

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

NEW PRAIRIE UNITED SCHOOL CORPORATION  
LAPORTE COUNTY, INDIANA

July 1, 2016 to June 30, 2018



**FILED**  
04/29/2019



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chief Financial Officer/Treasurer	Kelly Kitchen (Vacant)	07-01-16 to 12-03-16 12-04-16 to 01-10-17
Director of Finance/Treasurer	James Holifield	01-11-17 to 06-30-19
Superintendent of Schools	Dr. Paul White	07-01-16 to 06-30-19
President of the School Board	Richard Shail	07-01-16 to 12-30-19



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE NEW PRAIRIE UNITED SCHOOL  
CORPORATION, LAPORTE COUNTY, INDIANA

**Report on the Financial Statement**

We have audited the accompanying financial statement of the New Prairie United School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2016 to June 30, 2018, 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, 2016 to June 30, 2018.

***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, 2016 to June 30, 2018, 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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, Schedule of Leases and Debt, and Schedule of Capital Assets, 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 March 20, 2019, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

  
Paul D. Joyce, CPA  
State Examiner

March 20, 2019



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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 NEW PRAIRIE UNITED SCHOOL  
CORPORATION, LAPORTE 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 New Prairie United School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2016 to June 30, 2018, and the related notes to the financial statement, and have issued our report thereon dated March 20, 2019, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2018-001 and 2018-002, that we consider 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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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 items 2018-001 and 2018-002.

**New Prairie United School Corporation's Response to Findings**

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

**Purpose of This Report**

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

  
Paul D. Joyce, CPA  
State Examiner

March 20, 2019

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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.

NEW PRAIRIE UNITED SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS,  
OTHER FINANCING SOURCES (USES), AND CASH AND  
INVESTMENT BALANCES - REGULATORY BASIS  
For the Years Ended June 30, 2017 and 2018

Fund	Cash and Investments 07-01-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-18
General	\$ 3,734,585	\$ 19,681,538	\$ 18,914,835	\$ (200,000)	\$ 4,301,288	\$ 20,114,595	\$ 19,487,060	\$ -	\$ 4,928,823
Debt Service	337,574	777,656	697,515	33,771	451,486	937,649	764,329	-	624,806
Exempt Debt	1,676,737	4,753,416	4,019,000	-	2,411,153	4,366,899	2,980,920	-	3,797,132
Exempt Pension Debt	96,035	120,849	142,361	-	74,523	116,434	140,531	-	50,426
Referendum Debt Exempt Capital	-	-	-	-	-	2,624,490	1,763,500	-	860,990
Capital Projects	1,713,230	2,940,245	2,716,090	3,236	1,940,621	4,104,665	4,289,426	112,664	1,868,524
School Transportation	887,371	2,161,707	2,391,830	-	657,248	2,211,478	2,386,275	147,284	629,735
School Bus Replacement	393,613	418,307	444,759	-	367,161	435,196	377,706	-	424,651
Rainy Day	4,696,892	650,694	521,043	-	4,826,543	-	163,747	-	4,662,796
Construction	-	1,218,765	-	-	1,218,765	942,001	2,269,572	-	(108,806)
Construction Technology	-	199,201	-	-	199,201	-	-	-	199,201
School Lunch	758,508	1,314,039	1,444,432	200,000	828,115	1,340,221	1,605,589	-	562,747
Textbook Rental	(192,605)	513,157	672,285	-	(351,733)	471,327	636,860	154,171	(363,095)
Levy Excess	-	147,284	-	-	147,284	-	-	(147,284)	-
Educational License Plates	169	262	-	-	431	169	-	-	600
Literacy Early Intervention Grant	12,000	-	12,000	-	-	-	-	-	-
Literacy Early Intervention 2017-18	-	-	-	-	-	13,416	3,530	-	9,886
School Intervention and Career Counseling	-	30,000	17,331	-	12,669	-	10,716	-	1,953
DuPont Pioneer Grant	-	-	-	-	-	2,000	2,000	-	-
Scholarships and Awards	1,988	1	-	-	1,989	1	-	-	1,990
Miscellaneous Programs	508	-	508	-	-	-	-	-	-
Target Corp Education Grant RP	163	-	-	-	163	-	163	-	-
NPUSC Activity Ctr	38,740	11,774	7,460	-	43,054	643	43,697	-	-
Building Trades NPHS	1,188	-	-	-	1,188	-	945	-	243
NWI Afterschool Network	-	1,500	663	-	837	-	250	-	587
Unity Foundation Literacy 2018	-	-	-	-	-	5,800	-	-	5,800
Arcelor Mittal Grant	-	8,500	-	-	8,500	6,000	12,810	-	1,690
IRTF Grant Olive	500	-	80	-	420	-	-	-	420
ALCOA Robotics FTC 2015	829	1,000	550	-	1,279	4,000	1,279	-	4,000
Robotics Donation	217	-	-	-	217	-	-	-	217
Duneland Health Grant	336	-	340	-	(4)	-	-	-	(4)
Teaching Garden	201	-	-	-	201	-	-	-	201
NPUSC Industrial Tech	-	1,176	309	-	867	-	819	-	48
Bridges Grant Olive Elementary	40	-	40	-	-	-	-	-	-
Alcoa Grant	324	-	-	-	324	-	-	-	324
OTE Action for Healthy Kids	153	-	-	-	153	-	-	-	153
RPE Action for Healthy Kids	305	-	302	-	3	-	-	-	3
Kids for Caring	750	-	-	-	750	-	-	-	750
United Way Success at Six	(4,969)	12,000	7,031	-	-	-	-	-	-
Honeywell Hometown Grant	500	-	-	-	500	-	-	-	500
Confucius Classroom	-	10,000	140	-	9,860	-	2,000	-	7,860
2016 Summer School Enrichment	6,817	8,899	32,444	-	(16,728)	13,281	4,843	-	(8,290)
Corp Donations/Sponsorship	2,200	-	2,200	-	-	-	-	-	-
PV/RP/OTE	166	-	161	-	5	-	-	-	5
HS Misc. Grants/Donations	-	100	-	-	100	-	-	-	100
MS Misc. Grants/Donations	-	915	-	-	915	-	-	-	915
Unity Foundation Grant	112	-	-	-	112	-	-	-	112
Unity Grant MS	491	-	391	-	100	-	60	-	40

NEW PRAIRIE UNITED SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS,  
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INVESTMENT BALANCES - REGULATORY BASIS  
For the Years Ended June 30, 2017 and 2018

Fund	Cash and Investments 07-01-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-18
Mentoring for Success	3,500	-	2,680	-	820	2,200	929	-	2,091
WSBT I Love to Read	4,975	-	4,656	-	319	-	318	-	1
Formative Assessment	173	-	-	-	173	-	-	-	173
Special Education Excess Costs	-	37,867	37,551	-	316	-	-	-	316
IN Preschool Grants	-	-	-	-	-	36,036	36,036	-	-
Drug Free Communities	957	750	157	-	1,550	-	-	-	1,550
MS Lead and Seed	2,747	-	225	-	2,522	-	-	-	2,522
Medicaid Reimbursement	31,891	57,416	36,116	-	53,191	55,994	-	-	109,185
Secured Schools Safety Grant	-	-	30,000	-	(30,000)	-	-	-	(30,000)
Secured Schools Safety Grant 2017-2018	-	-	-	-	-	36,919	42,274	-	(5,355)
Non-English Speaking	7,521	-	7,516	-	5	-	-	-	5
Non-English Speaking Program	-	12,051	9,731	-	2,320	(1,344)	2,322	-	(1,346)
ELL NESP 7/1/17-6/11/18	-	-	-	-	-	13,344	9,285	-	4,059
School Technology	4,104	8,468	11,804	-	768	11,010	-	-	11,778
Career and Technical Performance Grant	-	27,310	17,885	-	9,425	20,189	19,460	-	10,154
Performance Based Awards	-	-	-	-	-	89,530	86,520	-	3,010
Performance Based Awards 2015-2016	-	128,889	128,893	-	(4)	-	-	-	(4)
Healthy From the Start	-	-	-	-	-	156,994	111,627	-	45,367
2015/2016 High Ability Grant	7,490	-	7,490	-	-	-	-	-	-
High Ability Grant 2016-2017	-	38,618	38,618	-	-	-	-	-	-
High Ability Grant 7/1/17-6/30/18	-	-	-	-	-	38,664	24,924	-	13,740
PLTW Biomedical Science	-	-	-	-	-	15,000	15,003	-	(3)
Title I Grant 2015-2016	(53,750)	139,265	85,515	-	-	-	-	-	-
Title I 2016-2017	-	194,220	264,333	-	(70,113)	116,153	46,153	-	(113)
Title I 2017-2018	-	-	-	-	-	192,307	298,040	-	(105,733)
21st Cent Learn Center Title IV 2015-16	(86,941)	106,796	19,879	-	(24)	-	-	-	(24)
21st Cent Learn Center Title IV 2016-17	(3,848)	140,103	223,042	-	(86,787)	111,092	28,052	-	(3,747)
21st Cent Learn Center Title IV 2017-18	-	-	13,721	-	(13,721)	138,992	157,453	-	(32,182)
Title IIA 2014-2016	(7,884)	19,559	11,675	-	-	-	-	-	-
Title IIA 2015-2017	(3,542)	48,986	49,412	-	(3,968)	21,722	17,754	-	-
Title IIA 2016-2018	-	-	-	-	-	32,711	47,073	-	(14,362)
Title IIA 2017-2019	-	-	-	-	-	-	3,651	-	(3,651)
Title III 2014-2015	-	934	934	-	-	-	-	-	-
Title III Limited English 2015-2017	(2,707)	5,424	2,717	-	-	471	-	-	471
Title III 8/31/17-9/30/18	-	-	-	-	-	1,555	2,600	-	(1,045)
School Nutrition Clearing	15,556	32,693	31,646	-	16,603	31,659	27,186	-	21,076
Clearing Fund	(140)	10,662	27,197	-	(16,675)	448,424	431,749	-	-
School Lunch EFT from State	-	732,249	732,249	-	-	760,786	760,786	-	-
School Lunch Payroll Clearing	-	54,901	47,182	-	7,719	91,782	99,501	-	-
Payroll Deductions	(7,727)	4,230,044	4,293,447	-	(71,130)	4,406,484	4,352,911	-	(17,557)
Pro Card Clearing Account	-	-	-	-	-	251,053	252,913	-	(1,860)
Life Insurance Finge Benefits	-	3,360	3,360	-	-	-	-	-	-
<b>Totals</b>	<b>\$ 14,078,043</b>	<b>\$ 41,013,550</b>	<b>\$ 38,185,731</b>	<b>\$ 37,007</b>	<b>\$ 16,942,869</b>	<b>\$ 44,789,992</b>	<b>\$ 43,823,147</b>	<b>\$ 266,835</b>	<b>\$ 18,176,549</b>

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

NEW PRAIRIE UNITED SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

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

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

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

**B. Basis of Accounting**

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

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

**C. Cash and Investments**

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

**D. Receipts**

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

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

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

NEW PRAIRIE UNITED SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

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

**E. Disbursements**

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

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

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

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

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

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

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

**F. Other Financing Sources and Uses**

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

*Proceeds of long-term debt.* Amounts received in relation to the issuance of bonds or other long-term debt issues.

*Sale of capital assets.* Amounts received when land, buildings, or equipment owned by the School Corporation are sold.

NEW PRAIRIE UNITED SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Transfers in.* Amounts received by one fund as a result of transferring money from another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

*Transfers out.* Amounts paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

**G. Fund Accounting**

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for amounts received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the School Corporation. The amounts accounted for in a specific fund may only be available for use for certain, legally-restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and, therefore, the funds cannot be used for any expenditures of the unit itself.

**Note 2. Budgets**

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

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) 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.

