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April 12, 2023

To: The Officials of the North Knox School Corporation
North Knox School Corporation
11110 N. SR 159
Bicknell, IN 47512

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of North Knox School Corporation. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period July 1, 2020 to June 30, 2022. 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, 2022, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2020 to June 30, 2022 in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

We call your attention to the finding included in the report on pages 39 and 40. Please see the Schedule of Findings and Questioned Costs for complete details related to the finding. Management's Corrective Action Plan appears on page 41.

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

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

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

Tammy R. White, CPA
Deputy State Examiner

NORTH KNOX SCHOOL CORPORATION
Knox County, Indiana

FINANCIAL STATEMENT
As of June 30, 2022, and for the
period of July 1, 2020 to June 30, 2022

NORTH KNOX SCHOOL CORPORATION
Knox County, Indiana

FINANCIAL STATEMENT
As of June 30, 2022, and for the
period of July 1, 2020 to June 30, 2022

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NORTH KOX SCHOOL CORPORATION
SCHEDULE OF OFFICIALS (Unaudited)
For the period July 1, 2020 to June 30, 2022

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Terri Roesler	07-01-20 to 06-30-22
Superintendent of Schools	Dr. Darrel L. Bobe	07-01-20 to 06-30-22
President of the School Board	Elaine Pepmeier	07-01-20 to 12-31-22

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
North Knox School Corporation
Knox County, Indiana

Report on the Audit of the Financial Statement***Opinions***

We have audited the accompanying statement of receipts, disbursements, other financing sources (uses) and cash and investment balances of the North Knox School Corporation (the School Corporation) as of June 30, 2022 and for the period of July 1, 2020 to June 30, 2022, and the related notes to the financial statement.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement presents fairly, in all material respects, the cash and investment balances of the School Corporation as of June 30, 2022, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2020 to June 30, 2022 in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

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, 2022, or changes in net position for the period of July 1, 2020 to June 30, 2022.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the School Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1 to the financial statement, the financial statement is prepared by the School Corporation 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 and pervasive.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statement that collectively comprise the School Corporation's financial statement. 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* is presented for purposes of additional analysis and are not a required part of the financial statement.

(Continued)

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. The 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.

Other Information

Management is responsible for the other information included with the financial statement. The other information comprises the Schedule of Officials, Other Information Schedules, and State Reporting Information, marked as unaudited on the table of contents, but does not include the financial statement and our auditor's report thereon. Our opinions on the financial statement does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statement, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statement, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 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 30, 2023

NORTH KNOX SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
As of June 30, 2022 and for the period of July 1, 2020 through June 30, 2022

Fund	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments
	07-01-2020	Receipts	Disbursements		06-30-2021	Receipts	Disbursements		
Education	\$ 2,264,967	\$ 9,044,398	\$ 7,674,146	\$ (1,340,150)	\$ 2,295,069	\$ 9,177,935	\$ 7,854,573	\$ (1,197,000)	\$ 2,421,431
Debt Service	642,512	2,018,611	1,705,755	-	955,368	1,697,554	1,925,763	-	727,159
Retirement-Severance Debt Fund	15,399	(1)	-	-	15,398	-	-	-	15,398
Operations	2,493,455	3,579,272	3,779,126	1,350,308	3,643,909	3,106,264	3,584,170	679,446	3,845,449
Rainy Day Fund	2,597,847	-	-	-	2,597,847	-	-	-	2,597,847
Retirement - Severance Fund	84,990	-	58,800	-	26,190	-	56,400	525,000	494,790
Nkjshs Walking Track Settlemen	22,900	-	22,900	-	-	-	-	-	-
School Lunch	290,857	630,867	633,649	-	288,075	783,230	670,022	-	401,283
Textbooks	304,644	198,603	239,787	-	263,460	203,053	149,545	-	316,968
Insurance Fund	9,853,980	892,552	338,388	-	10,408,144	838,447	172,279	-	11,074,312
Knox Co Redev Commission Tif T	232,206	250	12,717	-	219,739	566,000	15,521	-	770,218
2020 Toyota Stem/Cte Edu Grant	20,000	-	-	-	20,000	-	7,910	-	12,090
2021 Duke Energy/Stem Resource	-	-	-	-	-	3,500	-	-	3,500
Gsh Cossap	-	-	-	-	-	3,000	-	-	3,000
Rebates	66,796	10,705	9,274	-	68,227	13,816	27,134	-	54,909
Educational License Plates	12,163	300	-	-	12,463	244	-	-	12,707
Asai Grant	229	-	-	-	229	-	-	-	229
Donations	18,010	34,418	34,836	-	17,592	13	250	-	17,355
Warrior Bus Donations	3,593	3,500	-	-	7,093	36,000	-	-	43,093
Donations Gifts And Trusts	-	-	-	-	-	276,000	-	-	276,000
United Way/Duke Nkp Programs	18,594	16,350	5,819	-	29,125	6,350	1,175	-	34,300
Adult Education	-	16,000	16,000	-	-	-	-	-	-
Duke Energy - Robotics Grant	366	-	-	-	366	-	-	-	366
Early Intervention-Remediation	3,500	-	-	-	3,500	-	3,500	-	-
Formative Assessment Grant	-	11,102	11,102	-	-	12,643	12,643	-	-
Secured School Safety Grant-Sr	(30,271)	52,176	32,500	-	(10,595)	16,649	40,866	-	(34,812)
Alternative Education	-	5,064	5,064	-	-	-	-	-	-
Early Intervention Grant	5,576	3,891	5,576	-	3,891	3,968	3,891	-	3,968
Performance Based Awards (Tag)	-	47,732	47,732	-	-	45,975	45,975	-	-
High Ability	26,303	24,984	46,729	-	4,558	27,530	10,303	-	21,785
Connectivity/Technology	9,944	6,001	-	-	15,945	-	-	-	15,945
Ceo Program	1,112	(1)	1,111	-	-	-	-	-	-
2019-20 Title I	(18,118)	67,544	49,426	-	-	216,767	235,539	-	(18,772)
2020-21 Title I	-	282,736	306,542	-	(23,806)	86,854	63,048	-	-
Idea Special Education Grant	-	-	-	-	-	30,500	25,983	-	4,517
2020-21 Special Education Gran	-	233,094	255,483	-	(22,389)	22,389	21,057	-	(21,057)
2021-22 Special Education Grant	(21,263)	41,289	39,461	-	(19,435)	243,786	246,412	-	(22,061)
Student Support Title Iv	-	23,816	23,816	-	-	-	-	-	-
Student Support Title Iv	-	-	-	-	-	6,738	10,107	-	(3,369)
2020-21 Title Ii Supporting Eff Instr	-	48,505	54,644	-	(6,139)	6,312	173	-	-

