

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

UNION-NORTH UNITED SCHOOL CORPORATION  
ST. JOSEPH COUNTY, INDIANA

July 1, 2013 to June 30, 2015



**FILED**  
08/08/2017



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Valerie Gillespie	07-01-13 to 01-29-16
	(Vacant)	01-30-16 to 02-10-16
	Brenda Beehler	02-11-16 to 06-23-16
	Elizabeth Mangus	06-24-16 to 12-31-17
Superintendent of Schools	Mitchell Mawhorter	07-01-13 to 06-30-17
President of the School Board	Michael Berger	01-01-13 to 12-31-14
	Dan Zeiger	01-01-15 to 12-31-15
	Ken Moore	01-01-16 to 12-31-16
	Karman Eash	01-01-17 to 12-31-17



**STATE OF INDIANA**  
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**INDEPENDENT AUDITOR'S REPORT**

TO: THE OFFICIALS OF THE UNION-NORTH UNITED SCHOOL CORPORATION, ST. JOSEPH COUNTY, INDIANA

**Report on the Financial Statement**

We have audited the accompanying financial statement of the Union-North United School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, and the related notes to the financial statement as listed in the Table of Contents.

***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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 to the financial statement, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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, 2013 to June 30, 2015.

***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, 2013 to June 30, 2015, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the 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.

*Other Information*

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 and Schedule of Leases and Debt, 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.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated June 7, 2017, 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.

  
Paul D. Joyce, CPA  
State Examiner

June 7, 2017



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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 UNION-NORTH UNITED SCHOOL  
CORPORATION, ST. JOSEPH 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 Union-North United School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, and the related notes to the financial statement, and have issued our report thereon dated June 7, 2017, 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.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be a material weakness.

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 School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001 to be a material weakness.

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 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 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.

**Union-North United School Corporation's Response to Findings**

The School Corporation's response to the 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 the financial statement and, accordingly, we express no opinion on it.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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

June 7, 2017

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## FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

UNION-NORTH UNITED SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended June 30, 2014 and 2015

Fund	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments
	07-01-13	Receipts	Disbursements		06-30-14	Receipts	Disbursements		
General	\$ (60,863)	\$ 7,007,771	\$ 6,865,641	\$ 1,514	\$ 82,781	\$ 6,943,448	\$ 6,895,327	\$ 38,918	\$ 169,820
Debt Service	288,846	1,296,980	1,281,817	-	304,009	1,297,227	1,274,740	-	326,496
Exempt Retirement/Severance Bond Debt Service	16,953	77,898	86,954	-	7,897	-	-	(7,897)	-
Capital Projects	(68,693)	759,998	784,881	260	(93,316)	783,589	576,640	134,051	247,684
School Transportation	(103,094)	786,086	765,391	-	(82,399)	883,443	720,781	1,877	82,140
School Bus Replacement	56,964	70,450	-	-	127,414	76,697	157,008	-	47,103
Rainy Day	184,666	-	-	(9,448)	175,218	-	-	(134,051)	41,167
Post-Retirement/Severance Future Benefits	101,364	-	37,075	-	64,289	-	35,720	-	28,569
Series 2010A Const. Acct.H.S.	3,062	-	300	-	2,762	-	946	-	1,816
Series 2010B Const. Acct-Elem	(9,448)	-	(9,448)	-	-	-	-	-	-
Series 2012 Bond	483,029	-	486,129	3,100	-	-	-	-	-
G.O. Bond - Series 2013	-	-	1,040,141	1,590,678	550,537	143,069	491,047	-	202,559
First Mortgage Bond Series '14	-	-	-	-	-	-	196,263	1,327,193	1,130,930
School Lunch	203,157	581,444	535,853	-	248,748	565,628	558,248	-	256,128
Textbook Rental	72,787	151,898	275,695	-	(51,010)	98,669	90,564	-	(42,905)
Levy Excess	1,877	-	-	-	1,877	-	-	(1,613)	264
Educational License Plates	-	94	-	-	94	75	131	-	38
2014 One School At A Time Grant	-	-	-	-	-	1,000	1,000	-	-
2011/2012 Gifted and Talented	(36)	-	(36)	-	-	-	-	-	-
2012/2013 Gifted and Talented	14,926	552	15,478	-	-	-	-	-	-
2013/2014 Gifted and Talented	-	28,857	25,572	-	3,285	-	3,285	-	-
2014/2015 Gifted and Talented	-	-	-	-	-	29,970	22,911	-	7,059
Medicaid Reimbursement	1,094	124,426	-	(27)	125,493	83,331	1,621	-	207,203
Secured Schools Safety Grant	-	-	-	-	-	25,000	25,000	-	-
School Technology	6,831	-	-	-	6,831	1,451	6,831	-	1,451
Technology Grants [IC 20-40-15]	-	5,184	-	-	5,184	1,262	6,446	-	-
Technology Grants	-	-	-	-	-	2,523	2,320	-	203
Performance Based Awards	-	-	-	-	-	24,818	-	(23,965)	853
Food For All Grant	556	-	556	-	-	-	-	-	-
Indiana Native Plant and Wildflower	-	314	314	-	-	-	-	-	-
Cargill Grant 12/13	285	-	285	-	-	-	-	-	-

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

UNION-NORTH UNITED SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended June 30, 2014 and 2015  
(Continued)