NEW PRAIRIE UNITED SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

**Note 5. Risk Management**

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

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

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

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

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

Indiana Public Retirement System  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*Funding Policy and Annual Pension Cost*

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

NEW PRAIRIE UNITED SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*B. Teachers' Retirement Fund*

*Plan Description*

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

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

Indiana Public Retirement System  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 286-3544

*Funding Policy and Annual Pension Cost*

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

*C. Additional Pension Plans*

The School Corporation also contributes to additional pension plans unique to the School Corporation. This includes an annual 1 percent contribution to each certified employee's VEBA fund. Information regarding these plans may be obtained from the School Corporation.

**Note 7. Negative Receipt**

The financial statement contained a negative receipt which was the result of an adjustment for an incorrect entry. This was corrected in the subsequent period.

**Note 8. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of many of the funds being reimbursable grants, with the expenses and reimbursements not taking place during the same period.

NEW PRAIRIE UNITED SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

The Construction fund is reimbursed by a Trust Account for expenditures paid for construction and renovation cost for various school facilities.

The Textbook Rental fund has perpetually maintained a negative balance for years.

The cash balance deficit in the Payroll Deductions fund was due to the setup of the new accounting software.

The cash balance deficit in the Pro Card Clearing Account fund was due to the timing of the funds received from the extra-curricular accounts to pay for the credit card bill.

**Note 9. Holding Corporation**

The School Corporation has entered into capital leases with the New Prairie United School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years ended June 30, 2017 and 2018, totaled \$4,340,500 and \$5,065,000, respectively.

**Note 10. 2016 Referendum Construction Project**

The School Corporation held a Construction Referendum in May 2016 for the purposes of construction/remodeling of existing property. It was successful and the School Corporation completed a bond sale in December 2016 in the amount of \$39,295,000. The construction project is planned for a September 2019 completion.

**Note 11. Other Postemployment Benefit**

The School Corporation provides \$50,000 in term life insurance to eligible retirees until the age of 65. This benefit poses a liability to the School Corporation for this year and in future years. Information regarding the benefit can be obtained by contacting the School Corporation.

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#### OTHER INFORMATION - UNAUDITED

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

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

The other information presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

NEW PRAIRIE UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	General	Debt Service	Exempt Debt	Exempt Pension Debt	Referendum Debt Exempt Capital	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction
Cash and investments - beginning	\$ 3,734,585	\$ 337,574	\$ 1,676,737	\$ 96,035	\$ -	\$ 1,713,230	\$ 887,371	\$ 393,613	\$ 4,696,892	\$ -
Receipts:										
Local sources	4,000	777,656	4,753,416	120,849	-	2,772,446	2,158,837	418,307	650,694	1,218,765
Intermediate sources	18,123	-	-	-	-	-	-	-	-	-
State sources	19,259,517	-	-	-	-	-	-	-	-	-
Federal sources	3,964	-	-	-	-	-	-	-	-	-
Other receipts	395,934	-	-	-	-	167,799	2,870	-	-	-
Total receipts	19,681,538	777,656	4,753,416	120,849	-	2,940,245	2,161,707	418,307	650,694	1,218,765
Disbursements:										
Instruction	12,732,527	-	-	-	-	-	-	-	-	-
Support services	5,579,071	-	-	-	-	1,113,271	2,391,830	444,759	-	-
Noninstructional services	474,863	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	60,464	-	-	-	-	1,602,819	-	-	521,043	-
Debt service	67,910	697,515	4,019,000	142,361	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	18,914,835	697,515	4,019,000	142,361	-	2,716,090	2,391,830	444,759	521,043	-
Excess (deficiency) of receipts over disbursements	766,703	80,141	734,416	(21,512)	-	224,155	(230,123)	(26,452)	129,651	1,218,765
Other financing sources (uses):										
Proceeds of long-term debt	-	33,771	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	3,236	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	(200,000)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(200,000)	33,771	-	-	-	3,236	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	566,703	113,912	734,416	(21,512)	-	227,391	(230,123)	(26,452)	129,651	1,218,765
Cash and investments - ending	\$ 4,301,288	\$ 451,486	\$ 2,411,153	\$ 74,523	\$ -	\$ 1,940,621	\$ 657,248	\$ 367,161	\$ 4,826,543	\$ 1,218,765

NEW PRAIRIE UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
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 For the Year Ended June 30, 2017

	Construction Technology	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	Literacy Early Intervention Grant	Literacy Early Intervention 2017-18	School Intervention and Career Counseling	DuPont Pioneer Grant	Scholarships and Awards
Cash and investments - beginning	\$ -	\$ 758,508	\$ (192,605)	\$ -	\$ 169	\$ 12,000	\$ -	\$ -	\$ -	\$ 1,988
Receipts:										
Local sources	-	735,136	427,537	147,284	-	-	-	30,000	-	1
Intermediate sources	-	-	-	-	262	-	-	-	-	-
State sources	-	17,758	85,620	-	-	-	-	-	-	-
Federal sources	199,201	561,145	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	199,201	1,314,039	513,157	147,284	262	-	-	30,000	-	1
Disbursements:										
Instruction	-	-	115,650	-	-	10,000	-	-	-	-
Support services	-	2,519	556,635	-	-	2,000	-	17,331	-	-
Noninstructional services	-	1,440,563	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	1,350	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	1,444,432	672,285	-	-	12,000	-	17,331	-	-
Excess (deficiency) of receipts over disbursements	199,201	(130,393)	(159,128)	147,284	262	(12,000)	-	12,669	-	1
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	200,000	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	200,000	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	199,201	69,607	(159,128)	147,284	262	(12,000)	-	12,669	-	1
Cash and investments - ending	\$ 199,201	\$ 828,115	\$ (351,733)	\$ 147,284	\$ 431	\$ -	\$ -	\$ 12,669	\$ -	\$ 1,989

NEW PRAIRIE UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	Miscellaneous Programs	Target Corp Education Grant RP	NPUSC Activity Ctr	Building Trades NPHS	NWI Afterschool Network	Unity Foundation Literacy 2018	Arcelor Mittal Grant	IRTF Grant Olive	ALCOA Robotics FTC 2015	Robotics Donation
Cash and investments - beginning	\$ 508	\$ 163	\$ 38,740	\$ 1,188	\$ -	\$ -	\$ -	\$ 500	\$ 829	\$ 217
Receipts:										
Local sources	-	-	8,798	-	1,500	-	8,500	-	1,000	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	2,976	-	-	-	-	-	-	-
Total receipts	-	-	11,774	-	1,500	-	8,500	-	1,000	-
Disbursements:										
Instruction	508	-	6,996	-	-	-	-	80	550	-
Support services	-	-	464	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	663	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	508	-	7,460	-	663	-	-	80	550	-
Excess (deficiency) of receipts over disbursements	(508)	-	4,314	-	837	-	8,500	(80)	450	-
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(508)	-	4,314	-	837	-	8,500	(80)	450	-
Cash and investments - ending	\$ -	\$ 163	\$ 43,054	\$ 1,188	\$ 837	\$ -	\$ 8,500	\$ 420	\$ 1,279	\$ 217

NEW PRAIRIE UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	Duneland Health Grant	Teaching Garden	NPUSC Industrial Tech	Bridges Grant Olive Elementary	Alcoa Grant	OTE Action for Healthy Kids	RPE Action for Healthy Kids	Kids for Caring	United Way Success at Six	Honeywell Hometown Grant
Cash and investments - beginning	\$ 336	\$ 201	\$ -	\$ 40	\$ 324	\$ 153	\$ 305	\$ 750	\$ (4,969)	\$ 500
Receipts:										
Local sources	-	-	1,176	-	-	-	-	-	12,000	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	1,176	-	-	-	-	-	12,000	-
Disbursements:										
Instruction	340	-	309	40	-	-	302	-	7,031	-
Support services	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	340	-	309	40	-	-	302	-	7,031	-
Excess (deficiency) of receipts over disbursements	(340)	-	867	(40)	-	-	(302)	-	4,969	-
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(340)	-	867	(40)	-	-	(302)	-	4,969	-
Cash and investments - ending	\$ (4)	\$ 201	\$ 867	\$ -	\$ 324	\$ 153	\$ 3	\$ 750	\$ -	\$ 500

NEW PRAIRIE UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
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 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	Confucius Classroom	2016 Summer School Enrichment	Corp Donations/ Sponsorship	PV/ RP/ OTE	HS Misc. Grants/ Donations	MS Misc. Grants/ Donations	Unity Foundation Grant	Unit Grant MS	Mentoring for Success	WSBT I Love to Read
Cash and investments - beginning	\$ -	\$ 6,817	\$ 2,200	\$ 166	\$ -	\$ -	\$ 112	\$ 491	\$ 3,500	\$ 4,975
Receipts:										
Local sources	10,000	-	-	-	-	915	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	100	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	8,899	-	-	-	-	-	-	-	-
Total receipts	10,000	8,899	-	-	100	915	-	-	-	-
Disbursements:										
Instruction	140	32,004	-	161	-	-	-	391	2,680	4,656
Support services	-	440	-	-	-	-	-	-	-	-
Noninstructional services	-	-	2,200	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	140	32,444	2,200	161	-	-	-	391	2,680	4,656
Excess (deficiency) of receipts over disbursements	9,860	(23,545)	(2,200)	(161)	100	915	-	(391)	(2,680)	(4,656)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	9,860	(23,545)	(2,200)	(161)	100	915	-	(391)	(2,680)	(4,656)
Cash and investments - ending	\$ 9,860	\$ (16,728)	\$ -	\$ 5	\$ 100	\$ 915	\$ 112	\$ 100	\$ 820	\$ 319

NEW PRAIRIE UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
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 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	Formative Assessment	Special Education Excess Costs	IN Preschool Grants	Drug Free Communities	MS Lead and Seed	Medicaid Reimbursement	Secured Schools Safety Grant	Secured Schools Safety Grant 2017-2018	Non-English Speaking
Cash and investments - beginning	\$ 173	\$ -	\$ -	\$ 957	\$ 2,747	\$ 31,891	\$ -	\$ -	\$ 7,521
Receipts:									
Local sources	-	-	-	750	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	37,867	-	-	-	57,416	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	37,867	-	750	-	57,416	-	-	-
Disbursements:									
Instruction	-	37,551	-	157	225	36,116	-	-	7,516
Support services	-	-	-	-	-	-	30,000	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	37,551	-	157	225	36,116	30,000	-	7,516
Excess (deficiency) of receipts over disbursements	-	316	-	593	(225)	21,300	(30,000)	-	(7,516)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	316	-	593	(225)	21,300	(30,000)	-	(7,516)
Cash and investments - ending	\$ 173	\$ 316	\$ -	\$ 1,550	\$ 2,522	\$ 53,191	\$ (30,000)	\$ -	\$ 5

NEW PRAIRIE UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
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	Non- English Speaking Program	ELL NESP 7/1/17- 6/11/18	School Technology	Career and Technical Performance Grant	Performance Based Awards	Performance Based Awards 2015-2016	Healthy From the Start	2015/2016 High Ability Grant
Cash and investments - beginning	\$ -	\$ -	\$ 4,104	\$ -	\$ -	\$ -	\$ -	\$ 7,490
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	12,051	-	8,468	21,982	-	128,889	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	5,328	-	-	-	-
Total receipts	12,051	-	8,468	27,310	-	128,889	-	-
Disbursements:								
Instruction	9,731	-	-	17,885	-	128,893	-	7,490
Support services	-	-	11,804	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	9,731	-	11,804	17,885	-	128,893	-	7,490
Excess (deficiency) of receipts over disbursements	2,320	-	(3,336)	9,425	-	(4)	-	(7,490)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,320	-	(3,336)	9,425	-	(4)	-	(7,490)
Cash and investments - ending	\$ 2,320	\$ -	\$ 768	\$ 9,425	\$ -	\$ (4)	\$ -	\$ -