(Continued)

NORTH KNOX SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
As of June 30, 2022 and for the period of July 1, 2020 through June 30, 2022

Fund	Cash and Investments 07-01-2020	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2021	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2022
2019-20 Title Ii Supporting Effective In	\$ (6,145)	\$ 7,105	\$ 960	\$ -	\$ -	\$ 18,711	\$ 23,389	\$ -	\$ (4,678)
2020-21 Title Ii Rural & Low Income	-	22,160	25,099	-	(2,939)	7,948	5,009	-	-
2019-20 Rural And Low Income	(1,960)	4,050	2,090	-	-	-	-	-	-
ESSER III	-	-	-	-	-	216,887	236,051	-	(19,164)
ESSER II	-	8,600	11,100	-	(2,500)	400,038	406,055	-	(8,517)
Governor's Emergency Education Relief (GEER)	-	37,901	110,040	-	(72,139)	102,026	37,247	-	(7,360)
ESSER I	-	72,442	85,993	-	(13,551)	109,992	145,842	-	(49,401)
Fema 2020	-	-	44,840	-	(44,840)	41,664	(3,176)	-	-
Prepaid Food	9,208	62,266	62,238	-	9,236	57,073	56,940	-	9,369
Federal Tax Fund	7	567,253	567,253	-	7	535,809	538,344	-	(2,528)
Social Security Fund	215	471,988	472,009	-	194	466,762	466,868	-	88
State Tax Fund	27	195,597	195,597	-	27	193,670	194,014	-	(317)
Local County Tax	9	64,417	64,417	-	9	64,565	64,721	-	(147)
Perf Fund	26	20,552	20,374	-	204	21,099	21,099	-	204
Group Insurance Fund	12,081	380,210	379,888	-	12,403	387,343	374,621	-	25,125
Annuity Fund	293	204,889	205,182	-	-	205,010	205,010	-	-
Garnishment - Court Ordered	-	2,187	2,187	-	-	410	410	-	-
Section 125-American Fidelity	2,128	62,756	62,553	-	2,331	68,365	69,234	-	1,462
Section 125 - Ista	-	5,794	5,794	-	-	7,212	7,212	-	-
United Way Contributions	-	1,325	1,325	-	-	2,830	2,830	-	-
Athletic-Miscellaneous Payroll	-	15,728	15,728	-	-	16,409	17,660	-	(1,251)
Fringe Benefit Fund	36	3,972	3,903	-	105	3,996	4,059	-	42
Totals	\$ 18,936,216	\$ 19,504,950	\$ 17,748,953	\$ 10,158	\$ 20,702,371	\$ 20,359,336	\$ 18,057,678	\$ 7,446	\$ 23,011,475

See notes to financial statement.

NORTH KNOX SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022, and the Period of July 1, 2020 through June 30, 2022

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.

Temporary loans. Amounts received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

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.

(Continued)

NORTH KNOX SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022, and the Period of July 1, 2020 through June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

(Continued)

NORTH KNOX SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022, and the Period of July 1, 2020 through June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

NOTE 2 – RECLASSIFICATION

Certain prior year balances have been reclassified to conform to the current fiscal year presentation. The reclassifications had no effect on total opening cash balances. The payroll clearing fund which was previously reported in the aggregate amount of \$14,822 at June 30, 2020, has been reclassified to the following individual fund balances at July 1, 2020 to reflect the nature of the clearing fund activity as follows:

	<u>Amount</u>
Federal Tax Fund	\$ 7
Social Security Fund	215
State Tax Fund	27
Local County Tax	9
Perf Fund	26
Group Insurance Fund	12,081
Annuity Fund	293
Section 125-American Fidelity	2,128
Fringe Benefit Fund	<u>36</u>
	<u>\$ 14,822</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)

NOTE 4 - PROPERTY TAXES

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

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

The School Corporation held cash deposits with financial institutions that maintained FDIC and PDIF coverages, as applicable. The School Corporation also held investments in certificates of deposit and municipal bonds for the period under audit.

NOTE 6 - RISK MANAGEMENT

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

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

NOTE 7 - CASH BALANCE DEFICITS

The financial statement contains some funds with deficits in cash. This is a result of certain funds being set up for reimbursable grants, but for which reimbursement was not yet received by June 30, 2020, and 2021. Deficits in other fund balances, including the Federal Tax Fund, the State Tax Fund, the local County Tax, and the Athletic – Miscellaneous Payroll, were the result of disbursements exceeding receipts due to underestimating current requirements for some funds. These deficits are to be prepaid from future receipts.

