

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

SOUTH NEWTON SCHOOL CORPORATION  
NEWTON COUNTY, INDIANA

July 1, 2013 to June 30, 2015



**FILED**  
09/19/2017



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SCHEDULE OF OFFICIALS

| <u>Office</u>                    | <u>Official</u>                                     | <u>Term</u>  |
|----------------------------------|---|--|
| Treasurer                        | Marci Hall  | 07-01-13 to 12-31-17   |
| Superintendent<br>of Schools     | K. Todd Rudnick                                     | 07-01-13 to 06-30-18   |
| President of the<br>School Board | Warren Johnson Jr.<br>Robert Lane<br>Amanda Berenda | 01-01-13 to 12-31-14<br>01-01-15 to 12-31-16<br>01-01-17 to 12-31-17 |



## INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE SOUTH NEWTON SCHOOL  
CORPORATION, NEWTON COUNTY, INDIANA

### **Report on the Financial Statement**

We have audited the accompanying financial statement of the South Newton 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, Schedule of Payables and Receivables, 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 August 8, 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

August 8, 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 SOUTH NEWTON SCHOOL  
CORPORATION, NEWTON 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 South Newton 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 August 8, 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 material weaknesses.

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 items 2015-001 and 2015-002 to be material weaknesses.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2015-002.

**South Newton 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

August 8, 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.

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SOUTH NEWTON 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<br>07-01-13 | Receipts      | Disbursements | Other Financing Sources (Uses) | Cash and Investments<br>06-30-14 | Receipts      | Disbursements | Other Financing Sources (Uses) | Cash and Investments<br>06-30-15 |
|---|----------------------------------|---------------|---------------|--------------------------------|----------------------------------|---------------|---------------|--------------------------------|----------------------------------|
| General   | \$ 1,266,715                     | \$ 6,264,711  | \$ 6,503,098  | \$ 98,604                      | \$ 1,126,932                     | \$ 6,478,486  | \$ 6,207,142  | \$ 64,590                      | \$ 1,462,866                     |
| Debt Service  | 622,296                          | 1,128,656     | 1,087,460     | (53,974)                       | 609,518                          | 933,815       | 1,114,770     | (9,108)                        | 419,455                          |
| Retirement/Severance Bond Debt Service                    | 87,741                           | 298,839       | 246,206       | -                              | 140,374                          | 182,412       | 246,052       | -                              | 76,734                           |
| Capital Projects  | 678,608                          | 1,090,554     | 1,086,883     | -                              | 682,279                          | 1,131,158     | 1,145,368     | -                              | 668,069                          |
| School Transportation                                     | 322,533                          | 871,429       | 844,476       | 16,437                         | 365,923                          | 893,130       | 700,323       | (208,000)                      | 350,730                          |
| School Bus Replacement                                    | (25,460)                         | 156,744       | 206,589       | 92,000                         | 16,695                           | 205,161       | 198,114       | -                              | 23,742                           |
| Rainy Day   | 713,351                          | -             | 241,741       | -                              | 471,610                          | -             | 306,987       | 300,000                        | 464,623                          |
| Post-Retirement/Severance Future Benefits                 | 68,052                           | -             | -             | (68,052)                       | -                                | -             | -             | -                              | -                                |
| School Lunch  | 342,639                          | 504,725       | 493,073       | -                              | 354,291                          | 530,580       | 505,861       | -                              | 379,010                          |
| Textbook Rental   | (24,791)                         | 82,928        | 91,501        | 53,974                         | 20,610                           | 91,479        | 62,600        | 9,108                          | 58,597                           |
| Levy Excess   | -                                | -             | -             | -                              | -                                | 62            | -             | -                              | 62                               |
| Joint Services and Supply - Special Education Cooperative | (1,654)                          | 1,654         | -             | -                              | -                                | -             | -             | -                              | -                                |
| Educational License Plates                                | 882                              | 94            | 919           | -                              | 57                               | 75            | -             | -                              | 132                              |
| School Intervention and Career Counseling                 | -                                | 15,000        | 15,000        | -                              | -                                | 12,251        | 12,251        | -                              | -                                |
| Elementary Donation Fund                                  | 811                              | -             | -             | -                              | 811                              | -             | -             | -                              | 811                              |
| Foundation 4 Star Grant - Costello                        | 2,156                            | -             | 1,774         | -                              | 382                              | 20            | 402           | -                              | -                                |
| Foundation 4 Star Grant - Stenz                           | 33                               | -             | -             | -                              | 33                               | -             | 33            | -                              | -                                |
| Foundation 4 Star Grant FY2013 - Arini                    | 620                              | -             | 364           | -                              | 256                              | -             | 256           | -                              | -                                |
| Elementary Step Ahead Grant                               | 200                              | -             | 200           | -                              | -                                | -             | -             | -                              | -                                |
| Foundation 4 Star Grant - Davis                           | -                                | 2,513         | 2,479         | -                              | 34                               | -             | -             | -                              | 34                               |
| Foundation 4 Star Grant - Mulligan                        | -                                | 1,932         | 1,932         | -                              | -                                | -             | -             | -                              | -                                |
| Foundation 4 Star Grant - Hufnagel                        | -                                | 850           | 789           | -                              | 61                               | -             | -             | -                              | 61                               |
| MainSource Bank Donation                                  | -                                | 3,290         | 749           | -                              | 2,541                            | -             | 253           | -                              | 2,288                            |
| Elem NWISWD Grant 2014                                    | -                                | 629           | 629           | -                              | -                                | -             | -             | -                              | -                                |
| HS Step Ahead   | -                                | -             | -             | -                              | -                                | 50            | 50            | -                              | -                                |
| Foundation Grant - Jelfvert                               | -                                | 4,396         | 4,396         | -                              | -                                | -             | -             | -                              | -                                |
| Reading Family Fun Elementary                             | -                                | 7,000         | -             | -                              | 7,000                            | -             | 2,384         | -                              | 4,616                            |
| Rebel Reader Rumbles III                                  | -                                | 2,833         | -             | -                              | 2,833                            | -             | 2,833         | -                              | -                                |
| SIA Foundation Grant                                      | -                                | 1,631         | -             | -                              | 1,631                            | -             | 1,631         | -                              | -                                |
| Foundation Student Leader                                 | -                                | 500           | 104           | -                              | 396                              | -             | 396           | -                              | -                                |
| Pioneer Reading Grant                                     | -                                | -             | -             | -                              | -                                | 1,500         | 1,447         | -                              | 53                               |
| NWISWD 2014 Grant   | -                                | -             | -             | -                              | -                                | 494           | 494           | -                              | -                                |
| 4 Star Grant 7 Habits                                     | -                                | -             | -             | -                              | -                                | 2,622         | 2,622         | -                              | -                                |
| 4 Star Grant MS Leadership                                | -                                | -             | -             | -                              | -                                | 1,651         | 1,651         | -                              | -                                |
| 4 Star Grant - Mulligan                                   | -                                | -             | -             | -                              | -                                | 1,500         | -             | -                              | 1,500                            |
| IASP MS Recycling Grant                                   | -                                | -             | -             | -                              | -                                | 500           | 500           | -                              | -                                |
| English Advanced Placement                                | -                                | -             | -             | -                              | -                                | 500           | -             | -                              | 500                              |
| Elementary Leadership                                     | -                                | -             | -             | -                              | -                                | 556           | 407           | -                              | 149                              |
| Benton County Windfarms                                   | 113,400                          | -             | -             | (30,553)                       | 82,847                           | -             | -             | (64,590)                       | 18,257                           |
| High Ability Grant 2012/13                                | 65                               | -             | 65            | -                              | -                                | -             | -             | -                              | -                                |
| High Ability Grant 2013/14                                | -                                | 28,173        | 27,090        | -                              | 1,083                            | -             | 1,083         | -                              | -                                |
| High Ability Grant 2014/15                                | -                                | -             | -             | -                              | -                                | 28,255        | 28,135        | -                              | 120                              |
| Medicaid Reimbursement                                    | 696                              | 1,208         | -             | -                              | 1,904                            | 8,461         | -             | -                              | 10,365                           |
| Secured Schools Safety Grant                              | -                                | -             | -             | -                              | -                                | 35,000        | 35,000        | -                              | -                                |
| Non-English Speaking Programs P.L. 273-1999               | -                                | -             | -             | -                              | -                                | -             | -             | -                              | -                                |
| NESP Grant 2014/15  | -                                | -             | -             | -                              | -                                | 4,122         | 2,201         | -                              | 1,921                            |
| School Technology   | 1,057                            | 3,617         | 3,173         | -                              | 1,501                            | 3,669         | 3,290         | -                              | 1,880                            |
| School Technology Repair                                  | -                                | -             | -             | -                              | -                                | 7,020         | 6,124         | -                              | 896                              |
| Excess PTRC Distributions                                 | 16,437                           | -             | -             | (16,437)                       | -                                | -             | -             | -                              | -                                |
| Title I 2012/13   | (12,098)                         | 26,683        | 14,585        | -                              | -                                | -             | -             | -                              | -                                |
| Title I 2013/14   | -                                | 82,539        | 95,964        | -                              | (13,425)                         | 34,067        | 20,642        | -                              | -                                |
| Title I 2014/15   | -                                | -             | -             | -                              | -                                | 86,903        | 97,903        | -                              | (11,000)                         |
| (IDEA, Part B) LEA Capacity Building (Sliver) Grants      | -                                | 69,243        | 69,243        | -                              | -                                | -             | -             | -                              | -                                |
| State CTE Curriculum Grant                                | -                                | -             | -             | -                              | -                                | -             | 5,717         | -                              | (5,717)                          |
| Local CTE Curriculum Grant                                | -                                | -             | -             | -                              | -                                | 115,000       | -             | -                              | 115,000                          |
| Medicaid Reimbursement - Federal                          | 37,496                           | 2,258         | 414           | -                              | 39,340                           | 15,430        | 33,008        | -                              | 21,762                           |
| Title II 2012/13  | (1,772)                          | 3,442         | 1,670         | -                              | -                                | -             | -             | -                              | -                                |
| Title II  | (3,125)                          | 24,548        | 25,084        | -                              | (3,661)                          | 15,114        | 11,453        | -                              | -                                |
| Title II Part A 2013/14                                   | -                                | -             | 9,052         | -                              | (9,052)                          | 22,969        | 17,979        | -                              | (4,062)                          |
| Title II Part A 2014/15                                   | -                                | -             | -             | -                              | -                                | 4,151         | 8,322         | -                              | (4,171)                          |
| Special Education - Part B                                | 1                                | -             | -             | -                              | 1                                | -             | -             | -                              | 1                                |
| Education Jobs  | (3)                              | -             | -             | -                              | (3)                              | -             | -             | -                              | (3)                              |
| Payroll Funds   | 3,607                            | 1,822,248     | 1,822,049     | -                              | 3,806                            | 1,745,054     | 1,747,925     | -                              | 935                              |
| Prepaid Lunch Funds                                       | 2,798                            | 172,929       | 172,135       | -                              | 3,592                            | 163,781       | 167,810       | -                              | (437)                            |
| Totals  | \$ 4,213,291                     | \$ 12,677,796 | \$ 13,070,886 | \$ 91,999                      | \$ 3,912,200                     | \$ 12,756,998 | \$ 12,701,419 | \$ 92,000                      | \$ 4,059,779                     |

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

SOUTH NEWTON 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.

SOUTH NEWTON 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.

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

*F. Other Financing Sources and Uses*

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

*Transfers in.* 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.

SOUTH NEWTON SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*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.

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.

SOUTH NEWTON SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 5. Risk Management**

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

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

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is 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.

SOUTH NEWTON 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.

**Note 7. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of funds set up for reimbursable grants. Reimbursements for expenditures were not received by June 30, 2014 and 2015.

**Note 8. Holding Corporation**

The School Corporation has entered into a capital lease with South Newton 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 years ended June 30, 2014 and 2015, totaled \$1,087,460 and \$1,114,770, respectively.

SOUTH NEWTON SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 9. Subsequent Events**

On July 1, 2016, the Rensselaer Central School Corporation became the Fiscal Agent of Cooperative School Services (Cooperative). The Cooperative has nine (9) participating schools: Benton Community School Corporation, Frontier School Corporation, Kankakee Valley School Corporation, North Newton School Corporation, North White School Corporation, Rensselaer Central School Corporation, South Newton School Corporation, Tri-County School Corporation, and West Central School Corporation.

On October 17, 2016, the School Board approved a resolution for the execution of the 4<sup>th</sup> amendment to the South Newton School Building Corporation Lease Agreement. The amendment is due to an additional bond for \$2,000,000 for various renovations to the school buildings. The increase in payments will begin on July 15, 2017, and will continue until January 15, 2027, ranging from \$112,500 to \$116,500 in semiannual payments.

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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.