NEW PRAIRIE UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
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	High Ability Grant 2016- 2017	High Ability Grant 7/1/17- 6/30/18	PLTW Biomedical Science	Title I Grant 2015-2016	Title I 2016- 2017	Title I 2017- 2018	21st Cent Learn Center Title IV 2015-16	21st Cent Learn Center Title IV 2016-17
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (53,750)	\$ -	\$ -	\$ (86,941)	\$ (3,848)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	38,618	-	-	-	-	-	-	-
Federal sources	-	-	-	139,265	194,220	-	106,796	140,103
Other receipts	-	-	-	-	-	-	-	-
Total receipts	38,618	-	-	139,265	194,220	-	106,796	140,103
Disbursements:								
Instruction	38,618	-	-	79,873	253,235	-	17,129	189,401
Support services	-	-	-	5,449	9,546	-	2,750	32,386
Noninstructional services	-	-	-	193	1,552	-	-	1,255
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	38,618	-	-	85,515	264,333	-	19,879	223,042
Excess (deficiency) of receipts over disbursements	-	-	-	53,750	(70,113)	-	86,917	(82,939)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	53,750	(70,113)	-	86,917	(82,939)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ (70,113)	\$ -	\$ (24)	\$ (86,787)

NEW PRAIRIE UNITED SCHOOL CORPORATION  
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	21st Cent Learn Center Title IV 2017-18	Title IIA 2014-2016	Title IIA 2015-2017	Title IIA 2016-2018	Title IIA 2017-2019	Title III 2014-2015	Title III Limited English 2015-2017	Title III 8/31/17 - 9/30/18
Cash and investments - beginning	\$ -	\$ (7,884)	\$ (3,542)	\$ -	\$ -	\$ -	\$ (2,707)	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	19,559	48,986	-	-	934	5,424	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	19,559	48,986	-	-	934	5,424	-
Disbursements:								
Instruction	12,076	-	-	-	-	934	2,717	-
Support services	1,645	11,675	49,412	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	13,721	11,675	49,412	-	-	934	2,717	-
Excess (deficiency) of receipts over disbursements	(13,721)	7,884	(426)	-	-	-	2,707	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(13,721)	7,884	(426)	-	-	-	2,707	-
Cash and investments - ending	\$ (13,721)	\$ -	\$ (3,968)	\$ -	\$ -	\$ -	\$ -	\$ -

NEW PRAIRIE UNITED SCHOOL CORPORATION  
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 For the Year Ended June 30, 2017

	School Nutrition Clearing	Clearing Fund	School Lunch EFT from State	School Lunch Payroll Clearing	Payroll Deductions	Pro Card Clearing Account	Life Insurance Fringe Benefits	Totals
Cash and investments - beginning	\$ 15,556	\$ (140)	\$ -	\$ -	\$ (7,727)	\$ -	\$ -	\$ 14,078,043
Receipts:								
Local sources	-	-	-	-	-	-	-	14,259,567
Intermediate sources	-	-	-	-	-	-	-	18,385
State sources	-	-	-	-	-	-	-	19,668,286
Federal sources	-	-	-	-	-	-	-	1,419,597
Other receipts	32,693	10,662	732,249	54,901	4,230,044	-	3,360	5,647,715
Total receipts	32,693	10,662	732,249	54,901	4,230,044	-	3,360	41,013,550
Disbursements:								
Instruction	-	-	-	-	-	-	-	13,753,912
Support services	-	-	-	-	-	-	-	10,262,987
Noninstructional services	-	-	-	-	-	-	-	1,921,289
Facilities acquisition and construction	-	-	-	-	-	-	-	2,185,676
Debt service	-	-	-	-	-	-	-	4,926,786
Nonprogrammed charges	31,646	27,197	732,249	47,182	4,293,447	-	3,360	5,135,081
Total disbursements	31,646	27,197	732,249	47,182	4,293,447	-	3,360	38,185,731
Excess (deficiency) of receipts over disbursements	1,047	(16,535)	-	7,719	(63,403)	-	-	2,827,819
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	33,771
Sale of capital assets	-	-	-	-	-	-	-	3,236
Transfers in	-	-	-	-	-	-	-	200,000
Transfers out	-	-	-	-	-	-	-	(200,000)
Total other financing sources (uses)	-	-	-	-	-	-	-	37,007
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,047	(16,535)	-	7,719	(63,403)	-	-	2,864,826
Cash and investments - ending	\$ 16,603	\$ (16,675)	\$ -	\$ 7,719	\$ (71,130)	\$ -	\$ -	\$ 16,942,869

NEW PRAIRIE UNITED SCHOOL CORPORATION  
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	General	Debt Service	Exempt Debt	Exempt Pension Debt	Referendum Debt Exempt Capital	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction
Cash and investments - beginning	\$ 4,301,288	\$ 451,486	\$ 2,411,153	\$ 74,523	\$ -	\$ 1,940,621	\$ 657,248	\$ 367,161	\$ 4,826,543	\$ 1,218,765
Receipts:										
Local sources	8,462	843,740	4,366,899	116,434	2,624,490	2,943,876	2,201,386	435,196	-	879,000
Intermediate sources	44,457	-	-	-	-	-	-	-	-	-
State sources	19,198,228	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	863,448	93,909	-	-	-	1,160,789	10,092	-	-	63,001
Total receipts	20,114,595	937,649	4,366,899	116,434	2,624,490	4,104,665	2,211,478	435,196	-	942,001
Disbursements:										
Instruction	13,155,661	-	-	-	-	-	-	-	-	-
Support services	5,860,724	-	-	-	-	1,293,524	2,386,275	377,706	-	-
Noninstructional services	470,675	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	2,995,902	-	-	163,747	2,269,572
Debt service	-	764,329	2,980,920	140,531	1,763,500	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	19,487,060	764,329	2,980,920	140,531	1,763,500	4,289,426	2,386,275	377,706	163,747	2,269,572
Excess (deficiency) of receipts over disbursements	627,535	173,320	1,385,979	(24,097)	860,990	(184,761)	(174,797)	57,490	(163,747)	(1,327,571)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	266,835	-	-	-	-
Transfers in	-	-	-	-	-	-	147,284	-	-	-
Transfers out	-	-	-	-	-	(154,171)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	112,664	147,284	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	627,535	173,320	1,385,979	(24,097)	860,990	(72,097)	(27,513)	57,490	(163,747)	(1,327,571)
Cash and investments - ending	\$ 4,928,823	\$ 624,806	\$ 3,797,132	\$ 50,426	\$ 860,990	\$ 1,868,524	\$ 629,735	\$ 424,651	\$ 4,662,796	\$ (108,806)

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	Construction Technology	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	Literacy Early Intervention Grant	Literacy Early Intervention 2017-18	School Intervention and Career Counseling	DuPont Pioneer Grant	Scholarships and Awards
Cash and investments - beginning	\$ 199,201	\$ 828,115	\$ (351,733)	\$ 147,284	\$ 431	\$ -	\$ -	\$ 12,669	\$ -	\$ 1,989
Receipts:										
Local sources	-	654,238	387,123	-	-	-	-	-	2,000	1
Intermediate sources	-	-	-	-	169	-	-	-	-	-
State sources	-	17,943	84,204	-	-	-	13,416	-	-	-
Federal sources	-	668,040	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	1,340,221	471,327	-	169	-	13,416	-	2,000	1
Disbursements:										
Instruction	-	-	-	-	-	-	56	-	-	-
Support services	-	483	636,860	-	-	-	3,474	10,716	2,000	-
Noninstructional services	-	1,603,414	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	1,692	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	1,605,589	636,860	-	-	-	3,530	10,716	2,000	-
Excess (deficiency) of receipts over disbursements	-	(265,368)	(165,533)	-	169	-	9,886	(10,716)	-	1
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	154,171	-	-	-	-	-	-	-
Transfers out	-	-	-	(147,284)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	154,171	(147,284)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(265,368)	(11,362)	(147,284)	169	-	9,886	(10,716)	-	1
Cash and investments - ending	\$ 199,201	\$ 562,747	\$ (363,095)	\$ -	\$ 600	\$ -	\$ 9,886	\$ 1,953	\$ -	\$ 1,990

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	Miscellaneous Programs	Target Corp Education Grant RP	NPUSC Activity Ctr	Building Trades NPHS	NWI Afterschool Network	Unity Foundation Literacy 2018	Arcelor Mittal Grant	IRTF Grant Olive	ALCOA Robotics FTC 2015	Robotics Donation
Cash and investments - beginning	\$ -	\$ 163	\$ 43,054	\$ 1,188	\$ 837	\$ -	\$ 8,500	\$ 420	\$ 1,279	\$ 217
Receipts:										
Local sources	-	-	(6,529)	-	-	5,800	6,000	-	4,000	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	7,172	-	-	-	-	-	-	-
Total receipts	-	-	643	-	-	5,800	6,000	-	4,000	-
Disbursements:										
Instruction	-	163	14,691	945	-	-	12,810	-	1,279	-
Support services	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	250	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	29,006	-	-	-	-	-	-	-
Total disbursements	-	163	43,697	945	250	-	12,810	-	1,279	-
Excess (deficiency) of receipts over disbursements	-	(163)	(43,054)	(945)	(250)	5,800	(6,810)	-	2,721	-
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(163)	(43,054)	(945)	(250)	5,800	(6,810)	-	2,721	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 243	\$ 587	\$ 5,800	\$ 1,690	\$ 420	\$ 4,000	\$ 217

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	Duneland Health Grant	Teaching Garden	NPUSC Industrial Tech	Bridges Grant Olive Elementary	Alcoa Grant	OTE Action for Healthy Kids	RPE Action for Healthy Kids	Kids for Caring	United Way Success at Six	Honeywell Hometown Grant
Cash and investments - beginning	\$ (4)	\$ 201	\$ 867	\$ -	\$ 324	\$ 153	\$ 3	\$ 750	\$ -	\$ 500
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-	-	-	-
Disbursements:										
Instruction	-	-	819	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	819	-	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	(819)	-	-	-	-	-	-	-
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(819)	-	-	-	-	-	-	-
Cash and investments - ending	\$ (4)	\$ 201	\$ 48	\$ -	\$ 324	\$ 153	\$ 3	\$ 750	\$ -	\$ 500

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	Confucius Classroom	2016 Summer School Enrichment	Corp Donations/ Sponsorship	PV/ RP/ OTE	HS Misc. Grants/ Donations	MS Misc. Grants/ Donations	Unity Foundation Grant	Unit Grant MS	Mentoring for Success	WSBT I Love to Read
Cash and investments - beginning	\$ 9,860	\$ (16,728)	\$ -	\$ 5	\$ 100	\$ 915	\$ 112	\$ 100	\$ 820	\$ 319
Receipts:										
Local sources	-	-	-	-	-	-	-	-	2,200	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	13,281	-	-	-	-	-	-	-	-
Total receipts	-	13,281	-	-	-	-	-	-	2,200	-
Disbursements:										
Instruction	2,000	4,843	-	-	-	-	-	60	929	318
Support services	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	2,000	4,843	-	-	-	-	-	60	929	318
Excess (deficiency) of receipts over disbursements	(2,000)	8,438	-	-	-	-	-	(60)	1,271	(318)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,000)	8,438	-	-	-	-	-	(60)	1,271	(318)
Cash and investments - ending	\$ 7,860	\$ (8,290)	\$ -	\$ 5	\$ 100	\$ 915	\$ 112	\$ 40	\$ 2,091	\$ 1