NOTE 8 - HOLDING CORPORATION

The School Corporation has entered into capital leases with the North Knox School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during fiscal years 2021 and 2022 totaled \$1,701,055 and \$1,921,012, respectively.

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.

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)

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 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 sub-account for the member is the normal cost of participation. The variable rate contribution can be no less than 3 percent. Member contributions are determined by statute and the Board at 3 percent of covered payroll. The employer must make these contributions on behalf of the member. Under certain limitations, voluntary contributions up to 10 percent can be made solely by the member.

SUPPLEMENTARY INFORMATION

NORTH KNOX 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 Debt Fund	Operations	Rainy Day Fund	Retirement - Severance Fund	Nkjshs Walking Track Settlements	School Lunch	Textbooks	Insurance Fund	Knox Co Redev Commission Tif T
Cash and investments - beginning	\$ 2,264,967	\$ 642,512	\$ 15,399	\$ 2,493,455	\$ 2,597,847	\$ 84,990	\$ 22,900	\$ 290,857	\$ 304,644	\$ 9,853,980	\$ 232,206
Receipts:											
Local sources	40,810	2,018,611	(1)	3,576,057	-	-	-	63,231	139,619	892,552	250
Intermediate sources	533	-	-	-	-	-	-	-	-	-	-
State sources	9,003,055	-	-	3,215	-	-	-	5,768	58,984	-	-
Federal sources	-	-	-	-	-	-	-	561,868	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	9,044,398	2,018,611	(1)	3,579,272	-	-	-	630,867	198,603	892,552	250
Disbursements:											
Instruction	5,961,841	-	-	-	-	-	-	-	180,803	217,489	12,717
Support services	1,463,135	-	-	3,234,769	-	58,800	-	-	58,984	120,396	-
Noninstructional services	249,170	-	-	-	-	-	-	633,649	-	-	-
Facilities acquisition and construction	-	-	-	544,357	-	-	22,900	-	-	-	-
Debt services	-	1,705,755	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	503	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	7,674,146	1,705,755	-	3,779,126	-	58,800	22,900	633,649	239,787	338,388	12,717
Excess (deficiency) of receipts over disbursements	1,370,252	312,856	(1)	(199,854)	-	(58,800)	(22,900)	(2,782)	(41,184)	554,164	(12,467)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	10,158	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	1,340,150	-	-	-	-	-	-	-
Transfers out	(1,340,150)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,340,150)	-	-	1,350,308	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	30,102	312,856	(1)	1,150,454	-	(58,800)	(22,900)	(2,782)	(41,184)	554,164	(12,467)
Cash and investments - ending	\$ 2,295,069	\$ 955,368	\$ 15,398	\$ 3,643,909	\$ 2,597,847	\$ 26,190	\$ -	\$ 288,075	\$ 263,460	\$ 10,408,144	\$ 219,739

(Continued)

NORTH KNOX 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

	2020 Toyota Stem/Cte Edu Grant	2021 Duke Energy/Stem Resource	Gsh Cossap	Rebates	Educational License Plates	Asai Grant	Donations	Warrior Bus Donations	Donations And Trusts	Gifts	United Way/Duke Nkp Programs	Adult Education
Cash and investments - beginning	\$ 20,000	\$ -	\$ -	\$ 66,796	\$ 12,163	\$ 229	\$ 18,010	\$ 3,593	\$ -	\$ -	\$ 18,594	\$ -
Receipts:												
Local sources	-	-	-	10,705	-	-	34,418	3,500	-	-	16,350	16,000
Intermediate sources	-	-	-	-	300	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	10,705	300	-	34,418	3,500	-	-	16,350	16,000
Disbursements:												
Instruction	-	-	-	2,781	-	-	-	-	-	-	5,819	16,000
Support services	-	-	-	6,493	-	-	34,836	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	9,274	-	-	34,836	-	-	-	5,819	16,000
Excess (deficiency) of receipts over disbursements	-	-	-	1,431	300	-	(418)	3,500	-	-	10,531	-
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	-	-	-	1,431	300	-	(418)	3,500	-	-	10,531	-
Cash and investments - ending	\$ 20,000	\$ -	\$ -	\$ 68,227	\$ 12,463	\$ 229	\$ 17,592	\$ 7,093	\$ -	\$ -	\$ 29,125	\$ -

(Continued)

NORTH KNOX 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

	Duke Energy - Robotics Grant	Early Intervention- Remediation	Formative Assessment Grant	Secured School Safety Grant-Sr	Alternative Education	Early Intervention Grant	Performance Based Awards (Tag)	High Ability	Connectivity/Tec hnology	Ceo Program	2019-20 Title I
Cash and investments - beginning	\$ 366	\$ 3,500	\$ -	\$ (30,271)	\$ -	\$ 5,576	\$ -	\$ 26,303	\$ 9,944	\$ 1,112	\$ (18,118)
Receipts:											
Local sources	-	-	-	-	-	-	-	-	6,001	(1)	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	11,102	52,176	5,064	3,891	47,732	24,984	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	67,544
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	11,102	52,176	5,064	3,891	47,732	24,984	6,001	(1)	67,544
Disbursements:											
Instruction	-	-	11,102	-	5,064	5,576	47,732	46,729	-	1,111	49,426
Support services	-	-	-	32,500	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	11,102	32,500	5,064	5,576	47,732	46,729	-	1,111	49,426
Excess (deficiency) of receipts over disbursements	-	-	-	19,676	-	(1,685)	-	(21,745)	6,001	(1,112)	18,118
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	-	-	-	19,676	-	(1,685)	-	(21,745)	6,001	(1,112)	18,118
Cash and investments - ending	\$ 366	\$ 3,500	\$ -	\$ (10,595)	\$ -	\$ 3,891	\$ -	\$ 4,558	\$ 15,945	\$ -	\$ -