SOUTH NEWTON 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 | Retirement/<br>Severance<br>Bond<br>Debt<br>Service | Capital<br>Projects | School<br>Transportation | School<br>Bus<br>Replacement | Rainy<br>Day | Post-<br>Retirement/<br>Severance<br>Future<br>Benefits |
|---|--------------|--------------|---|---------------------|--------------------------|------------------------------|--------------|---|
| Cash and investments - beginning  | \$ 1,266,715 | \$ 622,296   | \$ 87,741   | \$ 678,608          | \$ 322,533               | \$ (25,460)                  | \$ 713,351   | \$ 68,052   |
| Receipts:   |              |              |   |                     |                          |                              |              |   |
| Local sources   | 198,520      | 1,128,656    | 298,839   | 1,084,655           | 871,429                  | 156,744                      | -            | -   |
| Intermediate sources  | 1,225        | -            | -   | -                   | -                        | -                            | -            | -   |
| State sources   | 6,064,966    | -            | -   | -                   | -                        | -                            | -            | -   |
| Federal sources   | -            | -            | -   | -                   | -                        | -                            | -            | -   |
| Other receipts  | -            | -            | -   | 5,899               | -                        | -                            | -            | -   |
| Total receipts  | 6,264,711    | 1,128,656    | 298,839   | 1,090,554           | 871,429                  | 156,744                      | -            | -   |
| Disbursements:  |              |              |   |                     |                          |                              |              |   |
| Instruction   | 4,383,794    | -            | -   | -                   | -                        | -                            | 48,155       | -   |
| Support services  | 1,983,820    | -            | -   | 608,062             | 752,476                  | 206,589                      | 193,586      | -   |
| Noninstructional services   | 135,484      | -            | -   | -                   | -                        | -                            | -            | -   |
| Facilities acquisition and construction   | -            | -            | -   | 478,821             | -                        | -                            | -            | -   |
| Debt services   | -            | 1,087,460    | 246,206   | -                   | -                        | -                            | -            | -   |
| Nonprogrammed charges   | -            | -            | -   | -                   | -                        | -                            | -            | -   |
| Interfund loans   | -            | -            | -   | -                   | 92,000                   | -                            | -            | -   |
| Total disbursements   | 6,503,098    | 1,087,460    | 246,206   | 1,086,883           | 844,476                  | 206,589                      | 241,741      | -   |
| Excess (deficiency) of receipts over disbursements  | (238,387)    | 41,196       | 52,633  | 3,671               | 26,953                   | (49,845)                     | (241,741)    | -   |
| Other financing sources (uses):   |              |              |   |                     |                          |                              |              |   |
| Transfers in  | 98,604       | -            | -   | -                   | 16,437                   | 92,000                       | -            | -   |
| Transfers out   | -            | (53,974)     | -   | -                   | -                        | -                            | -            | (68,052)  |
| Total other financing sources (uses)  | 98,604       | (53,974)     | -   | -                   | 16,437                   | 92,000                       | -            | (68,052)  |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (139,783)    | (12,778)     | 52,633  | 3,671               | 43,390                   | 42,155                       | (241,741)    | (68,052)  |
| Cash and investments - ending   | \$ 1,126,932 | \$ 609,518   | \$ 140,374  | \$ 682,279          | \$ 365,923               | \$ 16,695                    | \$ 471,610   | \$ -  |

SOUTH NEWTON 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)

|   | School Lunch      | Textbook Rental  | Levy Excess | Joint Services and Supply - Special Education Cooperative | Educational License Plates | School Intervention and Career Counseling | Elementary Donation Fund | Foundation 4 Star Grant - Costello |
|---|-------------------|------------------|-------------|---|----------------------------|---|--------------------------|------------------------------------|
| Cash and investments - beginning  | \$ 342,639        | \$ (24,791)      | \$ -        | \$ (1,654)  | \$ 882                     | \$ -                                      | \$ 811                   | \$ 2,156                           |
| Receipts:   |                   |                  |             |   |                            |   |                          |                                    |
| Local sources   | 193,305           | 41,443           | -           | 1,654   | -                          | -   | -                        | -                                  |
| Intermediate sources  | -                 | -                | -           | -   | 94                         | 15,000                                    | -                        | -                                  |
| State sources   | 3,324             | 41,185           | -           | -   | -                          | -   | -                        | -                                  |
| Federal sources   | 308,310           | -                | -           | -   | -                          | -   | -                        | -                                  |
| Other receipts  | (214)             | 300              | -           | -   | -                          | -   | -                        | -                                  |
| Total receipts  | <u>504,725</u>    | <u>82,928</u>    | <u>-</u>    | <u>1,654</u>  | <u>94</u>                  | <u>15,000</u>                             | <u>-</u>                 | <u>-</u>                           |
| Disbursements:  |                   |                  |             |   |                            |   |                          |                                    |
| Instruction   | -                 | -                | -           | -   | -                          | -   | -                        | -                                  |
| Support services  | 94                | 91,501           | -           | -   | 919                        | 15,000                                    | -                        | 1,774                              |
| Noninstructional services   | 492,979           | -                | -           | -   | -                          | -   | -                        | -                                  |
| Facilities acquisition and construction   | -                 | -                | -           | -   | -                          | -   | -                        | -                                  |
| Debt services   | -                 | -                | -           | -   | -                          | -   | -                        | -                                  |
| Nonprogrammed charges   | -                 | -                | -           | -   | -                          | -   | -                        | -                                  |
| Interfund loans   | -                 | -                | -           | -   | -                          | -   | -                        | -                                  |
| Total disbursements   | <u>493,073</u>    | <u>91,501</u>    | <u>-</u>    | <u>-</u>  | <u>919</u>                 | <u>15,000</u>                             | <u>-</u>                 | <u>1,774</u>                       |
| Excess (deficiency) of receipts over disbursements  | <u>11,652</u>     | <u>(8,573)</u>   | <u>-</u>    | <u>1,654</u>  | <u>(825)</u>               | <u>-</u>                                  | <u>-</u>                 | <u>(1,774)</u>                     |
| Other financing sources (uses):   |                   |                  |             |   |                            |   |                          |                                    |
| Transfers in  | -                 | 53,974           | -           | -   | -                          | -   | -                        | -                                  |
| Transfers out   | -                 | -                | -           | -   | -                          | -   | -                        | -                                  |
| Total other financing sources (uses)  | <u>-</u>          | <u>53,974</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>11,652</u>     | <u>45,401</u>    | <u>-</u>    | <u>1,654</u>  | <u>(825)</u>               | <u>-</u>                                  | <u>-</u>                 | <u>(1,774)</u>                     |
| Cash and investments - ending   | <u>\$ 354,291</u> | <u>\$ 20,610</u> | <u>\$ -</u> | <u>\$ -</u>   | <u>\$ 57</u>               | <u>\$ -</u>                               | <u>\$ 811</u>            | <u>\$ 382</u>                      |

SOUTH NEWTON 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)

|   | Foundation 4<br>Star<br>Grant -<br>Stenz | Foundation 4<br>Star<br>Grant<br>FY2013 -<br>Arini | Elementary<br>Step<br>Ahead<br>Grant | Foundation 4<br>Star<br>Grant-<br>Davis | Foundation 4<br>Star<br>Grant-<br>Mulligan | Foundation 4<br>Star<br>Grant-<br>Hufnagel | MainSource<br>Bank<br>Donation |
|---|--|--|--------------------------------------|---|--|--|--------------------------------|
| Cash and investments - beginning  | \$ 33                                    | \$ 620   | \$ 200                               | \$ -                                    | \$ -                                       | \$ -                                       | \$ -                           |
| Receipts:   |  |  |                                      |   |  |  |                                |
| Local sources   | -  | -  | -                                    | 2,513                                   | 1,932                                      | 850  | 3,290                          |
| Intermediate sources  | -  | -  | -                                    | -                                       | -  | -  | -                              |
| State sources   | -  | -  | -                                    | -                                       | -  | -  | -                              |
| Federal sources   | -  | -  | -                                    | -                                       | -  | -  | -                              |
| Other receipts  | -  | -  | -                                    | -                                       | -  | -  | -                              |
| Total receipts  | -  | -  | -                                    | 2,513                                   | 1,932                                      | 850  | 3,290                          |
| Disbursements:  |  |  |                                      |   |  |  |                                |
| Instruction   | -  | 364  | 200                                  | 2,479                                   | 1,932                                      | 789  | 749                            |
| Support services  | -  | -  | -                                    | -                                       | -  | -  | -                              |
| Noninstructional services   | -  | -  | -                                    | -                                       | -  | -  | -                              |
| Facilities acquisition and construction   | -  | -  | -                                    | -                                       | -  | -  | -                              |
| Debt services   | -  | -  | -                                    | -                                       | -  | -  | -                              |
| Nonprogrammed charges   | -  | -  | -                                    | -                                       | -  | -  | -                              |
| Interfund loans   | -  | -  | -                                    | -                                       | -  | -  | -                              |
| Total disbursements   | -  | 364  | 200                                  | 2,479                                   | 1,932                                      | 789  | 749                            |
| Excess (deficiency) of receipts over disbursements  | -  | (364)  | (200)                                | 34                                      | -  | 61   | 2,541                          |
| Other financing sources (uses):   |  |  |                                      |   |  |  |                                |
| Transfers in  | -  | -  | -                                    | -                                       | -  | -  | -                              |
| Transfers out   | -  | -  | -                                    | -                                       | -  | -  | -                              |
| Total other financing sources (uses)  | -  | -  | -                                    | -                                       | -  | -  | -                              |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | -  | (364)  | (200)                                | 34                                      | -  | 61   | 2,541                          |
| Cash and investments - ending   | \$ 33                                    | \$ 256   | \$ -                                 | \$ 34                                   | \$ -                                       | \$ 61                                      | \$ 2,541                       |

SOUTH NEWTON 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)

|   | Elem<br>NWISWD<br>Grant<br>2014 | HS<br>Step<br>Ahead | Foundation<br>Grant-<br>Jefvert | Reading<br>Family<br>Fun<br>Elementary | Rebel<br>Reader<br>Rumbles III | SIA<br>Foundation<br>Grant | Foundation<br>Student<br>Leader |
|---|---------------------------------|---------------------|---------------------------------|--|--------------------------------|----------------------------|---------------------------------|
| Cash and investments - beginning  | \$ -                            | \$ -                | \$ -                            | \$ -                                   | \$ -                           | \$ -                       | \$ -                            |
| Receipts:   |                                 |                     |                                 |  |                                |                            |                                 |
| Local sources   | 629                             | -                   | 4,396                           | 7,000                                  | 2,833                          | 1,631                      | 500                             |
| Intermediate sources  | -                               | -                   | -                               | -                                      | -                              | -                          | -                               |
| State sources   | -                               | -                   | -                               | -                                      | -                              | -                          | -                               |
| Federal sources   | -                               | -                   | -                               | -                                      | -                              | -                          | -                               |
| Other receipts  | -                               | -                   | -                               | -                                      | -                              | -                          | -                               |
| Total receipts  | <u>629</u>                      | <u>-</u>            | <u>4,396</u>                    | <u>7,000</u>                           | <u>2,833</u>                   | <u>1,631</u>               | <u>500</u>                      |
| Disbursements:  |                                 |                     |                                 |  |                                |                            |                                 |
| Instruction   | 629                             | -                   | 4,396                           | -                                      | -                              | -                          | 104                             |
| Support services  | -                               | -                   | -                               | -                                      | -                              | -                          | -                               |
| Noninstructional services   | -                               | -                   | -                               | -                                      | -                              | -                          | -                               |
| Facilities acquisition and construction   | -                               | -                   | -                               | -                                      | -                              | -                          | -                               |
| Debt services   | -                               | -                   | -                               | -                                      | -                              | -                          | -                               |
| Nonprogrammed charges   | -                               | -                   | -                               | -                                      | -                              | -                          | -                               |
| Interfund loans   | -                               | -                   | -                               | -                                      | -                              | -                          | -                               |
| Total disbursements   | <u>629</u>                      | <u>-</u>            | <u>4,396</u>                    | <u>-</u>                               | <u>-</u>                       | <u>-</u>                   | <u>104</u>                      |
| Excess (deficiency) of receipts over disbursements  | <u>-</u>                        | <u>-</u>            | <u>-</u>                        | <u>7,000</u>                           | <u>2,833</u>                   | <u>1,631</u>               | <u>396</u>                      |
| Other financing sources (uses):   |                                 |                     |                                 |  |                                |                            |                                 |
| Transfers in  | -                               | -                   | -                               | -                                      | -                              | -                          | -                               |
| Transfers out   | -                               | -                   | -                               | -                                      | -                              | -                          | -                               |
| Total other financing sources (uses)  | <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>-</u>                        | <u>-</u>            | <u>-</u>                        | <u>7,000</u>                           | <u>2,833</u>                   | <u>1,631</u>               | <u>396</u>                      |
| Cash and investments - ending   | <u>\$ -</u>                     | <u>\$ -</u>         | <u>\$ -</u>                     | <u>\$ 7,000</u>                        | <u>\$ 2,833</u>                | <u>\$ 1,631</u>            | <u>\$ 396</u>                   |