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	Formative Assessment	Special Education Excess Costs	IN Preschool Grants	Drug Free Communities	MS Lead and Seed	Medicaid Reimbursement	Secured Schools Safety Grant	Secured Schools Safety Grant 2017-2018	Non-English Speaking
Cash and investments - beginning	\$ 173	\$ 316	\$ -	\$ 1,550	\$ 2,522	\$ 53,191	\$ (30,000)	\$ -	\$ 5
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	36,036	-	-	55,994	-	36,686	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	233	-
Total receipts	-	-	36,036	-	-	55,994	-	36,919	-
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	-	36,036	-	-	-	-	42,274	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	36,036	-	-	-	-	42,274	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	55,994	-	(5,355)	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	55,994	-	(5,355)	-
Cash and investments - ending	\$ 173	\$ 316	\$ -	\$ 1,550	\$ 2,522	\$ 109,185	\$ (30,000)	\$ (5,355)	\$ 5

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 For the Year Ended June 30, 2018

	Non- English Speaking Program	ELL NESP 7/1/17- 6/11/18	School Technology	Career and Technical Performance Grant	Performance Based Awards	Performance Based Awards 2015-2016	Healthy From the Start	2015/2016 High Ability Grant
Cash and investments - beginning	\$ 2,320	\$ -	\$ 768	\$ 9,425	\$ -	\$ (4)	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	(1,344)	13,344	11,010	20,189	89,530	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	156,994	-
Total receipts	(1,344)	13,344	11,010	20,189	89,530	-	156,994	-
Disbursements:								
Instruction	2,322	9,285	-	19,460	86,520	-	106,656	-
Support services	-	-	-	-	-	-	1,600	-
Noninstructional services	-	-	-	-	-	-	3,371	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	2,322	9,285	-	19,460	86,520	-	111,627	-
Excess (deficiency) of receipts over disbursements	(3,666)	4,059	11,010	729	3,010	-	45,367	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,666)	4,059	11,010	729	3,010	-	45,367	-
Cash and investments - ending	\$ (1,346)	\$ 4,059	\$ 11,778	\$ 10,154	\$ 3,010	\$ (4)	\$ 45,367	\$ -

NEW PRAIRIE UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2018

	High Ability Grant 2016- 2017	High Ability Grant 7/1/17- 6/30/18	PLTW Biomedical Science	Title I Grant 2015-2016	Title I 2016- 2017	Title I 2017- 2018	21st Cent Learn Center Title IV 2015-16	21st Cent Learn Center Title IV 2016-17
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ (70,113)	\$ -	\$ (24)	\$ (86,787)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	38,664	15,000	-	-	-	-	-
Federal sources	-	-	-	-	116,153	192,307	-	111,092
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	38,664	15,000	-	116,153	192,307	-	111,092
Disbursements:								
Instruction	-	24,174	15,003	-	44,009	272,918	-	25,902
Support services	-	750	-	-	2,044	25,122	-	2,150
Noninstructional services	-	-	-	-	100	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	24,924	15,003	-	46,153	298,040	-	28,052
Excess (deficiency) of receipts over disbursements	-	13,740	(3)	-	70,000	(105,733)	-	83,040
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	13,740	(3)	-	70,000	(105,733)	-	83,040
Cash and investments - ending	\$ -	\$ 13,740	\$ (3)	\$ -	\$ (113)	\$ (105,733)	\$ (24)	\$ (3,747)

NEW PRAIRIE UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2018

	21st Cent Learn Center Title IV 2017-18	Title IIA 2014-2016	Title IIA 2015-2017	Title IIA 2016-2018	Title IIA 2017-2019	Title III 2014-2015	Title III Limited English 2015-2017	Title III 8/31/17 - 9/30/18
Cash and investments - beginning	\$ (13,721)	\$ -	\$ (3,968)	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	138,992	-	21,722	32,711	-	-	471	1,555
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>138,992</u>	<u>-</u>	<u>21,722</u>	<u>32,711</u>	<u>-</u>	<u>-</u>	<u>471</u>	<u>1,555</u>
Disbursements:								
Instruction	149,237	-	-	-	-	-	-	2,000
Support services	8,216	-	17,754	47,073	3,651	-	-	-
Noninstructional services	-	-	-	-	-	-	-	600
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>157,453</u>	<u>-</u>	<u>17,754</u>	<u>47,073</u>	<u>3,651</u>	<u>-</u>	<u>-</u>	<u>2,600</u>
Excess (deficiency) of receipts over disbursements	<u>(18,461)</u>	<u>-</u>	<u>3,968</u>	<u>(14,362)</u>	<u>(3,651)</u>	<u>-</u>	<u>471</u>	<u>(1,045)</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(18,461)</u>	<u>-</u>	<u>3,968</u>	<u>(14,362)</u>	<u>(3,651)</u>	<u>-</u>	<u>471</u>	<u>(1,045)</u>
Cash and investments - ending	<u>\$ (32,182)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,362)</u>	<u>\$ (3,651)</u>	<u>\$ -</u>	<u>\$ 471</u>	<u>\$ (1,045)</u>

NEW PRAIRIE UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2018

	School Nutrition Clearing	Clearing Fund	School Lunch EFT from State	School Lunch Payroll Clearing	Payroll Deductions	Pro Card Clearing Account	Life Insurance Fringe Benefits	Totals
Cash and investments - beginning	\$ 16,603	\$ (16,675)	\$ -	\$ 7,719	\$ (71,130)	\$ -	\$ -	\$ 16,942,869
Receipts:								
Local sources	-	-	-	-	-	-	-	15,474,316
Intermediate sources	-	-	-	-	-	-	-	44,626
State sources	-	-	-	-	-	-	-	19,628,900
Federal sources	-	-	-	-	-	-	-	1,283,043
Other receipts	31,659	448,424	760,786	91,782	4,406,484	251,053	-	8,359,107
Total receipts	31,659	448,424	760,786	91,782	4,406,484	251,053	-	44,789,992
Disbursements:								
Instruction	-	-	-	-	-	-	-	13,952,060
Support services	-	-	-	-	-	-	-	10,758,432
Noninstructional services	-	-	-	-	-	-	-	2,078,410
Facilities acquisition and construction	-	-	-	-	-	-	-	5,430,913
Debt service	-	-	-	-	-	-	-	5,649,280
Nonprogrammed charges	27,186	431,749	760,786	99,501	4,352,911	252,913	-	5,954,052
Total disbursements	27,186	431,749	760,786	99,501	4,352,911	252,913	-	43,823,147
Excess (deficiency) of receipts over disbursements	4,473	16,675	-	(7,719)	53,573	(1,860)	-	966,845
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	266,835
Transfers in	-	-	-	-	-	-	-	301,455
Transfers out	-	-	-	-	-	-	-	(301,455)
Total other financing sources (uses)	-	-	-	-	-	-	-	266,835
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,473	16,675	-	(7,719)	53,573	(1,860)	-	1,233,680
Cash and investments - ending	\$ 21,076	\$ -	\$ -	\$ 0	\$ (17,557)	\$ (1,860)	\$ -	\$ 18,176,549

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NEW PRAIRIE UNITED SCHOOL CORPORATION  
SCHEDULE OF PAYABLES AND RECEIVABLES  
June 30, 2018

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 56,985</u>	<u>\$ 4,984,398</u>

NEW PRAIRIE UNITED SCHOOL CORPORATION  
SCHEDULE OF LEASES AND DEBT  
June 30, 2018

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Adams Remco	Copier Lease	\$ 26,400	06/01/2015	06/30/2018
Apple Inc 2nd Addendum	Electronic Equipment	457,440	04/24/2017	04/24/2020
New Prairie United School Building Corporation	Refund 2005 Bonds & High School Improvements	1,896,000	06/22/2015	07/15/2021
New Prairie United School Building Corporation	Refund 2006 Bonds, Capital & Technology Upgrades	2,256,000	10/22/2012	01/15/2024
New Prairie United School Building Corporation	Construction and Renovation of Various School Corporation facilities	<u>1,752,750</u>	11/01/2016	01/15/2033
Total of annual lease payments		<u>\$ 6,388,590</u>		

Type	Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	ARRA of 2009 QSCB	\$ 1,145,000	\$ 206,606
General obligation bonds	Improvement Bond New Portion 2015	2,834,500	322,000
General obligation bonds	Issued 2014	1,360,000	225,937
General obligation bonds	Pension Bond	285,000	143,303
Notes and loans payable	Energy Savings Project	<u>570,480</u>	<u>114,096</u>
Totals		<u>\$ 6,194,980</u>	<u>\$ 1,011,942</u>

NEW PRAIRIE UNITED SCHOOL CORPORATION  
 SCHEDULE OF CAPITAL ASSETS  
 June 30, 2018

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

	Ending Balance
Governmental activities:	
Land	\$ 538,136
Infrastructure	1,768,353
Buildings	64,716,132
Improvements other than buildings	1,391,325
Machinery, equipment, and vehicles	7,820,293
Construction in progress	43,000,000
Books and other	<u>275,000</u>
Total capital assets	<u>\$ 119,509,239</u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
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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 NEW PRAIRIE UNITED SCHOOL  
CORPORATION, LAPORTE COUNTY, INDIANA

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

We have audited the New Prairie United School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2016 to June 30, 2018. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. Except as discussed below, we conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Basis for Qualified Opinion on Child Nutrition Cluster***

As described in items 2018-004 and 2018-006 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Allowable Costs/ Cost Principles, Program Income, and Procurement and Suspension and Debarment that were applicable to its Child Nutrition Cluster. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to the program.

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

***Basis for Qualified Opinion on Special Education Cluster (IDEA)***

As described in items 2018-008 and 2018-009 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Allowable Costs/Cost Principles, Cash Management, and Reporting that are applicable to its Special Education Cluster (IDEA). Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

As described in item 2018-009 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with the Special Education Cluster (IDEA) regarding Reporting and Matching, Level of Effort, Earmarking. Consequently, we were unable to determine whether the School Corporation complied with these requirements applicable to the program.

***Qualified Opinion on Child Nutrition Cluster***

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion on Child Nutrition Cluster* paragraph, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Child Nutrition Cluster for the period of July 1, 2016 to June 30, 2018.

***Qualified Opinion on Special Education Cluster (IDEA)***

In our opinion, except for the effects of such noncompliance, if any, as might have been determined had we been able to examine sufficient evidence regarding the School Corporation's compliance with the requirements of the Special Education Cluster (IDEA) regarding Reporting and Matching, Level of Effort, Earmarking described in the *Basis for Qualified Opinion on Special Education Cluster (IDEA)* paragraph, and except for the noncompliance described in the *Basis for Qualified Opinion on Special Education Cluster (IDEA)* paragraph, the School Corporation complied, in all material respects, with the requirements referred to above that could have a direct and material effect on the Special Education Cluster (IDEA) for the period of July 1, 2016 to June 30, 2018.