(Continued)

NORTH KNOX 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

	2020-21 Title I	Idea Special Education Grant	2020-21 Special Education Grant	2021-22 Special Education Grant	Student Support Title Iv	Student Support Title Iv	2020-21 Title li Supporting Eff Instr	2019-20 Title li Supporting Effective In	2020-21 Title li Rural & Low Income	2019-20 Rural And Low Income	ESSER III
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (21,263)	\$ -	\$ -	\$ -	\$ (6,145)	\$ -	\$ (1,960)	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	282,736	-	233,094	41,289	23,816	-	48,505	7,105	22,160	4,050	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	282,736	-	233,094	41,289	23,816	-	48,505	7,105	22,160	4,050	-
Disbursements:											
Instruction	306,542	-	255,483	39,461	-	-	54,644	960	25,099	2,090	-
Support services	-	-	-	-	23,816	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	306,542	-	255,483	39,461	23,816	-	54,644	960	25,099	2,090	-
Excess (deficiency) of receipts over disbursements	(23,806)	-	(22,389)	1,828	-	-	(6,139)	6,145	(2,939)	1,960	-
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	(23,806)	-	(22,389)	1,828	-	-	(6,139)	6,145	(2,939)	1,960	-
Cash and investments - ending	\$ (23,806)	\$ -	\$ (22,389)	\$ (19,435)	\$ -	\$ -	\$ (6,139)	\$ -	\$ (2,939)	\$ -	\$ -

(Continued)

NORTH KNOX 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

	ESSER II	Governor's Emergency Education Relief (GEER)	ESSER I	Fema 2020	Prepaid Food	Federal Tax Fund	Social Security Fund	State Tax Fund	Local County Tax	Perf Fund	Group Insurance Fund
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 9,208	\$ 7	\$ 215	\$ 27	\$ 9	\$ 26	\$ 12,081
Receipts:											
Local sources	-	-	-	-	62,266	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	8,600	37,901	72,442	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	567,253	471,988	195,597	64,417	20,552	380,210
Total receipts	8,600	37,901	72,442	-	62,266	567,253	471,988	195,597	64,417	20,552	380,210
Disbursements:											
Instruction	-	-	-	-	-	-	-	-	-	-	-
Support services	11,100	110,040	85,993	44,840	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	62,238	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	567,253	472,009	195,597	64,417	20,374	379,888
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	11,100	110,040	85,993	44,840	62,238	567,253	472,009	195,597	64,417	20,374	379,888
Excess (deficiency) of receipts over disbursements	(2,500)	(72,139)	(13,551)	(44,840)	28	-	(21)	-	-	178	322
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	(2,500)	(72,139)	(13,551)	(44,840)	28	-	(21)	-	-	178	322
Cash and investments - ending	\$ (2,500)	\$ (72,139)	\$ (13,551)	\$ (44,840)	\$ 9,236	\$ 7	\$ 194	\$ 27	\$ 9	\$ 204	\$ 12,403

(Continued)

NORTH KNOX 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

	Annuity Fund	Garnishment - Court Ordered	Section 125- American Fidelity	Section 125 - Ista	United Way Contributions	Athletic- Miscellaneous Payroll	Fringe Benefit Fund	Totals
Cash and investments - beginning	\$ 293	\$ -	\$ 2,128	\$ -	\$ -	\$ -	\$ 36	\$ 18,936,216
Receipts:								
Local sources	-	-	-	-	-	-	-	6,880,368
Intermediate sources	-	-	-	-	-	-	-	833
State sources	-	-	-	-	-	-	-	9,215,971
Federal sources	-	-	-	-	-	-	-	1,411,110
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other receipts	204,889	2,187	62,756	5,794	1,325	15,728	3,972	1,996,668
Total receipts	204,889	2,187	62,756	5,794	1,325	15,728	3,972	19,504,950
Disbursements:								
Instruction	-	-	-	-	-	-	-	7,248,469
Support services	-	-	-	-	-	-	-	5,285,702
Noninstructional services	-	-	-	-	-	-	-	945,057
Facilities acquisition and construction	-	-	-	-	-	-	-	567,257
Debt services	-	-	-	-	-	-	-	1,705,755
Nonprogrammed charges	205,182	2,187	62,553	5,794	1,325	15,728	3,903	1,996,713
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	205,182	2,187	62,553	5,794	1,325	15,728	3,903	17,748,953
Excess (deficiency) of receipts over disbursements	(293)	-	203	-	-	-	69	1,755,997
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	10,158
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	1,340,150
Transfers out	-	-	-	-	-	-	-	(1,340,150)
Total other financing sources (uses)	-	-	-	-	-	-	-	10,158
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(293)	-	203	-	-	-	69	1,766,155
Cash and investments - ending	\$ -	\$ -	\$ 2,331	\$ -	\$ -	\$ -	\$ 105	\$ 20,702,371

NORTH KNOX SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2021 through June 30, 2022

