

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

EAST PORTER COUNTY SCHOOL CORPORATION
PORTER COUNTY, INDIANA

July 1, 2011 to June 30, 2013



FILED
06/27/2014

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director of Business Affairs and Human Resources/Treasurer	Lisa Rosinko	07-01-11 to 06-30-16
Superintendent of Schools	Dr. Rodney Gardin	07-01-11 to 06-30-16
President of the School Board	Timothy Bucher Jill Bibler	01-01-11 to 12-31-12 01-01-13 to 12-31-14



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE EAST PORTER COUNTY
SCHOOL CORPORATION, PORTER COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the East Porter County School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2011 to June 30, 2013, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2011 to June 30, 2013.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2011 to June 30, 2013, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated April 28, 2014, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 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.


Accompanying Information

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statement. Such information 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 itself, 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 taken as a whole.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.


Paul D. Joyce, CPA
State Examiner

April 28, 2014



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

TO: THE OFFICIALS OF THE EAST PORTER COUNTY
SCHOOL CORPORATION, PORTER COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the East Porter County School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2011 to June 30, 2013, and the related notes to the financial statement, and have issued our report thereon dated April 28, 2014, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

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) to determine the 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 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 combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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


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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of 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 determination of financial statement amounts. 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 School Corporation'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 School Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

April 28, 2014

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FINANCIAL STATEMENT

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.

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EAST PORTER COUNTY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2012 and 2013

	Cash and Investments 07-01-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13
General	\$ 3,158,291	\$ 13,434,855	\$ 13,874,844	\$ 8	\$ 2,718,310	\$ 13,784,078	\$ 13,558,510	\$ -	\$ 2,943,878
Debt Service	2,463,064	5,612,208	5,197,954	122,613	2,999,931	5,318,618	5,221,659	(17,742)	3,079,148
Retirement/Severance Bond Debt Service	169,185	342,996	331,260	7,606	188,527	325,015	330,272	-	183,270
Capital Projects	1,521,343	2,387,957	2,523,769	54,064	1,439,595	2,216,685	2,168,769	(350,000)	1,137,511
School Transportation	1,242,166	1,200,532	956,125	(322,879)	1,163,694	1,217,766	993,195	(350,000)	1,038,265
School Bus Replacement	270,252	292,252	91,569	10,691	481,626	220,909	372,255	-	330,280
Rainy Day	2,529,493	-	63,577	350,000	2,815,916	-	624,692	700,000	2,891,224
Construction	65,136	550,270	615,406	-	-	-	-	-	-
School Lunch	415,931	900,700	880,768	-	435,863	910,285	909,326	-	436,822
Textbook Rental	170,904	321,097	467,049	-	24,952	312,059	235,497	17,742	119,256
Levy Excess	-	222,095	-	(222,095)	-	-	-	-	-
Educational License Plates	5,385	394	5,411	-	368	338	545	-	161
Kouts Bleacher	816	-	-	-	816	-	-	-	816
Gift	8,573	2,655	609	-	10,619	1,935	981	-	11,573
High Ability Grant	24,024	33,956	35,466	-	22,514	36,762	56,286	-	2,990
Common School Technology	-	255,536	255,536	-	-	228,992	228,992	-	-
Scholarships and Awards	109,626	-	3,605	-	106,021	-	2,500	-	103,521
Non-English Speaking Programs P.L. 273-1999	-	861	861	-	-	-	-	-	-
School Technology	43,745	35,227	17,853	-	61,119	31,293	12,707	-	79,705
RDC Fund	8	26,847	26,847	(8)	-	163,119	163,119	-	-
Misc Programs	5,840	3,000	3,720	-	5,120	7,450	7,202	-	5,368
Security Fund	-	9,900	9,900	-	-	-	-	-	-
Professional Development	11	-	11	-	-	-	-	-	-
Title I	11,889	172,584	190,254	-	(5,781)	200,966	198,116	-	(2,931)
Title I Delinquent	(4,000)	11,667	18,366	-	(10,699)	28,189	17,490	-	-
Title IV Part A	22	4,612	4,634	-	-	-	-	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	(732)	43,055	43,986	-	(1,663)	45,727	44,355	-	(291)
Title III, Language Instruction	(800)	1,410	610	-	-	-	-	-	-
Title I - Grants to LEAs	(19)	53,720	53,701	-	-	-	-	-	-
Special Education - Part B	(957)	85,349	84,392	-	-	-	-	-	-
Educational Job Grant	-	6,226	6,226	-	-	8,734	8,734	-	-
Clearing Account	126,996	2,951,753	3,047,115	-	31,634	3,144,386	3,170,854	-	5,166
Totals	\$ 12,336,192	\$ 28,963,714	\$ 28,811,424	\$ -	\$ 12,488,482	\$ 28,203,306	\$ 28,326,056	\$ -	\$ 12,365,732

The notes to the financial statement are an integral part of this statement.

EAST PORTER COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, 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.

