488	-	1,488	-	-	
Language Migrant Program	41	-	-	-	41	-	-	-	41	
Career And Technical Performance Grant	10,304	-	-	-	10,304	-	-	-	10,304	
Performance Awards	-	48,583	48,583	-	-	46,946	46,946	-	-	
High Ability Students	-	30,304	14,537	-	15,767	24,760	19,513	-	21,014	
State Connectivity Grant	5,358	11,083	5,931	50,716	61,226	5,400	-	-	66,626	
E learning Grant	-	-	-	-	-	26,897	26,897	-	-	
Tds Grant	54,416	-	3,700	(50,716)	-	-	-	-	-	
Title I 18/19	(17,032)	86,056	69,024	-	-	-	-	-	-	
Title I 2019/20	-	192,563	216,658	-	(24,095)	43,124	19,029	-	-	

(Continued)

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

Fund	Cash and Investments		Other Financing		Cash and Investments		Other Financing		Cash and Investments	
	07-01-2019	Receipts	Disbursements	Sources (Uses)	06-30-2020	Receipts	Disbursements	Sources (Uses)	06-30-2021	
Title I 20/21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,260	\$ 158,246	\$ -	\$ (14,986)	
Title Iv 2018	(10,500)	19,048	8,548	-	-	-	-	-	-	
Title Iv Fy19	-	6,628	6,628	-	-	6,020	6,460	-	(440)	
Title Iv Grant 20	-	-	-	-	-	-	11,250	-	(11,250)	
School Technology P.L. 106-55	474	-	-	-	474	-	-	-	474	
Imprv Teacher Quality Title Ii	-	-	-	-	-	-	950	-	(950)	
Title Ii 18/20	(2,265)	14,591	12,326	-	-	-	-	-	-	
Title Ii 19/21	-	19,454	19,454	-	-	483	2,212	-	(1,729)	
Title Ii Boot Camp 20/21	-	-	3,283	-	(3,283)	5,595	2,000	-	312	
Federal Stimulus - 18003 Educ. Stab Reli	-	-	-	-	-	151,042	154,885	-	(3,843)	
Prepaid School Lunch Accounts	-	205,823	195,955	-	9,868	71,173	66,237	-	14,804	
Federal Tax	1,560	494,631	494,631	-	1,560	373,105	373,105	-	1,560	
Social Security	(2,481)	501,308	501,245	-	(2,418)	382,206	382,206	-	(2,418)	
State Tax	(3)	203,880	203,935	(3)	(58)	155,927	155,927	-	(58)	
County Tax	16	122,838	122,873	-	(19)	95,360	95,359	-	(18)	
United Way	-	832	832	-	-	405	405	-	-	
Group Health Insurance	166,141	502,370	496,827	-	171,684	448,569	442,797	-	177,456	
Group Cancer Insurance	(11)	91,076	91,759	-	(694)	85,230	84,236	-	300	
Group Life Insurance	78	42,002	41,268	-	812	36,382	37,484	-	(290)	
Group Dependent/Suppl Life	130	5,279	4,771	-	638	4,465	4,127	-	976	
Medical/Dependent & Fees	702	3,989	3,989	-	702	5,853	5,916	-	639	
Tsa / Annuities	12,100	113,621	113,621	-	12,100	89,320	89,320	-	12,100	
Putnam Co. Clerk (Garnishment)	-	6,182	6,182	-	-	7,193	7,193	-	-	
Putnam Co. Clerk (Support)	-	10,926	10,926	-	-	3,807	3,807	-	-	
Long Term Disability	1,388	17,256	17,273	-	1,371	14,209	14,201	-	1,379	
Credit Union	-	1,300	1,300	-	-	1,050	1,050	-	-	
Dues (ITSA & Other)	2,382	-	810	-	1,572	-	-	-	1,572	
IASP	43	-	-	-	43	-	-	-	43	
Lincoln National 403B	972	144,205	144,205	-	972	111,517	111,517	-	972	
Tbr Np	-	4,772	4,772	-	-	3,616	3,616	-	-	
Hri-Dental	38	44,733	44,332	-	439	43,828	36,156	-	8,111	
Dental Group	2,390	8,317	7,169	-	3,538	-	3,538	-	-	
Eye Med	-	8,059	7,865	-	194	7,703	6,995	-	902	
Life Ins Fringe	(21)	631	636	-	(26)	980	636	-	318	
Other Health Insurance	231	50,534	53,628	-	(2,863)	43,748	41,841	-	(956)	
Totals	\$ 13,511,851	\$ 19,458,455	\$ 22,553,499	\$ -	\$ 10,416,807	\$ 19,932,536	\$ 18,588,429	\$ -	\$ 11,760,914	

See notes to financial statement.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

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

(Continued)

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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.

(Continued)

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

NOTE 2 - 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 \$185,655 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:

Federal Tax	\$ 1,560
Social Security	(2,481)
State Tax	(3)
County Tax	16
Group Health Insurance	166,141
Group Cancer Insurance	(11)
Group Life Insurance	78
Group Dependent/Suppl Life	130
Medical/Dependent & Fees	702
Tsa / Annuities	12,100
Long Term Disability	1,388
Dues (ITSA & Other)	2,382
IASP	43
Lincoln National 403B	972
Hri-Dental	38
Dental Group	2,390
Life Ins Fringe	(21)
Other Health Insurance	<u>231</u>
	<u>\$ 185,655</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.

(Continued)

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

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.

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

(Continued)

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

NOTE 8 - HOLDING CORPORATION

The School Corporation has entered into a series of capital leases with the North Putnam Middle School Holding 1999 (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 \$1,303,500. Lease payments for the period July 1, 2020 to June 30, 2021 totaled \$2,310,00.

NOTE 9 - PENSION PLANS

Public Employees' Retirement Fund

Plan Description

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

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

Financial Report

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

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

Contributions

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

(Continued)

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

NOTE 9 - PENSION PLANS (Continued)

Teachers' Retirement Fund

Plan Descriptions

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

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

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

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

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

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

Financial Report

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

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

(Continued)

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

NOTE 9 - PENSION PLANS (Continued)

Contributions

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

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

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

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS

The School Corporation provides to eligible retirees and their spouses the following benefits: health and life insurance. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

NOTE 11 - SUBSEQUENT EVENTS

In December 2021, the School Corporation sold \$650,000 of privately placed General Obligation Bonds for the purpose of renovating and improving school facilities throughout the School Corporation, including equipment, technology, site improvements, roofing, and HVAC systems.