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2018-005 and 2018-007. 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

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


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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2018-003, 2018-004, 2018-005, 2016-006, 2018-007, 2018-008, and 2018-009, that we consider 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

March 20, 2019

#### 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.

NEW PRAIRIE UNITED SCHOOL CORPORATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2017 and 2018

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17	Passed Through to Subrecipient 06-30-18	Total Federal Awards Expended 06-30-18
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553	FY 2016-2017	\$ -	\$ 115,568	\$ -	\$ -
School Breakfast Program			FY 2017-2018	-	-	-	113,350
Total - School Breakfast Program				-	115,568	-	113,350
National School Lunch Program	Indiana Department of Education	10.555	FY 2016-2017	-	528,546	-	-
National School Lunch Program			FY 2017-2018	-	-	-	551,851
National School Lunch Program - Commodities			FY 2016-2018	-	99,484	-	106,407
Total - National School Lunch Program				-	628,030	-	658,258
Summer Food Service Program for Children	Indiana Department of Education	10.559	FY 2017-2018	-	-	-	4,533
Total - Child Nutrition Cluster				-	743,598	-	776,141
Total - Department of Agriculture				-	743,598	-	776,141
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
Special Education			14216-057-PN01	-	156,420	-	-
Special Education			14217-057-PN01	-	318,418	-	227,614
Special Education			18611-057-PN01	-	-	-	342,093
Total - Special Education Grants to States				-	474,838	-	569,707
Special Education Preschool Grants	Indiana Department of Education	84.173					
Special Education Pre School			45716-057-PN01	-	9,482	-	-
Special Education Pre School			45717-057-PN01	-	3,475	-	22,747
Special Education Pre School			18619-057-PN01	-	-	-	1,031
Total - Special Education Preschool Grants				-	12,957	-	23,778
Total - Special Education Cluster (IDEA)				-	487,795	-	593,485

NEW PRAIRIE UNITED SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Years Ended June 30, 2017 and 2018

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17	Passed Through to Subrecipient 06-30-18	Total Federal Awards Expended 06-30-18
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I 2015-2016			16-4805	-	139,265	-	-
Title I 2016-2017			17-4805	-	194,219	-	116,153
Title I 2017-2018			18-4805	-	-	-	192,307
Total - Title I Grants to Local Educational Agencies				-	333,484	-	308,460
Twenty-First Century Community Learning Centers	Indiana Department of Education	84.287					
21st Century			A58-6-16DL-3059	-	106,796	-	-
21st Century			A58-7-17DL-0057	-	140,103	-	85,746
21st Century			S287C150014	-	-	-	122,974
Total - Twenty-First Century Community Learning Centers				-	246,899	-	208,720
English Language Acquisition State Grants	Indiana Department of Education	84.365					
Title III 2014-2015			FY 2014-2015	-	934	-	-
Title III 2015-2016			FY 2015-2016	-	5,424	-	471
Total - English Language Acquisition State Grants				-	6,358	-	471
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
Title II A 2014-2016			14-4805	-	19,559	-	-
Title II A 2015-2017			15-4805	-	48,986	-	21,721
Title IIA 2016-2018			16-4805	-	-	-	31,258
Total - Supporting Effective Instruction State Grants				-	68,545	-	52,979
Total - Department of Education				-	1,143,081	-	1,164,115
Total federal awards expended				\$ -	\$ 1,886,679	\$ -	\$ 1,940,256

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

NEW PRAIRIE UNITED SCHOOL CORPORATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2017 and 2018. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

The Uniform Guidance requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$750,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

**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 the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received. The School Corporation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 3. South LaPorte County Special Education Cooperative**

The School Corporation is a member of the South LaPorte County Special Education Cooperative (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 Cooperative.

NEW PRAIRIE UNITED SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I - Summary of Auditor's Results**

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	yes

Identification of Major Programs and type of auditor's report issued on compliance for each:

<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
Child Nutrition Cluster	Modified
Special Education Cluster (IDEA)	Modified
Dollar threshold used to distinguish between Type A and Type B programs: \$750,000	
Auditee qualified as low-risk auditee?	no

**Section II - Financial Statement Findings**

**FINDING 2018-001**

Subject: Preparation of the Schedule of Expenditures of Federal Awards  
Audit Findings: Material Weakness, Noncompliance

*Repeat Finding*

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2016-001.

*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).

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(Continued)

The School Corporation failed to properly review the federal grant information prepared and submitted in the Indiana Gateway for Government Units financial reporting system, which was the source of the SEFA. One employee prepared and submitted the federal grant information without proper oversight or review in order to detect and correct errors before submission.

*Context*

Due to the lack of controls, the SEFA presented for audit contained the following errors:

1. The School Breakfast Program expenditures were overstated by \$29,522 for the year ended June 30, 2017, and understated by \$6,383 for the year ended June 30, 2018.
2. The National School Lunch Program expenditures were overstated by \$422,331 and \$5,412 for the years ended June 30, 2017 and 2018, respectively.
3. The Summer Food Service Program for Children expenditures were overstated by \$11,136 and \$130 for the years ended June 30, 2017 and 2018, respectively.
4. The National School Lunch Program - Commodities were overstated by \$8,181 for the year ended June 30, 2017, and understated by \$54,001 for the year ended June 30, 2018.
5. The Special Education Grants to States expenditures were overstated by \$26,420 for the year ended June 30, 2017.
6. The Special Education Preschool Grants expenditures were understated by \$1,484 for the year ended June 30, 2017.
7. The Title I Grants to Local Educational Agencies expenditures were overstated by \$844,614 for the year ended June 30, 2018.
8. The Twenty-First Century Community Learning Centers expenditures were overstated by \$483,487 for the year ended June 30, 2018.
9. The English Language Acquisition State Grants expenditures were overstated \$8,870 for the year ended June 30, 2018.
10. The Supporting Effective Instruction State Grants expenditures were understated by \$7,824 for the year ended June 30, 2017, and overstated by \$123,588 for the year ended June 30, 2018.
11. One federal program did not have the correct federal grantor agency and one federal program did not have the correct program title.

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:

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(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. . . .

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduced here for reference purposes: . . .

- Accurate and timely recording of transactions. . . ."

2 CFR 200.508 states in part: "The auditee must: . . . (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 Financial statements. . . ."

2 CFR 200.510(b) states:

"*Schedule of expenditures of Federal awards.* The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. 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 Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal 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.
- (2) For Federal awards received as a sub recipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must 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. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to sub recipients from each Federal program.

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(Continued)

- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs."

*Cause*

The School Corporation's 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 ensure that federal expenditures will be properly reported 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.

**FINDING 2018-002**

Subject: Financial Transactions and Reporting  
Audit Findings: Material Weakness, Noncompliance

*Condition*

There were several 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 reporting.

*Cash and Investments*

One employee was responsible for ensuring that the School Corporation's ledger was reconciled with the bank depository balances. There was no segregation of duties, such as an oversight or review process.

*Receipts*

One employee recorded receipts without evidence of oversight or review to ensure the accuracy and classification of the receipts to the proper fund and account.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Disbursements*

One employee generated the debt payments without evidence of oversight or review to ensure the accuracy and classification to the proper fund and account. Furthermore, the debt payments were not approved by the governing board.

One employee entered the wages and hours worked for employees into the computerized accounting system without evidence of a proper system of oversight or review to ensure that employees were paid the correct amounts from the proper funds.

*Financial Reporting*

The School Corporation submitted their financial information to the Indiana Department of Education, which is the source for their financial statement. The School Corporation implemented a new financial software system in March 2017. The School Corporation had designed controls over the financial transactions and reporting; however, the controls were not effective. The lack of effective controls allowed errors on the financial statement to remain undetected as follows:

Fund	Receipts Overstatement (Understatement)	Disbursements Overstatement (Understatement)	Ending Balance Overstatement (Understatement)
<u>2016-2017</u>			
General	\$ (166,997)	\$ (128,055)	\$ (38,942)
Exempt Debt	667,218	3,197,123	(2,529,905)
Exempt Pension Debt	301,299	-	301,299
Capital Projects	(329,063)	(45,185)	(283,878)
School Transportation	452,590	-	452,590
School Bus Replacement	(43,421)	-	(43,421)
School Lunch	(69,226)	-	(69,226)
Textbook Rental	(120)	(359)	239
Educational License Plates	(56)	-	(56)
NPUSC Industrial Tech	(176)	-	(176)
2016 Summer School Enrichment	2,970	-	2,970
Secured Schools Safety Grant	30,000	-	30,000
<u>2017-2018</u>			
General	\$ (737,376)	\$ (754,570)	\$ 17,194
Construction	(2,097,765)	(2,097,765)	-
NPUSC Activity Ctr	(7,492)	(7,492)	-
IN Preschool Grants	-	(36,036)	36,036
Secured Schools Safety Grant 2017-2018	(2,667)	(33,769)	31,102
Non-English Speaking Program	2,688	-	2,688
ELL NESP 7/1/17-6/11/18	(5,375)	(3,312)	(2,063)
Healthy From the Start	(156,534)	(78,265)	(78,269)
High Ability Grant 7/1/17-6/30/18	-	(1,146)	1,146
21st Cent Learn Center Title IV 2016-17	(671)	(25,345)	24,674
21st Cent Learn Center Title IV 2017-18	(40,692)	(16,017)	(24,675)
Title IIA 2016-2018	(1,453)	(8,853)	7,400
Title III 8/31/17-9/30/18	-	(1,555)	1,555

NEW PRAIRIE UNITED SCHOOL CORPORATION  
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(Continued)

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

*Context*

The lack of controls was a systemic issue throughout the audit period. The noncompliance regarding financial reporting was a systemic issue throughout the audit period. The noncompliance regarding disbursements was isolated to the debt payments.

*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. . . .

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduced here for reference purposes: . . .

- Accurate and timely recording of transactions. . . ."

Indiana Code 5-11-10-1.6 states in part:

". . . (b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services.

(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;

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(Continued)

- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim. . . ."

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

*Cause*

The School Corporation had not established a proper system of internal control related to cash and investments, receipts, disbursements, and financial reporting.

*Effect*

The failure to establish and properly implement effective controls enabled misstatements or irregularities to remain undetected.

*Recommendation*

We recommended that the School Corporation establish a system of internal controls related to cash and investments, receipts, disbursements, and financial reporting.

*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 2018-003**

Subject: Child Nutrition Cluster - Activities Allowed or Unallowed, Eligibility,  
Special Tests and Provisions - School Food Accounts

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): FY 2016-2017, FY 2017-2018

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Activities Allowed or Unallowed, Eligibility, Special  
Tests and Provisions - School Food Accounts

Audit Finding: Material Weakness

NEW PRAIRIE UNITED SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition*

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

*Activities Allowed or Unallowed*

The School Corporation implemented a new software system in October 2017. An effective internal control system was not properly implemented to ensure that food service employees' payroll, approved by the Food Service Director, was recorded in the School Lunch fund.

*Eligibility*

The School Corporation used a food service software, which automatically made the eligibility determinations dependent upon the information entered into the software. The software vendor entered the federal income guidelines parameters into the food service software system without a proper system of oversight or review by the School Corporation.

*Special Tests and Provisions - School Food Accounts*

A school food account was established for the School Corporation; however, an oversight or review process to ensure that accurate amounts were recorded in the school food account had not been established.

*Context*

The lack of controls was a systemic issue throughout the audit period regarding Eligibility and Special Tests and Provisions - School Food Accounts. The lack of controls over Activities Allowed or Unallowed was a systemic issue throughout the 2017-2018 school year.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

*Cause*

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

NEW PRAIRIE UNITED SCHOOL CORPORATION  
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(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 requirements listed above. 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 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.

***FINDING 2018-004***

Subject: Child Nutrition Cluster - Allowable Costs/Cost Principles, Program Income

Federal Agency: Department of Agriculture

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

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2016-2017, FY 2017-2018

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Allowable Costs/Cost Principles, Program Income

Audit Findings: Material Weakness, Modified Opinion

*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 compliance requirements listed above.

The School Corporation implemented a new software system in October 2017. There was not a properly implemented control, such as an oversight or review process, to ensure that the food service employees' payroll approved by the Food Service Director was recorded in the School Lunch fund.

A process to review the disbursements posted to the School Lunch fund had been established; however, it was not effective. The School Corporation failed to receive prior approval from the federal pass through agency for the purchase of equipment over \$5,000. The purchase of equipment, which included the use of program income funds, totaled \$235,575.

*Context*

The lack of controls and the noncompliance were systemic issues throughout the audit period. Equipment purchased totaled \$235,575, which is 8 percent of program disbursements.

NEW PRAIRIE UNITED SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.439 states in part:

". . . (b) The following rules of allowability must apply to equipment and other capital expenditures: . . .

(2) Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of \$5,000 or more have the prior written approval of the Federal awarding agency or pass-through entity. . . ."