B. 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 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.

C. 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.

D. Receipts

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

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

Intermediate sources which include distributions from the County for fees collected for or on behalf of the School Corporation including educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

EAST PORTER COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

State sources include distributions from the State of Indiana and are to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Federal sources include distributions from the federal government and are to be used by the School Corporation for various purposes. Included in federal sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Other receipts which include amounts received from various sources which include return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. Disbursements

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

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

Support services which include outflows for support services related to students, instruction, general administration, and school administration. It also includes outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services which include outflows for food service operations and community service operations.

Facilities acquisition and construction which includes outflows for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services which include fixed obligations resulting from financial transactions previously entered into by the School Corporation. It includes all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

F. 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:

Transfers in which includes money 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 which includes money paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

EAST PORTER COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

G. Fund Accounting

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for money 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 money 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 unit itself.

Note 2. Budgets

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

Note 3. Property Taxes

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

Note 4. Deposits and Investments

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

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

EAST PORTER COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. Risk Management

The School Corporation may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the School Corporation to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and 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
1 North Capitol Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

EAST PORTER COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teachers' Retirement Fund

Plan Description

The Indiana Teachers' Retirement Fund (TRF) is a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

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
1 North Capitol Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

The School Corporation contributes the employer's share to TRF 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. 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, is considered to be an obligation of, and is paid by, the State of Indiana.

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of some funds being set up for reimbursable grants in which the reimbursement for expenditures made by the School Corporation were not received by June 30, 2012 and 2013.

Note 8. Restatements

For the year ended June 30, 2012, certain changes have been made to the beginning balance of the financial statement to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of the restated beginning balance.

EAST PORTER COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Fund Name	Balance as of June 30, 2011	Prior Period Adjustment	Balance as of July 1, 2011
Textbook Rental	\$ 188,493	\$ (17,589)	\$ 170,904

Note 9. Holding Corporation

The School Corporation has entered into a capital lease with East Porter County 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 the fiscal years ending June 30, 2012, and June 30, 2013, totaled \$5,090,000 and \$5,073,500, respectively.

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's Office.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Financial Reports of the School Corporation which are 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 supplementary information presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

EAST PORTER COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	School Lunch
Cash and investments - beginning	\$ 3,158,291	\$ 2,463,064	\$ 169,185	\$ 1,521,343	\$ 1,242,166	\$ 270,252	\$ 2,529,493	\$ 65,136	\$ 415,931
Receipts:									
Local sources	372,310	5,612,208	342,996	2,387,957	1,200,439	292,252	-	550,270	620,028
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	13,062,545	-	-	-	-	-	-	-	16,817
Federal sources	-	-	-	-	-	-	-	-	263,855
Other	-	-	-	-	93	-	-	-	-
Total receipts	<u>13,434,855</u>	<u>5,612,208</u>	<u>342,996</u>	<u>2,387,957</u>	<u>1,200,532</u>	<u>292,252</u>	<u>-</u>	<u>550,270</u>	<u>900,700</u>
Disbursements:									
Current:									
Instruction	9,865,384	-	-	-	-	-	-	-	-
Support services	3,764,909	22,322	-	808,416	956,125	91,569	-	-	1,581
Noninstructional services	244,551	-	-	-	-	-	-	-	879,187
Facilities acquisition and construction	-	-	-	1,715,353	-	-	33,034	615,406	-
Debt services	-	5,175,632	331,260	-	-	-	30,543	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>13,874,844</u>	<u>5,197,954</u>	<u>331,260</u>	<u>2,523,769</u>	<u>956,125</u>	<u>91,569</u>	<u>63,577</u>	<u>615,406</u>	<u>880,768</u>
Excess (deficiency) of receipts over disbursements	<u>(439,989)</u>	<u>414,254</u>	<u>11,736</u>	<u>(135,812)</u>	<u>244,407</u>	<u>200,683</u>	<u>(63,577)</u>	<u>(65,136)</u>	<u>19,932</u>
Other financing sources (uses):									
Transfers in	8	122,613	7,606	54,064	27,121	10,691	350,000	-	-
Transfers out	-	-	-	-	(350,000)	-	-	-	-
Total other financing sources (uses)	<u>8</u>	<u>122,613</u>	<u>7,606</u>	<u>54,064</u>	<u>(322,879)</u>	<u>10,691</u>	<u>350,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(439,981)</u>	<u>536,867</u>	<u>19,342</u>	<u>(81,748)</u>	<u>(78,472)</u>	<u>211,374</u>	<u>286,423</u>	<u>(65,136)</u>	<u>19,932</u>
Cash and investments - ending	<u>\$ 2,718,310</u>	<u>\$ 2,999,931</u>	<u>\$ 188,527</u>	<u>\$ 1,439,595</u>	<u>\$ 1,163,694</u>	<u>\$ 481,626</u>	<u>\$ 2,815,916</u>	<u>\$ -</u>	<u>\$ 435,863</u>