Fund	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments
	07-01-13	Receipts	Disbursements		06-30-14	Receipts	Disbursements		
Excess PTRC Distributions	3,298	-	-	-	3,298	-	-	-	3,298
2013 Cargill Grant-Jazz	213	-	-	-	213	-	-	-	213
2013 Youth Livestock Grant	-	11,600	11,600	-	-	-	-	-	-
Lowe's Toolbox for Education-M	-	4,000	2,650	-	1,350	-	1,312	-	38
2014 Cargill Elementary Grant	-	3,750	3,750	-	-	-	-	-	-
Cargill Ag Grant	-	1,300	1,101	-	199	-	199	-	-
14/15 Title I Grant	-	-	-	-	-	153,408	197,574	-	(44,166)
2013/14 Title I Grant	-	119,017	144,001	-	(24,984)	83,399	58,415	-	-
2012/13 Title I	(12,047)	46,116	34,069	-	-	-	-	-	-
Title I 2011/2012	(8,057)	-	(8,057)	-	-	-	-	-	-
(IDEA, Part B) 611 12/13	(5,158)	-	(5,158)	-	-	-	-	-	-
Part B 619 Idea Grant 12/13	(2,148)	6,304	4,156	-	-	-	-	-	-
Part B 6112 Grant 13/14	-	204,901	285,170	-	(80,269)	53,261	(27,008)	-	-
Part B 619 Grant 13/14	-	6,679	7,370	-	(691)	-	(691)	-	-
Part B TA Grant 13/14	-	1,965	1,965	-	-	2,419	4,148	-	(1,729)
Part B 611 Grant 14/15	-	-	-	-	-	185,848	225,764	-	(39,916)
Part B Grant 14/15	-	-	-	-	-	6,486	6,486	-	-
Medicaid Reimbursement - Federal	6,685	456	47	-	7,094	5,479	360	(13)	12,200
Improving Teaching Quality, No Child Left, Title II, Part A	-	-	-	-	-	30,346	35,376	-	(5,030)
Title II 2011/12 Part A Improv	(14,056)	-	(14,056)	-	-	-	-	-	-
Title II 2012/13 Part A Improv	(4,323)	5,212	889	-	-	-	-	-	-
Title II 2013/14 Part A Improv	-	25,010	30,023	-	(5,013)	6,299	1,286	-	-
Education Jobs	(24,592)	-	(24,592)	-	-	-	-	-	-
Prepaid Food Elementary	2,265	77,197	75,651	-	3,811	74,080	76,332	-	1,559
Prepaid Food Jr.-Sr. High School	2,635	157,388	157,978	-	2,045	141,606	140,705	-	2,946
Payroll Deductions	73,125	5,640,642	5,694,063	-	19,704	5,805,830	5,802,176	-	23,358
<b>Totals</b>	<b>\$ 1,212,103</b>	<b>\$ 17,203,489</b>	<b>\$ 18,595,218</b>	<b>\$ 1,586,077</b>	<b>\$ 1,406,451</b>	<b>\$ 17,509,661</b>	<b>\$ 17,589,263</b>	<b>\$ 1,334,500</b>	<b>\$ 2,661,349</b>

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

UNION-NORTH UNITED 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, 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.

*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.* 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.

UNION-NORTH UNITED SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

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

*E. 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.

*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:

*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.

UNION-NORTH UNITED SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*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.

**G. 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 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.

UNION-NORTH UNITED SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

**Note 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 a cost-sharing 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  
One North Capitol, 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.

UNION-NORTH UNITED 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  
One North Capitol, 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.

The School Corporation also contributes to additional pension plans unique to the School Corporation. Information regarding these plans may be obtained from the School Corporation.

**Note 7. Negative Disbursements**

The financial statement contains some disbursements which appear as negative entries. This is a result of a transfer of funds from Rainy Day to Series 2010B Const. Acct-Elem and corrections for grant funds being overspent.

UNION-NORTH UNITED SCHOOL CORPORATION  
 NOTES TO FINANCIAL STATEMENT  
 (Continued)

**Note 8. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. The Capital Projects and School Transportation funds are due to expenditures that exceeded receipts and available cash balances. The Textbook Rental fund was overdrawn at the end of both school years due to textbook purchases exceeding reimbursements received from the state, plus local receipts, during the 2013-2014 school year. Funds 14/15 Title I Grant, Part B 6112 Grant 13/14, Part B 619 Grant 13/14, Part B TA Grant 13/14, Part B 611 Grant 14/15, Improving Teaching Quality, No Child Left, Title II, Part A, and Title II 2013/14 Part A Improv grants were reimbursable grants with their funds being reimbursed later in the calendar year.

**Note 9. Restatement**

For the year ended June 30, 2014, certain changes have been made to some of the beginning balances of the financial statement to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances:

Fund	Balance as of June 30, 2013	Prior Period Adjustment	Balance as of July 1, 2013
Series 2012 Bond	\$ 851,577	\$ (368,548)	\$ 483,029

**Note 10. Holding Corporation**

The School Corporation has entered into capital leases with the Union-North United 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 school years 2013-2014 and 2014-2015 totaled \$832,500 and \$866,000, respectively.

**Note 11. Subsequent Events**

In June of 2016, the School Corporation entered into a capital lease with the Union-North United Building Corporation for \$1,905,000. The purpose was to renovate and repair some outside facilities such as the football field, track, tennis courts, and sidewalks and to renovate and repair certain classroom, labs, technology systems, and equipment updates.

**Note 12. Other Postemployment Benefits**

The School Corporation provides to eligible retirees medical insurance benefits. The School Corporation will contribute, on behalf of any support staff personnel who otherwise qualified for retirement, the amount of medical insurance premium being paid by the Board at the time of the employee's retirement. This contribution shall continue until such time as the individual is eligible to receive Medicare benefits. The amount of the premium contributed by the Board shall be fixed at the time of retirement and shall not be subject to any future increases or decreases. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

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## OTHER INFORMATION - UNAUDITED

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 Gateway 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 presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

UNION-NORTH UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014

	General	Debt Service	Exempt Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post- Retirement/ Severance Future Benefits	Series 2010A Const. Acct.H.S.
Cash and investments - beginning	\$ (60,863)	\$ 288,846	\$ 16,953	\$ (68,693)	\$ (103,094)	\$ 56,964	\$ 184,666	\$ 101,364	\$ 3,062
Receipts:									
Local sources	94,519	1,296,980	77,898	709,648	786,086	70,450	-	-	-
Intermediate sources	13,716	-	-	-	-	-	-	-	-
State sources	6,896,969	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	2,567	-	-	50,350	-	-	-	-	-
Total receipts	7,007,771	1,296,980	77,898	759,998	786,086	70,450	-	-	-
Disbursements:									
Instruction	4,571,182	-	-	-	-	-	-	-	-
Support services	2,107,937	-	-	753,161	765,391	-	-	37,075	300
Noninstructional services	186,522	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	31,720	-	-	-	-	-
Debt services	-	1,281,817	86,954	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	6,865,641	1,281,817	86,954	784,881	765,391	-	-	37,075	300
Excess (deficiency) of receipts over disbursements	142,130	15,163	(9,056)	(24,883)	20,695	70,450	-	(37,075)	(300)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	431	-	-	-	-	-	-	-	-
Transfers in	1,083	-	-	260	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(9,448)	-	-
Total other financing sources (uses)	1,514	-	-	260	-	-	(9,448)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	143,644	15,163	(9,056)	(24,623)	20,695	70,450	(9,448)	(37,075)	(300)
Cash and investments - ending	\$ 82,781	\$ 304,009	\$ 7,897	\$ (93,316)	\$ (82,399)	\$ 127,414	\$ 175,218	\$ 64,289	\$ 2,762

UNION-NORTH UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014  
 (Continued)