In March 2022, the School Corporation sold \$4,765,000 of Ad Valorem Property Tax First Mortgage Bonds for the purpose of paying the costs of renovation of and improvements to Bainbridge Elementary School, site work and having throughout North Putnam Community School Corporation and the purpose of equipment and technology and to pay capitalized interest and issuance costs.

SUPPLEMENTARY INFORMATION

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

	Education	Debt Service	Retirement/Severance Bond Debt Service	Operations	Local Rainy Day	Retirement/Severance Bond	Construction	School Lunch	Curricular Materials Rental	2017/18 Ont Local	Educational License Plates	Early Intervention Grant
Cash and investments - beginning	\$ 2,222,093	\$ 737,164	\$ 116,935	\$ 2,453,878	\$ 2,248,614	\$ 110,418	\$ 5,000,000	\$ -	\$ 163,142	\$ 4,805	\$ 314	\$ 663
Receipts:												
Local sources	444,445	2,382,749	96,701	3,265,693	-	-	-	147,581	82,194	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	150	-
State sources	9,357,633	-	-	-	-	-	-	26,334	-	-	-	-
Federal sources	-	-	-	-	-	-	-	554,317	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	9,802,078	2,382,749	96,701	3,265,693	-	-	-	728,232	82,194	-	150	-
Disbursements:												
Instruction	6,123,907	-	-	-	-	33,793	-	-	-	-	-	-
Support services	1,563,721	-	-	3,823,187	-	392	72,122	-	130,594	-	-	663
Noninstructional services	161,104	-	-	-	-	21,264	-	653,850	-	-	-	-
Facilities acquisition and construction	-	-	-	480,991	-	-	3,676,548	-	-	-	-	-
Debt services	-	2,501,953	229,256	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	7,848,732	2,501,953	229,256	4,304,178	-	55,449	3,748,670	653,850	130,594	-	-	663
Excess (deficiency) of receipts over disbursements	1,953,346	(119,204)	(132,555)	(1,038,485)	-	(55,449)	(3,748,670)	74,382	(48,400)	-	150	(663)
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	15,620	1,422,395	500,000	-	-	-	-	-	-	-
Transfers out	(1,672,395)	-	-	(250,000)	(15,620)	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,672,395)	-	15,620	1,172,395	484,380	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	280,951	(119,204)	(116,935)	133,910	484,380	(55,449)	(3,748,670)	74,382	(48,400)	-	150	(663)
Cash and investments - ending	\$ 2,503,044	\$ 617,960	\$ -	\$ 2,587,788	\$ 2,732,994	\$ 54,969	\$ 1,251,330	\$ 74,382	\$ 114,742	\$ 4,805	\$ 464	\$ -

(Continued)

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

	Lilly Endowment	Putnam Co. Foundation Grant	Duke Energy Grant & Rise	Bank Donations/Teach ers	Holocaust Education Grant	Facs	Rd Library Grant	Target Field Trip Grant/Hs	Living To Serve (Ffa)	Unified Track	General Youth Foundation	Formative Assessment
Cash and investments - beginning	\$ 302	\$ 16,857	\$ 2,171	\$ 1,640	\$ 23,791	\$ -	\$ 1,387	\$ 2,701	\$ 896	\$ 1,367	\$ 5,096	\$ -
Receipts:												
Local sources	-	7,000	-	2,022	-	108	1,300	-	-	1,499	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	16,590
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	7,000	-	2,022	-	108	1,300	-	-	1,499	-	16,590
Disbursements:												
Instruction	-	3,816	506	84	14,852	-	36	-	-	-	1,311	16,590
Support services	-	3,000	-	1,492	-	-	-	-	-	325	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	6,816	506	1,576	14,852	-	36	-	-	325	1,311	16,590
Excess (deficiency) of receipts over disbursements	-	184	(506)	446	(14,852)	108	1,264	-	-	1,174	(1,311)	-
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	3,785	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	(3,785)	-
Total other financing sources (uses)	-	-	-	-	-	3,785	-	-	-	-	(3,785)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	184	(506)	446	(14,852)	3,893	1,264	-	-	1,174	(5,096)	-
Cash and investments - ending	\$ 302	\$ 17,041	\$ 1,665	\$ 2,086	\$ 8,939	\$ 3,893	\$ 2,651	\$ 2,701	\$ 896	\$ 2,541	\$ -	\$ -

(Continued)

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

	High Ability 18/19	Drug Free/Pie Coalition 18/19	Medicaid Reimbursement	Stem	Alter Ed	Early Intervion Grant	Energy Challenge Award	Language Migrant Program	Career And Technical Performance Grant	Performance Awards	High Ability Students	State Connectivity Grant
Cash and investments - beginning	\$ 9,285	\$ 1,552	\$ 168,238	\$ (13,730)	\$ -	\$ -	\$ 5,821	\$ 41	\$ 10,304	\$ -	\$ -	\$ 5,358
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	26,202	26,164	2,628	4,271	-	-	-	48,583	30,304	11,083
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	26,202	26,164	2,628	4,271	-	-	-	48,583	30,304	11,083
Disbursements:												
Instruction	8,101	-	-	4,601	-	-	-	-	-	48,583	13,787	-
Support services	1,184	-	31,776	7,833	-	408	4,333	-	-	-	750	5,931
Noninstructional services	-	430	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	9,285	430	31,776	12,434	-	408	4,333	-	-	48,583	14,537	5,931
Excess (deficiency) of receipts over disbursements	(9,285)	(430)	(5,574)	13,730	2,628	3,863	(4,333)	-	-	-	15,767	5,152
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	50,716
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	50,716
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(9,285)	(430)	(5,574)	13,730	2,628	3,863	(4,333)	-	-	-	15,767	55,868
Cash and investments - ending	\$ -	\$ 1,122	\$ 162,664	\$ -	\$ 2,628	\$ 3,863	\$ 1,488	\$ 41	\$ 10,304	\$ -	\$ 15,767	\$ 61,226