EAST PORTER COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Textbook Rental	Levy Excess	Educational License Plates	Kouts Bleacher	Gift	High Ability Grant	Common School Technology	Scholarships and Awards
Cash and investments - beginning	\$ 170,904	\$ -	\$ 5,385	\$ 816	\$ 8,573	\$ 24,024	\$ -	\$ 109,626
Receipts:								
Local sources	266,464	222,095	-	-	2,655	-	-	-
Intermediate sources	-	-	394	-	-	-	-	-
State sources	54,633	-	-	-	-	33,956	255,536	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>321,097</u>	<u>222,095</u>	<u>394</u>	<u>-</u>	<u>2,655</u>	<u>33,956</u>	<u>255,536</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	-
Support services	467,049	-	5,411	-	609	35,466	-	2,500
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	255,536	1,105
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>467,049</u>	<u>-</u>	<u>5,411</u>	<u>-</u>	<u>609</u>	<u>35,466</u>	<u>255,536</u>	<u>3,605</u>
Excess (deficiency) of receipts over disbursements	<u>(145,952)</u>	<u>222,095</u>	<u>(5,017)</u>	<u>-</u>	<u>2,046</u>	<u>(1,510)</u>	<u>-</u>	<u>(3,605)</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	(222,095)	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(222,095)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(145,952)</u>	<u>-</u>	<u>(5,017)</u>	<u>-</u>	<u>2,046</u>	<u>(1,510)</u>	<u>-</u>	<u>(3,605)</u>
Cash and investments - ending	<u>\$ 24,952</u>	<u>\$ -</u>	<u>\$ 368</u>	<u>\$ 816</u>	<u>\$ 10,619</u>	<u>\$ 22,514</u>	<u>\$ -</u>	<u>\$ 106,021</u>

EAST PORTER COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Non-English Speaking Programs P.L. 273-1999	School Technology	RDC Fund	Misc Programs	Security Fund	Professional Development	Title I	Title I Delinquent
Cash and investments - beginning	\$ -	\$ 43,745	\$ 8	\$ 5,840	\$ -	\$ 11	\$ 11,889	\$ (4,000)
Receipts:								
Local sources	-	30,871	26,847	3,000	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	861	4,356	-	-	9,900	-	-	-
Federal sources	-	-	-	-	-	-	172,584	11,667
Other	-	-	-	-	-	-	-	-
Total receipts	861	35,227	26,847	3,000	9,900	-	172,584	11,667
Disbursements:								
Current:								
Instruction	861	-	-	-	-	-	190,254	18,366
Support services	-	15,084	-	3,720	-	11	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	2,769	26,847	-	9,900	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	861	17,853	26,847	3,720	9,900	11	190,254	18,366
Excess (deficiency) of receipts over disbursements	-	17,374	-	(720)	-	(11)	(17,670)	(6,699)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	710	-
Transfers out	-	-	(8)	-	-	-	(710)	-
Total other financing sources (uses)	-	-	(8)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	17,374	(8)	(720)	-	(11)	(17,670)	(6,699)
Cash and investments - ending	\$ -	\$ 61,119	\$ -	\$ 5,120	\$ -	\$ -	\$ (5,781)	\$ (10,699)

EAST PORTER COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Title IV Part A	Improving Teaching Quality, No Child Left, Title II, Part A	Title III, Language Instruction	Title I - Grants to LEAs	Special Education - Part B	Educational Job Grant	Clearing Account	Totals
Cash and investments - beginning	\$ 22	\$ (732)	\$ (800)	\$ (19)	\$ (957)	\$ -	\$ 126,996	\$ 12,336,192
Receipts:								
Local sources	-	-	-	-	-	-	-	11,930,392
Intermediate sources	-	-	-	-	-	-	-	394
State sources	-	-	1,410	-	-	-	-	13,440,014
Federal sources	4,612	43,055	-	53,720	85,349	6,226	-	641,068
Other	-	-	-	-	-	-	2,951,753	2,951,846
Total receipts	<u>4,612</u>	<u>43,055</u>	<u>1,410</u>	<u>53,720</u>	<u>85,349</u>	<u>6,226</u>	<u>2,951,753</u>	<u>28,963,714</u>
Disbursements:								
Current:								
Instruction	4,634	43,930	610	53,701	82,016	6,226	-	10,265,982
Support services	-	56	-	-	2,616	-	-	6,177,444
Noninstructional services	-	-	-	-	-	-	-	1,123,738
Facilities acquisition and construction	-	-	-	-	(240)	-	-	2,659,710
Debt services	-	-	-	-	-	-	-	5,537,435
Nonprogrammed charges	-	-	-	-	-	-	3,047,115	3,047,115
Total disbursements	<u>4,634</u>	<u>43,986</u>	<u>610</u>	<u>53,701</u>	<u>84,392</u>	<u>6,226</u>	<u>3,047,115</u>	<u>28,811,424</u>
Excess (deficiency) of receipts over disbursements	<u>(22)</u>	<u>(931)</u>	<u>800</u>	<u>19</u>	<u>957</u>	<u>-</u>	<u>(95,362)</u>	<u>152,290</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	572,813
Transfers out	-	-	-	-	-	-	-	(572,813)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(22)</u>	<u>(931)</u>	<u>800</u>	<u>19</u>	<u>957</u>	<u>-</u>	<u>(95,362)</u>	<u>152,290</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (1,663)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,634</u>	<u>\$ 12,488,482</u>