	Education	Debt Service	Retirement- Severance Debt Fund	Operations	Rainy Day Fund	Retirement - Severance Fund	Nkjshs Walking Track Settlements	School Lunch	Textbooks	Insurance Fund	Knox Co Redev Commission Tif T
Cash and investments - beginning	\$ 2,295,069	\$ 955,368	\$ 15,398	\$ 3,643,909	\$ 2,597,847	\$ 26,190	\$ -	\$ 288,075	\$ 263,460	\$ 10,408,144	\$ 219,739
Receipts:											
Local sources	41,279	1,697,554	-	3,093,504	-	-	-	58,243	146,477	838,447	566,000
Intermediate sources	1,065	-	-	-	-	-	-	-	-	-	-
State sources	9,135,591	-	-	12,760	-	-	-	8,067	56,576	-	-
Federal sources	-	-	-	-	-	-	-	716,920	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	9,177,935	1,697,554	-	3,106,264	-	-	-	783,230	203,053	838,447	566,000
Disbursements:											
Instruction	6,160,288	-	-	-	-	-	-	-	92,969	111,541	15,521
Support services	1,432,514	-	-	3,191,035	-	56,400	-	-	56,576	60,198	-
Noninstructional services	261,771	-	-	-	-	-	-	670,022	-	-	-
Facilities acquisition and construction	-	-	-	393,135	-	-	-	-	-	-	-
Debt services	-	1,925,763	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	540	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	7,854,573	1,925,763	-	3,584,170	-	56,400	-	670,022	149,545	172,279	15,521
Excess (deficiency) of receipts over disbursements	1,323,362	(228,209)	-	(477,906)	-	(56,400)	-	113,208	53,508	666,168	550,479
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	7,446	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	672,000	-	525,000	-	-	-	-	-
Transfers out	(1,197,000)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,197,000)	-	-	679,446	-	525,000	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	126,362	(228,209)	-	201,540	-	468,600	-	113,208	53,508	666,168	550,479
Cash and investments - ending	\$ 2,421,431	\$ 727,159	\$ 15,398	\$ 3,845,449	\$ 2,597,847	\$ 494,790	\$ -	\$ 401,283	\$ 316,968	\$ 11,074,312	\$ 770,218

(Continued)

NORTH KNOX SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2021 through June 30, 2022

	2020 Toyota Stem/Cte Edu Grant	2021 Duke Energy/Stem Resource	Gsh Cossap	Rebates	Educational License Plates	Asai Grant	Donations	Warrior Bus Donations	Donations Gifts And Trusts	United Way/Duke Nkp Programs	Adult Education
Cash and investments - beginning	\$ 20,000	\$ -	\$ -	\$ 68,227	\$ 12,463	\$ 229	\$ 17,592	\$ 7,093	\$ -	\$ 29,125	\$ -
Receipts:											
Local sources	-	3,500	3,000	13,816	-	-	13	36,000	276,000	6,350	-
Intermediate sources	-	-	-	-	244	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	3,500	3,000	13,816	244	-	13	36,000	276,000	6,350	-
Disbursements:											
Instruction	7,910	-	-	1,707	-	-	-	-	-	1,175	-
Support services	-	-	-	25,427	-	-	250	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	7,910	-	-	27,134	-	-	250	-	-	1,175	-
Excess (deficiency) of receipts over disbursements	(7,910)	3,500	3,000	(13,318)	244	-	(237)	36,000	276,000	5,175	-
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	(7,910)	3,500	3,000	(13,318)	244	-	(237)	36,000	276,000	5,175	-
Cash and investments - ending	\$ 12,090	\$ 3,500	\$ 3,000	\$ 54,909	\$ 12,707	\$ 229	\$ 17,355	\$ 43,093	\$ 276,000	\$ 34,300	\$ -

(Continued)

NORTH KNOX SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2021 through June 30, 2022

	Duke Energy - Robotics Grant	Early Intervention- Remediation	Formative Assessment Grant	Secured School Safety Grant-Sr	Alternative Education	Early Intervention Grant	Performance Based Awards (Tag)	High Ability	Connectivity/Tec hnology	Ceo Program	2019-20 Title I
Cash and investments - beginning	\$ 366	\$ 3,500	\$ -	\$ (10,595)	\$ -	\$ 3,891	\$ -	\$ 4,558	\$ 15,945	\$ -	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	12,643	16,649	-	3,968	45,975	27,530	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	216,767
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	12,643	16,649	-	3,968	45,975	27,530	-	-	216,767
Disbursements:											
Instruction	-	3,500	12,643	-	-	3,891	45,975	10,303	-	-	235,539
Support services	-	-	-	40,866	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	3,500	12,643	40,866	-	3,891	45,975	10,303	-	-	235,539
Excess (deficiency) of receipts over disbursements	-	(3,500)	-	(24,217)	-	77	-	17,227	-	-	(18,772)
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(3,500)	-	(24,217)	-	77	-	17,227	-	-	(18,772)
Cash and investments - ending	\$ 366	\$ -	\$ -	\$ (34,812)	\$ -	\$ 3,968	\$ -	\$ 21,785	\$ 15,945	\$ -	\$ (18,772)

(Continued)

NORTH KNOX SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2021 through June 30, 2022

	2020-21 Title I	Idea Special Education Grant	2020-21 Special Education Grant	2021-22 Special Education Grant	Student Support Title Iv	Student Support Title Iv	2020-21 Title li Supporting Eff Instr	2019-20 Title li Supporting Effective In	2020-21 Title li Rural & Low Income	2019-20 Rural And Low Income	ESSER III
Cash and investments - beginning	\$ (23,806)	\$ -	\$ (22,389)	\$ (19,435)	\$ -	\$ -	\$ (6,139)	\$ -	\$ (2,939)	\$ -	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	86,854	30,500	22,389	243,786	-	6,738	6,312	18,711	7,948	-	216,887
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	86,854	30,500	22,389	243,786	-	6,738	6,312	18,711	7,948	-	216,887
Disbursements:											
Instruction	63,048	25,728	21,057	246,412	-	-	173	23,389	5,009	-	197,846
Support services	-	255	-	-	-	10,107	-	-	-	-	18,520
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	19,685
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	63,048	25,983	21,057	246,412	-	10,107	173	23,389	5,009	-	236,051
Excess (deficiency) of receipts over disbursements	23,806	4,517	1,332	(2,626)	-	(3,369)	6,139	(4,678)	2,939	-	(19,164)
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	23,806	4,517	1,332	(2,626)	-	(3,369)	6,139	(4,678)	2,939	-	(19,164)
Cash and investments - ending	\$ -	\$ 4,517	\$ (21,057)	\$ (22,061)	\$ -	\$ (3,369)	\$ -	\$ (4,678)	\$ -	\$ -	\$ (19,164)