SOUTH NEWTON 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)

|   | Pioneer<br>Reading<br>Grant | NWISWD<br>2014<br>Grant | 4 Star<br>Grant<br>7 Habits | 4 Star<br>Grant<br>MS Leadership | 4 Star<br>Grant-<br>Mulligan | IASP MS<br>Recycling<br>Grant | English<br>Advanced<br>Placement |
|---|-----------------------------|-------------------------|-----------------------------|----------------------------------|------------------------------|-------------------------------|----------------------------------|
| Cash and investments - beginning  | \$ -                        | \$ -                    | \$ -                        | \$ -                             | \$ -                         | \$ -                          | \$ -                             |
| Receipts:   |                             |                         |                             |                                  |                              |                               |                                  |
| Local sources   | -                           | -                       | -                           | -                                | -                            | -                             | -                                |
| Intermediate sources  | -                           | -                       | -                           | -                                | -                            | -                             | -                                |
| State sources   | -                           | -                       | -                           | -                                | -                            | -                             | -                                |
| Federal sources   | -                           | -                       | -                           | -                                | -                            | -                             | -                                |
| Other receipts  | -                           | -                       | -                           | -                                | -                            | -                             | -                                |
| Total receipts  | -                           | -                       | -                           | -                                | -                            | -                             | -                                |
| Disbursements:  |                             |                         |                             |                                  |                              |                               |                                  |
| Instruction   | -                           | -                       | -                           | -                                | -                            | -                             | -                                |
| Support services  | -                           | -                       | -                           | -                                | -                            | -                             | -                                |
| Noninstructional services   | -                           | -                       | -                           | -                                | -                            | -                             | -                                |
| Facilities acquisition and construction   | -                           | -                       | -                           | -                                | -                            | -                             | -                                |
| Debt services   | -                           | -                       | -                           | -                                | -                            | -                             | -                                |
| Nonprogrammed charges   | -                           | -                       | -                           | -                                | -                            | -                             | -                                |
| Interfund loans   | -                           | -                       | -                           | -                                | -                            | -                             | -                                |
| Total disbursements   | -                           | -                       | -                           | -                                | -                            | -                             | -                                |
| Excess (deficiency) of receipts over<br>disbursements   | -                           | -                       | -                           | -                                | -                            | -                             | -                                |
| Other financing sources (uses):   |                             |                         |                             |                                  |                              |                               |                                  |
| Transfers in  | -                           | -                       | -                           | -                                | -                            | -                             | -                                |
| Transfers out   | -                           | -                       | -                           | -                                | -                            | -                             | -                                |
| Total other financing sources (uses)  | -                           | -                       | -                           | -                                | -                            | -                             | -                                |
| Excess (deficiency) of receipts and other<br>financing sources over disbursements<br>and other financing uses | -                           | -                       | -                           | -                                | -                            | -                             | -                                |
| Cash and investments - ending   | \$ -                        | \$ -                    | \$ -                        | \$ -                             | \$ -                         | \$ -                          | \$ -                             |

SOUTH NEWTON 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)

|   | Elementary<br>Leadership | Benton<br>County<br>Windfarms | High<br>Ability<br>Grant<br>2012/13 | High<br>Ability<br>Grant<br>2013/14 | High<br>Ability<br>Grant<br>2014/15 | Medicaid<br>Reimbursement | Secured<br>Schools<br>Safety<br>Grant |
|---|--------------------------|-------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---------------------------|---------------------------------------|
| Cash and investments - beginning  | \$ -                     | \$ 113,400                    | \$ 65                               | \$ -                                | \$ -                                | \$ 696                    | \$ -                                  |
| Receipts:   |                          |                               |                                     |                                     |                                     |                           |                                       |
| Local sources   | -                        | -                             | -                                   | -                                   | -                                   | -                         | -                                     |
| Intermediate sources  | -                        | -                             | -                                   | -                                   | -                                   | -                         | -                                     |
| State sources   | -                        | -                             | -                                   | 28,173                              | -                                   | 1,208                     | -                                     |
| Federal sources   | -                        | -                             | -                                   | -                                   | -                                   | -                         | -                                     |
| Other receipts  | -                        | -                             | -                                   | -                                   | -                                   | -                         | -                                     |
| Total receipts  | -                        | -                             | -                                   | 28,173                              | -                                   | 1,208                     | -                                     |
| Disbursements:  |                          |                               |                                     |                                     |                                     |                           |                                       |
| Instruction   | -                        | -                             | 65                                  | 27,090                              | -                                   | -                         | -                                     |
| Support services  | -                        | -                             | -                                   | -                                   | -                                   | -                         | -                                     |
| Noninstructional services   | -                        | -                             | -                                   | -                                   | -                                   | -                         | -                                     |
| Facilities acquisition and construction   | -                        | -                             | -                                   | -                                   | -                                   | -                         | -                                     |
| Debt services   | -                        | -                             | -                                   | -                                   | -                                   | -                         | -                                     |
| Nonprogrammed charges   | -                        | -                             | -                                   | -                                   | -                                   | -                         | -                                     |
| Interfund loans   | -                        | -                             | -                                   | -                                   | -                                   | -                         | -                                     |
| Total disbursements   | -                        | -                             | 65                                  | 27,090                              | -                                   | -                         | -                                     |
| Excess (deficiency) of receipts over disbursements  | -                        | -                             | (65)                                | 1,083                               | -                                   | 1,208                     | -                                     |
| Other financing sources (uses):   |                          |                               |                                     |                                     |                                     |                           |                                       |
| Transfers in  | -                        | -                             | -                                   | -                                   | -                                   | -                         | -                                     |
| Transfers out   | -                        | (30,553)                      | -                                   | -                                   | -                                   | -                         | -                                     |
| Total other financing sources (uses)  | -                        | (30,553)                      | -                                   | -                                   | -                                   | -                         | -                                     |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | -                        | (30,553)                      | (65)                                | 1,083                               | -                                   | 1,208                     | -                                     |
| Cash and investments - ending   | \$ -                     | \$ 82,847                     | \$ -                                | \$ 1,083                            | \$ -                                | \$ 1,904                  | \$ -                                  |

SOUTH NEWTON 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)

|   | Non-English<br>Speaking<br>Programs<br>P.L. 273-1999 | NESP<br>Grant<br>2014/15 | School<br>Technology | School<br>Technology<br>Repair | Excess<br>PTRC<br>Distributions | Title I<br>2012/13 | Title I<br>2013/14 |
|---|--|--------------------------|----------------------|--------------------------------|---------------------------------|--------------------|--------------------|
| Cash and investments - beginning  | \$ -   | \$ -                     | \$ 1,057             | \$ -                           | \$ 16,437                       | \$ (12,098)        | \$ -               |
| Receipts:   |  |                          |                      |                                |                                 |                    |                    |
| Local sources   | -  | -                        | -                    | -                              | -                               | -                  | -                  |
| Intermediate sources  | -  | -                        | -                    | -                              | -                               | -                  | -                  |
| State sources   | -  | -                        | 3,617                | -                              | -                               | -                  | -                  |
| Federal sources   | -  | -                        | -                    | -                              | -                               | 26,683             | 82,539             |
| Other receipts  | -  | -                        | -                    | -                              | -                               | -                  | -                  |
| Total receipts  | -  | -                        | 3,617                | -                              | -                               | 26,683             | 82,539             |
| Disbursements:  |  |                          |                      |                                |                                 |                    |                    |
| Instruction   | -  | -                        | -                    | -                              | -                               | 13,584             | 87,414             |
| Support services  | -  | -                        | 3,173                | -                              | -                               | -                  | 6,281              |
| Noninstructional services   | -  | -                        | -                    | -                              | -                               | 1,001              | 2,269              |
| Facilities acquisition and construction   | -  | -                        | -                    | -                              | -                               | -                  | -                  |
| Debt services   | -  | -                        | -                    | -                              | -                               | -                  | -                  |
| Nonprogrammed charges   | -  | -                        | -                    | -                              | -                               | -                  | -                  |
| Interfund loans   | -  | -                        | -                    | -                              | -                               | -                  | -                  |
| Total disbursements   | -  | -                        | 3,173                | -                              | -                               | 14,585             | 95,964             |
| Excess (deficiency) of receipts over disbursements  | -  | -                        | 444                  | -                              | -                               | 12,098             | (13,425)           |
| Other financing sources (uses):   |  |                          |                      |                                |                                 |                    |                    |
| Transfers in  | -  | -                        | -                    | -                              | -                               | -                  | -                  |
| Transfers out   | -  | -                        | -                    | -                              | (16,437)                        | -                  | -                  |
| Total other financing sources (uses)  | -  | -                        | -                    | -                              | (16,437)                        | -                  | -                  |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | -  | -                        | 444                  | -                              | (16,437)                        | 12,098             | (13,425)           |
| Cash and investments - ending   | \$ -   | \$ -                     | \$ 1,501             | \$ -                           | \$ -                            | \$ -               | \$ (13,425)        |

SOUTH NEWTON 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 I<br>2014/15 | (IDEA, Part B)<br>LEA Capacity<br>Building<br>(Sliver)<br>Grants | State<br>CTE<br>Curriculum<br>Grant | Local<br>CTE<br>Curriculum<br>Grant | Medicaid<br>Reimbursement -<br>Federal | Title II<br>2012/13 | Title II   |
|---|--------------------|--|-------------------------------------|-------------------------------------|--|---------------------|------------|
| Cash and investments - beginning  | \$ -               | \$ -   | \$ -                                | \$ -                                | \$ 37,496                              | \$ (1,772)          | \$ (3,125) |
| Receipts:   |                    |  |                                     |                                     |  |                     |            |
| Local sources   | -                  | -  | -                                   | -                                   | -                                      | -                   | -          |
| Intermediate sources  | -                  | -  | -                                   | -                                   | -                                      | -                   | -          |
| State sources   | -                  | -  | -                                   | -                                   | -                                      | -                   | -          |
| Federal sources   | -                  | 69,243   | -                                   | -                                   | 2,258                                  | 3,442               | 24,548     |
| Other receipts  | -                  | -  | -                                   | -                                   | -                                      | -                   | -          |
| Total receipts  | -                  | 69,243   | -                                   | -                                   | 2,258                                  | 3,442               | 24,548     |
| Disbursements:  |                    |  |                                     |                                     |  |                     |            |
| Instruction   | -                  | 69,243   | -                                   | -                                   | 414                                    | 1,670               | 25,084     |
| Support services  | -                  | -  | -                                   | -                                   | -                                      | -                   | -          |
| Noninstructional services   | -                  | -  | -                                   | -                                   | -                                      | -                   | -          |
| Facilities acquisition and construction   | -                  | -  | -                                   | -                                   | -                                      | -                   | -          |
| Debt services   | -                  | -  | -                                   | -                                   | -                                      | -                   | -          |
| Nonprogrammed charges   | -                  | -  | -                                   | -                                   | -                                      | -                   | -          |
| Interfund loans   | -                  | -  | -                                   | -                                   | -                                      | -                   | -          |
| Total disbursements   | -                  | 69,243   | -                                   | -                                   | 414                                    | 1,670               | 25,084     |
| Excess (deficiency) of receipts over disbursements  | -                  | -  | -                                   | -                                   | 1,844                                  | 1,772               | (536)      |
| Other financing sources (uses):   |                    |  |                                     |                                     |  |                     |            |
| Transfers in  | -                  | -  | -                                   | -                                   | -                                      | -                   | -          |
| Transfers out   | -                  | -  | -                                   | -                                   | -                                      | -                   | -          |
| Total other financing sources (uses)  | -                  | -  | -                                   | -                                   | -                                      | -                   | -          |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | -                  | -  | -                                   | -                                   | 1,844                                  | 1,772               | (536)      |
| Cash and investments - ending   | \$ -               | \$ -   | \$ -                                | \$ -                                | \$ 39,340                              | \$ -                | \$ (3,661) |