EAST PORTER COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	School Lunch
Cash and investments - beginning	\$ 2,718,310	\$ 2,999,931	\$ 188,527	\$ 1,439,595	\$ 1,163,694	\$ 481,626	\$ 2,815,916	\$ -	\$ 435,863
Receipts:									
Local sources	243,126	5,318,618	325,015	2,216,685	1,217,766	220,909	-	-	615,577
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	13,536,805	-	-	-	-	-	-	-	17,796
Federal sources	-	-	-	-	-	-	-	-	276,912
Other	4,147	-	-	-	-	-	-	-	-
Total receipts	<u>13,784,078</u>	<u>5,318,618</u>	<u>325,015</u>	<u>2,216,685</u>	<u>1,217,766</u>	<u>220,909</u>	<u>-</u>	<u>-</u>	<u>910,285</u>
Disbursements:									
Current:									
Instruction	9,900,108	-	-	-	-	-	333,850	-	-
Support services	3,409,980	-	-	832,105	993,195	372,255	267,997	-	10,569
Noninstructional services	248,422	-	-	-	-	-	-	-	898,757
Facilities acquisition and construction	-	-	-	1,336,664	-	-	22,845	-	-
Debt services	-	5,221,659	330,272	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>13,558,510</u>	<u>5,221,659</u>	<u>330,272</u>	<u>2,168,769</u>	<u>993,195</u>	<u>372,255</u>	<u>624,692</u>	<u>-</u>	<u>909,326</u>
Excess (deficiency) of receipts over disbursements	<u>225,568</u>	<u>96,959</u>	<u>(5,257)</u>	<u>47,916</u>	<u>224,571</u>	<u>(151,346)</u>	<u>(624,692)</u>	<u>-</u>	<u>959</u>
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	700,000	-	-
Transfers out	-	(17,742)	-	(350,000)	(350,000)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(17,742)</u>	<u>-</u>	<u>(350,000)</u>	<u>(350,000)</u>	<u>-</u>	<u>700,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>225,568</u>	<u>79,217</u>	<u>(5,257)</u>	<u>(302,084)</u>	<u>(125,429)</u>	<u>(151,346)</u>	<u>75,308</u>	<u>-</u>	<u>959</u>
Cash and investments - ending	<u>\$ 2,943,878</u>	<u>\$ 3,079,148</u>	<u>\$ 183,270</u>	<u>\$ 1,137,511</u>	<u>\$ 1,038,265</u>	<u>\$ 330,280</u>	<u>\$ 2,891,224</u>	<u>\$ -</u>	<u>\$ 436,822</u>

EAST PORTER COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Textbook Rental	Levy Excess	Educational License Plates	Kouts Bleacher	Gift	High Ability Grant	Common School Technology	Scholarships and Awards
Cash and investments - beginning	\$ 24,952	\$ -	\$ 368	\$ 816	\$ 10,619	\$ 22,514	\$ -	\$ 106,021
Receipts:								
Local sources	275,426	-	-	-	1,935	-	-	-
Intermediate sources	-	-	338	-	-	-	-	-
State sources	36,633	-	-	-	-	36,762	228,992	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>312,059</u>	<u>-</u>	<u>338</u>	<u>-</u>	<u>1,935</u>	<u>36,762</u>	<u>228,992</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	-	-	-	-	500	-	-	-
Support services	235,497	-	545	-	481	56,286	-	2,500
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	228,992	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>235,497</u>	<u>-</u>	<u>545</u>	<u>-</u>	<u>981</u>	<u>56,286</u>	<u>228,992</u>	<u>2,500</u>
Excess (deficiency) of receipts over disbursements	<u>76,562</u>	<u>-</u>	<u>(207)</u>	<u>-</u>	<u>954</u>	<u>(19,524)</u>	<u>-</u>	<u>(2,500)</u>
Other financing sources (uses):								
Transfers in	17,742	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>17,742</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>94,304</u>	<u>-</u>	<u>(207)</u>	<u>-</u>	<u>954</u>	<u>(19,524)</u>	<u>-</u>	<u>(2,500)</u>
Cash and investments - ending	<u>\$ 119,256</u>	<u>\$ -</u>	<u>\$ 161</u>	<u>\$ 816</u>	<u>\$ 11,573</u>	<u>\$ 2,990</u>	<u>\$ -</u>	<u>\$ 103,521</u>