(Continued)

NORTH KNOX SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2021 through June 30, 2022

	ESSER II	Governor's Emergency Education Relief (GEER)	ESSER I	Fema 2020	Prepaid Food	Federal Tax Fund	Social Security Fund	State Tax Fund	Local County Tax	Perf Fund	Group Insurance Fund
Cash and investments - beginning	\$ (2,500)	\$ (72,139)	\$ (13,551)	\$ (44,840)	\$ 9,236	\$ 7	\$ 194	\$ 27	\$ 9	\$ 204	\$ 12,403
Receipts:											
Local sources	-	-	-	-	57,073	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	400,038	102,026	109,992	41,664	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	535,809	466,762	193,670	64,565	21,099	387,343
Total receipts	400,038	102,026	109,992	41,664	57,073	535,809	466,762	193,670	64,565	21,099	387,343
Disbursements:											
Instruction	-	-	-	-	-	-	-	-	-	-	-
Support services	406,055	37,247	145,842	(3,176)	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	56,940	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	538,344	466,868	194,014	64,721	21,099	374,621
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	406,055	37,247	145,842	(3,176)	56,940	538,344	466,868	194,014	64,721	21,099	374,621
Excess (deficiency) of receipts over disbursements	(6,017)	64,779	(35,850)	44,840	133	(2,535)	(106)	(344)	(156)	-	12,722
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	(6,017)	64,779	(35,850)	44,840	133	(2,535)	(106)	(344)	(156)	-	12,722
Cash and investments - ending	\$ (8,517)	\$ (7,360)	\$ (49,401)	\$ -	\$ 9,369	\$ (2,528)	\$ 88	\$ (317)	\$ (147)	\$ 204	\$ 25,125

(Continued)

NORTH KNOX SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2021 through June 30, 2022

	Annuity Fund	Garnishment - Court Ordered	Section 125- American Fidelity	Section 125 - Ista	United Way Contributions	Athletic- Miscellaneous Payroll	Fringe Benefit Fund	Totals
Cash and investments - beginning	\$ -	\$ -	\$ 2,331	\$ -	\$ -	\$ -	\$ 105	\$ 20,702,371
Receipts:								
Local sources	-	-	-	-	-	-	-	6,837,256
Intermediate sources	-	-	-	-	-	-	-	1,309
State sources	-	-	-	-	-	-	-	9,319,759
Federal sources	-	-	-	-	-	-	-	2,227,532
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other receipts	205,010	410	68,365	7,212	2,830	16,409	3,996	1,973,480
Total receipts	205,010	410	68,365	7,212	2,830	16,409	3,996	20,359,336
Disbursements:								
Instruction	-	-	-	-	-	-	-	7,285,624
Support services	-	-	-	-	-	-	-	5,478,116
Noninstructional services	-	-	-	-	-	-	-	988,733
Facilities acquisition and construction	-	-	-	-	-	-	-	412,820
Debt services	-	-	-	-	-	-	-	1,925,763
Nonprogrammed charges	205,010	410	69,234	7,212	2,830	17,660	4,059	1,966,622
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	205,010	410	69,234	7,212	2,830	17,660	4,059	18,057,678
Excess (deficiency) of receipts over disbursements	-	-	(869)	-	-	(1,251)	(63)	2,301,658
Other financing sources (uses)								
Proceeds of long-term debt	-	-	-	-	-	-	-	7,446
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	1,197,000
Transfers out	-	-	-	-	-	-	-	(1,197,000)
Total other financing sources (uses)	-	-	-	-	-	-	-	7,446
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(869)	-	-	(1,251)	(63)	2,309,104
Cash and investments - ending	\$ -	\$ -	\$ 1,462	\$ -	\$ -	\$ (1,251)	\$ 42	\$ 23,011,475

NORTH KNOX SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2022

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 94,503	\$ 189,191

NORTH KNOX SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2022

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
North Knox School Building Corporation	QZAB 5-School Renovations	\$ 178,000	6/30/2013	12/31/2026
North Knox School Building Corporation	2019 Bond-Renovations	321,000	5/1/2019	12/31/2038
North Knox School Building Corporation	2020 Bond-Renovations	683,000	5/21/2020	12/31/2033
North Knox School Building Corporation	First Mortgage Bonds-Construction of Gym and Renovations to NK Jr. Sr. HS	<u>450,000</u>	9/18/2013	12/31/2028
Total governmental activities		<u>1,632,000</u>		
Total of annual lease payments		<u>\$ 1,632,000</u>		

NORTH KNOX SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2022

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	\$ 337,729
Buildings	20,365,450
Improvements other than buildings	622,218
Machinery, equipment, and vehicles	<u>3,326,775</u>
Total governmental activities	<u>24,652,172</u>
Total capital assets	<u>\$ 24,652,172</u>