(Continued)

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

	Tds Grant	Title I 18/19	Title I 2019/20	Title Iv 2018	Title Iv Fy19	School Technology P.L. 106-55	Title li 18/20	Title li 19/21	Title li Boot Camp 20/21	Prepaid School Lunch Accounts	Federal Tax
Cash and investments - beginning	\$ 54,416	\$ (17,032)	\$ -	\$ (10,500)	\$ -	\$ 474	\$ (2,265)	\$ -	\$ -	\$ -	\$ 1,560
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	205,823	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	86,056	192,563	19,048	6,628	-	14,591	19,454	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	494,631
Total receipts	-	86,056	192,563	19,048	6,628	-	14,591	19,454	-	205,823	494,631
Disbursements:											
Instruction	-	69,024	211,658	8,548	1,628	-	326	1,704	3,283	-	-
Support services	-	-	5,000	-	5,000	-	12,000	17,750	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	195,955	-
Facilities acquisition and construction	3,700	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	494,631
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	3,700	69,024	216,658	8,548	6,628	-	12,326	19,454	3,283	195,955	494,631
Excess (deficiency) of receipts over disbursements	(3,700)	17,032	(24,095)	10,500	-	-	2,265	-	(3,283)	9,868	-
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	(50,716)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(50,716)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(54,416)	17,032	(24,095)	10,500	-	-	2,265	-	(3,283)	9,868	-
Cash and investments - ending	\$ -	\$ -	\$ (24,095)	\$ -	\$ -	\$ 474	\$ -	\$ -	\$ (3,283)	\$ 9,868	\$ 1,560

(Continued)

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

	Social Security	State Tax	County Tax	United Way	Group Health Insurance	Group Cancer Insurance	Group Life Insurance	Group Dependent/Suppl Life	Medical/Dependent & Fees	Tsa / Annuities	Putnam Co. Clerk (Garnishment)	Putnam Co. Clerk (Support)
Cash and investments - beginning	\$ (2,481)	\$ (3)	\$ 16	\$ -	\$ 166,141	\$ (11)	\$ 78	\$ 130	\$ 702	\$ 12,100	\$ -	\$ -
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	501,308	203,880	122,838	832	502,370	91,076	42,002	5,279	3,989	113,621	6,182	10,926
Total receipts	501,308	203,880	122,838	832	502,370	91,076	42,002	5,279	3,989	113,621	6,182	10,926
Disbursements:												
Instruction	-	-	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	501,245	203,935	122,873	832	496,827	91,759	41,268	4,771	3,989	113,621	6,182	10,926
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	501,245	203,935	122,873	832	496,827	91,759	41,268	4,771	3,989	113,621	6,182	10,926
Excess (deficiency) of receipts over disbursements	63	(55)	(35)	-	5,543	(683)	734	508	-	-	-	-
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	63	(55)	(35)	-	5,543	(683)	734	508	-	-	-	-
Cash and investments - ending	\$ (2,418)	\$ (58)	\$ (19)	\$ -	\$ 171,684	\$ (694)	\$ 812	\$ 638	\$ 702	\$ 12,100	\$ -	\$ -

(Continued)

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

	Long Term Disability	Credit Union	Dues (Ista & Other)	Iasp	Lincoln National 403B	Tbr Np	Hri-Dental	Dental Group	Eye Med	Life Ins Fringe	Other Health Insurance	Totals
Cash and investments - beginning	\$ 1,388	\$ -	\$ 2,382	\$ 43	\$ 972	\$ -	\$ 38	\$ 2,390	\$ -	\$ (21)	\$ 231	\$ 13,511,851
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	6,637,115
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	150
State sources	-	-	-	-	-	-	-	-	-	-	-	9,549,792
Federal sources	-	-	-	-	-	-	-	-	-	-	-	892,657
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	17,256	1,300	-	-	144,205	4,772	44,733	8,317	8,059	631	50,534	2,378,741
Total receipts	17,256	1,300	-	-	144,205	4,772	44,733	8,317	8,059	631	50,534	19,458,455
Disbursements:												
Instruction	-	-	-	-	-	-	-	-	-	-	-	6,566,138
Support services	-	-	-	-	-	-	-	-	-	-	-	5,687,461
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	1,032,603
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	4,161,239
Debt services	-	-	-	-	-	-	-	-	-	-	-	2,731,209
Nonprogrammed charges	17,273	1,300	810	-	144,205	4,772	44,332	7,169	7,865	636	53,628	2,374,849
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	17,273	1,300	810	-	144,205	4,772	44,332	7,169	7,865	636	53,628	22,553,499
Excess (deficiency) of receipts over disbursements	(17)	-	(810)	-	-	-	401	1,148	194	(5)	(3,094)	(3,095,044)
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	1,992,516
Transfers out	-	-	-	-	-	-	-	-	-	-	-	(1,992,516)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(17)	-	(810)	-	-	-	401	1,148	194	(5)	(3,094)	(3,095,044)
Cash and investments - ending	\$ 1,371	\$ -	\$ 1,572	\$ 43	\$ 972	\$ -	\$ 439	\$ 3,538	\$ 194	\$ (26)	\$ (2,863)	\$ 10,416,807