EAST PORTER COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Non-English Speaking Programs P.L. 273-1999	School Technology	RDC Fund	Misc Programs	Security Fund	Professional Development	Title I	Title I Delinquent
Cash and investments - beginning	\$ -	\$ 61,119	\$ -	\$ 5,120	\$ -	\$ -	\$ (5,781)	\$ (10,699)
Receipts:								
Local sources	-	31,293	163,119	7,450	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	200,966	28,189
Other	-	-	-	-	-	-	-	-
Total receipts	-	31,293	163,119	7,450	-	-	200,966	28,189
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	198,116	17,490
Support services	-	12,707	-	7,202	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	163,119	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	12,707	163,119	7,202	-	-	198,116	17,490
Excess (deficiency) of receipts over disbursements	-	18,586	-	248	-	-	2,850	10,699
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	18,586	-	248	-	-	2,850	10,699
Cash and investments - ending	\$ -	\$ 79,705	\$ -	\$ 5,368	\$ -	\$ -	\$ (2,931)	\$ -

EAST PORTER COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Title IV Part A	Improving Teaching Quality, No Child Left, Title II, Part A	Title III, Language Instruction	Title I - Grants to LEAs	Special Education - Part B	Educational Job Grant	Clearing Account	Totals
Cash and investments - beginning	\$ -	\$ (1,663)	\$ -	\$ -	\$ -	\$ -	\$ 31,634	\$ 12,488,482
Receipts:								
Local sources	-	-	-	-	-	-	-	10,636,919
Intermediate sources	-	-	-	-	-	-	-	338
State sources	-	-	-	-	-	-	-	13,856,988
Federal sources	-	45,727	-	-	-	8,734	-	560,528
Other	-	-	-	-	-	-	3,144,386	3,148,533
Total receipts	-	45,727	-	-	-	8,734	3,144,386	28,203,306
Disbursements:								
Current:								
Instruction	-	41,798	-	-	-	8,734	-	10,500,596
Support services	-	2,557	-	-	-	-	-	6,203,876
Noninstructional services	-	-	-	-	-	-	-	1,147,179
Facilities acquisition and construction	-	-	-	-	-	-	-	1,751,620
Debt services	-	-	-	-	-	-	-	5,551,931
Nonprogrammed charges	-	-	-	-	-	-	3,170,854	3,170,854
Total disbursements	-	44,355	-	-	-	8,734	3,170,854	28,326,056
Excess (deficiency) of receipts over disbursements	-	1,372	-	-	-	-	(26,468)	(122,750)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	717,742
Transfers out	-	-	-	-	-	-	-	(717,742)
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	1,372	-	-	-	-	(26,468)	(122,750)
Cash and investments - ending	<u>\$ -</u>	<u>\$ (291)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,166</u>	<u>\$ 12,365,732</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE EAST PORTER COUNTY
SCHOOL CORPORATION, PORTER COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the East Porter County School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2011 to June 30, 2013. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2011 to June 30, 2013.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2013-003. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.


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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2013-001, 2013-002, and 2013-003 to be material weaknesses.

The School Corporation's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

April 28, 2014

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the School Corporation. The schedule and notes are presented as intended by the School Corporation.

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EAST PORTER COUNTY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2012 and 2013

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-12	Total Federal Awards Expended 06-30-13
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553		\$ 25,914	\$ 26,963
National School Lunch Program	Indiana Department of Education	10.555		304,238	322,499
Total - Department of Agriculture				330,152	349,462
<u>Department of Education</u>					
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010			
			11-6510	11,889	-
			12-6510	179,075	25,205
			13-6510	-	172,911
Title I Program for Neglected and Delinquent Children and Youth			SY 11-12	18,366	563
			SY 12-13	-	16,928
Total for program				209,330	215,607
ARRA -Title I Grants to Local Educational Agencies, Recovery Act	Indiana Department of Education	84.389	SY2010-2011	53,701	-
Total - Title I, Part A Cluster				263,031	215,607
Special Education Cluster					
ARRA - Special Education Grants to States, Recovery Act	Porter County Educational Services	84.391		84,392	-
Total - Special Education Cluster				84,392	-
Safe and Drug-Free Schools and Communities - State Grants	Indiana Department of Education	84.186	SY2009-2010	4,634	-
English Language Acquisition Grants	Indiana Department of Education	84.365	SY2010-2011	610	-
Improving Teacher Quality State Grants	Indiana Department of Education	84.367	10-6510	43,986	-
			11-6510	-	41,172
			12-6510	-	3,183
Total for program				43,986	44,355
Education Jobs Fund	Indiana Department of Education	84.410		6,226	8,734
Total - Department of Education			6510	402,879	268,696
Total federal awards expended				\$ 733,031	\$ 618,158

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

EAST PORTER COUNTY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the School Corporation and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1 et seq.), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Subrecipients

Of the federal expenditures presented in the schedule, the School Corporation provided federal awards to subrecipients as follows for the years ended June 30, 2012 and 2013:

Program Title	Federal CFDA Number	2012	2013
Title I Grants to Local Educational Agencies	84.010	\$ 75,614	\$ 74,676
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	37,659	-

Note 3. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ended June 30, 2012 and 2013. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2012	2013
School Breakfast Program	10.553	\$ 5,204	\$ 5,597
National School Lunch Program	10.555	61,096	66,952

EAST PORTER COUNTY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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 weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	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 section 510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

Name of Federal Program or Cluster

Child Nutrition Cluster
Title I, Part A Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

No matters are reportable.