	Series 2010B Const. Acct-Elem	Series 2012 Bond	G.O. Bond - Series 2013	First Mortgage Bond Series '14	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	2014 One School At A Time Grant
Cash and investments - beginning	\$ (9,448)	\$ 483,029	\$ -	\$ -	\$ 203,157	\$ 72,787	\$ 1,877	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	250,729	74,484	-	-	-
Intermediate sources	-	-	-	-	-	-	-	94	-
State sources	-	-	-	-	5,122	77,414	-	-	-
Federal sources	-	-	-	-	325,243	-	-	-	-
Other receipts	-	-	-	-	350	-	-	-	-
Total receipts	-	-	-	-	581,444	151,898	-	94	-
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	1,344	275,695	-	-	-
Noninstructional services	-	-	-	-	534,509	-	-	-	-
Facilities acquisition and construction	(9,448)	486,129	1,040,141	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	(9,448)	486,129	1,040,141	-	535,853	275,695	-	-	-
Excess (deficiency) of receipts over disbursements	9,448	(486,129)	(1,040,141)	-	45,591	(123,797)	-	94	-
Other financing sources (uses):									
Proceeds of long-term debt	-	3,100	1,590,678	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	3,100	1,590,678	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	9,448	(483,029)	550,537	-	45,591	(123,797)	-	94	-
Cash and investments - ending	\$ -	\$ -	\$ 550,537	\$ -	\$ 248,748	\$ (51,010)	\$ 1,877	\$ 94	\$ -

UNION-NORTH UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014  
 (Continued)

	2011/2012 Gifted and Talented	2012/2013 Gifted and Talented	2013/2014 Gifted and Talented	2014/2015 Gifted and Talented	Medicaid Reimbursement	Secured Schools Safety Grant	School Technology	Technology Grants [IC 20-40-15]
Cash and investments - beginning	\$ (36)	\$ 14,926	\$ -	\$ -	\$ 1,094	\$ -	\$ 6,831	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	552	28,857	-	124,426	-	-	5,184
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	552	28,857	-	124,426	-	-	5,184
Disbursements:								
Instruction	(36)	12,484	21,876	-	-	-	-	-
Support services	-	2,994	3,696	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	(36)	15,478	25,572	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	36	(14,926)	3,285	-	124,426	-	-	5,184
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(27)	-	-	-
Total other financing sources (uses)	-	-	-	-	(27)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	36	(14,926)	3,285	-	124,399	-	-	5,184
Cash and investments - ending	\$ -	\$ -	\$ 3,285	\$ -	\$ 125,493	\$ -	\$ 6,831	\$ 5,184

UNION-NORTH UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014  
 (Continued)

	Technology Grants	Performance Based Awards	Food For All Grant	Indiana Native Plant and Wildflower	Cargill Grant 12/13	Excess PTRC Distributions	2013 Cargill Grant- Jazz	2013 Youth Livestock Grant
Cash and investments - beginning	\$ -	\$ -	\$ 556	\$ -	\$ 285	\$ 3,298	\$ 213	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	314	-	-	-	-
Other receipts	-	-	-	-	-	-	-	11,600
Total receipts	-	-	-	314	-	-	-	11,600
Disbursements:								
Instruction	-	-	-	-	-	-	-	-
Support services	-	-	556	314	285	-	-	11,600
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	556	314	285	-	-	11,600
Excess (deficiency) of receipts over disbursements	-	-	(556)	-	(285)	-	-	-
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	-	-	(556)	-	(285)	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,298	\$ 213	\$ -

UNION-NORTH UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014  
 (Continued)

	Lowe's Toolbox for Education-M	2014 Cargill Elementary Grant	Cargill Ag Grant	14/15 Title I Grant	2013/14 Title I Grant	2012/13 Title I	Title I 2011/2012	(IDEA, Part B) 611 12/13
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (12,047)	\$ (8,057)	\$ (5,158)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	119,017	46,116	-	-
Other receipts	4,000	3,750	1,300	-	-	-	-	-
Total receipts	<u>4,000</u>	<u>3,750</u>	<u>1,300</u>	<u>-</u>	<u>119,017</u>	<u>46,116</u>	<u>-</u>	<u>-</u>
Disbursements:								
Instruction	-	3,750	1,101	-	144,001	34,069	(8,057)	(5,158)
Support services	2,650	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>2,650</u>	<u>3,750</u>	<u>1,101</u>	<u>-</u>	<u>144,001</u>	<u>34,069</u>	<u>(8,057)</u>	<u>(5,158)</u>
Excess (deficiency) of receipts over disbursements	<u>1,350</u>	<u>-</u>	<u>199</u>	<u>-</u>	<u>(24,984)</u>	<u>12,047</u>	<u>8,057</u>	<u>5,158</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
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>1,350</u>	<u>-</u>	<u>199</u>	<u>-</u>	<u>(24,984)</u>	<u>12,047</u>	<u>8,057</u>	<u>5,158</u>
Cash and investments - ending	<u>\$ 1,350</u>	<u>\$ -</u>	<u>\$ 199</u>	<u>\$ -</u>	<u>\$ (24,984)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

UNION-NORTH UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014  
 (Continued)

	Part B 619 Idea Grant 12/13	Part B 6112 Grant 13/14	Part B 619 Grant 13/14	Part B TA Grant 13/14	Part B 611 Grant 14/15	Part B Grant 14/15	Medicaid Reimbursement - Federal	Improving Teaching Quality, No Child Left, Title II, Part A
Cash and investments - beginning	\$ (2,148)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,685	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	6,304	204,901	6,679	1,965	-	-	456	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	6,304	204,901	6,679	1,965	-	-	456	-
Disbursements:								
Instruction	-	285,170	-	1,965	-	-	-	-
Support services	4,156	-	7,370	-	-	-	47	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	4,156	285,170	7,370	1,965	-	-	47	-
Excess (deficiency) of receipts over disbursements	2,148	(80,269)	(691)	-	-	-	409	-
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	2,148	(80,269)	(691)	-	-	-	409	-
Cash and investments - ending	\$ -	\$ (80,269)	\$ (691)	\$ -	\$ -	\$ -	\$ 7,094	\$ -

UNION-NORTH UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014  
 (Continued)