NORTH KNOX SCHOOL CORPORATION
STATE REPORTING INFORMATION
July 1, 2020 through June 30, 2022

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 KNOX SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period July 1, 2020 through June 30, 2022

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-21	Total Federal Awards Expended 06-30-22	Total Federal Awards Expended 07-01-2020 to 06-30-22
<u>Department of Agriculture</u>						
Child Nutrition Cluster	Indiana Department of Agriculture					
School Breakfast Program		10.553	FY2021, FY2022	\$ 93,762	\$ 125,795	\$ 219,557
National School Lunch Program		10.555	FY2021, FY2022	423,782	564,760	988,542
Commodities		10.555	FY2021, FY2022	63,146	77,055	140,202
Summer Food Service Program for Children		10.559	FY2021, FY2022	34,628	26,365	60,993
Total - Child Nutrition Cluster				<u>615,318</u>	<u>793,975</u>	<u>1,409,294</u>
Child Nutrition Discretionary Grants	Indiana Department of Agriculture	10.579	FY2021	9,697	-	9,697
Total - Department of Agriculture				<u>625,015</u>	<u>793,975</u>	<u>1,418,991</u>
<u>Department of Education</u>						
Special Education Cluster (IDEA)						
Special Education Grants to States	Indiana Department of Education					
IDEA, Part B		84.027	19611-032-PN01	125,044	-	125,044
IDEA, Part B		84.027	20611-032-PN01	379,218	4,169	383,387
IDEA, Part B		84.027	21611-032-PN01	-	258,323	258,323
IDEA, Part B		84.027	22611-032-ARP	-	5,408	5,408
Total - Special Education Grants to States				<u>504,262</u>	<u>267,900</u>	<u>772,162</u>
Special Education Preschool Grants	Indiana Department of Education					
IDEA, Preschool		84.173	20619-032-PN01	12,704	7,736	20,440
IDEA, Preschool		84.173	19619-032-PN01	8,252	-	8,252
IDEA, Preschool		84.173	22619-032-ARP	-	3,060	3,060
IDEA, Preschool		84.173	21619-032-PN01	-	13,116	13,116
Total - Special Education Preschool Grants				<u>20,956</u>	<u>23,912</u>	<u>44,868</u>
Total - Special Education Cluster (IDEA)				<u>525,218</u>	<u>291,812</u>	<u>817,030</u>
Title I Grant to Local Educational Agencies	Indiana Department of Education					
Title I, Part A		84.010	S010A180014	282,736	86,854	369,590
Title I, Part A		84.010	S010A190014	67,546	-	67,546
Title I, Part A		84.010	S010A210014	-	216,767	216,767
Total - Title I Grants to Local Educational Agencies				<u>350,282</u>	<u>303,621</u>	<u>653,903</u>

(Continued)

NORTH KNOX SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period July 1, 2020 through June 30, 2022

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-21	Total Federal Awards Expended 06-30-22	Total Federal Awards Expended 07-01-2020 to 06-30-22
Special Education - State Personnel Development 2021-22 ICTQ	Indiana University	84.323	S10872736	\$ -	\$ 30,500	\$ 30,500
Total - Special Education - State Personnel Development				-	30,500	30,500
Rural Education	Indiana Department of Education					
2019-20 Rural and Low Income		84.358	S358B190014	4,050	-	4,050
2020-21 Rural and Low Income		84.358	S424A180015	22,160	7,948	30,108
Total - Rural Education				26,210	7,948	34,158
Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II, Part A		84.367	S67A190013	7,104	-	7,104
Title II, Part A		84.367	S67A200013	48,505	6,312	54,817
Title II, Part A		84.367	S67A210013	-	18,711	18,711
Total - Supporting Effective Instruction State Grants				55,609	25,023	80,632
Student Support and Academic Enrichment Program	Indiana Department of Education					
Title IV, Part A		84.424	S424A190015	23,816	-	23,816
Title IV, Part A		84.424	S424A210015	-	6,738	6,738
Total - Student Support and Academic Enrichment Program				23,816	6,738	30,554
COVID-19 - Education Stabilization Fund	Indiana Department of Education					
Governor's Emergency Education Relief (GEER) Fund		84.425C	S425C200018	37,901	102,026	139,927
Elementary and Secondary School Emergency Relief (ESSER I) Fund		84.425D	S425D200013	72,442	109,992	182,434
Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D	S425D210013	8,600	400,038	408,638
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund		84.425U	S425U210013	-	216,887	216,887
Total - COVID-19 - Education Stabilization Fund				118,943	828,943	947,886
Total - Department of Education				1,100,078	1,494,585	2,594,663
<u>Department of Homeland Security</u>						
Disaster Grants - Public Assistance (Presidentially Declared Disasters 2020-21 FEMA)	Indiana Department of Education	97.036	FY2022	-	41,664	41,664
Total - Department of Homeland Security				-	41,664	41,664
Total federal awards expended				\$ 1,725,093	\$ 2,330,224	\$ 4,055,318

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

NORTH KNOX SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period of July 1, 2020 through June 30, 2022

NOTE 1 - BASIS OF PRESENTATION

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the period of July 1, 2020 to June 30, 2022. 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 - OTHER INFORMATION

The School Corporation did not have any subrecipient activity for the period July 1, 2020 to June 30, 2022.

NOTE 4 - SPECIAL EDUCATION COOPERATIVE (ALN: 84.027, 84.173)

The School Corporation is a member of the Knox County Special Education 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.

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 Knox School Corporation
Knox 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 Knox 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, 2022 and for the period July 1, 2020 to June 30, 2022 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 30, 2023.

Report on 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 or significant deficiencies may exist that have not been identified.