EAST PORTER COUNTY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

FINDING 2013-001 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO SCHOOL BREAKFAST PROGRAM AND NATIONAL SCHOOL LUNCH PROGRAM

Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program and National School Lunch Program
CFDA Numbers: 10.553 and 10.555
Federal Award Years: FY 2012 and FY 2013
Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and some of the compliance requirements that have a direct and material effect on the programs. This includes the following compliance requirements: Activities Allowed or Unallowed, Cash Management, Eligibility, and Reporting. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

Activities Allowed or Unallowed, Cash Management, and Reporting

The School Corporation has not designed or implemented adequate policies or procedures to ensure that required reports were accurately prepared and timely submitted. The Deputy Treasurer was solely responsible for preparing and submitting all required reports. There was no segregation of duties, such as an oversight or approval process.

Eligibility

The School Corporation has not designed or implemented adequate policies or procedures to ensure that students' eligibility for free and reduced price lunches is properly determined. The Principal of each school is solely responsible for the eligibility determinations. An oversight or review process has not been established to ensure accurate eligibility determinations or proper verification of the applications.

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

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

EAST PORTER COUNTY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The failure to establish internal controls could enable material noncompliance to remain undetected. Noncompliance with the grant agreement or the compliance requirements that have a direct and material effect on the programs could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirements that have a direct and material effect on the programs.

FINDING 2013-002 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES AND ARRA - TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES, RECOVERY ACT

Federal Agency: Department of Education

Federal Programs: Title I Grants to Local Educational Agencies and

ARRA - Title I Grants to Local Educational Agencies, Recovery Act

CFDA Numbers: 84.010 and 84.389

Federal Award Numbers and Years: 11-6510, 12-6510, 13-6510, SY 11-12, SY 12-13, and SY2010-2011

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and some of the compliance requirements that have a direct and material effect on the programs. This includes the following compliance requirements: Cash Management, Eligibility, Earmarking and the Special Tests and Provisions of Comparability. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

Cash Management

The monthly requests for reimbursement are prepared by the Deputy Treasurer. The Director of Business Affairs and Human Resources/Treasurer indicated that she is able to verify the accuracy of these reports by reviewing that the reimbursement received equals the expenditures incurred; however, there is no evidence of the reviews. Furthermore, the verification of the reimbursement to the report does not provide assurance that the amounts requested were based upon expenditures incurred prior to submission of the requests for reimbursement.

Eligibility

The Title I grant application is prepared by the Director of Curriculum and Instruction/Title I Director and is approved and signed by the Superintendent. The portion of the grant application in which the applicant documents which schools are Title I eligible is generated electronically from the Indiana Department of Education website. The eligible schools are pre-populated into the application based upon prior year eligibility determination of free and reduced priced meal eligibility. The School Corporation does not have procedures in place to ensure that the pre-populated information is complete and accurate. No evidence was provided to show that the information was reviewed and verified to reports or applications for free and reduced priced meal eligibility maintained by principals at each school.

EAST PORTER COUNTY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Earmarking

The Director of Business Affairs and Human Resources/Treasurer indicated that she reviews earmarking compliance as part of her monthly close-out of all financial activity by comparing Title I funds' expenditures to the budget. However, there is no evidence of that review.

Special Tests and Provisions - Comparability

The Director of Curriculum and Instruction/Title I Director independently prepares the Title I comparability report. There was no segregation of duties, such as an oversight or approval process.

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

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls could enable material noncompliance to remain undetected. Noncompliance with the grant agreement or the compliance requirements that have a direct and material effect on the programs could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and all compliance requirements that have a direct and material effect on the programs.

FINDING 2013-003 - INTERNAL CONTROLS AND COMPLIANCE OVER SUBRECIPIENT MONITORING

Federal Agency: Department of Education

Federal Programs: Title I Grants to Local educational Agencies and

ARRA - Title I Grants to Local Educational Agencies, Recovery Act

CFDA Numbers: 84.010 and 84.389

Federal Award Numbers and Years: 12-6510, 13-6510, SY 11-12, SY 12-13, and SY2010-2011

Pass-Through Entity: Indiana Department of Education

The School Corporation did not have controls in place to comply and did not fully comply with the Subrecipient Monitoring requirements of the Title I Grants to Local Educational Agencies and the ARRA - Title I Grants to Local Educational Agencies, Recovery Act (Title I) programs.