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

	Education	Debt Service	Retirement/Severance Bond Debt Service	Operations	Local Rainy Day	Retirement/Severance Bond	Construction	School Lunch	Curricular Materials Rental	2017/18 Ont Local	Educational License Plates	Lilly Endowment
Cash and investments - beginning	\$ 2,503,044	\$ 617,960	\$ -	\$ 2,587,788	\$ 2,732,994	\$ 54,969	\$ 1,251,330	\$ 74,382	\$ 114,742	\$ 4,805	\$ 464	\$ 302
Receipts:												
Local sources	335,736	3,485,393	43,914	3,550,242	-	-	-	67,402	241,520	-	-	-
Intermediate sources	948	-	-	-	-	-	-	-	-	-	188	-
State sources	9,039,127	-	-	-	-	-	-	5,924	-	-	-	-
Federal sources	-	-	-	-	-	-	-	664,114	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	9,375,811	3,485,393	43,914	3,550,242	-	-	-	737,440	241,520	-	188	-
Disbursements:												
Instruction	5,957,810	-	-	-	-	29,419	-	-	-	747	-	-
Support services	1,511,104	-	-	3,206,396	-	-	-	-	206,176	-	-	302
Noninstructional services	148,334	-	-	-	-	-	-	652,874	-	-	-	-
Facilities acquisition and construction	-	-	-	371,597	-	-	1,164,888	-	-	-	-	-
Debt services	-	2,784,006	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	7,617,248	2,784,006	-	3,577,993	-	29,419	1,164,888	652,874	206,176	747	-	302
Excess (deficiency) of receipts over disbursements	1,758,563	701,387	43,914	(27,751)	-	(29,419)	(1,164,888)	84,566	35,344	(747)	188	(302)
Other financing sources (uses)												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	1,226,764	15,620	-	-	-	-	-	-	-
Transfers out	(1,226,764)	-	(15,620)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,226,764)	-	(15,620)	1,226,764	15,620	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	531,799	701,387	28,294	1,199,013	15,620	(29,419)	(1,164,888)	84,566	35,344	(747)	188	(302)
Cash and investments - ending	\$ 3,034,843	\$ 1,319,347	\$ 28,294	\$ 3,786,801	\$ 2,748,614	\$ 25,550	\$ 86,442	\$ 158,948	\$ 150,086	\$ 4,058	\$ 652	\$ -

(Continued)

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

	United Way Grant	Putnam Co. Foundation Grant	Duke Energy Grant & Rise	Bank Donations/Teach ers	Holocaust Education Grant	Facs	Rd Library Grant	Target Field Trip Grant/Hs	Living To Serve (Ffa)	Unified Track	Formative Assessment	Drug Free/Pie Coalition 18/19
Cash and investments - beginning	\$ -	\$ 17,041	\$ 1,665	\$ 2,086	\$ 8,939	\$ 3,893	\$ 2,651	\$ 2,701	\$ 896	\$ 2,541	\$ -	\$ 1,122
Receipts:												
Local sources	2,900	3,050	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	13,794	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	2,900	3,050	-	-	-	-	-	-	-	-	13,794	-
Disbursements:												
Instruction	-	3,930	1,003	88	(202)	2,990	656	-	-	-	8,958	-
Support services	210	2,915	662	488	-	-	85	-	-	-	-	1,122
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	210	6,845	1,665	576	(202)	2,990	741	-	-	-	8,958	1,122
Excess (deficiency) of receipts over disbursements	2,690	(3,795)	(1,665)	(576)	202	(2,990)	(741)	-	-	-	4,836	(1,122)
Other financing sources (uses)												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,690	(3,795)	(1,665)	(576)	202	(2,990)	(741)	-	-	-	4,836	(1,122)
Cash and investments - ending	\$ 2,690	\$ 13,246	\$ -	\$ 1,510	\$ 9,141	\$ 903	\$ 1,910	\$ 2,701	\$ 896	\$ 2,541	\$ 4,836	\$ -

(Continued)

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

	Medicaid Reimbursement	Alter Ed	Early Intervion Grant	Energy Challenge Award	Language Migrant Program	Career And Technical Performance Grant	Performance Awards	High Ability Students	State Connectivity Grant	ELearning Grant	Title I 2019/20	Title I 20/21
Cash and investments - beginning	\$ 162,664	\$ 2,628	\$ 3,863	\$ 1,488	\$ 41	\$ 10,304	\$ -	\$ 15,767	\$ 61,226	\$ -	\$ (24,095)	\$ -
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	39,111	-	-	-	-	-	46,946	24,760	5,400	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	26,897	43,124	143,260
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	39,111	-	-	-	-	-	46,946	24,760	5,400	26,897	43,124	143,260
Disbursements:												
Instruction	788	-	-	-	-	-	46,946	19,513	-	26,897	19,029	158,246
Support services	13,835	-	3,863	1,488	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	95,840	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	110,463	-	3,863	1,488	-	-	46,946	19,513	-	26,897	19,029	158,246
Excess (deficiency) of receipts over disbursements	(71,352)	-	(3,863)	(1,488)	-	-	-	5,247	5,400	-	24,095	(14,986)
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	(71,352)	-	(3,863)	(1,488)	-	-	-	5,247	5,400	-	24,095	(14,986)
Cash and investments - ending	\$ 91,312	\$ 2,628	\$ -	\$ -	\$ 41	\$ 10,304	\$ -	\$ 21,014	\$ 66,626	\$ -	\$ -	\$ (14,986)

(Continued)

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

	Title Iv 2018	Title Iv Fy19	Title Iv Grant 20	School Technology P.L. 106-55	Imprv Teacher Quality Title li	Title li 18/20	Title li 19/21	Title li Boot Camp 20/21	Federal Stimulus - 18003 Educ. Stab Reli	Prepaid School Lunch Accounts	Federal Tax
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 474	\$ -	\$ -	\$ -	\$ (3,283)	\$ -	\$ 9,868	\$ 1,560
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	71,173	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	6,020	-	-	-	-	483	5,595	151,042	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	373,105
Total receipts	-	6,020	-	-	-	-	483	5,595	151,042	71,173	373,105
Disbursements:											
Instruction	-	6,460	-	-	-	-	729	2,000	96,233	-	-
Support services	-	-	11,250	-	950	-	1,483	-	58,652	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	66,237	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	373,105
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	6,460	11,250	-	950	-	2,212	2,000	154,885	66,237	373,105
Excess (deficiency) of receipts over disbursements	-	(440)	(11,250)	-	(950)	-	(1,729)	3,595	(3,843)	4,936	-
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	-	(440)	(11,250)	-	(950)	-	(1,729)	3,595	(3,843)	4,936	-
Cash and investments - ending	\$ -	\$ (440)	\$ (11,250)	\$ 474	\$ (950)	\$ -	\$ (1,729)	\$ 312	\$ (3,843)	\$ 14,804	\$ 1,560

(Continued)