	Title II 2011/12 Part A Imrpov	Title II 2012/13 Part A Improv	Title II 2013/14 Part A Improv	Education Jobs	Prepaid Food Elementary	Prepaid Food Jr.-Sr. High School	Payroll Deductions	Totals
Cash and investments - beginning	\$ (14,056)	\$ (4,323)	\$ -	\$ (24,592)	\$ 2,265	\$ 2,635	\$ 73,125	\$ 1,212,103
Receipts:								
Local sources	-	-	-	-	-	-	-	3,360,794
Intermediate sources	-	-	-	-	-	-	-	13,810
State sources	-	-	-	-	-	-	-	7,138,524
Federal sources	-	5,212	25,010	-	-	-	-	741,217
Other receipts	-	-	-	-	77,197	157,388	5,640,642	5,949,144
Total receipts	-	5,212	25,010	-	77,197	157,388	5,640,642	17,203,489
Disbursements:								
Instruction	(14,056)	889	30,023	(13,480)	-	-	-	5,065,723
Support services	-	-	-	(11,112)	-	-	-	3,963,459
Noninstructional services	-	-	-	-	-	-	-	721,031
Facilities acquisition and construction	-	-	-	-	-	-	-	1,548,542
Debt services	-	-	-	-	-	-	-	1,368,771
Nonprogrammed charges	-	-	-	-	75,651	157,978	5,694,063	5,927,692
Total disbursements	(14,056)	889	30,023	(24,592)	75,651	157,978	5,694,063	18,595,218
Excess (deficiency) of receipts over disbursements	14,056	4,323	(5,013)	24,592	1,546	(590)	(53,421)	(1,391,729)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	1,593,778
Sale of capital assets	-	-	-	-	-	-	-	431
Transfers in	-	-	-	-	-	-	-	1,343
Transfers out	-	-	-	-	-	-	-	(9,475)
Total other financing sources (uses)	-	-	-	-	-	-	-	1,586,077
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	14,056	4,323	(5,013)	24,592	1,546	(590)	(53,421)	194,348
Cash and investments - ending	\$ -	\$ -	\$ (5,013)	\$ -	\$ 3,811	\$ 2,045	\$ 19,704	\$ 1,406,451

UNION-NORTH UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2015

	General	Debt Service	Exempt Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post-Retirement/ Severance Future Benefits	Series 2010A Const. Acct.H.S.
Cash and investments - beginning	\$ 82,781	\$ 304,009	\$ 7,897	\$ (93,316)	\$ (82,399)	\$ 127,414	\$ 175,218	\$ 64,289	\$ 2,762
Receipts:									
Local sources	111,744	1,297,227	-	783,589	879,043	76,697	-	-	-
Intermediate sources	3,633	-	-	-	-	-	-	-	-
State sources	6,828,071	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	4,400	-	-	-	-
Total receipts	6,943,448	1,297,227	-	783,589	883,443	76,697	-	-	-
Disbursements:									
Instruction	4,393,327	-	-	-	-	-	-	-	-
Support services	2,360,093	-	-	554,667	720,781	157,008	-	35,720	(870)
Noninstructional services	141,907	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	21,973	-	-	-	-	1,816
Debt services	-	1,274,740	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	6,895,327	1,274,740	-	576,640	720,781	157,008	-	35,720	946
Excess (deficiency) of receipts over disbursements	48,121	22,487	-	206,949	162,662	(80,311)	-	(35,720)	(946)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	7,006	-	-	-	-	-	-	-	-
Transfers in	31,912	-	-	134,051	1,877	-	-	-	-
Transfers out	-	-	(7,897)	-	-	-	(134,051)	-	-
Total other financing sources (uses)	38,918	-	(7,897)	134,051	1,877	-	(134,051)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	87,039	22,487	(7,897)	341,000	164,539	(80,311)	(134,051)	(35,720)	(946)
Cash and investments - ending	\$ 169,820	\$ 326,496	\$ -	\$ 247,684	\$ 82,140	\$ 47,103	\$ 41,167	\$ 28,569	\$ 1,816

UNION-NORTH UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2015  
 (Continued)

	Series 2010B Const. Acct-Elem	Series 2012 Bond	G.O. Bond - Series 2013	First Mortgage Bond Series '14	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	2014 One School At A Time Grant
Cash and investments - beginning	\$ -	\$ -	\$ 550,537	\$ -	\$ 248,748	\$ (51,010)	\$ 1,877	\$ 94	\$ -
Receipts:									
Local sources	-	-	-	-	227,434	54,925	-	-	1,000
Intermediate sources	-	-	-	-	2,422	-	-	75	-
State sources	-	-	-	-	4,647	43,649	-	-	-
Federal sources	-	-	-	-	330,775	-	-	-	-
Other receipts	-	-	143,069	-	350	95	-	-	-
Total receipts	-	-	143,069	-	565,628	98,669	-	75	1,000
Disbursements:									
Instruction	-	-	-	-	-	-	-	131	-
Support services	-	-	-	-	449	90,564	-	-	-
Noninstructional services	-	-	-	-	557,799	-	-	-	-
Facilities acquisition and construction	-	-	491,047	196,263	-	-	-	-	1,000
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	491,047	196,263	558,248	90,564	-	131	1,000
Excess (deficiency) of receipts over disbursements	-	-	(347,978)	(196,263)	7,380	8,105	-	(56)	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	1,327,193	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	264	-	-
Transfers out	-	-	-	-	-	-	(1,877)	-	-
Total other financing sources (uses)	-	-	-	1,327,193	-	-	(1,613)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(347,978)	1,130,930	7,380	8,105	(1,613)	(56)	-
Cash and investments - ending	\$ -	\$ -	\$ 202,559	\$ 1,130,930	\$ 256,128	\$ (42,905)	\$ 264	\$ 38	\$ -

UNION-NORTH UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2015  
 (Continued)

	2011/2012 Gifted and Talented	2012/2013 Gifted and Talented	2013/2014 Gifted and Talented	2014/2015 Gifted and Talented	Medicaid Reimbursement	Secured Schools Safety Grant	School Technology	Technology Grants [IC 20-40-15]
Cash and investments - beginning	\$ -	\$ -	\$ 3,285	\$ -	\$ 125,493	\$ -	\$ 6,831	\$ 5,184
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	29,970	83,331	25,000	1,451	1,262
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	-	-	29,970	83,331	25,000	1,451	1,262
Disbursements:								
Instruction	-	-	3,285	19,373	1,621	-	-	-
Support services	-	-	-	3,538	-	-	6,831	6,446
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	25,000	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	3,285	22,911	1,621	25,000	6,831	6,446
Excess (deficiency) of receipts over disbursements	-	-	(3,285)	7,059	81,710	-	(5,380)	(5,184)
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	-	-	(3,285)	7,059	81,710	-	(5,380)	(5,184)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 7,059	\$ 207,203	\$ -	\$ 1,451	\$ -

UNION-NORTH UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2015  
 (Continued)