2 CFR 200.307(e) states in part:

"*Use of program income.* If the Federal awarding agency does not specify in its regulations or the terms and conditions of the Federal award, or give prior approval for how program income is to be used, paragraph (e)(1) of this section must apply. . . . When the Federal awarding agency authorizes the approaches in paragraphs (e)(2) and (3) of this section, program income in excess of any amounts specified must also be deducted from expenditures. . . .

(2) *Addition.* With prior approval of the Federal awarding agency (except for IHEs and nonprofit research institutions, as described in paragraph (e) of this section) program income may be added to the Federal award by the Federal agency and the non-Federal entity. The program income must be used for the purposes and under the conditions of the Federal award. . . ."

7 CFR 210.14(a) states:

"*Nonprofit school food service.* School food authorities shall maintain a nonprofit school food service. Revenues received by the nonprofit school food service are to be used only for the operation or improvement of such food service, *except that*, such revenues shall not be used to purchase land or buildings, unless otherwise approved by FNS, or to construct buildings. Expenditures of nonprofit school food service revenues shall be in accordance with the financial management system established by the State agency under § 210.19(a) of this part. School food authorities may use facilities, equipment, and personnel supported with nonprofit school food revenues to support a nonprofit nutrition program for the elderly, including a program funded under the Older Americans Act of 1965 (42 U.S.C. 3001 *et seq.*)."

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(Continued)

7 CFR 220.7(e) states in part:

"Each school food authority approved to participate in the program shall enter into a written agreement with the State agency or the Department through the FNSRO, as applicable, that may be amended as necessary. . . . Such agreements shall provide that the School Food Authority shall, with respect to participating schools under its jurisdiction:

- (1) . . . (ii) In accordance with the financial management system established under § 220.13(i) of this part, use all revenues received by such food service only for the operation or improvement of that food service *Except that*, facilities, equipment, and personnel support with funds provided to a school food authority under this part may be used to support a nonprofit nutrition program for the elderly, including a program funded under the Older Americans Act of 1965 (42 U.S.C. 3001 *et seq.*); . . ."

*Cause*

The School Corporation's management had not developed an effective internal control structure that would have ensured compliance with the grant agreement and the compliance requirements listed above.

*Effect*

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the compliance requirements listed above 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 effective internal controls to ensure compliance and comply with 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.

**FINDING 2018-005**

Subject: Child Nutrition Cluster - Equipment

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): FY 2016-2017, FY 2017-2018

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Equipment and Real Property Management

Audit Findings: Material Weakness, Other Matters

NEW PRAIRIE UNITED SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition*

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

A year-end inventory was prepared by school food service employees at the individual schools. There was not a properly implemented control, such as an oversight or review process, to ensure that the year-end inventory was reconciled to the property records and to ensure that disposals were properly recorded.

Disposals were not properly recorded in the equipment management records. The School Corporation had not requested the disposal instructions from the awarding agency and did not maintain the required information regarding the disposals.

*Context*

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

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.313 states in part:

". . . (d) Management requirements. Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, as a minimum, meet the following requirements:

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years. . . .

(e) Disposition. When original or replacement equipment acquired under a Federal award is no longer needed for the original project or program or for other activities currently or previously supported by a Federal awarding agency, except as otherwise provided in Federal statutes,

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

regulations, or Federal awarding agency disposition instructions, the non-Federal entity must request disposition instructions from the Federal awarding agency if required by the terms and conditions of the Federal award. Disposition of the equipment will be made as follows, in accordance with Federal awarding agency disposition instructions:

- (1) Items of equipment with a current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation to the Federal awarding agency. . . ."

*Cause*

The School Corporation's management had not developed or implemented a system of internal controls that would have ensured compliance with the equipment requirements.

*Effect*

The failure to establish an effective internal control system enabled noncompliance to go undetected. Noncompliance with the grant agreement and 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 Equipment and Real Property 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 2018-006***

Subject: Child Nutrition Cluster - Procurement

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): FY 2016-2017, FY 2017-2018

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Modified Opinion

*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 procurement requirements.

NEW PRAIRIE UNITED SCHOOL CORPORATION  
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(Continued)

The School Corporation did not always obtain price and rate quotes from an adequate number of sources for purchases of goods or services exceeding \$3,500, which fell under the small purchase procedures. The School Corporation also did not document the rationale for the method of procurement, especially when a noncompetitive proposal method was used.

*Context*

The lack of controls was a systemic issue throughout the audit period. The noncompliance was isolated to the vendors tested under the small purchase procedures.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.320 states in part:

"The non-Federal entity must use one of the following methods of procurement. . . ."

- (b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. . . ."

*Cause*

The School Corporation's management had not developed a system of internal controls that would have ensured compliance with the procurement requirements.

*Effect*

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the procurement requirements 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 grant agreement and the Procurement and Suspension and Debarment compliance requirement.

NEW PRAIRIE UNITED SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Views of Responsible Officials*

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

**FINDING 2018-007**

Subject: Twenty-First Century Community Learning Centers - Activities  
Allowed or Unallowed, Allowable Costs/Cost Principles

Federal Agency: Department of Education

Federal Program: Twenty-First Century Community Learning Centers

CFDA Number: 84.287

Federal Award Numbers and Years (Or Other Identifying Numbers): A58-6-16DL-3059, A58-7-17DL-057,  
S287C150014

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Other Matters

*Condition*

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

The School Corporation implemented a new software system in October 2017. There was not a properly implemented control, such as an oversight or review process, to ensure that program employees' payroll approved by the grant manager was recorded in the proper fund.

There was also not an effective control in place to ensure that all expenditures were for allowable activities and allowable costs.

The former Treasurer generated a fictitious invoice and accounts payable voucher for \$4,500 in postage. This improper amount was included in a reimbursement request and was subsequently reimbursed by the grantor agency, and is therefore, considered questioned costs.

*Context*

The lack of controls over payroll was a systemic issue throughout the audit period. The fraudulent disbursement was an isolated incident.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

NEW PRAIRIE UNITED SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

2 CFR 200.403 states in part:

"Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

- (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles. . . .
  
- (g) Be adequately documented. See also §§ 200. 300 Statutory and national policy requirements through 200.309 Period of performance of this part."

*Cause*

The School Corporation's management had not developed a system of internal controls that would have ensured compliance with the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

*Effect*

The failure to establish an effective internal control system enabled noncompliance with the grant agreement and the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

*Questioned Costs*

Known questioned costs of \$4,500 were identified in the *Condition*.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance and comply with the grant agreement and the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

*Views of Responsible Officials*

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

**FINDING 2018-008**

Subject: Special Education Cluster (IDEA) - Allowable Costs/Cost Principles, Cash Management, 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): 14216-057-PN01, 14217-057-PN01, 18611-057-PN01, 45716-057-PN01, 45717-057-PN01, 18619-057-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Allowable Costs/Cost Principles, Cash Management, Reporting

Audit Findings: Material Weakness, Modified Opinion

NEW PRAIRIE UNITED SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition*

The School Corporation was a member of a special education cooperative (Cooperative). The Cooperative operated the special education programs on behalf of the School Corporation and managed the special education grant funds. Because the grant agreements were between the Indiana Department of Education and the School Corporation, the School Corporation was ultimately responsible for compliance with the grant agreement and the compliance requirements.

The School Corporation had not established an effective internal control system related to the grant agreement and the compliance requirements listed above. The Cooperative prepared journal entries when an adjustment or transfer was necessary. One employee prepared the journal entries without a review or oversight process in place.

Health insurance costs were recorded in the grant funds annually. When the Cooperative's new software system was implemented in April 2016, the insurance costs were also recorded in the grant funds during each payroll. This resulted in duplicate health insurance costs recorded and subsequently reimbursed by the grantor agency for the months of April through September 2016. Cooperative officials generated a journal entry to adjust for duplicate costs of \$154,803 on the August 2016 reimbursement request, which covered the months of April through August. Additional duplicate health insurance costs of \$26,616 were requested and reimbursed for September 2016. The duplicate costs for September 2016 were not adjusted on a subsequent reimbursement request.

Reimbursements of allowable expenditures of the 2016 preschool grant were received from the grantor agency. Subsequently, officials determined that the 2015 preschool grant had monies remaining so a portion of the 2016 grant costs were transferred to the 2015 preschool grant fund. School Corporation officials adjusted the 2016 grant reimbursement requests to avoid duplicate reimbursements. However, officials did not adjust the 2016 reimbursement requests for all of the transferred costs. There was an additional \$1,647 not included in an adjusted reimbursement request, which resulted in duplicate costs.

The duplicate costs of \$28,263 detailed above were considered questioned costs.

*Context*

The lack of controls was isolated to the journal entries. The noncompliance was isolated to the insurance costs and preschool grant costs described above.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.402 states: "The total cost of a Federal award is the sum of the allowable direct and allocable indirect costs less any applicable credits."

NEW PRAIRIE UNITED SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

2 CFR 200.403 states in part:

"Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

- (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
- (b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items . . . .
- (g) Be adequately documented. . . ."

2 CFR 200.305(b) states in part:

"For non-Federal entities other than states, payments methods must minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the non- Federal entity whether the payment is made by electronic funds transfer, or issuance or redemption of checks, warrants, or payment by other means. . . .

- (3) Reimbursement is the preferred method when the requirements in paragraph (b) cannot be met, when the Federal awarding agency sets a specific condition per § 200.207 Specific conditions, or when the non-Federal entity requests payment by reimbursement. . . ."

2 CFR 200.302(b) states in part:

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

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

*Cause*

The School Corporation had not developed a system of internal controls that would have ensured compliance with the grant agreement and the compliance requirements listed above.

*Effect*

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

*Questioned Costs*

Known questioned costs of \$28,263 were identified in the *Condition*.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance and comply with the grant agreement and the Allowable Costs/Cost Principles, Cash Management, and Reporting compliance requirements.

NEW PRAIRIE UNITED SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Views of Responsible Officials*

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

**FINDING 2018-009**

Subject: Special Education Cluster (IDEA) - Earmarking, 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): 14216-057-PN01, 14217-057-PN01,  
18611-057-PN01, 45716-057-PN01,  
45717-057-PN01, 18619-057-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Matching, Level of Effort, Earmarking; Reporting

Audit Findings: Material Weakness, Modified Opinion

*Condition*

The School Corporation was a member of a special education cooperative (Cooperative). The Cooperative operated the special education programs on behalf of the School Corporation and managed the special education grant funds. Because the grant agreements were between the Indiana Department of Education and the School Corporation, the School Corporation was ultimately responsible for compliance with the grant agreement and the compliance requirements.

An effective internal control system was not in place at the School Corporation to ensure compliance with the grant agreement and the earmarking and reporting requirements.

The School Corporation had not established an effective review process to ensure that the supporting documentation for earmarking and reporting was retained. The review process did not detect errors in which the final report was not supported by the Cooperative's financial records.

*Earmarking - Non-Public Proportionate Share*

The School Corporation did not ensure that the Cooperative retained the supporting documentation used to calculate the amount of special education and related services that was provided to students in nonpublic schools and facilities; therefore, we were unable to determine compliance with the earmarking requirements.

*Reporting - Proportionate Share Monitoring Reports*

The School Corporation did not ensure that the Cooperative retained the supporting documentation used to report the amount of special education and related services that was provided to students in nonpublic schools and facilities; therefore, we were unable to determine the accuracy of the reports.

*Reporting - Part B (611) Final Report and Part B (619) Final Report*

The Part B (611) Final Report for grant 14216-055-PN01 did not agree with the Cooperative's ledger. The amount reported for certified salaries was understated \$110,500 compared to the ledger, and employee benefits was overstated \$110,350.

NEW PRAIRIE UNITED SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The Part B (619) Final Report for grant 45716-055-PN01 did not agree with the School Corporation's ledger. The amount reported for certified salaries was understated \$2,375 compared to the ledger, and employee benefits was overstated \$2,375.