SOUTH NEWTON 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<br>Part A<br>2013/14 | Title II<br>Part A<br>2014/15 | Special<br>Education -<br>Part B | Education<br>Jobs | Payroll<br>Funds | Prepaid<br>Lunch<br>Funds | Totals              |
|---|-------------------------------|-------------------------------|----------------------------------|-------------------|------------------|---------------------------|---------------------|
| Cash and investments - beginning  | \$ -                          | \$ -                          | \$ 1                             | \$ (3)            | \$ 3,607         | \$ 2,798                  | \$ 4,213,291        |
| Receipts:   |                               |                               |                                  |                   |                  |                           |                     |
| Local sources   | -                             | -                             | -                                | -                 | -                | -                         | 4,000,819           |
| Intermediate sources  | -                             | -                             | -                                | -                 | -                | -                         | 16,319              |
| State sources   | -                             | -                             | -                                | -                 | -                | -                         | 6,142,473           |
| Federal sources   | -                             | -                             | -                                | -                 | -                | -                         | 517,023             |
| Other receipts  | -                             | -                             | -                                | -                 | 1,822,248        | 172,929                   | 2,001,162           |
| Total receipts  | <u>-</u>                      | <u>-</u>                      | <u>-</u>                         | <u>-</u>          | <u>1,822,248</u> | <u>172,929</u>            | <u>12,677,796</u>   |
| Disbursements:  |                               |                               |                                  |                   |                  |                           |                     |
| Instruction   | 9,052                         | -                             | -                                | -                 | -                | -                         | 4,677,207           |
| Support services  | -                             | -                             | -                                | -                 | -                | -                         | 3,863,275           |
| Noninstructional services   | -                             | -                             | -                                | -                 | -                | -                         | 631,733             |
| Facilities acquisition and construction   | -                             | -                             | -                                | -                 | -                | -                         | 478,821             |
| Debt services   | -                             | -                             | -                                | -                 | -                | -                         | 1,333,666           |
| Nonprogrammed charges   | -                             | -                             | -                                | -                 | 1,822,049        | 172,135                   | 1,994,184           |
| Interfund loans   | -                             | -                             | -                                | -                 | -                | -                         | 92,000              |
| Total disbursements   | <u>9,052</u>                  | <u>-</u>                      | <u>-</u>                         | <u>-</u>          | <u>1,822,049</u> | <u>172,135</u>            | <u>13,070,886</u>   |
| Excess (deficiency) of receipts over disbursements  | <u>(9,052)</u>                | <u>-</u>                      | <u>-</u>                         | <u>-</u>          | <u>199</u>       | <u>794</u>                | <u>(393,090)</u>    |
| Other financing sources (uses):   |                               |                               |                                  |                   |                  |                           |                     |
| Transfers in  | -                             | -                             | -                                | -                 | -                | -                         | 261,015             |
| Transfers out   | -                             | -                             | -                                | -                 | -                | -                         | (169,016)           |
| Total other financing sources (uses)  | <u>-</u>                      | <u>-</u>                      | <u>-</u>                         | <u>-</u>          | <u>-</u>         | <u>-</u>                  | <u>91,999</u>       |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | <u>(9,052)</u>                | <u>-</u>                      | <u>-</u>                         | <u>-</u>          | <u>199</u>       | <u>794</u>                | <u>(301,091)</u>    |
| Cash and investments - ending   | <u>\$ (9,052)</u>             | <u>\$ -</u>                   | <u>\$ 1</u>                      | <u>\$ (3)</u>     | <u>\$ 3,806</u>  | <u>\$ 3,592</u>           | <u>\$ 3,912,200</u> |

SOUTH NEWTON 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      | Retirement/<br>Severance<br>Bond<br>Debt<br>Service | Capital<br>Projects | School<br>Transportation | School<br>Bus<br>Replacement | Rainy<br>Day      | Post-<br>Retirement/<br>Severance<br>Future<br>Benefits |
|---|---------------------|-------------------|---|---------------------|--------------------------|------------------------------|-------------------|---|
| Cash and investments - beginning  | \$ 1,126,932        | \$ 609,518        | \$ 140,374  | \$ 682,279          | \$ 365,923               | \$ 16,695                    | \$ 471,610        | \$ -  |
| Receipts:   |                     |                   |   |                     |                          |                              |                   |   |
| Local sources   | 358,184             | 933,815           | 182,412   | 1,131,158           | 893,130                  | 205,161                      | -                 | -   |
| Intermediate sources  | 1,105               | -                 | -   | -                   | -                        | -                            | -                 | -   |
| State sources   | 6,119,197           | -                 | -   | -                   | -                        | -                            | -                 | -   |
| Federal sources   | -                   | -                 | -   | -                   | -                        | -                            | -                 | -   |
| Other receipts  | -                   | -                 | -   | -                   | -                        | -                            | -                 | -   |
| Total receipts  | <u>6,478,486</u>    | <u>933,815</u>    | <u>182,412</u>                                      | <u>1,131,158</u>    | <u>893,130</u>           | <u>205,161</u>               | <u>-</u>          | <u>-</u>  |
| Disbursements:  |                     |                   |   |                     |                          |                              |                   |   |
| Instruction   | 4,185,739           | -                 | -   | -                   | -                        | -                            | 62,254            | -   |
| Support services  | 1,871,876           | -                 | -   | 637,654             | 635,323                  | 171,114                      | 244,733           | -   |
| Noninstructional services   | 149,527             | -                 | -   | -                   | -                        | -                            | -                 | -   |
| Facilities acquisition and construction   | -                   | -                 | -   | 507,714             | -                        | -                            | -                 | -   |
| Debt services   | -                   | 1,114,770         | 246,052   | -                   | -                        | -                            | -                 | -   |
| Nonprogrammed charges   | -                   | -                 | -   | -                   | -                        | -                            | -                 | -   |
| Interfund loans   | -                   | -                 | -   | -                   | 65,000                   | 27,000                       | -                 | -   |
| Total disbursements   | <u>6,207,142</u>    | <u>1,114,770</u>  | <u>246,052</u>                                      | <u>1,145,368</u>    | <u>700,323</u>           | <u>198,114</u>               | <u>306,987</u>    | <u>-</u>  |
| Excess (deficiency) of receipts over disbursements  | <u>271,344</u>      | <u>(180,955)</u>  | <u>(63,640)</u>                                     | <u>(14,210)</u>     | <u>192,807</u>           | <u>7,047</u>                 | <u>(306,987)</u>  | <u>-</u>  |
| Other financing sources (uses):   |                     |                   |   |                     |                          |                              |                   |   |
| Transfers in  | 64,590              | -                 | -   | -                   | 92,000                   | -                            | 300,000           | -   |
| Transfers out   | -                   | (9,108)           | -   | -                   | (300,000)                | -                            | -                 | -   |
| Total other financing sources (uses)  | <u>64,590</u>       | <u>(9,108)</u>    | <u>-</u>  | <u>-</u>            | <u>(208,000)</u>         | <u>-</u>                     | <u>300,000</u>    | <u>-</u>  |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | <u>335,934</u>      | <u>(190,063)</u>  | <u>(63,640)</u>                                     | <u>(14,210)</u>     | <u>(15,193)</u>          | <u>7,047</u>                 | <u>(6,987)</u>    | <u>-</u>  |
| Cash and investments - ending   | <u>\$ 1,462,866</u> | <u>\$ 419,455</u> | <u>\$ 76,734</u>                                    | <u>\$ 668,069</u>   | <u>\$ 350,730</u>        | <u>\$ 23,742</u>             | <u>\$ 464,623</u> | <u>\$ -</u>   |

SOUTH NEWTON 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)

|   | School<br>Lunch   | Textbook<br>Rental | Levy<br>Excess | Joint<br>Services<br>and Supply -<br>Special<br>Education<br>Cooperative | Educational<br>License<br>Plates | School<br>Intervention<br>and<br>Career<br>Counseling | Elementary<br>Donation<br>Fund | Foundation 4<br>Star<br>Grant -<br>Costello |
|---|-------------------|--------------------|----------------|--|----------------------------------|---|--------------------------------|---|
| Cash and investments - beginning  | \$ 354,291        | \$ 20,610          | \$ -           | \$ -   | \$ 57                            | \$ -  | \$ 811                         | \$ 382                                      |
| Receipts:   |                   |                    |                |  |                                  |   |                                |   |
| Local sources   | 191,033           | 47,978             | 62             | -  | -                                | -   | -                              | 20  |
| Intermediate sources  | -                 | -                  | -              | -  | 75                               | 12,251  | -                              | -   |
| State sources   | 4,273             | 42,876             | -              | -  | -                                | -   | -                              | -   |
| Federal sources   | 330,675           | -                  | -              | -  | -                                | -   | -                              | -   |
| Other receipts  | 4,599             | 625                | -              | -  | -                                | -   | -                              | -   |
| Total receipts  | <u>530,580</u>    | <u>91,479</u>      | <u>62</u>      | <u>-</u>   | <u>75</u>                        | <u>12,251</u>   | <u>-</u>                       | <u>20</u>                                   |
| Disbursements:  |                   |                    |                |  |                                  |   |                                |   |
| Instruction   | -                 | -                  | -              | -  | -                                | -   | -                              | -   |
| Support services  | 30                | 62,600             | -              | -  | -                                | 12,251  | -                              | 402   |
| Noninstructional services   | 505,831           | -                  | -              | -  | -                                | -   | -                              | -   |
| Facilities acquisition and construction   | -                 | -                  | -              | -  | -                                | -   | -                              | -   |
| Debt services   | -                 | -                  | -              | -  | -                                | -   | -                              | -   |
| Nonprogrammed charges   | -                 | -                  | -              | -  | -                                | -   | -                              | -   |
| Interfund loans   | -                 | -                  | -              | -  | -                                | -   | -                              | -   |
| Total disbursements   | <u>505,861</u>    | <u>62,600</u>      | <u>-</u>       | <u>-</u>   | <u>-</u>                         | <u>12,251</u>   | <u>-</u>                       | <u>402</u>                                  |
| Excess (deficiency) of receipts over disbursements  | <u>24,719</u>     | <u>28,879</u>      | <u>62</u>      | <u>-</u>   | <u>75</u>                        | <u>-</u>  | <u>-</u>                       | <u>(382)</u>                                |
| Other financing sources (uses):   |                   |                    |                |  |                                  |   |                                |   |
| Transfers in  | -                 | 9,108              | -              | -  | -                                | -   | -                              | -   |
| Transfers out   | -                 | -                  | -              | -  | -                                | -   | -                              | -   |
| Total other financing sources (uses)  | <u>-</u>          | <u>9,108</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>24,719</u>     | <u>37,987</u>      | <u>62</u>      | <u>-</u>   | <u>75</u>                        | <u>-</u>  | <u>-</u>                       | <u>(382)</u>                                |
| Cash and investments - ending   | <u>\$ 379,010</u> | <u>\$ 58,597</u>   | <u>\$ 62</u>   | <u>\$ -</u>  | <u>\$ 132</u>                    | <u>\$ -</u>   | <u>\$ 811</u>                  | <u>\$ -</u>                                 |

SOUTH NEWTON 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)

|   | Foundation 4<br>Star<br>Grant -<br>Stenz | Foundation 4<br>Star<br>Grant<br>FY2013 -<br>Arini | Elementary<br>Step<br>Ahead<br>Grant | Foundation 4<br>Star<br>Grant-<br>Davis | Foundation 4<br>Star<br>Grant-<br>Mulligan | Foundation 4<br>Star<br>Grant-<br>Hufnagel | MainSource<br>Bank<br>Donation |
|---|--|--|--------------------------------------|---|--|--|--------------------------------|
| Cash and investments - beginning  | \$ 33                                    | \$ 256   | \$ -                                 | \$ 34                                   | \$ -                                       | \$ 61                                      | \$ 2,541                       |
| Receipts:   |  |  |                                      |   |  |  |                                |
| Local sources   | -  | -  | -                                    | -                                       | -  | -  | -                              |
| Intermediate sources  | -  | -  | -                                    | -                                       | -  | -  | -                              |
| State sources   | -  | -  | -                                    | -                                       | -  | -  | -                              |
| Federal sources   | -  | -  | -                                    | -                                       | -  | -  | -                              |
| Other receipts  | -  | -  | -                                    | -                                       | -  | -  | -                              |
| Total receipts  | -  | -  | -                                    | -                                       | -  | -  | -                              |
| Disbursements:  |  |  |                                      |   |  |  |                                |
| Instruction   | 33                                       | 256  | -                                    | -                                       | -  | -  | 253                            |
| Support services  | -  | -  | -                                    | -                                       | -  | -  | -                              |
| Noninstructional services   | -  | -  | -                                    | -                                       | -  | -  | -                              |
| Facilities acquisition and construction   | -  | -  | -                                    | -                                       | -  | -  | -                              |
| Debt services   | -  | -  | -                                    | -                                       | -  | -  | -                              |
| Nonprogrammed charges   | -  | -  | -                                    | -                                       | -  | -  | -                              |
| Interfund loans   | -  | -  | -                                    | -                                       | -  | -  | -                              |
| Total disbursements   | 33                                       | 256  | -                                    | -                                       | -  | -  | 253                            |
| Excess (deficiency) of receipts over disbursements  | (33)                                     | (256)  | -                                    | -                                       | -  | -  | (253)                          |
| Other financing sources (uses):   |  |  |                                      |   |  |  |                                |
| Transfers in  | -  | -  | -                                    | -                                       | -  | -  | -                              |
| Transfers out   | -  | -  | -                                    | -                                       | -  | -  | -                              |
| Total other financing sources (uses)  | -  | -  | -                                    | -                                       | -  | -  | -                              |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (33)                                     | (256)  | -                                    | -                                       | -  | -  | (253)                          |
| Cash and investments - ending   | \$ -                                     | \$ -   | \$ -                                 | \$ 34                                   | \$ -                                       | \$ 61                                      | \$ 2,288                       |