	Technology Grants	Performance Based Awards	Food For All Grant	Indiana Native Plant and Wildflower	Cargill Grant 12/13	Excess PTRC Distributions	2013 Cargill Grant- Jazz	2013 Youth Livestock Grant
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,298	\$ 213	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	2,523	-	-	-	-	-	-	-
Federal sources	-	24,818	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	2,523	24,818	-	-	-	-	-	-
Disbursements:								
Instruction	-	-	-	-	-	-	-	-
Support services	2,320	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	2,320	-	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	203	24,818	-	-	-	-	-	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	(23,965)	-	-	-	-	-	-
Total other financing sources (uses)	-	(23,965)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	203	853	-	-	-	-	-	-
Cash and investments - ending	\$ 203	\$ 853	\$ -	\$ -	\$ -	\$ 3,298	\$ 213	\$ -

UNION-NORTH UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2015  
 (Continued)

	Lowe's Toolbox for Education-M	2014 Cargill Elementary Grant	Cargill Ag Grant	14/15 Title I Grant	2013/14 Title I Grant	2012/13 Title I	Title I 2011/2012	(IDEA, Part B) 611 12/13
Cash and investments - beginning	\$ 1,350	\$ -	\$ 199	\$ -	\$ (24,984)	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	153,408	83,399	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	-	-	153,408	83,399	-	-	-
Disbursements:								
Instruction	-	-	199	185,705	58,415	-	-	-
Support services	1,312	-	-	11,869	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	1,312	-	199	197,574	58,415	-	-	-
Excess (deficiency) of receipts over disbursements	(1,312)	-	(199)	(44,166)	24,984	-	-	-
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	(1,312)	-	(199)	(44,166)	24,984	-	-	-
Cash and investments - ending	\$ 38	\$ -	\$ -	\$ (44,166)	\$ -	\$ -	\$ -	\$ -

UNION-NORTH UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2015  
 (Continued)

	Part B 619 Idea Grant 12/13	Part B 6112 Grant 13/14	Part B 619 Grant 13/14	Part B TA Grant 13/14	Part B 611 Grant 14/15	Part B Grant 14/15	Medicaid Reimbursement - Federal	Improving Teaching Quality, No Child Left, Title II, Part A
Cash and investments - beginning	\$ -	\$ (80,269)	\$ (691)	\$ -	\$ -	\$ -	7,094	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	53,261	-	2,419	185,848	6,486	5,479	30,346
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	53,261	-	2,419	185,848	6,486	5,479	30,346
Disbursements:								
Instruction	-	(27,008)	-	4,148	225,764	-	-	35,376
Support services	-	-	(691)	-	-	6,486	360	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	(27,008)	(691)	4,148	225,764	6,486	360	35,376
Excess (deficiency) of receipts over disbursements	-	80,269	691	(1,729)	(39,916)	-	5,119	(5,030)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(13)	-
Total other financing sources (uses)	-	-	-	-	-	-	(13)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	80,269	691	(1,729)	(39,916)	-	5,106	(5,030)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (1,729)	\$ (39,916)	\$ -	\$ 12,200	\$ (5,030)

UNION-NORTH UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2015  
 (Continued)

	Title II 2011/12 Part A Imrpov	Title II 2012/13 Part A Improv	Title II 2013/14 Part A Improv	Education Jobs	Prepaid Food Elementary	Prepaid Food Jr.-Sr. High School	Payroll Deductions	Totals
Cash and investments - beginning	\$ -	\$ -	\$ (5,013)	\$ -	\$ 3,811	\$ 2,045	\$ 19,704	\$ 1,406,451
Receipts:								
Local sources	-	-	-	-	-	-	-	3,431,659
Intermediate sources	-	-	-	-	-	-	-	6,130
State sources	-	-	-	-	-	-	-	7,019,904
Federal sources	-	-	6,299	-	-	-	-	882,538
Other receipts	-	-	-	-	74,080	141,606	5,805,830	6,169,430
Total receipts	-	-	6,299	-	74,080	141,606	5,805,830	17,509,661
Disbursements:								
Instruction	-	-	1,286	-	-	-	-	4,901,622
Support services	-	-	-	-	-	-	-	3,956,883
Noninstructional services	-	-	-	-	-	-	-	699,706
Facilities acquisition and construction	-	-	-	-	-	-	-	737,099
Debt services	-	-	-	-	-	-	-	1,274,740
Nonprogrammed charges	-	-	-	-	76,332	140,705	5,802,176	6,019,213
Total disbursements	-	-	1,286	-	76,332	140,705	5,802,176	17,589,263
Excess (deficiency) of receipts over disbursements	-	-	5,013	-	(2,252)	901	3,654	(79,602)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	1,327,193
Sale of capital assets	-	-	-	-	-	-	-	7,006
Transfers in	-	-	-	-	-	-	-	168,104
Transfers out	-	-	-	-	-	-	-	(167,803)
Total other financing sources (uses)	-	-	-	-	-	-	-	1,334,500
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	5,013	-	(2,252)	901	3,654	1,254,898
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 1,559	\$ 2,946	\$ 23,358	\$ 2,661,349

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UNION-NORTH UNITED SCHOOL CORPORATION  
SCHEDULE OF LEASES AND DEBT  
June 30, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Union-North United School Building Corporation	Building Lease	\$ 211,750	9/15/2010	12/31/2015
Union-North United School Building Corporation	Building Lease	411,000	10/12/2010	12/31/2022
Union-North United School Building Corporation	Building Lease	113,500	10/9/2014	12/31/2024
Adams-Remco	MFP/Copier Equipment	11,062	7/1/2014	6/30/2018
Apple Education/GE Capital	Apple iPads Mini-iPads	<u>65,640</u>	7/1/2014	6/30/2018
Total of annual lease payments		<u>\$ 812,952</u>		

Type	Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	2013 Bond- LaVille Elementary & Jr/Sr High School Needs	\$ 1,240,000	\$ 200,240
Notes and loans payable	2012 First Mortgage Bond- LaVille Elementary & Jr/Sr High School Needs	<u>1,215,000</u>	<u>169,357</u>
Totals		<u>\$ 2,455,000</u>	<u>\$ 369,597</u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE UNION-NORTH UNITED SCHOOL  
CORPORATION, ST. JOSEPH COUNTY, INDIANA

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

We have audited the Union-North United 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, 2013 to June 30, 2015. 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. Except as discussed in the following paragraph, 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.

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

***Basis for Qualified Opinion on Title I Grants to Local Educational Agencies***

As described in items 2015-003 and 2015-004 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with Title I Grants to Local Educational Agencies regarding Special Tests and Provisions - Highly Qualified Teachers and Paraprofessionals and Special Tests and Provisions - Annual Report Card, High School Graduation Rate. Consequently, we were unable to determine whether the School Corporation complied with these requirements applicable to the program.