*Context*

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

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.207(a) states in part: "The Federal awarding agency or pass-through entity may impose additional specific award conditions as needed. . . ."

511 IAC 7-34-7(b) states:

"The public agency, in providing special education and related services to students in nonpublic schools and facilities, must expend at least an amount that is the same proportion of the public agency total subgrant under 20 U.S.C. 1411(f) as the number of nonpublic school students with disabilities, who are enrolled by their parents in nonpublic schools or facilities within its boundaries, is to the total number of students with disabilities of the same age range."

2 CFR 200.302(b) states in part:

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

. . .

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

2 CFR 200.333 states in part:

"Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. . . ."

NEW PRAIRIE UNITED SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

4 CFR 76.730 states:

"A State and a subgrantee shall keep records that fully show:

- (a) The amount of funds under the grant or subgrant;
- (b) How the State or subgrantee uses the funds;
- (c) The total cost of the project;
- (d) The share of that cost provided from other sources; and
- (e) Other records to facilitate an effective audit."

34 CFR 76.731 states: "A State and a subgrantee shall keep records to show its compliance with program requirements."

*Cause*

The School Corporation had not established a proper internal control structure that would have ensured compliance with the grant agreement and the reporting requirements for final reports, and would have ensured that documentation was maintained and available for audit related to the earmarking and reporting requirements for non-public school proportionate share.

*Effect*

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the reporting requirements could have resulted in the loss of federal funds to the School Corporation. Additionally, the failure to retain and provide appropriate supporting documentation prevented the determination of the School Corporation's compliance with the earmarking and reporting requirements related to non-public schools proportionate share.

*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 compliance requirements listed above. Additionally, we recommended that management of the School Corporation establish controls to ensure supporting documentation will be maintained and available for audit.

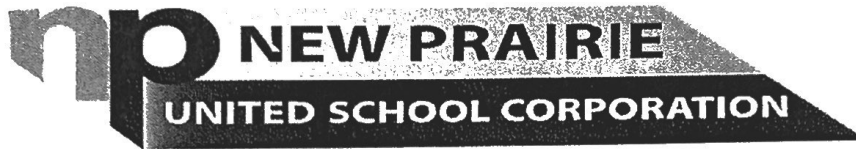
*Views of Responsible Officials*

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

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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.



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

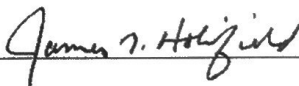
**FINDING 2016-001**

Fiscal year in which the finding initially occurred: 2016  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:  
Contact Person Responsible for Corrective Action: Jim Holifield  
Contact Phone Number: 574-654-0206

Status of Audit Finding:

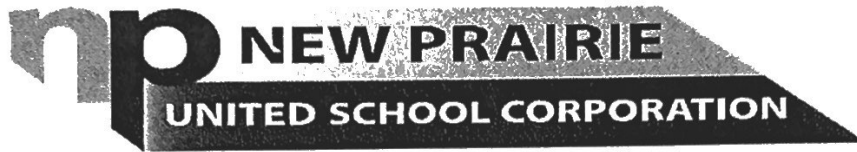
The SEFA is completed by the Director of Finance and then reviewed and approved by Grant Management prior to submission to Indiana Gateway for Governmental Units financial reporting system.

(Effective with 2018-2019 school year)

  
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Director of Finance  
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February 11, 2019  
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

**FINDING 2016-002**

Fiscal year in which the finding initially occurred: 2016  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:  
Contact Person Responsible for Corrective Action: Jim Hollifield  
Contact Phone Number: 574-654-0206

Status of Audit Finding:

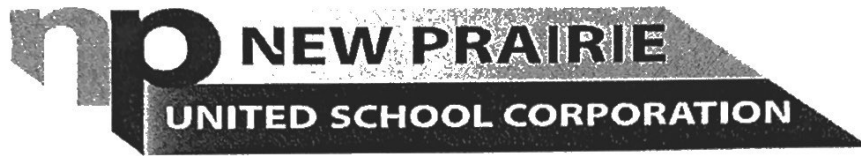
NPUSC Board Policy Guideline #6320A was adopted in 2016 and spells out the internal controls necessary to meet the standards required by the SBOA.

Board claims are reviewed and approved by Director of Finance prior to payments being made. Documentation is retained in NPUSC Central Office.

(Effective January, 2017)

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Director of Finance

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February 11, 2019



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

**FINDING 2016-003**

Fiscal year in which the finding initially occurred: 2016  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE  
Contact Person Responsible for Corrective Action: Jim Holifield  
Contact Phone Number: 574-654-0206

Status of Audit Finding:

All Federal Grant reimbursement requests are prepared by the Grants Management person and are then reviewed and approved by the Director of Finance prior to submission.

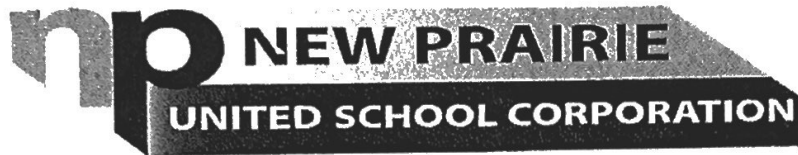
P.O. approval is given by Business Officer personnel through our financial management software after review of compliance with grant requirements (such as SAM compliance). Supporting documentation is added to the P.O. through our financial management software (scan).

(Effective May, 2017)

A handwritten signature in cursive script that reads 'James T. Holifield' is written over a horizontal line.

Director of Finance

February 11, 2019



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

**FINDING 2016-004**

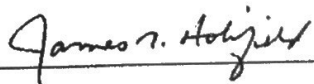
Fiscal year in which the finding initially occurred: 2016  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE  
Contact Person Responsible for Corrective Action: Jim Holifield  
Contact Phone Number: 574-654-0206

Status of Audit Finding:

All Federal Grant reimbursement requests and final expense reports are prepared by the Grants Management person and are then reviewed and approved by the Director of Finance prior to submission.

P.O. approval is given by Business Officer personnel through our financial management software after review of compliance with grant requirements (such as SAM compliance).

(Effective February, 2017)

  
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Director of Finance  
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February 11, 2019  
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

**FINDING 2016-005**

Fiscal year in which the finding initially occurred: 2016  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE  
Contact Person Responsible for Corrective Action: Jim Holifield  
Contact Phone Number: 574-654-0206

Status of Audit Finding:

Title I grant applications are prepared by the Corporation Test Coordinator and then reviewed and approved by the Title I Director, Director of Finance, and Superintendent prior to submission.

Title I comparability report is prepared by the Corporation Test Coordinator and then reviewed and approved by the Title I Director, Director of Finance, and Superintendent prior to submission.

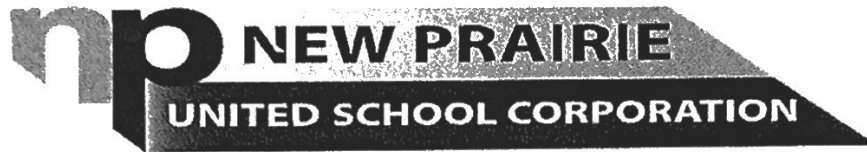
Working copies of the Title I application, Schoolwide Program plan, and subsequent reports (and amendments) are retained in order to demonstrate completion of actions, above.

(Effective February, 2018)

A handwritten signature in cursive script, reading 'James R. Holifield', is written over a horizontal line.

\_\_\_\_\_  
Director of Finance

\_\_\_\_\_  
February 11, 2019



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

**FINDING 2016-006**

Fiscal year in which the finding initially occurred: 2016  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE  
Contact Person Responsible for Corrective Action: Jim Holifield  
Contact Phone Number: 574-654-0206

Status of Audit Finding:

During the 2014-2016 audit, it was discovered that only two year's worth of testing agreements were being maintained (due to a discrepancy in requirement language). Agreements had been executed for five+ years prior to that, but had been destroyed once they were two or more years old. Since that time, agreements will be retained for the required five year period. (We currently, therefore, have three years of records: the two years that were present for the previous audit in January, 2018 and the current year's records.)

A handwritten signature in cursive script that reads 'James N. Holifield' is written over a horizontal line.

Director of Finance

February 11, 2019



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

**FINDING 2016-007**

Fiscal year in which the finding initially occurred: 2016  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE  
Contact Person Responsible for Corrective Action: Mike Hale  
Contact Phone Number: 574-654-0401

Status of Audit Finding:

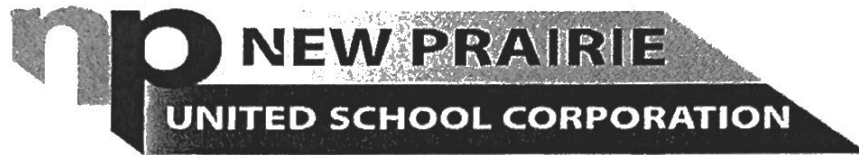
The Record of Meals Served is generated by the cafeteria POS system and printed by the Food Service Director. The Food Service Director then enters the Claim for Reimbursement on-line and prints a hard-copy. The Record of Meals Served and the hard-copy of the Claim for Reimbursement is then given to the Deputy Treasurer for review. The Deputy Treasurer signs the Claim for Reimbursement and returns it to the Food Service Director for filing. (Effective March, 2017)

The School Food Authority (SFA) Verification Collection Report is completed by the Food Service Director's administrative assistant and reviewed/approved by the Food Service Director. (The verification process is split into different parts, with each person verifying, reviewing, and approving the work of the other.)

A handwritten signature in black ink, appearing to be 'mt', is written above a horizontal line.

\_\_\_\_\_  
Director of Food Service

\_\_\_\_\_  
March 4, 2019



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

**FINDING 2016-008**

Fiscal year in which the finding initially occurred: 2016  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE  
Contact Person Responsible for Corrective Action: Jim Holifield  
Contact Phone Number: 574-654-0206

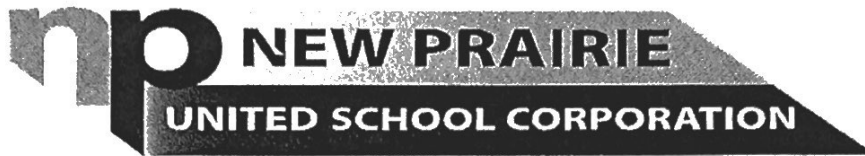
Status of Audit Finding:

Compliance with 21<sup>st</sup> Century Grant Period of Performance requirements are reviewed by the Director of Finance to ensure that expenditures are incurred and expended during the correct period of performance. (Effective February 2018)

A handwritten signature in cursive script, reading 'James P. Holifield', is written over a horizontal line.

Director of Finance

February 11, 2019



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

**FINDING 2016-009**

Fiscal year in which the finding initially occurred: 2016  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE  
Contact Person Responsible for Corrective Action: Jim Holifield  
Contact Phone Number: 574-654-0206

Status of Audit Finding:

Supporting documents for 21<sup>st</sup> Century Grant purchases (including vouchers) are maintained in the Grant Management office (as of February, 2018).

Verification of documentation sufficiency is completed by Business Office personnel at the time of purchase request approval. (as of May 2017).

All adjustments are reviewed and approved by Business Office personnel as part of our financial management software (as of May 2017).

A handwritten signature in cursive script that reads 'James S. Holifield' is written over a horizontal line.

Director of Finance

February 11, 2019



CORRECTIVE ACTION PLAN

**FINDING 2018-001**

Contact Person Responsible for Corrective Action: Jim Holifield  
Contact Phone Number: 574-654-0206

Views of Responsible Official: While some internal controls were put in place in 2017, additional internal controls appear necessary.