EAST PORTER COUNTY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The School Corporation provided Title I funds to two entities: Midwest Center for Youth and Family Services (Midwest) and Shultz Lewis Child and Family Center (Shultz). The School Corporation required a signed statement from Midwest and an agreement with Shultz to provide funding to these two entities; however, the statement and agreement did not include all of the required components for compliance with the Subrecipient Monitoring requirements.

The School Corporation required Midwest to sign an LEA Affirmation of Consultation with Neglected Institution Officials, Statement of Assurance to the Indiana Department of Education (IDOE). The School Corporation entered into an agreement provided by the IDOE with Shultz, but this agreement did not include all of the required components. The IDOE has informed the School Corporation that both the agreement form and the statement of assurances are the proper forms to use as subrecipient agreements.

Neither the Statement of Assurance signed by Midwest nor the agreement with Shultz included award information such as: Catalog of Federal Domestic Assistance (CFDA) grant title and grant number; award name and number . . . the name of the federal awarding agency; allowable activities; applicable compliance requirements; requirement to identify ARRA funds in the Schedule of Expenditures of Federal Awards; or subrecipient audit requirements. (Midwest also received ARRA Title I funding from the School Corporation) In addition, documentation was not provided to indicate that the School Corporation required Midwest to obtain a DUNS number.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

OMB Circular A-133, Subpart D, section .400(d) states in part:

"Pass-through entity responsibilities. A pass-through entity shall perform the following for the Federal awards it makes:

- (1) Identify Federal awards made by informing each subrecipient of CFDA title and number, award name and number, award year, if the award is R & D, and name of Federal agency. When some of this information is not available, the pass-through entity shall provide the best information available to describe the Federal award.
- (2) Advise subrecipients of requirements imposed on them by Federal laws, regulations, and the provisions of contracts or grant agreements as well as any supplemental requirements imposed by the pass-through entity.
- (3) Monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved."

The failure to establish internal controls could enable material noncompliance to remain undetected. Noncompliance with the grant agreement or the compliance requirements that have a direct and material effect on the programs could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls related to the grant agreement and the Subrecipient Monitoring requirements. We also recommended that the School Corporation comply with Subrecipient Monitoring requirements by ensuring that subrecipient grant agreements contain all of the applicable requirements.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING NO. 2011-03, CASH MANAGEMENT CONTROLS AND COMPLIANCE


Original SBA Audit Report Number: B40249
Fiscal Year: 2009-2010
Auditee Contact Person: Lisa Rosinko
Title of Contact Person: Director of Business Affairs and Human Resources (Treasurer)
Phone Number: 219-766-2214 Extension 4334
Status of Findings: The East Porter County School Corporation resolved federal grant cash balances from exceeding allowable amounts. The procedure requesting cash based on expenditure reimbursements only eliminates a federal fund from having a cash balance.

FEDERAL FINDING 2011-4, LATE REPORTING - SCHOOL LUNCH REIMBURSEMENTS

Original SBA Audit Report Number: B40249
Fiscal Year: 2009-2010
Auditee Contact Person: Lisa Rosinko
Title of Contact Person: Director of Business Affairs and Human Resources (Treasurer)
Phone Number: 219-766-2214 Extension 4334
Status of Findings: The East Porter County School Corporation resolved late school lunch reimbursements by submitting claims by the 10th day of the following month.

FINDING NO. 2011-05, INTERNAL CONTROLS RELATED TO PROCUREMENT, SUSPENSION, AND DEBARMENT

Original SBA Audit Report Number: B40249
Fiscal Year: 2009-2010
Auditee Contact Person: Lisa Rosinko
Title of Contact Person: Director of Business Affairs and Human Resources (Treasurer)
Phone Number: 219-766-2214 Extension 4334
Status of Findings: The School corporation has an ongoing procedure to verify if a vendor is to be excluded from doing business with the Federal Government. The school corporation is checking the "Excluded Parties Listing System" (EPLS) to ensure that vendor or sub-recipients doing business with the School Corporation have not been suspended or debarred. In accordance with federal guidelines, the School Corporation will prohibit the use of federal grant dollars to parties who have been suspended or debarred from doing business with the federal government. This procedure has been reviewed with the Title I Grant Coordinator to complete for each federal grant the school corporation receives.



Lisa Rosinko
Director of Business Affairs and Human Resources

1-16-2014
Date




Section III – Federal Award Findings and Questioned Costs

FINDING 2013-001 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO SCHOOL BREAKFAST PROGRAM AND NATIONAL SCHOOL LUNCH PROGRAM