***Qualified Opinion on Title I Grants to Local Educational Agencies***

In our opinion, except for the effects of such noncompliance, if any, as might have been determined had we been able to examine sufficient evidence regarding the School Corporation's compliance with the requirements of Special Tests and Provisions - Highly Qualified Teachers and Paraprofessionals and Special Tests and Provisions - Annual Report Card, High School Graduation Rate described in the *Basis for Qualified Opinion on Title I Grants to Local Educational Agencies* paragraph the School Corporation complied, in all material respects, with the requirements referred to above that could have a direct and material effect on Title I Grants to Local Educational Agencies program for the period of July 1, 2013 to June 30, 2015.

***Unmodified Opinion on the Special Education Cluster (IDEA)***

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its other major federal program identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2013 to June 30, 2015.

***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 2015-006. Our opinion on the major federal program is not modified with respect to these matters.

The School Corporation's response to the noncompliance 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.

**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.


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

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 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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2015-002, 2015-003, 2015-004, 2015-005, and 2015-006 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.

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

June 7, 2017

#### SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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.

UNION-NORTH UNITED SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Years Ended June 30, 2014 and 2015

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	Pass-Through To Subrecipient 06-30-14	Total Federal Awards Expended 06-30-14	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
			SY 2013-14	\$ -	\$ 57,034	\$ -	\$ -
			SY 2014-15	-	-	-	60,188
				-	57,034	-	60,188
Total - School Breakfast Program				-	57,034	-	60,188
National School Lunch Program							
National School Lunch Program	Indiana Department of Education	10.555					
National School Lunch Program			SY 2013-14	-	262,300	-	-
National School Lunch Program			SY 2014-15	-	-	-	265,363
National School Lunch Commodities			SY 2013-14	-	36,873	-	-
National School Lunch Commodities			SY 2014-15	-	-	-	35,804
				-	-	-	35,804
Total - National School Lunch Program				-	299,173	-	301,167
Summer Food Service Program for Children							
	Indiana Department of Education	10.559					
			SY 2013-14	-	5,910	-	-
			SY 2014-15	-	-	-	5,225
				-	-	-	5,225
Total - Summer Food Service Program for Children				-	5,910	-	5,225
Total - Child Nutrition Cluster				-	362,117	-	366,580
Total - Department of Agriculture				-	362,117	-	366,580
<u>Department of Education</u>							
Title I Grants to Local Educational Agencies							
12/13 Title I	Indiana Department of Education	84.010					
13/14 Title I			13-7215	-	46,116	-	-
13/14 Title I			14-7215	-	119,017	-	83,399
14/15 Title I			15-7215	-	-	-	153,408
				-	-	-	153,408
Total - Title I Grants to Local Educational Agencies				-	165,133	-	236,807

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

UNION-NORTH UNITED SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Years Ended June 30, 2014 and 2015  
(Continued)

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	Pass-Through To Subrecipient 06-30-14	Total Federal Awards Expended 06-30-14	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15
<u>Department of Education (continued)</u>							
Special Education Cluster (IDEA)							
Special Education_Grants to States	Indiana Department of Education	84.027					
13/14 IDEA Grant 611			14214-136-PN01	-	204,901	-	53,261
14/15 IDEA Grant 611			14215-136-PN01	-	-	-	185,848
Part B TA Grant 13/14			99914-136-TA01	-	1,965	-	2,419
Total - Special Education_Grants to States				-	206,866	-	241,528
Special Education_Preschool Grants	Indiana Department of Education	84.173					
12/13 IDEA Grant 619			45713-136-PN01	-	6,304	-	-
13/14 IDEA Grant 619			45714-136-PN01	-	6,679	-	-
14/15 IDEA Grant 619			45715-136-PN01	-	-	-	6,486
Total - Special Education_Preschool Grants				-	12,983	-	6,486
Total - Special Education Cluster (IDEA)				-	219,849	-	248,014
Improving Teacher Quality State Grants	Indiana Department of Education	84.367					
12/13 Title II-A			FFY 2012	-	5,212	-	-
13/14 Title II-A			FFY 2013	-	25,010	-	-
14/15 Title II-A			FFY 2014	-	-	-	30,346
Total - Improving Teacher Quality State Grants				-	30,222	-	30,346
Total - Department of Education				-	415,204	-	515,167
<u>Social Security Administration</u>							
Disability Insurance/SSI Cluster							
Social Security_Disability Insurance	Direct	96.001					
				-	456	-	5,479
Total - Social Security Administration				-	456	-	5,479
Total federal awards expended				\$ -	\$ 777,777	\$ -	\$ 887,226

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

UNION-NORTH UNITED SCHOOL CORPORATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. 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 years ended June 30, 2014 and 2015. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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.

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 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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.

UNION-NORTH UNITED 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?	yes
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified for Special Education Cluster Qualified for Title I Grants to Local Educational Agencies
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:

CFDA Number	Name of Federal Program or Cluster
84.010	Title I Grants to Local Educational Agencies Special Education Cluster (IDEA)

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**

**FINDING 2015-001 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING**

*Condition*

The School Corporation failed to establish or properly implement effective internal controls over financial transactions and reporting, including the Schedule of Expenditures of Federal Awards (SEFA).

UNION-NORTH UNITED SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Cash and Investments*

One person prepared the monthly reconciliements for all accounts without oversight or review. Textbook rental transactions and balances were included in the financial statement which were held in the High School Extra-Curricular Account. There was no oversight or review process over the monthly reconciliements performed by the High School Extra-Curricular Treasurer.

*Receipts and Vendor Disbursements*

The School Corporation failed to document a review process over receipts entered into the financial software and vendor disbursements generated by the financial software.

*Payroll Disbursements*

The School Corporation hired a service organization to prepare their payroll. This included journal entries to record the processed payroll activities and to post to the School Corporation's records. One School Corporation employee entered the information into the service organization's software, made any necessary adjustments, and submitted the information without any oversight or review. Supporting documentation for adjustments was not available. Additionally, there was no documented oversight or review of the journal entries received from the service organization to ensure that employees were paid from the correct fund or that the compensation was calculated correctly.

Changes in compensation during the school year were documented on "Employee Changes" forms. One employee entered the change into the service organization software and confirmed that the change was made. The Employee Changes forms were not signed by the person initiating or authorizing the changes.

*Financial Close and Reporting*

Textbook Rental fund transactions reported in the financial statement were added as adjustments of amounts held as part of the High School Extra-Curricular Accounts. These adjustments were made without oversight or approval and sufficient documentation was not retained to support the adjustments.