Description of Corrective Action Plan:

Prior to submitting the Schedule of Expenditures for Federal Awards (SEFA) in Gateway, the Director of Finance will:

1. Review and gather approval of information related to Food Service (School Breakfast Program, National School Lunch Program, Summer Food Service Program for Children, and National School Lunch Program Commodities) from Food Service Director and document same.
2. Review and gather approval of information related to Special Education (Special Education Grants to States, Special Education Preschool Grants) from CFO of LEA (LaPorte Community School Corporation) and document same.
3. Review and gather approval of Grants (Title I, Title II-A, Title III, Title IV, and 21<sup>st</sup> Century Community Learning Centers) from Grant Coordinator and document same.
4. Grants Manager will review SEFA schedule after it is entered into Gateway by Director of Finance and document same.

Anticipated Completion Date: August, 2019

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

\_\_\_\_\_  
Director of Finance  
(Title)

\_\_\_\_\_  
03/20/2019  
(Date)



CORRECTIVE ACTION PLAN

**FINDING 2018-002**

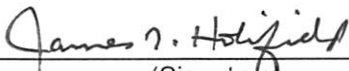
Contact Person Responsible for Corrective Action: Jim Holifield  
Contact Phone Number: 574-654-0206

Views of Responsible Official: The financial management system we put in place in March of 2017 has robust review and approval procedures; further internal controls appear necessary.

Description of Corrective Action Plan:

1. All reports related to Cash and Investments (i.e., bank reconcilements), Receipts, Disbursements, and Financial Reporting will be reviewed and approved by two members of the Business Department and document same.
2. Bank reconcilements will be prepared by Business Office and reviewed by Director of Finance and document same.
3. Receipts will be entered by Business Office and reviewed by Dir. of Finance and document same.
4. Payroll Distribution report will be reviewed by Director of Finance and document same.
5. After Form 9 is submitted by Director of Finance and accepted by IDOE, another member of the Business Office will review and document same.
6. All Debt/Lease payments will be approved by the NPUSC Board of Trustees at time of payment.

Anticipated Completion Date: March, 2019

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

\_\_\_\_\_  
Director of Finance  
(Title)

\_\_\_\_\_  
03/20/2019  
(Date)



**Nutritional Services Department**

Mike Hale, Director

574-654-0401

mikehale@npusc.k12.in.us

**CORRECTIVE ACTION PLAN**

**FINDING: 2018-003**

Contact Person Responsible for Corrective Action: Mike Hale

Contact Phone Number: 574-654-0401

***Activities Allowed or Unallowed***

Views of Responsible Official:

It is the opinion of the Nutritional Services Director (NSD) that although the New World Financial System has numerous internal controls built into its software, it is now apparent that additional controls confirming the use of the pre-existing controls is now necessary.

Description of Corrective Action Plan:

Upon reset of time cards or time card report, the Business Office will produce the Journal Register Report and electronically via email send it to the NSD. The NSD will review the Journal Register Report confirming that all payroll being dispersed from the Lunch Fund (800) account is accurate and only for employees from the Nutritional Services Department. After reviewing the Journal Register Report the NSD will respond to the email using the term **“Approved”** if the NSD agrees with the dispersion or **“Vetoed”** if the NSD finds an issue. Upon veto, the dispersion will be put on hold and the NSD and Business Office will discuss the found issue. Upon the issue being cleared the NSD will approve the vetoed email and dispersion will resume.

Anticipated Completion Date: March 1, 2019

***Eligibility***

Views of Responsible Official:

It is the opinion of the NSD that proper internal controls where not being followed.

Description of Corrective Action Plan:

The NSD will take a screenshot or make a copy of the page inside the eligibility software that indicates the parameters by which eligibility will be determined. The NSD and Nutritional Services Administrative Assistant will review and compare the numbers entered into the software to the federal guidelines for the current school year that will be found and printed from the IDOE website. Upon approval, the individual will initial and date both documents. Upon veto, the individual will return the document for review/revision. Upon revision approval, the documents will be scanned and saved.

Anticipated Completion Date: March 1, 2019

***Special Tests and Provisions - School Food Accounts***

**Views of Responsible Official:**

It is the opinion of the NSD that approval by the School Board was a sufficient internal control with acceptable risk; it is now apparent that additional controls are deemed necessary.

**Description of Corrective Action Plan:**

Upon a monthly review, the NSD will receive the Accounts Payable Invoice report from the Business Office via email. The NSD will review the Accounts Payable Invoice Report confirming that all dispersed funds from the Lunch Fund (800) account are accurate and only for Nutritional Services Department accounts and invoices. After reviewing the Accounts Payable Invoice Report the NSD will respond to the email using the term "***Approved***" if the NSD agrees with the dispersion or "***Vetoed***" if the NSD finds an issue. Upon veto, the Accounts Payable Invoice Report will be put on hold and prevented from being presented to the School Board for approval and the NSD and Business Office will discuss the found issue. Upon the issue being cleared the NSD will approve the vetoed email and approval will resume.

**Anticipated Completion Date:**                      March. 1, 2019



**Mike Hale**  
Nutritional Services Director  
3-20-2019



**Nutritional Services Department**

Mike Hale, Director

574-654-0401

mikehale@npusc.k12.in.us

**CORRECTIVE ACTION PLAN**

FINDING: 2018-004

Contact Person Responsible for Corrective Action: Mike Hale

Contact Phone Number: 574-654-0401

Views of Responsible Official:

It is the opinion of the NSD that the Long Range Equipment Plan was interpreted as approval for purchase. Therefore, proper procedures were not followed.

Description of Corrective Action Plan:

The NSD will establish the following procedure. Before purchases of equipment with a cost of \$5,000 or more, the NSD will Request For Quote(RFQ) from no less than 3 vendors for the unit wanting to be purchased. The NSD and NSD Administrative Assistant will review the RFQ's or failure to respond to RFQ and determine the best unit for the department using price as the highest factor, but not the sole factor, in the process of determining which available quote to use. The NSD will then present a request for purchase form to the IDOE, via email, using the form on the IDOE website. Upon approval of the purchase from the IDOE, the NSD will proceed with the purchase.

Anticipated Completion Date: March 1, 2019

Mike Hale

Nutritional Services Director

3-20-2019



## Nutritional Services Department

Mike Hale, Director

574-654-0401

mikehale@npusc.k12.in.us

### CORRECTIVE ACTION PLAN

#### **FINDING: 2018-005**

Contact Person Responsible for Corrective Action: Mike Hale

Contact Phone Number: 574-654-0401

#### Views of Responsible Official:

It is the opinion of the NSD that proper internal controls were not in place.

#### Description of Corrective Action Plan:

The NSD will establish the following procedure. All disposed or dispersed equipment will be properly documented and approved by IDOE when necessary. The disposal or dispersion will be documented and stored in a file named Equipment Disposal and Discernment and indicate the corresponding school year. If funds are made available through the disposal of surplus equipment, said funds will be deposited into the 800 Fund, per regulatory guidelines. A year-end inventory will be conducted by the site managers and signed. The inventory will indicate the proper location and model number of the equipment. The inventory will be reviewed by the Site Team Lead and initialed. The signed and initialed inventory will be spot reviewed by the NSD and initialed. Upon completion the inventory will be filed with the corresponding school year.

Anticipated Completion Date: March 1, 2019

A handwritten signature in black ink, appearing to read 'Mike Hale', is written above the printed name.

Mike Hale

Nutritional Services Director

3-20-2019



## Nutritional Services Department

Mike Hale, Director

574-654-0401

mikehale@npusc.k12.in.us

### CORRECTIVE ACTION PLAN

#### **FINDING: 2018-006**

Contact Person Responsible for Corrective Action: Mike Hale

Contact Phone Number: 574-654-0401

#### Views of Responsible Official:

It is the opinion of the NSD that proper internal controls were not in place.

#### Description of Corrective Action Plan:

The NSD will establish the following procedure. All Small Purchases will be accompanied by an RFQ that is dispersed to no less than 3 reasonable vendors if three reasonable vendors exist. If more than 1 RFQ is returned the NSD and NSDAA (Administrative Assistant) will review the RFQS and score them. Using a 100 point system in which price is the highest but not sole variable, the NSD will reward the request to the highest scoring bid. All RFQ 's will be filed together along with any supporting documents used to determine the purchase. The review process will be conducted by the NSD and NSDAA and through this review be considered approved. If the purchases exceed established thresholds by the IDOE or NPUSC School Board, the selected RFQ along with any requested supporting documents will be sent to the necessary authority or individual upon at which time an email chain will be established. The chain will indicate: Submitted for Approval and Approved by the proper individuals

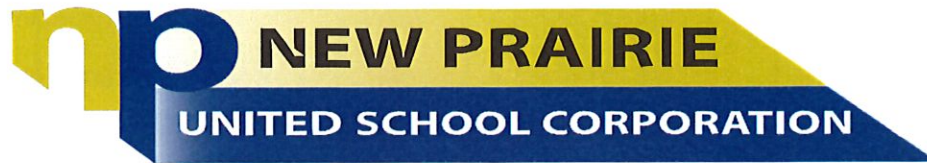
Anticipated Completion Date: March 1, 2019

A handwritten signature in black ink, appearing to read 'Mike Hale', is positioned above the printed name.

Mike Hale

Nutritional Services Director

3-20-2019



CORRECTIVE ACTION PLAN

**FINDING 2018-007**

Contact Person Responsible for Corrective Action: Jim Holifield  
Contact Phone Number: 574-654-0206

Views of Responsible Official: The payroll software system we put in place in October of 2017 has robust review and approval procedures; further internal controls appear necessary.

Description of Corrective Action Plan:

All expenditures related to grant agreements, Activities Allowed/Unallowed, and Allowable Costs/Cost Principles compliance requirements will be reviewed and approved by two members of the NPUSC Business Department (Grants Coordinator and Director of Finance).

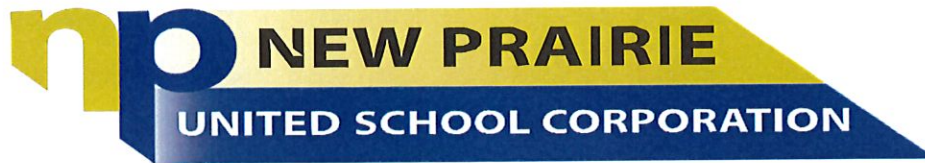
Payroll Distribution report will be reviewed by Director of Finance and document same.

Anticipated Completion Date: March, 2019

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

\_\_\_\_\_  
Director of Finance  
(Title)

\_\_\_\_\_  
03/20/2019  
(Date)



CORRECTIVE ACTION PLAN

**FINDING 2018-008**

Contact Person Responsible for Corrective Action: Jim Holifield  
Contact Phone Number: 574-654-0206

Views of Responsible Official: Additional internal controls are needed beyond what is already in place with our Fiscal Agency (South LaPorte County Special Education Cooperative).

Description of Corrective Action Plan:

We will request (from the Co-Op) the Expenditures/Disbursements documentation regarding insurance and preschool grants; this documentation will be verified to ensure grant compliance.

Anticipated Completion Date: April, 2019

A handwritten signature in black ink that reads "Jim Holifield".

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

\_\_\_\_\_  
Director of Finance  
(Title)

\_\_\_\_\_  
03/20/2019  
(Date)



CORRECTIVE ACTION PLAN

**FINDING 2018-009**

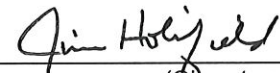
Contact Person Responsible for Corrective Action: Jim Holifield  
Contact Phone Number: 574-654-0206

Views of Responsible Official: Additional internal controls are needed beyond what is already in place with our Fiscal Agency (South LaPorte County Special Education Cooperative).

Description of Corrective Action Plan:

We will request (from the Co-Op) the documentation regarding earmarking and reporting requirements; this documentation will be verified to ensure grant compliance. Supporting documents will be retained and available for audit.

Anticipated Completion Date: April, 2019

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

\_\_\_\_\_  
Director of Finance  
(Title)

\_\_\_\_\_  
03/20/2019  
(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/>.