SOUTH NEWTON 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)

|   | Elem<br>NWISWD<br>Grant<br>2014 | HS<br>Step<br>Ahead | Foundation<br>Grant-<br>Jefvert | Reading<br>Family<br>Fun<br>Elementary | Rebel<br>Reader<br>Rumbles III | SIA<br>Foundation<br>Grant | Foundation<br>Student<br>Leader |
|---|---------------------------------|---------------------|---------------------------------|--|--------------------------------|----------------------------|---------------------------------|
| Cash and investments - beginning  | \$ -                            | \$ -                | \$ -                            | \$ 7,000                               | \$ 2,833                       | \$ 1,631                   | \$ 396                          |
| Receipts:   |                                 |                     |                                 |  |                                |                            |                                 |
| Local sources   | -                               | 50                  | -                               | -                                      | -                              | -                          | -                               |
| Intermediate sources  | -                               | -                   | -                               | -                                      | -                              | -                          | -                               |
| State sources   | -                               | -                   | -                               | -                                      | -                              | -                          | -                               |
| Federal sources   | -                               | -                   | -                               | -                                      | -                              | -                          | -                               |
| Other receipts  | -                               | -                   | -                               | -                                      | -                              | -                          | -                               |
| Total receipts  | -                               | 50                  | -                               | -                                      | -                              | -                          | -                               |
| Disbursements:  |                                 |                     |                                 |  |                                |                            |                                 |
| Instruction   | -                               | 50                  | -                               | 2,384                                  | 2,833                          | 1,631                      | 396                             |
| Support services  | -                               | -                   | -                               | -                                      | -                              | -                          | -                               |
| Noninstructional services   | -                               | -                   | -                               | -                                      | -                              | -                          | -                               |
| Facilities acquisition and construction   | -                               | -                   | -                               | -                                      | -                              | -                          | -                               |
| Debt services   | -                               | -                   | -                               | -                                      | -                              | -                          | -                               |
| Nonprogrammed charges   | -                               | -                   | -                               | -                                      | -                              | -                          | -                               |
| Interfund loans   | -                               | -                   | -                               | -                                      | -                              | -                          | -                               |
| Total disbursements   | -                               | 50                  | -                               | 2,384                                  | 2,833                          | 1,631                      | 396                             |
| Excess (deficiency) of receipts over disbursements  | -                               | -                   | -                               | (2,384)                                | (2,833)                        | (1,631)                    | (396)                           |
| Other financing sources (uses):   |                                 |                     |                                 |  |                                |                            |                                 |
| Transfers in  | -                               | -                   | -                               | -                                      | -                              | -                          | -                               |
| Transfers out   | -                               | -                   | -                               | -                                      | -                              | -                          | -                               |
| Total other financing sources (uses)  | -                               | -                   | -                               | -                                      | -                              | -                          | -                               |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | -                               | -                   | -                               | (2,384)                                | (2,833)                        | (1,631)                    | (396)                           |
| Cash and investments - ending   | \$ -                            | \$ -                | \$ -                            | \$ 4,616                               | \$ -                           | \$ -                       | \$ -                            |

SOUTH NEWTON 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)

|   | Pioneer<br>Reading<br>Grant | NWISWD<br>2014<br>Grant | 4 Star<br>Grant<br>7 Habits | 4 Star<br>Grant<br>MS Leadership | 4 Star<br>Grant-<br>Mulligan | IASP MS<br>Recycling<br>Grant | English<br>Advanced<br>Placement |
|---|-----------------------------|-------------------------|-----------------------------|----------------------------------|------------------------------|-------------------------------|----------------------------------|
| Cash and investments - beginning  | \$ -                        | \$ -                    | \$ -                        | \$ -                             | \$ -                         | \$ -                          | \$ -                             |
| Receipts:   |                             |                         |                             |                                  |                              |                               |                                  |
| Local sources   | 1,500                       | 494                     | 2,622                       | 1,651                            | 1,500                        | 500                           | 500                              |
| Intermediate sources  | -                           | -                       | -                           | -                                | -                            | -                             | -                                |
| State sources   | -                           | -                       | -                           | -                                | -                            | -                             | -                                |
| Federal sources   | -                           | -                       | -                           | -                                | -                            | -                             | -                                |
| Other receipts  | -                           | -                       | -                           | -                                | -                            | -                             | -                                |
| Total receipts  | <u>1,500</u>                | <u>494</u>              | <u>2,622</u>                | <u>1,651</u>                     | <u>1,500</u>                 | <u>500</u>                    | <u>500</u>                       |
| Disbursements:  |                             |                         |                             |                                  |                              |                               |                                  |
| Instruction   | 1,447                       | 494                     | 2,622                       | 1,651                            | -                            | 500                           | -                                |
| Support services  | -                           | -                       | -                           | -                                | -                            | -                             | -                                |
| Noninstructional services   | -                           | -                       | -                           | -                                | -                            | -                             | -                                |
| Facilities acquisition and construction   | -                           | -                       | -                           | -                                | -                            | -                             | -                                |
| Debt services   | -                           | -                       | -                           | -                                | -                            | -                             | -                                |
| Nonprogrammed charges   | -                           | -                       | -                           | -                                | -                            | -                             | -                                |
| Interfund loans   | -                           | -                       | -                           | -                                | -                            | -                             | -                                |
| Total disbursements   | <u>1,447</u>                | <u>494</u>              | <u>2,622</u>                | <u>1,651</u>                     | <u>-</u>                     | <u>500</u>                    | <u>-</u>                         |
| Excess (deficiency) of receipts over disbursements  | <u>53</u>                   | <u>-</u>                | <u>-</u>                    | <u>-</u>                         | <u>1,500</u>                 | <u>-</u>                      | <u>500</u>                       |
| Other financing sources (uses):   |                             |                         |                             |                                  |                              |                               |                                  |
| Transfers in  | -                           | -                       | -                           | -                                | -                            | -                             | -                                |
| Transfers out   | -                           | -                       | -                           | -                                | -                            | -                             | -                                |
| Total other financing sources (uses)  | <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>53</u>                   | <u>-</u>                | <u>-</u>                    | <u>-</u>                         | <u>1,500</u>                 | <u>-</u>                      | <u>500</u>                       |
| Cash and investments - ending   | <u>\$ 53</u>                | <u>\$ -</u>             | <u>\$ -</u>                 | <u>\$ -</u>                      | <u>\$ 1,500</u>              | <u>\$ -</u>                   | <u>\$ 500</u>                    |

SOUTH NEWTON 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)

|   | Elementary<br>Leadership | Benton<br>County<br>Windfarms | High<br>Ability<br>Grant<br>2012/13 | High<br>Ability<br>Grant<br>2013/14 | High<br>Ability<br>Grant<br>2014/15 | Medicaid<br>Reimbursement | Secured<br>Schools<br>Safety<br>Grant |
|---|--------------------------|-------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---------------------------|---------------------------------------|
| Cash and investments - beginning  | \$ -                     | \$ 82,847                     | \$ -                                | \$ 1,083                            | \$ -                                | \$ 1,904                  | \$ -                                  |
| Receipts:   |                          |                               |                                     |                                     |                                     |                           |                                       |
| Local sources   | 556                      | -                             | -                                   | -                                   | -                                   | -                         | -                                     |
| Intermediate sources  | -                        | -                             | -                                   | -                                   | -                                   | -                         | -                                     |
| State sources   | -                        | -                             | -                                   | -                                   | 28,255                              | 8,461                     | 35,000                                |
| Federal sources   | -                        | -                             | -                                   | -                                   | -                                   | -                         | -                                     |
| Other receipts  | -                        | -                             | -                                   | -                                   | -                                   | -                         | -                                     |
| Total receipts  | <u>556</u>               | <u>-</u>                      | <u>-</u>                            | <u>-</u>                            | <u>28,255</u>                       | <u>8,461</u>              | <u>35,000</u>                         |
| Disbursements:  |                          |                               |                                     |                                     |                                     |                           |                                       |
| Instruction   | 407                      | -                             | -                                   | 1,083                               | 28,135                              | -                         | -                                     |
| Support services  | -                        | -                             | -                                   | -                                   | -                                   | -                         | 35,000                                |
| Noninstructional services   | -                        | -                             | -                                   | -                                   | -                                   | -                         | -                                     |
| Facilities acquisition and construction   | -                        | -                             | -                                   | -                                   | -                                   | -                         | -                                     |
| Debt services   | -                        | -                             | -                                   | -                                   | -                                   | -                         | -                                     |
| Nonprogrammed charges   | -                        | -                             | -                                   | -                                   | -                                   | -                         | -                                     |
| Interfund loans   | -                        | -                             | -                                   | -                                   | -                                   | -                         | -                                     |
| Total disbursements   | <u>407</u>               | <u>-</u>                      | <u>-</u>                            | <u>1,083</u>                        | <u>28,135</u>                       | <u>-</u>                  | <u>35,000</u>                         |
| Excess (deficiency) of receipts over disbursements  | <u>149</u>               | <u>-</u>                      | <u>-</u>                            | <u>(1,083)</u>                      | <u>120</u>                          | <u>8,461</u>              | <u>-</u>                              |
| Other financing sources (uses):   |                          |                               |                                     |                                     |                                     |                           |                                       |
| Transfers in  | -                        | -                             | -                                   | -                                   | -                                   | -                         | -                                     |
| Transfers out   | -                        | (64,590)                      | -                                   | -                                   | -                                   | -                         | -                                     |
| Total other financing sources (uses)  | <u>-</u>                 | <u>(64,590)</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>149</u>               | <u>(64,590)</u>               | <u>-</u>                            | <u>(1,083)</u>                      | <u>120</u>                          | <u>8,461</u>              | <u>-</u>                              |
| Cash and investments - ending   | <u>\$ 149</u>            | <u>\$ 18,257</u>              | <u>\$ -</u>                         | <u>\$ -</u>                         | <u>\$ 120</u>                       | <u>\$ 10,365</u>          | <u>\$ -</u>                           |

SOUTH NEWTON 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)

|   | Non-English<br>Speaking<br>Programs<br>P.L. 273-1999 | NESP<br>Grant<br>2014/15 | School<br>Technology | School<br>Technology<br>Repair | Excess<br>PTRC<br>Distributions | Title I<br>2012/13 | Title I<br>2013/14 |
|---|--|--------------------------|----------------------|--------------------------------|---------------------------------|--------------------|--------------------|
| Cash and investments - beginning  | \$ -   | \$ -                     | \$ 1,501             | \$ -                           | \$ -                            | \$ -               | \$ (13,425)        |
| Receipts:   |  |                          |                      |                                |                                 |                    |                    |
| Local sources   | -  | -                        | -                    | 7,020                          | -                               | -                  | -                  |
| Intermediate sources  | -  | -                        | -                    | -                              | -                               | -                  | -                  |
| State sources   | -  | 4,122                    | 3,669                | -                              | -                               | -                  | -                  |
| Federal sources   | -  | -                        | -                    | -                              | -                               | -                  | 34,067             |
| Other receipts  | -  | -                        | -                    | -                              | -                               | -                  | -                  |
| Total receipts  | -  | 4,122                    | 3,669                | 7,020                          | -                               | -                  | 34,067             |
| Disbursements:  |  |                          |                      |                                |                                 |                    |                    |
| Instruction   | -  | 2,201                    | -                    | -                              | -                               | -                  | 16,982             |
| Support services  | -  | -                        | 3,290                | 6,124                          | -                               | -                  | 3,660              |
| Noninstructional services   | -  | -                        | -                    | -                              | -                               | -                  | -                  |
| Facilities acquisition and construction   | -  | -                        | -                    | -                              | -                               | -                  | -                  |
| Debt services   | -  | -                        | -                    | -                              | -                               | -                  | -                  |
| Nonprogrammed charges   | -  | -                        | -                    | -                              | -                               | -                  | -                  |
| Interfund loans   | -  | -                        | -                    | -                              | -                               | -                  | -                  |
| Total disbursements   | -  | 2,201                    | 3,290                | 6,124                          | -                               | -                  | 20,642             |
| Excess (deficiency) of receipts over disbursements  | -  | 1,921                    | 379                  | 896                            | -                               | -                  | 13,425             |
| Other financing sources (uses):   |  |                          |                      |                                |                                 |                    |                    |
| Transfers in  | -  | -                        | -                    | -                              | -                               | -                  | -                  |
| Transfers out   | -  | -                        | -                    | -                              | -                               | -                  | -                  |
| Total other financing sources (uses)  | -  | -                        | -                    | -                              | -                               | -                  | -                  |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | -  | 1,921                    | 379                  | 896                            | -                               | -                  | 13,425             |
| Cash and investments - ending   | \$ -   | \$ 1,921                 | \$ 1,880             | \$ 896                         | \$ -                            | \$ -               | \$ -               |