*SEFA*

There were no controls to ensure accurate reporting of the federal awards. One employee prepared, submitted, and certified the SEFA without oversight, review, or approval.

*Criteria*

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

UNION-NORTH UNITED SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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

An integral part of the control activity component is segregation of duties. . . .

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

*Cause*

Management of the School Corporation had not established a proper system of internal controls or a system that would have ensured that any controls in place were properly documented and could have been verified.

*Effect*

The failure to establish controls could have enabled material misstatements or irregularities to remain undetected.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**Section III - Federal Award Findings and Questioned Costs**

**FINDING 2015-002 - INTERNAL CONTROL OVER TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES**

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): 13-7215, 14-7215, 15-7215

Pass-Through Entity: Indiana Department of Education

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the following compliance requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Cash Management, Eligibility, Level of Effort, Period of Performance, Reporting, and Special Tests and Provisions - Assessment Security System.

*Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Level of Effort, Period of Performance*

There was no evidence of an oversight, review, or approval process to ensure that only applicable teachers' payroll was charged to the Title I Grants to Local Education Agencies program.

UNION-NORTH UNITED SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Cash Management, Reporting*

The Reimbursement Forms were prepared without evidence of oversight, review, or approval.

*Eligibility*

Determinations of eligibility were made without evidence of oversight, review, or approval.

*Special Tests and Provisions - Assessment Security System*

The School Corporation had developed a Test Security Policy, however, several components of the policy were not documented, including, but not limited to, the following: Code of Ethical Practices, training, and an Individual Education Plan.

*Context*

The lack of controls was a systemic problem. There were no documented controls over the compliance requirements noted in the *Condition* during the audit period.

*Criteria*

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. . . ."

*Cause*

Management had not developed a system of internal controls that segregated key functions or that defined procedures for documenting staff responsibilities related to controls.

*Effect*

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

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirements listed above.

UNION-NORTH UNITED SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

***FINDING 2015-003 - SPECIAL TESTS AND PROVISIONS - HIGHLY QUALIFIED TEACHERS AND PARAPROFESSIONALS***

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): 13-7215, 14-7215, 15-7215

Pass-Through Entity: Indiana Department of Education

*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 Special Tests and Provisions - Highly Qualified Teachers and Paraprofessionals compliance requirement.

The School Corporation failed to provide documentation that their staff had met all of the requirements necessary to meet the definition of a highly qualified teacher. Staff completed a checklist which addressed the requirements and clearly indicated that the documentation was required; however, no one followed up to ensure that the documentation was provided or maintained. We were unable to obtain sufficient appropriate evidence to verify the School Corporation's compliance with the requirements.

*Context*

The lack of controls and proper documentation was a systemic problem which occurred throughout the audit period.

*Criteria*

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. . . ."

34 CFR 74.53(b) states:

"Financial records, supporting documents, statistical records, and all other records pertinent to an award shall be retained for a period of three years from the date of submission of the final expenditure report or, for awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, as authorized by the Secretary."

UNION-NORTH UNITED SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Cause*

The School Corporation had not developed or implemented a system of internal controls to ensure compliance with the grant agreement and the Special Tests and Provisions - Highly Qualified Teachers and Paraprofessionals requirements.

*Effect*

The failure to retain appropriate documentation prevented the determination of the School Corporation's compliance with the Special Tests and Provisions - Highly Qualified Teachers and Paraprofessional requirements.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls and implement procedures to ensure that documentation related to the Special Tests and Provisions - Highly Qualified Teachers and Paraprofessionals requirements is maintained and available for audit.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

***FINDING 2015-004 - SPECIAL TESTS AND PROVISIONS - ANNUAL REPORT CARD, HIGH SCHOOL GRADUATION RATE***

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): 13-7215, 14-7215, 15-7215

Pass-Through Entity: Indiana Department of Education

*Condition*

The School Corporation had not established an effective internal control system related to the grant agreement and the Special Test and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

The School Corporation did not provide documentation that they complied with the Special Tests and Provisions - Annual Report Card, High School Graduation Rate requirements. The School Corporation could not locate documentation which addressed the reasons that not all students who enrolled as ninth graders ultimately graduated. We were unable to determine if the graduation rate was properly determined.

*Context*

The lack of controls and noncompliance was a systemic problem which occurred throughout the audit period.

UNION-NORTH UNITED SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Criteria*

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. . . ."

34 CFR 74.53(b) states:

"Financial records, supporting documents, statistical records, and all other records pertinent to an award shall be retained for a period of three years from the date of submission of the final expenditure report or, for awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, as authorized by the Secretary."

*Cause*

The School Corporation had not developed or implemented a system of internal controls to ensure compliance with the Special Test and Provisions - Annual Report Card, High School Graduation Rate requirements.

*Effect*

The failure to retain appropriate documentation prevented the determination of the School Corporation's compliance with the Special Tests and Provisions - Annual Report Card, High School Graduation Rate requirements.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls and implement procedures to ensure that documentation related to Special Tests and Provisions Annual Report Card, High School Graduation Rate requirements is maintained and available for audit.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2015-005 - INTERNAL CONTROL OVER SPECIAL EDUCATION CLUSTER (IDEA)**

Federal Agency: Department of Education

Federal Programs: Special Education\_Grants to States, Special Education\_Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14214-136-PN01, 14215-136-PN01,  
99914-136-TA01, 45713-136-PN01,  
45714-136-PN01, 45715-136-PN01

Pass-Through Entity: Indiana Department of Education

UNION-NORTH UNITED SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the following compliance requirements: Activities Allowed or Unallowed, Cash Management, Level of Effort, Period of Performance, and Reporting.

*Activities Allowed or Unallowed, Level of Effort, Period of Performance*

The majority of the program expenditures were for payroll. There was no evidence of an oversight, review, or approval process to ensure that only applicable teachers' payroll was charged to the Special Education Cluster (IDEA) programs.

*Cash Management, Reporting*

The Reimbursement Requests (reports) were prepared without evidence of oversight, review, or approval.

*Context*

The lack of controls was a systemic problem. There were no documented controls over the compliance requirements noted in the *Condition* throughout the audit period.

*Criteria*

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. . . ."

*Cause*

The School Corporation had not developed or implemented a system of controls that segregated key functions.

*Effect*

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

*Questioned Costs*

There are no questioned costs.

*Recommendation*

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirements listed above.

UNION-NORTH UNITED SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2015-006 - ALLOWABLE COSTS/COST PRINCIPLES**

Federal Agency: Department of Education

Federal Programs: Special Education\_Grants to States, Special Education\_Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14214-136-PN01, 14215-136-PN01,  
99914-136-TA01, 45713-136-PN01,  
45714-136-PN01, 45715-136-PN01

Pass-Through Entity: Indiana Department of Education

*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 Allowable Costs/Cost Principles compliance requirement.