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

	Social Security	State Tax	County Tax	United Way	Group Health Insurance	Group Cancer Insurance	Group Life Insurance	Group Dependent/Suppl Life	Medical/Dependent & Fees	Tsa / Annuities	Putnam Co. Clerk (Garnishment)	Putnam Co. Clerk (Support)
Cash and investments - beginning	\$ (2,418)	\$ (58)	\$ (19)	\$ -	\$ 171,684	\$ (694)	\$ 812	\$ 638	\$ 702	\$ 12,100	\$ -	\$ -
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	382,206	155,927	95,360	405	448,569	85,230	36,382	4,465	5,853	89,320	7,193	3,807
Total receipts	382,206	155,927	95,360	405	448,569	85,230	36,382	4,465	5,853	89,320	7,193	3,807
Disbursements:												
Instruction	-	-	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	382,206	155,927	95,359	405	442,797	84,236	37,484	4,127	5,916	89,320	7,193	3,807
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	382,206	155,927	95,359	405	442,797	84,236	37,484	4,127	5,916	89,320	7,193	3,807
Excess (deficiency) of receipts over disbursements	-	-	1	-	5,772	994	(1,102)	338	(63)	-	-	-
Other financing sources (uses)												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	1	-	5,772	994	(1,102)	338	(63)	-	-	-
Cash and investments - ending	\$ (2,418)	\$ (58)	\$ (18)	\$ -	\$ 177,456	\$ 300	\$ (290)	\$ 976	\$ 639	\$ 12,100	\$ -	\$ -

(Continued)

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

	Long Term Disability	Credit Union	Dues (Ista & Other)	Iasp	Lincoln National 403B	Tbr Np	Hri-Dental	Dental Group	Eye Med	Life Ins Fringe	Other Health Insurance	Totals
Cash and investments - beginning	\$ 1,371	\$ -	\$ 1,572	\$ 43	\$ 972	\$ -	\$ 439	\$ 3,538	\$ 194	\$ (26)	\$ (2,863)	\$ 10,416,807
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	7,801,330
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	1,136
State sources	-	-	-	-	-	-	-	-	-	-	-	9,175,062
Federal sources	-	-	-	-	-	-	-	-	-	-	-	1,040,535
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	14,209	1,050	-	-	111,517	3,616	43,828	-	7,703	980	43,748	1,914,473
Total receipts	14,209	1,050	-	-	111,517	3,616	43,828	-	7,703	980	43,748	19,932,536
Disbursements:												
Instruction	-	-	-	-	-	-	-	-	-	-	-	6,382,240
Support services	-	-	-	-	-	-	-	-	-	-	-	5,020,981
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	867,445
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	1,632,325
Debt services	-	-	-	-	-	-	-	-	-	-	-	2,784,006
Nonprogrammed charges	14,201	1,050	-	-	111,517	3,616	36,156	3,538	6,995	636	41,841	1,901,432
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	14,201	1,050	-	-	111,517	3,616	36,156	3,538	6,995	636	41,841	18,588,429
Excess (deficiency) of receipts over disbursements	8	-	-	-	-	-	7,672	(3,538)	708	344	1,907	1,344,107
Other financing sources (uses)												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	1,242,384
Transfers out	-	-	-	-	-	-	-	-	-	-	-	(1,242,384)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	8	-	-	-	-	-	7,672	(3,538)	708	344	1,907	1,344,107
Cash and investments - ending	\$ 1,379	\$ -	\$ 1,572	\$ 43	\$ 972	\$ -	\$ 8,111	\$ -	\$ 902	\$ 318	\$ (956)	\$ 11,760,914

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

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 283,230	\$ 33,384

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

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
2014A Lease	Renovations	\$ 206,000	6/30/2015	12/31/2028
2014B Lease	Renovations	243,125	6/30/2015	12/31/2028
2014C Lease	Renovations	173,250	6/30/2015	12/31/2028
2015A Lease	Renovations	95,000	12/31/2015	12/31/2034
2015B Lease	Renovations	178,500	6/30/2017	12/31/2029
2019 Lease	Renovations	1,544,375	5/30/2019	12/31/2038
Bank of America Leasing	Qualified School Construction Bond	131,900	1/1/2012	1/30/2026
North Salem State Bank	Solar Farm	<u>246,487</u>	3/18/2016	5/18/2032
Total governmental activities		<u>2,818,637</u>		
Total of annual lease payments		<u>\$2,818,637</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	Roachdale HVAC	\$ 1,080,000	\$ 286,800
Totals		<u>\$ 1,080,000</u>	<u>\$ 286,800</u>

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

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 73,080
Infrastructure	2,500,000
Buildings	71,484,473
Improvements other than buildings	2,781,000
Machinery, equipment, and vehicles	5,523,516
Books and other	<u>1,000,700</u>
 Total governmental activities	 <u>83,362,769</u>
 Total capital assets	 <u>\$ 83,362,769</u>

NORTH PUTNAM COMMUNITY SCHOOL CORPORATION
STATE REPORTING INFORMATION
July 1, 2019 to June 30, 2021

Financial Statement and Accompanying Notes:

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

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

Indiana Department of Education Reporting:

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

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

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

NORTH PUTNAM COMMUNITY 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 06-30-20	Total Federal Awards Expended 06-30-21	Total Federal Awards Expended 07-01-19 to 06-30-21
Department of Agriculture						
Child Nutrition Cluster	Indiana Department of Education					
School Breakfast Program		10.553	FY2020 - FY2021	\$ 88,112	\$ -	\$ 88,112
National School Lunch Program		10.555	FY2020 - FY2021	280,378	-	280,378
Commodities		10.555	FY2020 - FY2021	54,443	74,450	128,894
Summer Food Service Program for Children		10.559	FY2020 - FY2021	155,827	664,114	819,941
				<u>578,760</u>	<u>738,564</u>	<u>1,317,324</u>
Total - Child Nutrition Cluster				578,760	738,564	1,317,324
Total - Department of Agriculture				<u>578,760</u>	<u>738,564</u>	<u>1,317,324</u>
Department of Education						
Special Education Cluster(IDEA)						
Special Education Grants to States	Indiana Department of Education					
IDEA-Part B		84.027	18611-046-PN01	4,047	-	4,047
IDEA-Part B		84.027	19611-046-PN01	137,761	6,065	143,826
IDEA-Part B		84.027	20611-044-PN01	230,235	151,515	381,750
IDEA-Part B		84.027	21611-044-PN01	-	221,996	221,996
				<u>372,043</u>	<u>379,576</u>	<u>751,619</u>
Total - Special Education Grants to States				372,043	379,576	751,619
Special Education Preschool Grants	Indiana Department of Education					
IDEA-Preschool		84.173	18619-046-PN01	13,949	-	13,949
IDEA-Preschool		84.173	19619-046-PN01	14,832	-	14,832
IDEA-Preschool		84.173	20619-044-PN01	142	181	323
IDEA-Preschool		84.173	21619-044-PN01	-	343	343
				<u>28,923</u>	<u>524</u>	<u>29,447</u>
Total - Special Education Preschool Grants				28,923	524	29,447
Total - Special Education Cluster(IDEA)				<u>400,966</u>	<u>380,100</u>	<u>781,066</u>
Title I Grants to Local Educational Agencies	Indiana Department of Education					
Title I, Part A		84.010	S010A190014	192,563	43,124	235,687
Title I, Part A		84.010	S010A180014	86,053	-	86,053
Title I, Part A		84.010	S010A200014	-	143,260	143,260
				<u>278,616</u>	<u>186,384</u>	<u>465,000</u>
Total - Title I Grants to Local Educational Agencies				278,616	186,384	465,000

(Continued)

NORTH PUTNAM COMMUNITY 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 06-30-20	Total Federal Awards Expended 06-30-21	Total Federal Awards Expended 07-01-19 to 06-30-21
Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II, Part A		84.367	S367A180013	\$ 14,591	\$ 5,595	\$ 20,186
Title II, Part A		84.367	S367A190013	19,454	-	19,454
Title II, Part A		84.367	S367A200013	-	483	483
Total - Supporting Effective Instruction State Grants				<u>34,045</u>	<u>6,078</u>	<u>40,123</u>
Student Support and Academic Enrichment Program	Indiana Department of Education					
Title IV, Part A		84.424	S424A180015	19,048	-	19,048
Title IV, Part A		84.424	S424A200015	6,628	6,020	12,648
Total - Student Support and Academic Enrichment Program				<u>25,676</u>	<u>6,020</u>	<u>31,696</u>
COVID-19 - Education Stabilization Fund	Indiana Department of Education					
Governor's Emergency Education Relief (GEER) Fund		84.425C	S425C200018	-	6,000	6,000
Elementary and Secondary School Emergency Relief (ESSER I) Fund		84.425D	S425D200013	-	151,042	151,042
Total - COVID-19 - Education Stabilization Fund				<u>-</u>	<u>157,042</u>	<u>157,042</u>
Total - Department of Education				<u>739,303</u>	<u>735,624</u>	<u>1,474,927</u>
<u>Department of Health and Human Services</u>						
Medicaid Cluster	Indiana Department of Education					
Medicaid		93.778	FY2020 - FY2021	26,201	39,111	65,312
Total - Department of Health and Human Services				<u>26,201</u>	<u>39,111</u>	<u>65,312</u>
Total federal awards expended				<u>\$ 1,344,264</u>	<u>\$ 1,513,299</u>	<u>\$ 2,857,563</u>

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

NORTH PUTNAM COMMUNITY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period of July 1, 2019 to June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School 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 Old National Trail Special 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
North Putnam Community School Corporation
Putnam County, Indiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of North Putnam Community School Corporation ("School Corporation"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School Corporation as of June 30, 2021 and for the period July 1, 2019 to June 30, 2021 and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement, and have issued our report thereon dated March 29, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

(Continued)

Compliance and Other Matters

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

Purpose of this Report

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

Crowe LLP
Crowe LLP

Indianapolis, Indiana
March 29, 2023

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

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

Report on Compliance for Each Major Federal Program

We have audited North Putnam Community School Corporation (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.

Basis for Qualified Opinion on the Child Nutrition Cluster

As described in the accompanying schedule of findings and questioned costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with Child Nutrition Cluster compliance requirements (ALNs 10.553, 10.555, 10.559) as described in finding number 2021-002 for Eligibility and Special Tests and Provisions – Verification of Free and Reduced Price Applications, consequently we were unable to determine whether the School Corporation complied with those requirements applicable to that program.

(Continued)

Qualified Opinion on Child Nutrition Program

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, 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 the Child Nutrition Cluster for the period July 1, 2019 to June 30, 2021.

Unmodified Opinion on the Other 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 other major federal program identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the period July 1, 2019 to June 30, 2021.

Other Matters

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

Report on Internal Control Over Compliance

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

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

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

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

(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
March 29, 2023

NORTH PUTNAM COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 June 30, 2021

Section I – Summary of Auditor’s Results

Financial Statement

Type of auditor’s report issued: Adverse as to GAAP, Unmodified
as to regulatory basis

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes _____ X No

Significant deficiencies identified not considered to be material weaknesses? _____ Yes _____ X None Reported

Noncompliance material to financial statement noted? _____ Yes _____ X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ X Yes _____ No

Significant deficiencies identified not considered to be material weaknesses? _____ Yes _____ X None Reported

Type of auditor’s report issued on compliance for major programs: Child Nutrition Cluster: Qualified
Special Education Cluster: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)? _____ X Yes _____ No

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.559	Child Nutrition Cluster
84.027, 84.173	Special Education Cluster

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

Auditee qualified as low-risk auditee? _____ Yes _____ X No

Section II – Financial Statement Findings

None noted.

(Continued)

NORTH PUTNAM COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2021

Section III – Federal Award Findings and Questioned Costs

Finding 2021-001

Information on the federal program:

Subject: Child Nutrition Cluster – Timely Transfers of Program Income
Federal Agency: Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program, Summer Food Service for Children
Assistance Listing Number: 10.553, 10.555, 10.559
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Program Income
Audit Finding: Material Weakness

Criteria: 7 CFR 225.6(e) states in part:

"State-Sponsor Agreement. A sponsor approved for participation in the Program must enter into a permanent written agreement with the State agency. All sponsors must agree in writing to: . . .

(12) Maintain a financial management system as prescribed by the State agency; . . ."