Federal Agency: U.S. Department of Agriculture
Federal Program: School Breakfast Program and National School Lunch Program
CFDA Number: 10.553 and 10.555
Federal Award Number and Year (or Other Identifying Number): FY 2012 and FY 2013
Pass-Through Entity: Indiana Department of Education
Auditee Contact Person: Lisa Rosinko
Title of Contact Person: Director of Business and Human Resource Affairs / Treasurer
Status of Finding: The Deputy Treasurer prepares the monthly meals served report that is submitted to the grantor agency. But no one reviews and approves the report with evidence of the review, such as initials and marks to indicate a review and verification has been performed.
Corrective Action Plan: The school corporation has implemented a procedure for the Director of Business and Human Resource Affairs / Treasurer to review and verify the monthly meals served report prepared by the Deputy Treasurer for accuracy. Once the report has been reviewed and approved for accuracy and compliance the Director of Business and Human Resource Affairs / Treasurer will sign the monthly meals served report.
Status of Finding: The principals at each school determine free and reduced meal eligibility based on US Department of Agriculture income eligibility guidelines. But there is no documented evidence, such as initials or other marks, that another person reviews the determinations.
Corrective Action Plan: The school corporation has implemented a procedure for both the building secretary and principal to review, verify and initial free and reduced meal eligibility as a dual verification procedure.



Lisa Rosinko
Director of Business and Human Resource Affairs / Treasurer



Date

Section III – Federal Award Findings and Questioned Costs

FINDING NO. 2013-002, INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES AND ARRA-TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES, RECOVERY ACT

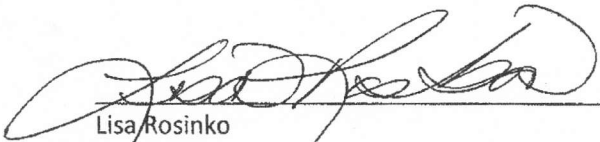
Federal Agency: U.S. Department of Education
Federal Programs: Title I Grants to Local Educational Agencies and ARRA-Title I Grants to Local Educational Agencies, Recovery Act
CFDA Numbers: 84.010 and 84.389
Pass-Through Entity: Indiana Department of Education
Federal Award Number/Year: 11-6510, 12-6510, 13-6510, SY 11-12, SY 12-13, and SY2010-2011
Auditee Contact Person: Brandie Muha
Title of Contact Person: Director of Curriculum and Instruction (Title I Coordinator)
Phone Number: 219-766-2214 Extension 4331
Status of Findings: No established internal control system for compliance requirements: cash management, eligibility, earmarking, special tests and provisions-comparability

Corrective Action Plan: Cash Management: The school corporation has implemented a procedure requiring the Director of Business and Human Resource Affairs / Treasurer to verify reimbursement request reports for all Title Grants. The reimbursement report will be reviewed and verified by the Director of Business and Human Resource Affairs / Treasurer with an approval signature.

Eligibility: Procedures will be put in place to ensure the pre-populated information for eligible Title I schools using free and reduced priced meal eligibility data is complete and accurate. The data report for eligible schools will be printed, reviewed, and verified with a signature from the Superintendent.

Earmarking: The Director of Business Affairs and Human Resource Affairs / Treasurer will provide a monthly fund accounting of reconciliation in the Title I grant file. This reconciliation will be signed and dated as a monthly requirement.

Special Tests and Provisions-Comparability: Title I Comparability Reports will be reviewed and approved by the Superintendent with a signature on printed report.



Lisa Rosinko
Director of Business and Human Resource Affairs / Treasurer

4-28-2014
Date

FINDING 2013-003 SUBRECIPIENT MONITORING

Federal Agency: U.S. Department of Education
Federal Program: Title I Grants to Local educational Agencies and AARA-Title I Grants to Local Educational Agencies, Recovery Act
CFDA Numbers: 84.010 and 84.389
Pass-through Entity: Indiana Department of Education
Federal Award Number/Year: 12-6510, 13-6510, SY 11-12, SY 12-13, SY2010-2011
Auditee Contact Person: Brandie Muha
Title of Contact Person: Director of Curriculum and Instruction (Title I Coordinator)
Phone Number: 219-766-2214 Extension 4331

Status of Findings: No established controls in place to ensure subrecipient agreements include all required components

Corrective Action Plan: Included with the agreement form and statement of assurances to Midwest Center for Youth and Family and Shultz-Lewis will be a form that includes the following information:

1. Program names (and any identifying numbers) from which such assistance is derived, and the Federal requirements which govern the use of such awards and the requirements
2. Monitoring of subrecipients use of Federal awards will happen through site visits, limited scope audits, or other means.
3. Subrecipients audit may be reviewed to determine whether prompt and appropriate corrective action has been taken with respect to audit findings, as defined by the Director, pertaining to Federal awards provided to the subrecipient by the pass-through entity; and
4. Notify that as a condition of receiving Federal awards, the independent auditor of the pass-through entity will have access to the subrecipients' records and financial statements as may be necessary for the pass-through entity to be in compliance.
5. By accepting this award as a subrecipient, a DUNS number must be provided to the school corporation upon signature on agreement form and/or statement of assurances



Lisa Rosinko
Director of Business and Human Resource Affairs / Treasurer

4-28-2014
Date

EAST PORTER COUNTY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on April 28, 2014, with Lisa Rosinko, Director of Business Affairs and Human Resources/Treasurer; Dr. Rodney Gardin, Superintendent of Schools; and Jill Bibler, President of the School Board.