SOUTH NEWTON 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 I<br>2014/15 | (IDEA, Part B)<br>LEA Capacity<br>Building<br>(Silver)<br>Grants | State<br>CTE<br>Curriculum<br>Grant | Local<br>CTE<br>Curriculum<br>Grant | Medicaid<br>Reimbursement -<br>Federal | Title II<br>2012/13 | Title II   |
|---|--------------------|--|-------------------------------------|-------------------------------------|--|---------------------|------------|
| Cash and investments - beginning  | \$ -               | \$ -   | \$ -                                | \$ -                                | \$ 39,340                              | \$ -                | \$ (3,661) |
| Receipts:   |                    |  |                                     |                                     |  |                     |            |
| Local sources   | -                  | -  | -                                   | 115,000                             | -                                      | -                   | -          |
| Intermediate sources  | -                  | -  | -                                   | -                                   | -                                      | -                   | -          |
| State sources   | -                  | -  | -                                   | -                                   | -                                      | -                   | -          |
| Federal sources   | 86,903             | -  | -                                   | -                                   | 15,430                                 | -                   | 15,114     |
| Other receipts  | -                  | -  | -                                   | -                                   | -                                      | -                   | -          |
| Total receipts  | 86,903             | -  | -                                   | 115,000                             | 15,430                                 | -                   | 15,114     |
| Disbursements:  |                    |  |                                     |                                     |  |                     |            |
| Instruction   | 91,476             | -  | 5,717                               | -                                   | 33,008                                 | -                   | 11,453     |
| Support services  | 3,800              | -  | -                                   | -                                   | -                                      | -                   | -          |
| Noninstructional services   | 2,627              | -  | -                                   | -                                   | -                                      | -                   | -          |
| Facilities acquisition and construction   | -                  | -  | -                                   | -                                   | -                                      | -                   | -          |
| Debt services   | -                  | -  | -                                   | -                                   | -                                      | -                   | -          |
| Nonprogrammed charges   | -                  | -  | -                                   | -                                   | -                                      | -                   | -          |
| Interfund loans   | -                  | -  | -                                   | -                                   | -                                      | -                   | -          |
| Total disbursements   | 97,903             | -  | 5,717                               | -                                   | 33,008                                 | -                   | 11,453     |
| Excess (deficiency) of receipts over<br>disbursements   | (11,000)           | -  | (5,717)                             | 115,000                             | (17,578)                               | -                   | 3,661      |
| Other financing sources (uses):   |                    |  |                                     |                                     |  |                     |            |
| Transfers in  | -                  | -  | -                                   | -                                   | -                                      | -                   | -          |
| Transfers out   | -                  | -  | -                                   | -                                   | -                                      | -                   | -          |
| Total other financing sources (uses)  | -                  | -  | -                                   | -                                   | -                                      | -                   | -          |
| Excess (deficiency) of receipts and other<br>financing sources over disbursements<br>and other financing uses | (11,000)           | -  | (5,717)                             | 115,000                             | (17,578)                               | -                   | 3,661      |
| Cash and investments - ending   | \$ (11,000)        | \$ -   | \$ (5,717)                          | \$ 115,000                          | \$ 21,762                              | \$ -                | \$ -       |

SOUTH NEWTON 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<br>Part A<br>2013/14 | Title II<br>Part A<br>2014/15 | Special<br>Education -<br>Part B | Education<br>Jobs | Payroll<br>Funds | Prepaid<br>Lunch<br>Funds | Totals              |
|---|-------------------------------|-------------------------------|----------------------------------|-------------------|------------------|---------------------------|---------------------|
| Cash and investments - beginning  | \$ (9,052)                    | \$ -                          | \$ 1                             | \$ (3)            | \$ 3,806         | \$ 3,592                  | \$ 3,912,200        |
| Receipts:   |                               |                               |                                  |                   |                  |                           |                     |
| Local sources   | -                             | -                             | -                                | -                 | -                | -                         | 4,074,346           |
| Intermediate sources  | -                             | -                             | -                                | -                 | -                | -                         | 13,431              |
| State sources   | -                             | -                             | -                                | -                 | -                | -                         | 6,245,853           |
| Federal sources   | 22,969                        | 4,151                         | -                                | -                 | -                | -                         | 509,309             |
| Other receipts  | -                             | -                             | -                                | -                 | 1,745,054        | 163,781                   | 1,914,059           |
| Total receipts  | <u>22,969</u>                 | <u>4,151</u>                  | <u>-</u>                         | <u>-</u>          | <u>1,745,054</u> | <u>163,781</u>            | <u>12,756,998</u>   |
| Disbursements:  |                               |                               |                                  |                   |                  |                           |                     |
| Instruction   | 17,979                        | 8,322                         | -                                | -                 | -                | -                         | 4,479,306           |
| Support services  | -                             | -                             | -                                | -                 | -                | -                         | 3,687,857           |
| Noninstructional services   | -                             | -                             | -                                | -                 | -                | -                         | 657,985             |
| Facilities acquisition and construction   | -                             | -                             | -                                | -                 | -                | -                         | 507,714             |
| Debt services   | -                             | -                             | -                                | -                 | -                | -                         | 1,360,822           |
| Nonprogrammed charges   | -                             | -                             | -                                | -                 | 1,747,925        | 167,810                   | 1,915,735           |
| Interfund loans   | -                             | -                             | -                                | -                 | -                | -                         | 92,000              |
| Total disbursements   | <u>17,979</u>                 | <u>8,322</u>                  | <u>-</u>                         | <u>-</u>          | <u>1,747,925</u> | <u>167,810</u>            | <u>12,701,419</u>   |
| Excess (deficiency) of receipts over disbursements  | <u>4,990</u>                  | <u>(4,171)</u>                | <u>-</u>                         | <u>-</u>          | <u>(2,871)</u>   | <u>(4,029)</u>            | <u>55,579</u>       |
| Other financing sources (uses):   |                               |                               |                                  |                   |                  |                           |                     |
| Transfers in  | -                             | -                             | -                                | -                 | -                | -                         | 465,698             |
| Transfers out   | -                             | -                             | -                                | -                 | -                | -                         | (373,698)           |
| Total other financing sources (uses)  | <u>-</u>                      | <u>-</u>                      | <u>-</u>                         | <u>-</u>          | <u>-</u>         | <u>-</u>                  | <u>92,000</u>       |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | <u>4,990</u>                  | <u>(4,171)</u>                | <u>-</u>                         | <u>-</u>          | <u>(2,871)</u>   | <u>(4,029)</u>            | <u>147,579</u>      |
| Cash and investments - ending   | <u>\$ (4,062)</u>             | <u>\$ (4,171)</u>             | <u>\$ 1</u>                      | <u>\$ (3)</u>     | <u>\$ 935</u>    | <u>\$ (437)</u>           | <u>\$ 4,059,779</u> |

SOUTH NEWTON SCHOOL CORPORATION  
SCHEDULE OF PAYABLES AND RECEIVABLES  
June 30, 2015

| <u>Government or Enterprise</u> | <u>Accounts<br/>Payable</u> | <u>Accounts<br/>Receivable</u> |
|---------------------------------|-----------------------------|--------------------------------|
| Governmental activities         | <u>\$ 256,994</u>           | <u>\$ 24,947</u>               |

SOUTH NEWTON SCHOOL CORPORATION  
 SCHEDULE OF LEASES AND DEBT  
 June 30, 2015

| Lessor                                   | Purpose                            | Annual<br>Lease<br>Payment | Lease<br>Beginning<br>Date | Lease<br>Ending<br>Date |
|--|------------------------------------|----------------------------|----------------------------|-------------------------|
| Governmental activities:                 |                                    |                            |                            |                         |
| Cooperative School Services              | Share of Special Ed Co-op Building | \$ 11,094                  | 01/01/2007                 | 12/31/2021              |
| PNC Equipment Finance                    | Energy Savings Project             | 257,488                    | 01/15/2008                 | 07/15/2017              |
| South Newton School Building Corporation | Building Lease                     | <u>1,147,420</u>           | 01/15/1996                 | 01/15/2023              |
| Total of annual lease payments           |                                    | <u>\$ 1,416,002</u>        |                            |                         |

| Description of Debt      |               | Ending<br>Principal<br>Balance | Principal and<br>Interest Due<br>Within One<br>Year |
|--------------------------|---------------|--------------------------------|---|
| Type                     | Purpose       |                                |   |
| Governmental activities: |               |                                |   |
| General obligation bonds | Pension Bonds | <u>\$ 355,000</u>              | <u>\$ 250,103</u>                                   |

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE SOUTH NEWTON SCHOOL  
CORPORATION, NEWTON COUNTY, INDIANA

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

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

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

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

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2013 to June 30, 2015.

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

**Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2015-004, 2015-005, and 2015-007. Our opinion on each 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**

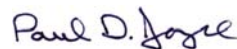
Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over 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.

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 2015-003, 2015-004, 2015-005, 2015-006, 2015-007, and 2015-008 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

August 8, 2017

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#### 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.

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SOUTH NEWTON SCHOOL CORPORATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2014 and 2015

| Federal Grantor Agency<br>Cluster Title/Program Title                   | Pass-Through Entity or Direct Grant     | Federal<br>CFDA<br>Number | Pass-Through<br>Entity (or Other)<br>Identifying<br>Number | Pass-Through<br>To Subrecipient<br>06-30-14 | Total<br>Federal Awards<br>Expended<br>06-30-14 | Pass-Through<br>To Subrecipient<br>06-30-15 | Total<br>Federal Awards<br>Expended<br>06-30-15 |
|---|---|---------------------------|--|---|---|---|---|
| <b>Department of Agriculture</b>  |   |                           |  |   |   |   |   |
| Child Nutrition Cluster   | Indiana Department of Education         |                           |  |   |   |   |   |
| School Breakfast Program  |   | 10.553                    | FY2014   | \$ -  | \$ 71,917                                       | \$ -  | \$ -  |
| School Breakfast Program  |   | 10.553                    | FY2015   | -   | -   | -   | 79,740  |
| Total - School Breakfast Program  |   |                           |  | -   | 71,917  | -   | 79,740  |
| National School Lunch Program   |   | 10.555                    | FY2014   | -   | 212,138   | -   | -   |
| National School Lunch Program   |   | 10.555                    | FY2015   | -   | -   | -   | 224,394   |
| National School Lunch Program - Commodities                             |   | 10.555                    | FY2014   | -   | 24,255  | -   | -   |
| National School Lunch Program - Commodities                             |   | 10.555                    | FY2015   | -   | -   | -   | 26,541  |
| Total - National School Lunch Program                                   |   |                           |  | -   | 236,393   | -   | 250,935   |
| Summer Food Service Program for Children                                |   | 10.559                    | FY2014   | -   | 15,244  | -   | -   |
| Summer Food Service Program for Children                                |   | 10.559                    | FY2015   | -   | -   | -   | 14,640  |
| Total - Summer Food Service Program for Children                        |   |                           |  | -   | 15,244  | -   | 14,640  |
| Total - Child Nutrition Cluster   |   |                           |  | -   | 251,637   | -   | 345,315   |
| Total - Department of Agriculture                                       |   |                           |  | -   | 323,554   | -   | 345,315   |
| <b>Department of Education</b>  |   |                           |  |   |   |   |   |
| Special Education Cluster (IDEA)  | Indiana Department of Education         |                           |  |   |   |   |   |
| Special Education_Grants to States                                      |   |                           |  |   |   |   |   |
| Special Education Improvement Award                                     |   | 84.027                    | A58-3-13DL-0092  | -   | 69,243  | -   | -   |
| Part B 611 IDEA Grant FY13  |   | 84.027                    | 14213-051-PN01   | -   | 68,259  | -   | 503   |
| Part B 611 IDEA Grant FY14  |   | 84.027                    | 14214-051-PN01   | -   | 151,228   | -   | 69,984  |
| Part B 611 IDEA Grant FY15  |   | 84.027                    | 14215-051-PN01   | -   | -   | -   | 164,032   |
| Part B Technical Assistance Grant                                       |   | 84.027                    | 99914-051-TA01   | -   | 1,943   | -   | 3,059   |
| Total - Special Education_Grants to States                              |   |                           |  | -   | 290,673   | -   | 237,578   |
| Special Education_Preschool Grants                                      | Indiana Department of Education         |                           |  |   |   |   |   |
| Part B 619 Preschool Grant FY13   |   | 84.173                    | 45713-051-PN01   | -   | 4,792   | -   | -   |
| Part B 619 Preschool Grant FY14   |   | 84.173                    | 45714-051-PN01   | -   | 8,887   | -   | 4,539   |
| Part B 619 Preschool Grant FY15   |   | 84.173                    | 45715-051-PN01   | -   | -   | -   | 9,065   |
| Total - Special Education_Preschool Grants                              |   |                           |  | -   | 13,679  | -   | 13,604  |
| Total - Special Education Cluster (IDEA)                                |   |                           |  | -   | 304,352   | -   | 251,182   |
| Title I Grants to Local Educational Agencies                            | Indiana Department of Education         |                           |  |   |   |   |   |
|   |   | 84.010                    | 12-5995  | -   | 26,683  | -   | -   |
|   |   | 84.010                    | 13-5995  | -   | 82,539  | -   | 34,067  |
|   |   | 84.010                    | 14-5995  | -   | -   | -   | 86,903  |
| Total - Title I Grants to Local Educational Agencies                    |   |                           |  | -   | 109,222   | -   | 120,970   |
| Improving Teacher Quality State Grants                                  | Indiana Department of Education         |                           |  |   |   |   |   |
|   |   | 84.367                    | FY 11  | -   | 3,442   | -   | -   |
|   |   | 84.367                    | FY 12  | -   | 24,548  | -   | 15,114  |
|   |   | 84.367                    | FY 13  | -   | -   | -   | 22,969  |
|   |   | 84.367                    | FY 14  | -   | -   | -   | 4,151   |
| Total - Improving Teacher Quality State Grants                          |   |                           |  | -   | 27,990  | -   | 42,234  |
| Total - Department of Education   |   |                           |  | -   | 441,564   | -   | 414,386   |
| <b>Department of Homeland Security</b>                                  |   |                           |  |   |   |   |   |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | Indiana Department of Homeland Security | 97.036                    | FEMA 4173-DR-IN  | -   | -   | -   | 2,670   |
| Total - Department of Homeland Security                                 |   |                           |  | -   | -   | -   | 2,670   |
| Total federal awards expended   |   |                           |  | \$ -  | \$ 765,118                                      | \$ -  | \$ 762,371                                      |