There was no evidence of an oversight, review, or approval process to ensure that only applicable teachers' payroll was charged to the Special Education Cluster (IDEA) programs.

The School Corporation paid full time employees with the grants and was required to prepare and maintain Semiannual Certifications for these employees. The School Corporation was not aware of this requirement and did not complete the Semiannual Certifications required for employees.

*Context*

The lack of controls and noncompliance was a systemic problem which occurred throughout the audit period.

*Criteria*

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-87, Attachment B, section 8h(3) states :

"Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee."

UNION-NORTH UNITED SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Cause*

The School Corporation had not developed or implemented a system of internal controls to ensure compliance with the grant agreement and the Allowable Cost/Cost Principles requirements.

*Effect*

The failure of establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation establish controls to ensure compliance and comply with the Allowable Costs/Cost Principles requirements of the programs.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

AUDITEE-PREPARED DOCUMENT

The subsequent document was provided by management of the School Corporation. The document is presented as intended by the School Corporation.



**UNION-NORTH UNITED SCHOOL CORPORATION**  
*Office of the Superintendent*

**CORRECTIVE ACTION PLAN**

**FINDING 2015-001**

Contact Person Responsible for Corrective Action: Ms. Elizabeth Mangus, Corporation Treasurer  
Contact Phone Number: (574) 784-8141

Views of Responsible Official: Union-North United School Corporation agrees with the above finding.

Description of Corrective Action Plan:

Union-North United School Corporation is preparing a detailed segregation of duties to help improve all internal controls of all financial transactions and reporting. All cash and investments; receipts and vendor disbursements; payroll disbursements and financial close and reporting will be reviewed by the corporation treasurer and corporation deputy treasurer prior to submission. With this, all future SEFA's will be reviewed by the corporation treasurer and either the grant administrator or the corporation deputy treasurer prior to submission.

Anticipated Completion Date: May, 2018

Elizabeth Mangus  
(Signature)

Corp. Treasurer  
(Title)

6/7/17  
(Date)



**UNION-NORTH UNITED SCHOOL CORPORATION**  
*Office of the Superintendent*

**CORRECTIVE ACTION PLAN**

***FINDING 2015-002***

Contact Person Responsible for Corrective Action: Ms. Elizabeth Mangus, Corporation Treasurer  
Contact Phone Number: (574) 784-8141

Views of Responsible Official: Union-North United School Corporation agrees with the above finding.

Description of Corrective Action Plan:

Union-North United School Corporation will develop detailed internal controls for the Title One Grant management to ensure that all Title One Grant compliance items are met. In addition, Union-North will also ensure that their internal controls include an appropriate segregation of duties to certify that all future compliance items are not missed.

Anticipated Completion Date: May, 2018

Elizabeth Mangus  
(Signature)

Corp. Treasurer  
(Title)

6/7/17  
(Date)



**UNION-NORTH UNITED SCHOOL CORPORATION**  
*Office of the Superintendent*

**CORRECTIVE ACTION PLAN**

**FINDING 2015-003**

Contact Person Responsible for Corrective Action: Ms. Elizabeth Mangus, Corporation Treasurer  
Contact Phone Number: (574) 784-8141

Views of Responsible Official: Union-North United School Corporation agrees with the above finding.

Description of Corrective Action Plan:

Union-North United School Corporation will develop detailed internal controls for the Title One Grant management to ensure that all Title One Grant compliance items are met. In addition, Union-North will also ensure that all Title One Grant teachers are highly qualified as defined in §200.56. Union-North does have a current teaching license and transcripts for all teachers. Union-North will also make sure that all teachers submit a copy of their PRAXIS II or NTE results as well.

Anticipated Completion Date: May, 2018

Elizabeth Mangus  
(Signature)

Corp. Treasurer  
(Title)

6/7/17  
(Date)



**UNION-NORTH UNITED SCHOOL CORPORATION**  
*Office of the Superintendent*

**CORRECTIVE ACTION PLAN**

***FINDING 2015-004***

Contact Person Responsible for Corrective Action: Ms. Elizabeth Mangus, Corporation Treasurer  
Contact Phone Number: (574) 784-8141

Views of Responsible Official: Union-North United School Corporation agrees with the above finding.

**Description of Corrective Action Plan:**

Union-North United School Corporation will develop detailed internal controls for the Title One Grant management to ensure that all Title One Grant compliance items are met. In addition, Union-North will also establish controls to ensure compliance and comply with the Special Tests and Provisions Annual Report Card, High School Graduation Rate requirements.

Anticipated Completion Date: May, 2018

Elizabeth Mangus  
(Signature)

Corp. Treasurer  
(Title)

6/7/17  
(Date)



**UNION-NORTH UNITED SCHOOL CORPORATION**  
*Office of the Superintendent*

**CORRECTIVE ACTION PLAN**

***FINDING 2015-005***

Contact Person Responsible for Corrective Action: Ms. Elizabeth Mangus, Corporation Treasurer  
Contact Phone Number: (574) 784-8141

Views of Responsible Official: Union-North United School Corporation agrees with the above finding.

Description of Corrective Action Plan:

Union-North United School Corporation will develop detailed internal controls, including segregation of duties related to grant agreements. In addition, Union-North will also ensure that only applicable teachers' payroll will be charged to the Special Education Cluster program and that all reimbursement reports will be reviewed by the Grant coordinator and the corporation treasurer.

Anticipated Completion Date: May, 2018

Elizabeth Mangus  
(Signature)

Corp Treasurer  
(Title)

6/7/17  
(Date)



**UNION-NORTH UNITED SCHOOL CORPORATION**  
*Office of the Superintendent*

**CORRECTIVE ACTION PLAN**

**FINDING 2015-006**

Contact Person Responsible for Corrective Action: Ms. Elizabeth Mangus, Corporation Treasurer  
Contact Phone Number: (574) 784-8141

Views of Responsible Official: Union-North United School Corporation agrees with the above finding.

**Description of Corrective Action Plan:**

Union-North United School Corporation will develop detailed internal controls, including segregation of duties related to grant agreements. In addition, Union-North will also ensure compliance and comply with the Allowable Costs/Cost Principles requirements of the program by preparing and maintaining semi-annual certification forms for these employees who are paid from the grant.

Anticipated Completion Date: May, 2018

Elizabeth Mangus  
(Signature)

Corp. Treasurer  
(Title)

6/7/17  
(Date)

#### OTHER REPORTS

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/>.