(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statements are 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 statements. 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

Indianapolis, Indiana
March 30, 2023

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

Those Charged with Governance
North Knox School Corporation
Knox County, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited North Knox School Corporation (School Corporation) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the School Corporation's major federal programs for the period of July 1, 2020 to June 30, 2022. 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.

In our opinion, the School Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2020 to June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School Corporation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School Corporation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the School Corporation's federal programs.

(Continued)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School Corporation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School Corporation's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the School Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the School Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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. We

(Continued)

consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001, to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the School Corporation's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The School Corporation's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Crowe LLP
Crowe LLP

Indianapolis, Indiana
March 30, 2023

NORTH KNOX SCHOOL CORPORATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 July 1, 2020 through June 30, 2022

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? _____ Yes _____ X No

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

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)? _____ 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
84.425C, 84.425D, 84.425U	COVID-19 - Education Stabilization Fund
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 KNOX SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 through June 30, 2022

Section III – Federal Award Findings and Questioned Costs

Finding 2022-001

Information on the federal program:

Subject: Education Stabilization Fund – Internal Controls
Federal Agency: Department of Education
Federal Program: COVID-19 – Education Stabilization Fund
Assistance Listing Number: 84.425C, 84.425D, 84.425U
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Finding: Significant Deficiency

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.302(b) states in part:

"The financial management system of each non-Federal entity must provide for the following:

(2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.328 Financial reporting"

34 CFR 76.722 states:

"A State may require a subgrantee to submit reports in a manner and format that assists the State in complying with the requirements under 34 CFR 76.720 and in carrying out other responsibilities under the program."

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 Reporting compliance requirements.

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

Effect: The Annual Data Reports required to be submitted could have incomplete or inaccurate data without a secondary, documented review process in place.

Questioned Costs: There were no questioned costs identified.

(Continued)

NORTH KNOX SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 through June 30, 2022

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

Finding 2022-001 (Continued)

Context: The School Corporation was required to submit two Annual Data Reports to the Indiana Department of Education (IDOE) to meet federal reporting requirements for ESSER grant awards and the GEER grant award. The first report was for the period of March 13, 2020 to September 30, 2020 and was due by January 21, 2021. The second report was for the period of October 1, 2020 to June 30, 2021 and was due by May 13, 2022. We noted for both reports that were submitted, there was no documented review by someone other than the preparer of the report to ensure the information submitted was complete and accurate.

Identification as a repeat finding: No.

Recommendation: We recommend someone other than the preparer of the report perform a documented, secondary review prior to submission to validate the accuracy and completeness of the data submitted.

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

NORTH KNOX SCHOOL CORPORATION

Board of School Trustees

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Member

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Debbie Utt
Payroll/Personnel

Ethan Singleton
Technology Coordinator

Kevin Curtis
Director of Buildings & Grounds

CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

June 30, 2022

Finding 2022-001

Information on the federal program:

Subject: Education Stabilization Fund – Internal Controls
Federal Agency: Department of Education
Federal Program: COVID-19 – Education Stabilization Fund
Assistance Listing Number: 84.425C, 84.425D, 84.425U
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Finding: Significant Deficiency

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 Reporting compliance requirements.

Context: The School Corporation was required to submit two Annual Data Reports to the Indiana Department of Education (IDOE) to meet federal reporting requirements for ESSER grant awards and the GEER grant award. The first report was for the period of March 13, 2020 to September 30, 2020 and was due by January 21, 2021. The second report was for the period of October 1, 2020 to June 30, 2021 and was due by May 13, 2022. We noted for both reports that were submitted, there was no documented review by someone other than the preparer of the report to ensure the information submitted was complete and accurate.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and will take the following correction action: The treasurer will ensure that a second individual reviews and signs all future data reports prior to their submission.

Responsible party and timeline for completion: Terri Roesler, Treasurer, will oversee the correction action plan. Correction action started immediately after it was brought to our attention during the audit process.

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2020-001

Subject: Child Nutrition Cluster - Suspension and Debarment
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, COVID-19 - School Breakfast Program, National School Lunch Program, COVID-19 - National School Lunch Program, Summer Food Service Program for Children
Assistance Listing Numbers: 10.553, 10.555, 10.559
Federal Award Numbers and Years (or Other Identifying Numbers): 18-19, 19-20
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

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

There were ineffective internal controls to ensure that the School Corporation complied with suspension and debarment requirements. For two of three vendors tested with purchases in excessive of \$25,000, the School Corporation did not have documentation verifying that the vendor was not suspended or debarred from participation in federal award programs.

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

Status: Resolved.

FINDING 2020-002

Subject: Special Education Cluster (IDEA) - Procurement
Federal Agency: Department of Education
Federal Programs: Special Education Grants to States, Special Education Preschool Grant
Assistance Listing Numbers: 84.027, 84.173
Federal Award Numbers and Years (or Other Identifying Numbers): 18611-032-PN01, 19611-032-PN01, 18619-032-PN01, 19619-032-PN01, 14217-032-PN01, 45716-032-PN01
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Finding: Material Weakness

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

The School Corporation was a member of the Knox County Special Education District (Cooperative). The Cooperative operated the special education programs on behalf of the School Corporation and managed the special education grant funds. Because the grant agreements were between the Indiana Department of Education and the School Corporation, the School Corporation was ultimately responsible for compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

The School Corporation did not have adequate procedures in place to ensure that the Cooperative complied with the procurement requirements. The Cooperative had implemented internal controls to document purchases and ensure that the correct procurement method was used, but the internal controls were not properly documented.

The lack of internal controls was a systemic issue that occurred throughout the audit period.

Status: Resolved.