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

SOUTH NEWTON 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.

**Note 3. Special Education Cooperative**

The School Corporation is a member of a Special Education Cooperative. As a result, some activity for the Special Education Cluster (IDEA) that is presented as federal awards expended in the SEFA is not presented as receipts and disbursements in the financial statement for the School Corporation. This activity is reported on the financial statement of the fiscal agent for the Special Education Cooperative.

SOUTH NEWTON 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;<br>Unmodified as to Regulatory Basis |
| Internal control over financial reporting:           |  |
| Material weaknesses identified?                      | yes  |
| Significant deficiencies identified?                 | none reported  |
| Noncompliance material to financial statement noted? | no   |

Federal Awards:

|   |               |
|---|---------------|
| Internal control over major programs:   |               |
| Material weaknesses identified?   | yes           |
| Significant deficiencies identified?  | none reported |
| Type of auditor's report issued on compliance for major programs:   | Unmodified    |
| Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133? | yes           |

Identification of Major Programs:

\_\_\_\_\_  
Name of Federal Program or Cluster

Child Nutrition Cluster  
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**

Subject: Internal Controls over Financial Transactions and Reporting  
Audit Finding: Material Weakness

*Repeat Finding*

This is a partial repeat of finding number 2013-001 from the immediate prior audit year.

SOUTH NEWTON SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition*

There were deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. There was a lack of segregation of duties as the School Corporation had not separated incompatible activities related to cash and investments, receipts, disbursements, and Financial Close and Reporting.

*Context*

*Cash and Investments*

The Payroll/Personnel Manager independently prepared the reconcilements of the cash and investment balances. There was no segregation of duties, such as an oversight, review or approval process, or other compensating control over the reconcilements.

*Receipts*

The Treasurer independently receipted collections, inputted them into the financial system, and took the deposits to the bank. There was no segregation of duties, such as an oversight, review or approval process, or other compensating control related to receipts.

*Disbursements*

The Treasurer independently prepared claims, entered them into the financial system, and issued and mailed checks to vendors. There was no segregation of duties, such as an oversight, review or approval process, or other compensating control related to vendor disbursements.

The Payroll/Personnel Manager independently entered all payroll related activities into the payroll system. There was no segregation of duties, such as an oversight, review or approval process, or other compensating control related to payroll disbursements.

*Financial Close and Reporting*

The Treasurer prepared and submitted the Form 9 financial reports (reports) to the Indiana Department of Education. The reports were signed by the President of the School Board and the Superintendent of Schools. However, no supporting documentation was presented to the Superintendent of Schools or the President of the School Board for their review. There was no documented review of the supporting documentation to ensure the accuracy of the reports prior to submission.

*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:

SOUTH NEWTON 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 that segregated key functions.

*Effect*

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

*Recommendation*

We recommended that the School Corporation's management establish controls, including segregation of duties, related to financial transactions and reporting.

*Views of Responsible Officials*

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

***FINDING 2015-002***

Subject: Preparation of the Schedule of Expenditures of Federal Awards

Audit Findings: Material Weakness, Other Matters

*Repeat Finding*

This is a repeat of finding number 2013-002 from the immediate prior audit year.

*Condition*

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The SEFA was independently prepared and submitted by the Treasurer. There was no segregation of duties, such as an oversight, review, or approval process.

SOUTH NEWTON SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Context*

The following errors occurred on the SEFA presented for audit:

1. Expenditures for the Special Education Cluster (IDEA) were understated by \$235,109.
2. Expenditures for the Child Nutrition Cluster were understated by \$50,796.
3. Expenditures for Disaster Grants - Public Assistance (Presidentially Declared Disasters) were understated by \$2,670.

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA.

*Criteria*

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

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

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

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

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § \_\_\_\_\_.310. . . ."

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.

SOUTH NEWTON SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

*Cause*

Management had not established a system of internal control that would have ensured proper reporting of the SEFA.

*Effect*

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

*Recommendation*

We recommended that the School Corporation's management establish controls to prevent, or detect and correct, errors on the SEFA.

*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 2015-003**

Subject: Internal Controls over Child Nutrition Cluster

Federal Agency: Department of Agriculture

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

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY2014, FY2015

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Allowable Costs/Cost Principles, Eligibility, Procurement and Suspension and  
Debarment, Program Income, Special Tests and Provisions - Verification of  
Free and Reduced Price Applications (NSLP), and Special Tests and  
Provisions - Paid Lunch Equity

Audit Finding: Material Weakness

SOUTH NEWTON SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Repeat Finding*

This is a partial repeat of finding number 2013-003 from the immediate prior audit year.

*Condition*

The School Corporation had not established an effective internal control system related to the grant agreement and the requirements for Allowable Costs/Cost Principles, Eligibility, Procurement and Suspension and Debarment, Program Income, and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), and Special Tests and Provisions - Paid Lunch Equity.

*Allowable Costs/Cost Principles*

The School Corporation had not established effective controls to ensure that only allowable costs were charged to the programs.

*Eligibility (School Breakfast Program and National School Lunch Program)*

The School Corporation had not established effective controls to ensure that eligibility determinations were accurate. For paper applications, eligibility was determined by the director who signed off on the application; however, there was no documentation that indicated the application or determination had been reviewed for accuracy. Eligibility determinations for applications submitted online were made by the computer system based on information submitted by the applicant. There was no evidence of a review for accuracy of online determinations.

*Procurement*

The School Corporation had not established effective controls to ensure that their procurement policies were followed.

*Suspension and Debarment*

The School Corporation had not established effective controls to ensure that vendors were not suspended or debarred or otherwise excluded from participation in federal assistance programs.

*Program Income (School Breakfast Program and National School Lunch Program)*

The School Corporation had not established effective controls to ensure that correct amounts for program income were recorded, deposited, and verified to the cafeteria financial reporting system.

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

The School Corporation had not established effective controls to ensure that verifications were properly performed. The verifications of eligibility were performed by the director without evidence of a review process.

SOUTH NEWTON SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Special Tests and Provisions - Paid Lunch Equity (National School Lunch Program only)*

The School Corporation had not established effective controls to ensure accurate paid lunch equity calculations. One employee performed and submitted the calculations without evidence of a review or approval process or other compensating control.

*Context*

The lack of effective controls over the compliance requirements listed above was a systemic problem 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 established a proper internal control structure to ensure compliance with the compliance requirements listed above.

*Effect*

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

*Questioned Costs*

There were no questioned costs identified.

*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.

*Views of Responsible Officials*

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

SOUTH NEWTON SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

***FINDING 2015-004***

Subject: School Breakfast Program and National School Lunch Program - Cash Management  
Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program  
CFDA Numbers: 10.553, 10.555  
Federal Award Numbers and Years (or Other Identifying Numbers): FY2014, FY2015  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Cash Management  
Audit Findings: Material Weakness, Other Matters

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Cash Management compliance requirement. The School Corporation had not designed or implemented adequate policies and procedures to ensure that the School Lunch fund monthly cash balances (Net Cash Resources) were limited to the three months average expenditures in accordance with the Cash Management compliance requirement.

The School Corporation did not comply with the Cash Management compliance requirement. The School Lunch fund cash balances (Net Cash Resources) exceeded the three months average expenditures throughout the audit period.

*Context*

The lack of controls and the noncompliance were systemic issues. The balance (Net Cash Resources) in the School Lunch fund exceeded the three months average expenditures throughout the audit period. The School Lunch fund three months average expenditures in FY2014 and FY2015 were \$147,922 and \$151,758, respectively. The School Lunch fund average cash balances (Net Cash Resources) in FY2014 and FY2015 were \$307,190 and \$337,794, respectively.

*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. . . ."

7 CFR 210.14(b) states: "*Net cash resources.* The school food authority shall limit its net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit school food service or such other amount as may be approved by the State agency in accordance with § 210.19(a)."

SOUTH NEWTON SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

7 CFR 220.7(e) states in part:

"Each school food authority approved to participate in the program shall . . . with respect to participating schools under its jurisdiction: . . .

- (iv) Limit its net cash resource to an amount that does not exceed three months average expenditure for its nonprofit school food service or such other amount as may be approved by the State agency; . . ."

*Cause*

The School Corporation had not established a proper internal control structure to ensure compliance with the Cash Management compliance requirement.

*Effect*

The failure to establish an effective internal control system enabled 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's management establish controls to ensure compliance and comply with the Cash Management compliance requirement.

*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**

Subject: Child Nutrition Cluster - Reporting  
Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program,  
Summer Food Service Program for Children  
CFDA Numbers: 10.553, 10.555, 10.559  
Federal Award Numbers and Years (or Other Identifying Numbers): FY2014, FY2015  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Reporting  
Audit Findings: Material Weakness, Other Matters

*Condition*

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

SOUTH NEWTON SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

There were no controls in place to ensure that required reports were complete and accurate prior to submission. The Food Service Director prepared and submitted the Annual Financial Reports and the monthly Sponsor Claim (claims for reimbursement) without oversight, review or approval, or other compensating control.

The School Corporation did not submit an accurate Annual Financial Report for 2014.

*Context*

The lack of controls was a systemic issue throughout the audit period. The noncompliance was an isolated issue. The 2014 Annual Financial Report submitted to the Indiana Department of Education did not accurately report receipts and disbursements.

*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. . . ."

7 CFR 210.22(b) states in part:

"*Audit procedure.* These requirements call for organization-wide financial and compliance audits to ascertain whether financial operations are conducted properly; financial statements are presented fairly; recipients and subrecipients comply with the laws and regulations that affect the expenditures of Federal funds; recipients and subrecipients have established procedures to meet the objectives of federally assisted programs; and recipients and subrecipients are providing accurate and reliable information concerning grant funds. . . ."

2 CFR 200.302(b) states in part:

". . . (2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§200.327 Financial reporting and 200.328 Monitoring and reporting program performance. . . ."

*Cause*

The School Corporation had not established a proper internal control structure to ensure compliance with the Reporting compliance requirement.

*Effect*

The failure to establish an effective internal control system enabled 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.

SOUTH NEWTON SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance and comply with the Reporting compliance requirement.

*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**

Subject: Special Education Cluster (IDEA) - Matching, Level of Effort, Earmarking

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): 14213-051-PN01, 14214-051-PN01,  
14215-051-PN01, 99914-051-TA01,  
45713-051-PN01, 45714-051-PN01,  
45715-051-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Matching, Level of Effort, Earmarking

Audit Finding: Material Weakness

*Condition*

The School Corporation had not established an effective internal control system related to the grant agreement and the level of effort requirements of the Matching, Level of Effort, Earmarking compliance requirement.