10.553 School Breakfast Program, 10.555 National School Lunch Program, 10.556 Special Milk Program for Children, and 10.559 Summer Food Service Program for Children

Clearing Account Number 8400 - Prepaid Food has been established to account for prepaid food. The collections are to be receipted to 8410 with 8420 representing the transfers out of the clearing account and recognition in the appropriate revenue classifications (1611 to 1614 series) in the School Lunch Fund. The transfer should be made periodically and at the end of each month to appropriately classify meals (breakfast, lunch, etc.) when known (charged by student). (The School Administrator and Uniform Compliance Guidelines, Volume 183)

Condition: An effective internal control system was not in place at the School Corporation in order to ensure timely monthly transfers of revenue from fund 8400 to fund 800.

Questioned Costs: There were no questioned costs identified.

Effect: The lack of properly transferring program income in a timely manner prevented the determination of the School Corporation's compliance with the Program Income compliance requirement.

Cause: An effective internal control system was not in place at the School Corporation in order to ensure timely monthly transfers of revenue from fund 8400 to fund 800 to ensure compliance with the program income requirement.

Context:

During our testing of the program income, we selected 4 transfers during the audit period and noted the transfers did not occur on a monthly basis. We noted that the July 2019 - December 2019 data was all transferred in December 2019. The January 2020 - April 2020 data was all transferred in April 2020. The May 2020 - June 2020 data was all transferred in June 2020.

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

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

(Continued)

NORTH PUTNAM COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2021

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

FINDING 2021-002

Information on the federal program:

Subject: Child Nutrition Cluster - Internal Controls
Federal Agency: Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program, Summer Food Service Program for Children
Assistance Listing Number: 10.553, 10.555, 10.559
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Eligibility, Special Tests and Provisions – Verification of Free and Reduced-Price Applications
Audit Finding: Material Weakness, Qualified Opinion

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

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

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

Cause: The School Corporation's management utilizes the food service management company to perform eligibility determinations and verification procedures. On January 1, 2020, the School Corporation switched food service management companies and eligibility and verification documents for the 2019-2020 school year prior to the transition date were not maintained. There is not an internal control in place for management to monitor compliance procedures performed by the food service management company.

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:

Eligibility: During the testing of 40 students for eligibility determinations, we noted 28 instances where the School Corporation was unable to provide supporting documentation that the student was directly certified or had an application on file and 5 instances where there was no documented review of the eligibility determination made. In addition, for 1 student, the student was improperly included as direct certified, however, an application was provided and the student was not included within the listing of direct certified report.

(Continued)

NORTH PUTNAM COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2021

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

FINDING 2021-002 (Continued)

During compliance testing, we noted two instances in which the eligibility status entered into the point of sale system was not supported by the application produced by management. In one instance, the student did not qualify for free or reduced lunch but was entered into the point of sale system as “free” status. In the other instance, the student was receiving reduced benefits but qualified for free meals based on the application produced by management. In addition, we noted a lack of review and signed off on eligibility applications and some eligibility determinations per the applications were not consistent with students’ status entered into the subsidiary food service software. The lack of controls and noncompliance was applicable only for the 2019-2020 school year as all students received free meals in 2020-2021 as a result of federal waiver due to COVID-19 pandemic.

Verification: During the testing of two students for verification, we noted the School Corporation was unable to provide the documentation to support the verification process performed. In addition, the School Corporation was unable to provide income documentation and proof of notice sent to parent/guardian. The lack of controls and noncompliance was applicable only for the 2019-2020 school year as all students received free meals in 2020-2021 as a result of federal waiver due to COVID-19 pandemic and therefore no verification procedures were required to be performed.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommended that the School Corporation's management establish an internal control to monitor and review eligibility determinations and verification procedures performed by the food service management company.

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

NORTH PUTNAM COMMUNITY SCHOOL CORPORATION

300 NORTH WASHINGTON ST.
P.O. BOX 169
BAINBRIDGE, INDIANA 46105-0169

PHONE: 765-522-6218

FAX: 765-522-3562

CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

June 30, 2021

Finding 2021-001

Information on the federal program:

Subject: Child Nutrition Cluster – Timely Transfers of Program Income
Federal Agency: Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program, Summer Food Service for Children
Assistance Listing Number: 10.553, 10.555, 10.559
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Program Income
Audit Finding: Material Weakness

Criteria: 7 CFR 225.6(e) states in part:

"State-Sponsor Agreement. A sponsor approved for participation in the Program must enter into a permanent written agreement with the State agency. All sponsors must agree in writing to . . .

(12) Maintain a financial management system as prescribed by the State agency; . . ."

10.553 School Breakfast Program, 10.555 National School Lunch Program, 10.556 Special Milk Program for Children, and 10.559 Summer Food Service Program for Children

Clearing Account Number 8400 - Prepaid Food has been established to account for prepaid food. The collections are to be receipted to 8410 with 8420 representing the transfers out of the clearing account and recognition in the appropriate revenue classifications (1611 to 1614 series) in the School Lunch Fund. The transfer should be made periodically and at the end of each month to appropriately classify meals (breakfast, lunch, etc.) when known (charged by student). (The School Administrator and Uniform Compliance Guidelines, Volume 183)

Condition: An effective internal control system was not in place at the School Corporation in order to ensure timely monthly transfers of revenue from fund 8400 to fund 800.

Questioned Costs: There were no questioned costs identified.

Effect: The lack of properly transferring program income in a timely manner prevented the determination of the School Corporation's compliance with the Program Income compliance requirement.

Cause: An effective internal control system was not in place at the School Corporation in order to ensure timely monthly transfers of revenue from fund 8400 to fund 800 to ensure compliance with the program income requirement.

Context: During our testing of the program income, we selected 4 transfers during the audit period and noted the transfers did not occur on a monthly basis. We noted that the July 2019 - December 2019 data was all transferred in December 2019. The January 2020 - April 2020 data was all transferred in April 2020. The May 2020 - June 2020 data was all transferred in June 2020.

Finding 2021-001 (Continued)

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

Views of Responsible Officials and Planned Corrective Actions: Management concurs with this finding and the Treasurer will ensure monthly transfer of revenue from fund 8400 to fund 800 occurs by the 5th of each month for the preceding month.