The maintenance of effort calculation prepared by School Corporation was not reviewed prior to submission to the Special Education Cooperative for inclusion in the grant application.

*Context*

The lack of controls was a systemic issue 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 established a proper internal control structure to ensure compliance with the level of effort requirements of the Matching, Level of Effort, Earmarking compliance requirement.

SOUTH NEWTON SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*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 requirement. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls related to the grant agreement and Matching, Level of Effort, Earmarking compliance requirement.

*Views of Responsible Officials*

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

**FINDING 2015-007**

Subject: Special Education Cluster (IDEA) - Procurement and Suspension and Debarment

Federal Agency: Department of Education

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

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14213-051-PN01, 14214-051-PN01,  
14215-051-PN01, 99914-051-TA01,  
45713-051-PN01, 45714-051-PN01,  
45715-051-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Other Matters

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 Procurement and Suspension and Debarment compliance requirement.

*Procurement*

The School Corporation had not designed or implemented adequate policies or procedures to ensure compliance with procurement requirements. The Special Education Cooperative's Director of Special Education contracted with Occupational Therapists without oversight or approval, or other compensating control from the School Corporation's governing board.

*Suspension and Debarment*

The School Corporation did not have procedures in place to ensure that vendors were not suspended or debarred or otherwise excluded from participation in federal assistance programs.

SOUTH NEWTON SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The School Corporation failed to comply with the suspension and debarment requirements. They did not perform a verification, obtain certifications, or add a clause to contracts to ensure that the vendors were not suspended or debarred.

*Context*

The lack of controls and the noncompliance were systemic issues. The School Corporation lacked internal controls throughout the audit period. They also did not comply with the suspension and debarment requirements for both years of 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. . . ."

2 CFR 180.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:

- (a) Checking SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

*Cause*

Management had not developed a system of internal controls that would have ensured compliance with the Procurement and Suspension and Debarment compliance requirement.

*Effect*

The failure to establish internal controls enabled material noncompliance to go undetected. Non-compliance 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 Procurement and Suspension and Debarment compliance requirement.

SOUTH NEWTON 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 2015-008**

Subject: Special Education Cluster (IDEA) - Reporting

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): 14213-051-PN01, 14214-051-PN01,  
14215-051-PN01, 99914-051-TA01,  
45713-051-PN01, 45714-051-PN01,  
45715-051-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting

Audit Finding: Material Weakness

*Condition*

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

The School Corporation had not designed or implemented adequate policies or procedures to ensure that required reports were completed accurately. There were no controls to ensure that the Final Expenditure Reports and Requests for Reimbursements were accurate prior to submission or that supporting documentation was retained to verify the accuracy of the December 1 Child Counts or the Data Collection Reports.

*Context*

The lack of controls 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. . . ."

*Cause*

Management had not developed a system of internal controls that segregated key functions.

SOUTH NEWTON SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*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 requirement. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirement and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

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

*Views of Responsible Officials*

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

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#### AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the School Corporation. The documents are presented as intended by the School Corporation.

# South Newton School Corporation

13232 S 50 E  
Kentland, IN 47951

Todd Rudnick  
Superintendent

Kim Wright  
Payroll & Personnel

Marci Hall  
Treasurer

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2013-001** (Auditor Assigned Reference Number)

Fiscal year in which the finding initially occurred: 2013

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: N/A

Contact Person Responsible for Corrective Action: Marci Hall

Contact Phone Number: 219-474-5184

### Status of Audit Finding:

1. All efforts have been given to better segregate duties between limited staff.
2. Financial documents are being verified and signed off by additional employees.



\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
Treasurer

(Title)

\_\_\_\_\_  
7/17/17

(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

South Newton School Corporation  
13232 S 50 E  
Kentland, IN 47951

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Todd Rudnick  
Superintendent

Kim Wright  
Payroll & Personnel

Marci Hall  
Treasurer

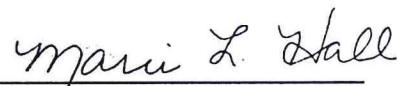
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

**FINDING 2013-002** (Auditor Assigned Reference Number)

Fiscal year in which the finding initially occurred: 2013  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: N/A  
Contact Person Responsible for Corrective Action: Marci Hall  
Contact Phone Number: 219-474-5184

Status of Audit Finding:

The SEFA has been prepared to the best attempt possible by identifying all federal funds received. A better attempt by outside agencies has helped in getting needed financial reports in reference to the SEFA.



\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
Treasurer

(Title)

\_\_\_\_\_  
7/17/17

(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)



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Superintendent

Kim Wright  
Payroll & Personnel

Marci Hall  
Treasurer

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2013-003** (Auditor Assigned Reference Number)

Fiscal year in which the finding initially occurred: 2013

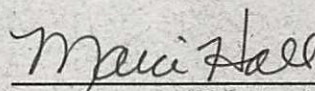
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Dept of Education

Contact Person Responsible for Corrective Action: Marci Hall

Contact Phone Number: 219-474-5184

### Status of Audit Finding:

Verification of monthly reimbursement forms have been prepared by the Food Service Director and signed off by the Corporation Treasurer.

  
\_\_\_\_\_  
(Signature)

Treasurer  
\_\_\_\_\_  
(Title)

7/17/17  
\_\_\_\_\_  
(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

Phone: 219.474.5184  
Phone: 219.474.5185

Fax: 219.474.6966  
Email: [sncorp@newton.k12.in.us](mailto:sncorp@newton.k12.in.us)



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Todd Rudnick  
Superintendent

Kim Wright  
Payroll & Personnel

Marci Hall  
Treasurer

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2013-004** (Auditor Assigned Reference Number)

Fiscal year in which the finding initially occurred: 2013

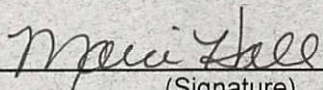
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Dept of Education

Contact Person Responsible for Corrective Action: Marci Hall

Contact Phone Number: 219-474-5184

### Status of Audit Finding:

A better understanding of the Paid Lunch Equity requirements have allowed us to make the appropriate changes to the school lunch price as required or apply for a waiver.

  
\_\_\_\_\_  
(Signature)

Treasurer  
\_\_\_\_\_  
(Title)

7/17/17  
\_\_\_\_\_  
(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)



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Todd Rudnick  
Superintendent

Kim Wright  
Payroll & Personnel

Marci Hall  
Treasurer

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2013-005** (Auditor Assigned Reference Number)

Fiscal year in which the finding initially occurred: 2013

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Dept of Education

Contact Person Responsible for Corrective Action: Marci Hall

Contact Phone Number: 219-474-5184

### Status of Audit Finding:

All efforts have been given to better segregate duties between limited staff. At this time this program has been completed and is no longer available.

(Signature)

Treasurer

(Title)

7/17/17

(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

Phone: 219.474.5184  
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Fax: 219.474.6966  
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Treasurer

## CORRECTIVE ACTION PLAN

### *FINDING 2015-001 Internal Controls over Financial Transactions and Reporting*

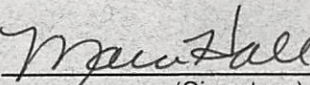
Contact Person Responsible for Corrective Action: Marci Hall  
Contact Phone Number: 219-474-5184

Views of Responsible Official: We concur with the findings however have a limited number of employees to verify all aspects of financial transactions and reporting.

Description of Corrective Action Plan:

We will review our procedures. All efforts will be given to better segregate duties between limited staff.

Anticipated Completion Date: Immediately

  
\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
Treasurer

(Title)

\_\_\_\_\_  
August 8, 2017

(Date)



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Superintendent

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Payroll & Personnel

**Marci Hall**  
Treasurer

## CORRECTIVE ACTION PLAN

### ***FINDING 2015-002: Preparation of the Schedule of Expenditures of Federal Awards***

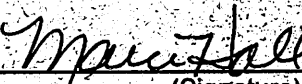
Contact Person Responsible for Corrective Action: Marci Hall  
Contact Phone Number: 219-474-5184

Views of Responsible Official: We concur with the findings however have a limited number of employees to verify all aspects of this report.

Description of Corrective Action Plan:

We will review our procedures. All efforts will be given to better segregate duties between limited staff.

Anticipated Completion Date: Immediately

  
\_\_\_\_\_  
(Signature)

Treasurer  
\_\_\_\_\_  
(Title)

August 8, 2017  
\_\_\_\_\_  
(Date)



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Marci Hall  
Treasurer

## CORRECTIVE ACTION PLAN

### *FINDING 2015-003 School Breakfast Program, National School Lunch Program, Summer School Food Service for Children*

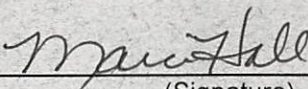
Contact Person Responsible for Corrective Action: Marci Hall  
Contact Phone Number: 219-474-5184

Views of Responsible Official: We concur with the findings however have a limited number of employees to verify all aspects of this report.

#### Description of Corrective Action Plan:

We will review our procedures. All efforts will be given to better segregate duties between limited staff regarding the Programs listed above. We will attempt to have dual verification and sign-off on documents.

Anticipated Completion Date: Immediately

  
\_\_\_\_\_  
(Signature)

Treasurer  
\_\_\_\_\_  
(Title)

August 8, 2017  
\_\_\_\_\_  
(Date)



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Marci Hall  
Treasurer

## CORRECTIVE ACTION PLAN

### ***FINDING 2015-004 School Breakfast Program and National School Lunch Program Cash Management***

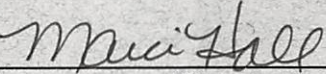
Contact Person Responsible for Corrective Action: Marci Hall  
Contact Phone Number: 219-474-5184

Views of Responsible Official: We concur with the findings.

#### Description of Corrective Action Plan:

We will review our procedures. All efforts will be given to more efficiently manage our cash balance regarding the requirement of only maintaining a three month average of expenditures as our cash balance.

Anticipated Completion Date: Immediately

  
\_\_\_\_\_  
(Signature)

Treasurer  
\_\_\_\_\_  
(Title)

August 8, 2017  
\_\_\_\_\_  
(Date)



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Marci Hall  
Treasurer

## CORRECTIVE ACTION PLAN

### *FINDING 2015-005 Child Nutrition Cluster - Reporting*

Contact Person Responsible for Corrective Action: Marci Hall  
Contact Phone Number: 219-474-5184

Views of Responsible Official: We concur with the findings.

#### Description of Corrective Action Plan:

We will review our procedures. Procedures have already been established to verify the monthly claim for reimbursement and the annual report will now be reviewed by the Corporation Treasurer as well.

Anticipated Completion Date: Immediately

Marci Hall  
(Signature)

Treasurer  
(Title)

August 8, 2017  
(Date)



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Superintendent

**Kim Wright**  
Payroll & Personnel

**Marci Hall**  
Treasurer

## CORRECTIVE ACTION PLAN

### ***FINDING 2015-006 Special Education Cluster – Level of Effort – Maintenance of Effort***

Contact Person Responsible for Corrective Action: Marci Hall  
Contact Phone Number: 219-474-5184

Views of Responsible Official: We concur with the findings however have a limited number of employees to verify all aspects of this reporting.

Description of Corrective Action Plan:

We will review our procedures. All efforts will be given to better segregate duties between limited staff and have dual verification of reporting.

Anticipated Completion Date: Immediately.

*Marci Hall*  
(Signature)

Treasurer

(Title)

August 8, 2017

(Date)



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Superintendent

Kim Wright  
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Marci Hall  
Treasurer

## CORRECTIVE ACTION PLAN

### ***FINDING 2015-007 Special Education Cluster – Procurement and Suspension and Debarment***

Contact Person Responsible for Corrective Action: Marci Hall  
Contact Phone Number: 219-474-5184

Views of Responsible Official: We concur with the findings however feel that this finding should only be made a part of the Special Education Cooperative report and not the individual schools that make up that Cooperative.

Description of Corrective Action Plan:  
We will review our procedures.

Anticipated Completion Date: Immediately

  
\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
Treasurer

(Title)

\_\_\_\_\_  
August 8, 2017

(Date)



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Superintendent

Kim Wright  
Payroll & Personnel

Marci Hall  
Treasurer

## CORRECTIVE ACTION PLAN

### ***FINDING 2015-008 Special Education Cluster – Reporting***

Contact Person Responsible for Corrective Action: Marci Hall  
Contact Phone Number: 219-474-5184

Views of Responsible Official: We concur with the findings however have a limited number of employees to verify all aspects of reporting.

#### Description of Corrective Action Plan:

We will review our procedures. All efforts will be given to better segregate duties between limited staff. We will attempt to have dual verification and sign-off on documents.

Anticipated Completion Date: Immediately

  
\_\_\_\_\_  
(Signature)

Treasurer  
\_\_\_\_\_  
(Title)

August 8, 2017  
\_\_\_\_\_  
(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/>.