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, Summer Food Service Program for Children, Child Nutrition Discretionary Grants
Assistance Listing Number: 10.553, 10.555, 10.559
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Eligibility, Special Tests and Provisions – Verification of Free and Reduced-Price Applications
Audit Finding: Material Weakness, Qualified Opinion

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

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

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

Cause: The School Corporation's management utilizes the food service management company to perform eligibility determinations and verification procedures. On January 1, 2020, the School Corporation switched food service management companies and eligibility and verification documents for the 2019-2020 school year prior to the transition date were not maintained. There is not an internal control in place for management to monitor compliance procedures performed by the food service management company.

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.

Finding 2021-002 (Continued)

Context:

Eligibility: During the testing of 40 students for eligibility determinations, we noted 28 instances where the School Corporation was unable to provide supporting documentation that the student was directly certified or had an application on file and 5 instances where there was no documented review of the eligibility determination made. In addition, for 1 student, the student was improperly included as direct certified, however, an application was provided and the student was not included within the listing of direct certified report.

During compliance testing, we noted two instances in which the eligibility status entered into the point of sale system was not supported by the application produced by management. In one instance, the student did not qualify for free or reduced lunch but was entered into the point of sale system as “free” status. In the other instance, the student was receiving reduced benefits but qualified for free meals based on the application produced by management. In addition, we noted a lack of review and signed off on eligibility applications and some eligibility determinations per the applications were not consistent with students’ status entered into the subsidiary food service software. The lack of controls and noncompliance was applicable only for the 2019-2020 school year as all students received free meals in 2020-2021 as a result of federal waiver due to COVID-19 pandemic.

Verification: During the testing of two students for verification, we noted the School Corporation was unable to provide the documentation to support the verification process performed. In addition, the School Corporation was unable to provide income documentation and proof of notice sent to parent/guardian. The lack of controls and noncompliance was applicable only for the 2019-2020 school year as all students received free meals in 2020-2021 as a result of federal waiver due to COVID-19 pandemic and therefore no verification procedures were required to be performed.

Identification as a repeat finding, if applicable: No

Recommendation: We recommended that the School Corporation's management establish an internal control to monitor and review eligibility determinations and verification procedures performed by the food service management company.

Views of Responsible Officials and Planned Corrective Actions: Management concurs with the finding with evidence as presented and has taken the following actions:

- A. The corporation has changed food service management companies from Aramark to Chartwells, effective January 2020. Corporation has designated, and IDOE has approved, a central office staff member as Director of Food Service. The Director of Food Service will review and approve a sample of Free and Reduced applications upon initial review and approval from or Director of Child Nutrition. In addition, the Director of Food Service will re-verify at least 3% (3 percent) of the approved applications. These controls will establish compliance with the grant agreement and the Special Test and Provision requirements.

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, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): 2017-2018, 2018-
2019 Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Cash
Management, Special Tests and Provisions - Verification of Free and Reduced-Price Applications
(NSLP)

Audit Finding: Material Weakness

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

Activities Allowed or Unallowed, Allowable Costs/Cost Principles

One employee recorded the payroll transactions. There was no evidence of an oversight or review process to ensure that payroll disbursements were for allowable activities or the accuracy of the payroll disbursements for a substantial portion of the audit period. The School Corporation established a system of internal controls over the payroll disbursements starting in February 2019.

Cash Management

The School Corporation had not established procedures to monitor the School Lunch fund monthly cash balances to ensure that they were limited to the average of three months expenditures. A review process was not established to document the monitoring of the cash balances for a substantial portion of the audit period. The School Corporation established a system of internal controls over cash management starting in December 2018.

Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) (School Breakfast Program and National School Lunch Program)

The Food Service Director performed the verification of the free and reduced price applications without evidence of an oversight or review process during the fiscal year 2017-2018.

Status: Partially resolved. See finding 2021-002.

FINDING 2019-002

Subject: Child Nutrition Cluster - Eligibility
Federal Agency: Department of Agriculture

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

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): 2017-2018, 2018-
2019 Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Eligibility

Audit Findings: Material Weakness, Modified Opinion

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

Manual applications prepared by parents and entered into the school lunch software system by the School Corporation staff for fiscal year 2017-2018 were not provided for audit; therefore, we were unable to determine compliance with the Eligibility compliance requirement. This was a systemic issue through the first year of the audit period.

Status: Not Resolved. See finding 2021-002.

FINDING 2019-003

Subject: Child Nutrition Cluster - Program Income
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, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): 2017-2018, 2018-
2019 Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Program Income

Audit Findings: Material Weakness, Modified Opinion

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

The School Corporation had not designed or implemented adequate policies and procedures to ensure that the food service program sales were receipted in the School Lunch fund for a significant portion of the audit period. The School Corporation established the Prepaid School Lunch fund in January 2019.

The School Corporation did not comply with program income requirements for a substantial portion of the audit. All receipts from sales, including prepayments, were recorded directly into the School Lunch fund; therefore, we were unable to determine if the food service sales were recorded properly.

Status: Not Resolved. See finding 2021-001.

FINDING 2019-004

Subject: Special Education Cluster (IDEA) - Procurement and Suspension and Debarment
Federal Agency: Department of Education

Federal Programs: Special Education Grants to States, Special Education Preschool Grants
CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14216-046-PN01; 14217-046-PN01;
18611-046-PN01; 19611-046-PN01;
45716-046-PN01; 45717-046-PN01;
18619-046-PN01; 19619-046-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

Condition and Context: The School Corporation was a member of a special education 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 (IDOE) and the School Corporation, the School Corporation was ultimately responsible for compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

An effective internal control system, which would include segregation of duties, was not in place at the Cooperative in order to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

For five of the six vendors tested during the audit period, the Cooperative did not obtain price or rate quotes from an adequate number of qualified sources for the purchase of goods or services that fell within the small purchase procedures for procurements, nor was full and open competition provided.

During fiscal year 2017-2018, the School Corporation did not have a procedure in place to determine if a vendor was suspended or debarred who exceeded \$25,000 in aggregate disbursements. The School Corporation implemented procedures during 2018-2019 to ensure vendors were not suspended or debarred, but an effective internal control system was still not in place over the procedure.

Status: Resolved.